

CERTIFICATE

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF SURULERE LOCAL GOVERNMENT, IRESAADU FOR THE YEAR ENDED 31ST DECEMBER, 2020

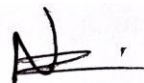
In compliance with the provision of Part VII, Section 66 (Subsections 2, 3 and 5) of Oyo State Local Government Law 2001, Section 5 (Subsection 4) of the State Joint Local Government Account (Distribution) Law 2002 and the provisions of Model Financial Memoranda, the Book of Accounts and General Purpose Financial Statements of Surulere Local Government, Iresaadu for the year ended 31st December, 2020 have been audited.

2. The General Purpose Financial Statements were prepared by the management of Surulere Local Government, Iresaadu and the management is therefore responsible for the contents and the information contained therein.

3. The General Purpose Financial Statements consisting (a) Statement of Financial Position (b) Statement of Financial Performance and (c) Cash Flow Statement were prepared in line with IPSAS Cash.

4. The audit inspection was planned and performed in accordance with the Generally Accepted Auditing Standards. As a result of the audit, I have obtained sufficient evidence to express my opinion. Some projects and programmes were verified in line with the prevailing administrative guidelines.

5. In my opinion and without prejudice to the observations contained in the Audit Inspection Report, the General Purpose Financial Statements showed the true and fair view of the financial transactions of the Local Government for the year 2020.


12/07/21

Olusola Olanrewaju Akinola
Auditor-General for Local Governments.

REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF SURULERE LOCAL GOVERNMENT, IRESAADU FOR THE YEAR ENDED 31ST DECEMBER, 2020

The attached General Purpose Financial Statements of Surulere Local Government, Iresaadu have been examined in accordance with the Oyo State Local Government Law 2001 Part VII Section 66 Sub-sections (2) (3) & (5) and the provisions of Model Financial Memoranda for Local Governments.

2. I have obtained all the information and explanations that I required and in my opinion, the Financial Statements are correct subject to the observations in this Report.

3. REVIEW OF FINANCIAL STATEMENT

a. **STATEMENT OF FINANCIAL POSITION:** The Statement of Financial Position as at 31st December, 2020 contained the following errors.

Items	Amount Shown in the Statement (₦)	Correct Amount (₦)
<u>Assets</u>		
Advances	4,847,401.33	4,847,401.32
<u>Liabilities</u>		
Deposit	151,489,306.21	151,739,087.91

b. **STATEMENT OF FINANCIAL PERFORMANCE:** The Statement of Financial Performance for the year ended 31st December, 2020 contained the following errors.

Items	Amount Shown in the Statement (₦)	Correct Amount (₦)
<u>Expenditure</u>		
Personnel Cost	673,283,718.04	455,591,134.32
Overhead	154,741,390.94	145,555,389.02
Capital	169,037,314.07	169,537,314.07

c. **CASH FLOW STATEMENT:** The Cash flow Statement for the year ended 31st December, 2020 contained the following errors.

Items	Amount Shown in the Statement (₦)	Correct Amount (₦)
<u>OPERATING ACTIVITIES</u>		
Dependent Revenue		
Statutory Special Allocation (FAAC)	978,805,445.12	978,305,445.12
Independent Revenue		
Internally Generated Revenue	14,206,090.18	14,678,658.00
Expenditure Cashflow		
Personnel Emolument Cost	673,283,718.04	455,591,134.32
Overhead Cost	161,314,718.02	145,555,389.02
Capital Project (Purchase/Const)	169,037,314.07	Nil
Total Cash Outflow (Operating Activities)	834,598,102.06	601,146,523.34
<u>INVESTING ACTIVITIES</u>		
Capital Projects (Purchase/Const. of Assets)	Nil	169,537,314.07

4. **AUTHORITY FOR EXPENDITURE:** All expenditures shown in the Statement of Actual Expenditure for the year 2020 have been authorized as provided by Appropriation Law except as explained below.

Audit Query No.LQ/SUL/MA/05/2020:Excess Expenditure Disclosed by the Statement

<u>Economic Code</u>	Final Approved Provision (₦)	Actual Expenditure (₦)	Excess Disclosed (₦)
22021002	Nil	1,750,000.00	1,750,000.00
22020404	100,000.00	950,000.00	850,000.00
22020406	1,620,000.00	1,740,000.00	120,000.00
22020604	7,200,000.00	12,860,000.00	5,660,000.00
2202301	600,000.00	869,100.00	269,100.00
22020603	300,000.00	600,000.00	300,000.00
22021007	Nil	544,000.00	544,000.00
2202120	Nil	730,000.00	730,000.00
22021001	100,000.00	275,000.00	175,000.00
22021030	1,000,000.00	2,045,000.00	1,045,000.00
22020401	100,000.00	1,000,000.00	900,000.00
2205	Nil	5,000.00	5,000.00
22020401	100,000.00	1,000,000.00	900,000.00
22021001	100,000.00	275,000.00	175,000.00

22021030	1,000,000.00	2,045,000.00	1,045,000.00
202010	Nil	92,400.00	92,400.00
22020301	Nil	27,000.00	27,000.00
2202040	Nil	200,000.00	200,000.00
22021029	500,000.00	2,834,000.00	2,334,000.00
Sub Total	12,720,000.00	29,841,500.00	17,121,500.00
Capital			
23020127	Nil	40,000.00	40,000.00
23050102	Nil	1,000,000.00	1,000,000.00
2340105	2,000,000.00	2,150,000.00	150,000.00
23020103	3,000,000.00	5,230,000.00	2,230,000.00
23020112	1,000,000.00	2,100,000.00	1,100,000.00
23030113	22,000,000.00	45,249,069.07	23,249,069.07
Grand Total	40,720,000.00	85,610,569.07	44,890,569.07

5. **UNVOUCHED PAYMENTS:** The Bank Reconciliation Statement prepared as at 31st December, 2020 showed that payments were made without raising Payment Vouchers contrary to the law.

Audit Query No.LQ/SUL/MA/06/2020: Unvouched Payments

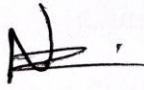
S/N	Date Cheque Issue	Cheque No.	Bank	Amount (₦)	Date Presented
1	22/02/19	1337		6,907.87	
2	08/02/19	353		1,883,398.00	
3	24/02/18	361		6,457.45	
4	14/02/19	17		46,494.50	
5	22/02/19	174		105,000.00	
6	17/04/19	–		46,423.00	
7	18/04/19	00004		357,040.00	
8	25/04/19	000035		14,200.00	
9	02/03/20	–		120,000.00	
				2,585,920.82	

6. In addition to the items shown in paragraph 4 and 5 of this Report, the following expenditures appear contrary to law.

Query No.	Amount (₦)	Details	Reasons
LQ/SUL/MA/01/2020	38,000,000.00	Payment for Min-Stadia for Local Government	Unspecified Receipt and counter spending directive
LQ/SUL/MA/02/2020	50,000,000.00	Payment for Basket Fund to Hospital Management Board	Unspecified Receipt and counter spending directive
LQ/SUL/MA/03/2020	24,493,625.00	Payment made on students sponsored to Technical University, Ibadan	Unspecified Receipt and counter spending directive

7. **DISALLOWANCE:** Allowance of the expenditures detailed in paragraphs 4, 5 and 6 of this report have been reserved pending satisfactory explanation to the queries and/or the sanction of the State Executive Council.

8. **STATE OF ACCOUNTS:** The Accounts of the Local Government have been examined up to 31st December, 2020 and other observations have been forwarded to the Chairman.


 Olusola Olanrewaju Akinola 12/07/21
 Auditor-General for Local Governments.