STATE GOVERNMENT OF OSUN, NIGERIA.

REPORT OF

THE

AUDITOR-GENERAL

FOR

LOCAL GOVERNMENTS

ON THE ACCOUNTS OF

ATAKUNMOSA WEST LOCAL GOVERNMENT

OSU

FOR THE YEAR ENDED

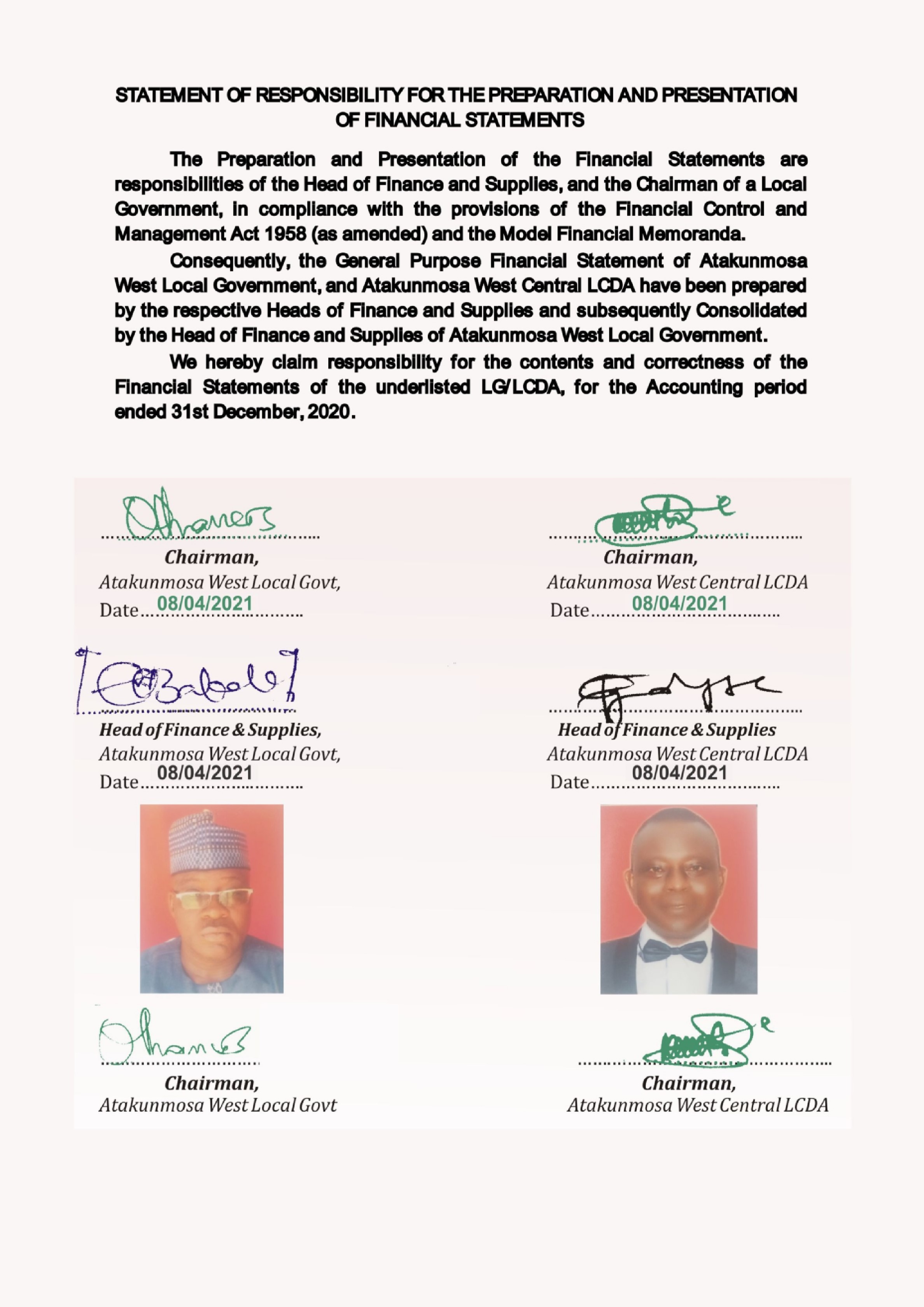
31ST DECEMBER, 2020.

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**LIST OF ABBREVIATIONS**

1. AGLG - AUDITOR-GENERAL FOR LOCAL GOVERNMENTS
2. AO - AREA OFFICE/ADMINISTRATIVE OFFICE
3. FAAC - FEDERATION ACCOUNTS ALLOCATION COMMITTEE
4. F.M - FINANCIAL MEMORANDUM
5. FOR - FISCAL OPERATION REPORT
6. GPFS - GENERAL PURPOSE FINANCIAL STATEMENTS
7. IGR - INTERNALLY GENERATED REVENUE
8. ISSAI - INTERNATIONAL STANDARDS OF SUPREME AUDIT INSTITUTIONS
9. IPSAS - INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARD
10. JAAC - JOINT ACCOUNTS ALLOCATION COMMITTEE
11. LGA - LOCAL GOVERNMENT AREA
12. LCDA -LOCAL COUNCIL DEVELOPMENT AREA
13. LGSC - LOCAL GOVERNMENT SERVICE COMMISSION
14. LGSPB - LOCAL GOVERNMENTS STAFF PENSION BOARD
15. LGLB - LOCAL GOVERNMENT LOANS BOARD
16. NCOA - NATIONAL CHART OF ACCOUNTS
17. NBV - NET BOOK VALUE
18. MLGCA- MINISTRY OF LOCAL GOVERNMENT AND CHIEFTAINCY AFFAIRS
19. PPE - PROPERTY, PLANTS AND EQUIPMENT
20. PSE - PUBLIC SECTOR ENTITIES
21. PHCB - PRIMARY HEALTH CARE BOARD
22. VAT - VALUE ADDED TAX



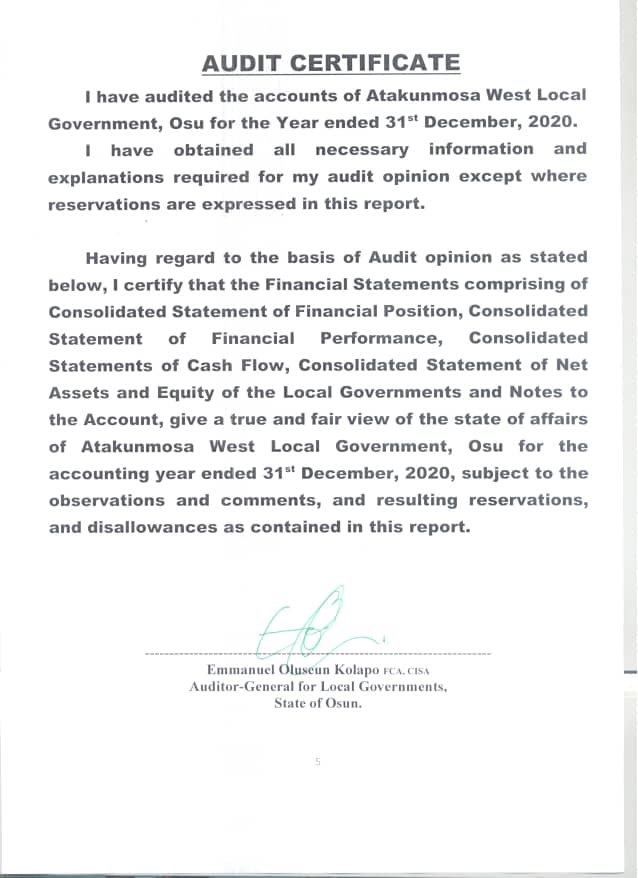
**STATEMENT OF FINANCIAL RESPONSIBILITY**

In compliance with the provisions of Finance Control and Management Act 1958 (as amended), the Model Financial Memoranda (1991 as amended), the Laws of Osun State 2002 (as amended) and with the provisions of the Constitution of the Federal Republic of Nigeria, 1999.

Consequently, the Heads of Finance of main Local Government in the State of Osun are responsible for the preparation of the respective Local Government GPFS as well as with the Financial Statement of LCDA, Area/Administrative offices, as may be applicable.

However, both the Head of Finance and Chairman of a Local Government, (the Accounting Officer) are responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions and Financial Statements give a fair presentation of the financial operations of the Local Government.

The acknowledgment of responsibility for the preparation of Financial Statement signed by Heads of Finance and Chairmen of the Atakunmosa West Local Government and subsidiary LCDAs is attached to this report.

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**STATEMENT OF RESPONSIBILITY OF THE AUDITOR-GENERAL.**

It is my responsibility to Audit the accounts of the Local Governments, the State Joint Local Government Account, and all offices of the Local Government as stipulated by the Laws of Osun State and the Financial Memoranda; and to form an independent opinion based on the Audit of the Financial Statements and accompany notes submitted by the Head of Finance and Supply of Local Governments, the Head of Accounts in the Ministry of Local Governments and various Institutions and all agencies, handling projects and programmes funded by Local Governments in the state.

**BASIS OF AUDIT OPINION**

In the course of auditing the accounts of Local Governments in the State of Osun, I have complied with the requirement and stipulations of the International Standards on Auditing, the Generally Acceptable Auditing Standards, International Standards of Supreme Audit Institutions (ISSAI,) Laws of Osun State, International Public Sector Accounting Standards and Audit Guide of the Office of the Auditor-General for Local Governments, Osun State.

I have conducted Financial and Compliance audit on the Finances of Local Governments and JAAC. Projects and Programmes were reasonably evaluated and verified on the principle of Performance Auditing. All items of Revenue and Expenditure were captured in the course of the Audit and Audit Tests were conducted on procedures, transactions and balances. Consequently 100% Substantive Test was done on all items of Revenue and Expenditure; and Assets and Liabilities, and appropriate Audit Tests of Control were conducted on procedures and transactions.

Where paucity of available Audit resources warranted sampling, objective statistical sampling techniques were applied to ensure representativeness, completeness, relevance, and timeliness in the determination of sampling elements. This ensured reliability of Audit Opinion, giving due recognition to principle of materiality. For example, multi-layered and structural sampling method was applied for verification of numbers and Emoluments of Teaching and Non-Teaching staff of the State Universal Basic Education Board (SUBEB), Staffers of Local Governments and the State Primary Health Care Board.

**STATEMENT OF COMPLIANCE**

The Accounting Policies have been consistently applied on preparation of the Financial Statements of Atakunmosa West Local Government in the year under review. These have been prepared on the basis of Historical Cost and in accordance with IPSAS Accruals and other applicable standards. The Cash Flow Statement was prepared using the Direct Method. The basis of measurement is Naira and kobo which is the functional and reporting currency of the Federal Republic of Nigeria of which Osun State and Atakumosa West Local Governments are constituents.

The accounts of Atakumosa West Local Governments have been audited and reported upon.

Audit noted some instances of non-compliance in the Local Governments, with the due process in revenue collection and payment procedure contrary to the provision of Financial Memoranda and relevant Guidelines. The associated internal control weaknesses have been addressed. The inspection reports (letters of Internal Control weaknesses) for the year 2020 have been issued and forwarded to the appropriate quarters for responses and compliance as required.

The queries were replied and appropriate recommendations were made as contained in the Management letter included.

**STATEMENT OF ACCOUNTING POLICIES**

1. **Basis of Preparation (IPSAS 1)**

The General Purposes Financial Statements were prepared under the historical cost convention and in accordance with IPSAS Accrual Basis and other applicable standards and conventions as may be defined by relevant Statutes.

1. **Accounting Period**

The accounting year (fiscal year) to which the report relates is 1st January to 31st December, 2020.

1. **Reporting Currency**

The General Purposes Financial Statements are prepared in the Nigerian Naira (NGN).

1. **Principal Statements in the General Purposes Financial Statements**
2. Statements of Financial Performance. (Aggregate and Consolidated)
3. Statements of Financial Position. (Aggregate and Consolidated)
4. Statements of Cash flow.(Aggregate and Consolidated)
5. Statementsof Comparison of Budgeted and Actual Amounts (Aggregate and Consolidated)
6. Statements of Changes in Net Asset/Equity. (Aggregate and Consolidated)
7. Notes to the GPFS.
8. Financial Statement of Joint Accounts Allocation Committee (JAAC)
9. **Consolidation Policy- IPSAS 6**

The Heads of Finance of the 69 Local Governments, LCDAs, and A/Cs and A/Os are required to prepare their individual GPFS at the end of the financial year on Accrual Basis of Accounting.

Each Local Government is a creation of the Constitution and none is subservient to the other. However in this situation, there are subsidiary entities such as LCDAs and Area offices, which are consolidated with the main Local Government. Consequentrly, the Heads of Finance of the 30 main Local Governments consolidate the GPFS of their respective main Local Government with the subsidiary LCDAs, AOs, and Ad. Os.

***The duty of the Auditor-General for Local Governments is not to prepare or consolidate Local Governments’ accounts, but to Audit and Aggregate the prepared Financial Statements in line with the Fiscal Operation Report Guideline.***

1. **Statement of Cash Flow** was prepared using the direct method (IPSAS 2) and it consists of Operating, Investing and Financing activities.
2. **Inventories (IPSAS 12) -** Inventories were measured initially at cost, and subsequently measured using the FIFO method.
3. **PROPERTY, PLANT & EQUIPMENT (PPE) – IPSAS 17**

All PPEs were stated at historical cost less accumulated depreciation and impairment losses.

1. **DEPRECIATION**

The cost of PPE shall be written off, from the time they are brought into use, on a straight line basis over their expected useful lives less any estimated residual value as follows:

1. Furniture & Fittings - 20%
2. Motor Vehicle - 20%
3. Plant & Equipment - 20%
4. Infrastructural Asset - 10%
5. Building - 2%
6. Office Equipment - 20%
7. **REVALUATION**
8. The Assets’ residual values and useful lives are reviewed at the end of the year.
9. **IMPAIRMENT**

Test for Impairment are done on Property, Plants and Equipments, where it is suspected that Impairment has occurred.

1. **INVESTMENT PROPERTIES – IPSAS 16**

The Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated the same way as PPE.

1. **INDEPENDENT REVENUE FROM NON-EXCHANGE TRANSACTION (IPSAS 23)**
2. Fees; taxes and fines: The Local Government recognised revenue from fees, taxes, and fines when the event occured, and the asset recognition criteria are met.
3. **OTHER REVENUE**

Other Revenues are proceeds that arise outside the Ordinary course of governmental busineess. These include:

1. Gain on disposal of Property, Plant and Equipment

2. Dsiposal of Investment such as Shares, bond etc

Gain on disposal is recognized at the date of control of the asset is passed to the buyer and is determined after deducting the carrying value of the Asset at that time.

1. **UNREMITTED DEDUCTION**

Unremitted deductions are monies owned to the third parties such as tax authorities, associations and other Government Agencies. These include tax deductions and other deductions at source

This amount shall be stated in GPFS at their repayment value, which shall be treated as current liabilities in the Statement of Financial Position.

**16. RESERVE**

Reserves shall be classified under Equity in the Statement of Financial Position which includes Accumulated Surplus/Deficit and the Additional Reserve.

**17. CONTIGENT LIABILITY IPSAS 19**

Contigent liabilities are only disclosed in the Notes to GPFS. Contingent liability is possible obligation arising from past events whose exigencies will be confirmed only by uncertain future event(s) or present obligation arising from the past events that are not recognized because of either an outflow of economic benefit is not probable or this amount of obligation.

**GENERAL COMMENTS**

I have audited the accounts of Atakunmosa West Local Government, Iperindo for the financial year ended 31st December 2020, as required by Cap 72, Part 10 of the Laws of Osun State 2002, (as amended).

**AUTHORITY FOR DISBURSEMENTS FROM JAAC ACCOUNT:** Disbursements from JAAC accounts were made in consonance with the prescriptions of the House of Assembly while monthly distributions were collectively decided by the Chairmen of Atakunmosa West Local Government and other Chairmen, all of whom were members of the Joint Account Allocation Committee, inclusive of the Chairman of Atakunmosa West Local Government.

**FULL ADOPTION OF IPSAS ACCRUALS:** 2020 GPFS were prepared in compliance with IPSAS Accrual which was fully adopted by Local Governments in the State of Osun in 2017.

The previous accounting training on conversion to IPSAS Accruals, severally sponsored by the EU/SLOGOR, LGSC, SUBEB in collaboration with Office of the Auditor-General for Local Governments, with the approval of Mr. Governor, for upgrades and re-training in 2020 have collectively enhanced the proficiency of operators of Local Government accounts in the State.

**SCOPE OF AUDIT COVERAGE**: The Audit scope has 100% coverage on all aspects of Revenue and Expenditure, as well as verification of Assets and Liabilities including JAAC Accounts. Revenue covered included all Allocations and VAT from the Federation Accounts and other dependent and Independent Revenue sources of the Local Governments while Expenditure covered included all Capital and Recurrent Expenditure Items in all Local Governments, and LCDAs, all centrally executed Projects and programmes of Local Governments, and Statutory remittances to Traditional Councils.

**BUDGET PREPARATION / EXECUTION**

The Budget for 2020 for Atakunmosa West Local Government, Iperindo was prepared in compliance with new National Chart of Accounts. The 2020 Budget was an improvement on the previous Budget of 2019 as some of the obvious shortcomings observed by the Audit have been addressed.

**PROCUREMENT PRACTICES**

Osun State Public Procurement Law 2015 has been in force in line with global best practice. Procurement Officers was posted to the Local Governments and performed his duties. The Audit observed that the Offices need to be strengthened to further assist in promoting sound and transparent procurement practices in the Local Governments.

**VALUATION AND REVALUATION OF ASSETS**

The Office of the Auditor-General for Local Governments embarked on verification exercise on valuation and Revaluation of Assets during the year. This involved constitution of a standing multi-disciplinary team comprising seasoned and qualified professionals in the fields of valuation, engineering, town planning, medicine, etc. and others as were necessary. Consequently, the realism of the values of non-current asset is enhanced for the year under review. The verification exercise is continuous and value of the Local Governments non-current Assets is being updated monthly.

**INTERNALLY REVENUE GENERATION AND FINANCIAL VIABILITY**

The Total Internally Revenue generated by the Local Government for 2020 was N9,407,395.47 representing 0.70% the Total Revenue. More efforts at blocking leakages coupled with adequate research by the relevant unit of the Auditor-General for Local Government on comparative revenue advantages of individual Local Government’s office will assist in curbing this unwholesome situation.

**INTERNAL CONTROL WEAKNESS IN THE LOCAL GOVERNMENT AND RELATED AGENCIES**

At the conclusion of the Audit, 72 nos of Audit Queries were issued in respect of 2020 Accounts, involving a total sum of N1,865,648.80.

Queries were issued in respect of irregularities observed in fund management by beneficiary agencies of transfers from Local Governments fund and this had been forwarded to the respective Accounting Officers for response.

The identified internal control weaknesses, the inherent risks, the management Responses and Audit Recommendations are highlighted in Management Letter contained in this Report.

**COMMENTS ON FINANCIAL STATEMENTS**

1. **STATEMENT OF FINANCIAL PERFORMANCE**

**Share of FAAC and VAT:** The total sum of N944,081,780.74 was Share of FAAC and VAT amounted to N387,387,928.19.

THE CONCEPT OF **DEPENDENT REVENUE.** The term IndependentRevenue or synonymous with Internally Generated Revenue in the IPSAS. However, the term Dependent Revenue is used in proportion in the Report as it depicts the items of Revenue other than Internally Generated Revenue (IGR), i.e. the revenue over which the reporting entirely has no control on its generation or collection.

Essentially the proportion of Dependent Revenue is a measure of the extent of its vulnerability or dependently of the Local Government on finances from sources over which it has no control.

**EXPENDITURE:** As part of the disclosure requirements, expenditures that were Jointly incurred at JAAC level were separately disclosed from those expended at each Local Government Level.

**SUMMARY OF REVENUE FROM JAAC**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **LOCAL GOVERNMENT** | **STATUTORY ALLOCATION** | **VAT** | **EX RATE GAIN** | **FEDERAL GOVT INTERVENTION** | **EXCESS BANK** | **FOREX EQUALISATION** | **ECO** | **ADD FUND FRM SOLID MIN** | **NON-OIL EXCESS REVENUE** | **TOTAL** |
| Atakumosa West | 848,027,663.86 | 387,387,928.19 | 27,510,335.00 | 23,041,979.50 | 698,244.85 | 12,304,805.13 | 19,121,642.71 | 1,422,059.66 | 11,955,050.03 | 1,331,469,708.93 |

**INDEPENDENT REVENUE FROM NON-EXCHANGE TRANSACTION (IPSAS 23)**

Fees; taxes and fines: The Local Government recognised revenue from fees, taxes, and fines when the event occurs, and the asset recognition criteria are met. The Local Government earned and recognised. #9,407,395.47.

**SALARIES AND WAGES – N749,736,666.99**

Salaries and Wages which amounted to N749,736,666.99 comprised of salaries of Staff of the Local Governments, Teaching and Non-Teaching Staff of SUBEB, staff of Local Government Loans Board and the Primary Health Care Board. Salary Payment was centralised in the State of Osun for the year 2020.

**COMMENTS ON ITEMS OF FINANCIAL POSITION**

**CASH AND CASH EQUIVALENTS – 9,324,843.94**

The Aggregate closing cash and cash equivalents amounted to **₦9,324,843.94** for the Local Governments. The Bank Statements and Bank Reconciliation Statements of all Local Governments and Local Government Development Areas as at 31st December, 2020 were verified/examined to ascertain the bank balances. This balance does not include the balance in JAAC account which essentially should be a zero-balance account. Moreover any undistributed amount in the JAAC Account is treated as Receivable to the Local Governments.

**RECEIVABLES - ₦113,923,591.05**

A total sum of N113,923,591.05k was standing as Receivables as at 31st December, 2020. The Receivables include, Revenue Recognised in December 2020 but received in January, 2020 from Joint Allocation Account Committee (JAAC).

**INVENTORIES - ₦4,193,380.00**

The sum of ₦4,193,380.00represents inventories valued at historical cost in the Local Governments as at 31st December, 2020. These include unallocated stores both expendable and non-expendable; and consumable items.

**INVESTMENTS - ₦60,057,085.83**

All the Investments are classified as held-for-sale, while Equity Method is adopted in Recognition and Measurement. Most of the investments were in unquoted companies except for the Preference shares.

**PROPERTY, PLANT AND EQUIPMENT(PPE)**

Items of Property, Plant and Equipment or other Non -Current Assets are stated at Historical Cost Less accumulated Depreciation. Depreciation on Non - Current Assets are calculated to write off cost on valuation in a straight-line basis over the expected useful life on the assets, as follows:

**Particulars Rate%**

Fixture and fitting 20

Motor Vehicle 20

Plant and Equipment 20

Infrastructural Asset 10

Buildings 2

Office Equipment 20

There is need to make adequate provision for depreciation. Accounting for PPE is an area of Audit emphasis where there seems to be a gap in knowledge exhibited by the operators of the Account vis-à-vis expectation.

**PAYABLES - ₦862,032,072.89**

These comprised largely of commitments all over the Local Governments such as allowances, sundry overheads, and unpaid salary and wages, arrears of salaries, unremitted deductions etc. outstanding as at 31stDecember 2020.

**INVESTMENT PROPERTY - ₦38,902,500.00**

The carrying amount of Investment Properties of the Local Governments stood at N38,902,500.00 in the Statement of Financial Position. However, there is no restriction on title or property pledge as securities for liabilities. Straight Line Method of depreciation was applied.

**LONG – TERM BORROWINGS - ₦918,321,671.75**

These are the cumulative amount of various outstanding loans obtained from different sources to finance the under-listed projects:

* 1. Construction of over 10 kilometers of roads, (tagged 10KM roads/Local Government), across all the main Local Governments across the state.
  2. Environmental Projects – includes channelization, chlorinization, etc aimed at preserving lives and environments
  3. Intervention Projects including Grading, access to rural areas, etc..
  4. Repayment of Bail Out

**UNREMITTED DEDUCTIONS - ₦22,108,101.20**

These include deductions received from Joint Accounts Allocation Committee (JAAC) and deposits which ought to have been remitted to the appropriate quarters on or before 31st December, 2020. The management of the Local Councils are hereby advised to ensure that all deposits/deductions received are remitted promptly to avert the possibility of unnecessary accumulation of liabilities on Councils financial position

DISCLOSURES: In the statement of Financial Performance the amounts jointly expended by the Local Government is separated from the amount spent in individual Local Government.

**TRANSFER FROM MAIN COUNCILS TO LOCAL COUNCIL DEVELOPMENT AREA:**

Transfer from main councils to the tune of #39,910,660.04 was made to the Local Council Development Areas and Area Offices in the period under review and was set off in the Consolidated Account.

**IMPAIRMENT - #44,000,000.00**

The impairment for the year stood at #44,000,000.00 which was beyond budgetary provision but observed to have been largely incurred due to the End-SARS Protest.

**ATAKUNMOSA WEST LOCAL GOVERNMENT, OSU**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2020**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **PARTICULAR** |  | **ATAKUMOSA WEST** | **ATAKUMOSA WEST CENTRAL LCDA** | **ATAKUMOSA WEST CONSOLIDATED** |
| **ASSETS** | **NOTE** |  |  |  |
| **Current Assets** |  |  |  |  |
| **Cash & Cash Equivalents** | **1** | 5,497,411.43 | 3,827,432.51 | 9,324,843.94 |
| **Receivables** | **2** | 113,923,591.05 |  | 113,923,591.05 |
| **Prepayment/Advance** | **3** | 2,900,000.00 |  | 2,900,000.00 |
| **Inventories** | **4** | 4,193,380.00 |  | 4,193,380.00 |
| **Total Current Asset** |  | 126,514,382.48 | 3,827,432.51 | 130,341,814.99 |
| **Non Current Asset:** |  |  |  | - |
| **Long Term Loan Granted** |  |  |  | - |
| **Investments** | **5** | 60,057,085.83 |  | 60,057,085.83 |
| **Property, Plant & Equipment** | **6** | 1,095,669,532.26 | 775,560,044.43 | 1,871,229,576.69 |
| **Investment Property** | **7** | 23,341,500.00 | 15,561,000.00 | 38,902,500.00 |
| **Biological Asset** | **8** | 8,055,450.00 |  | 8,055,450.00 |
| **Assets Under Construction (WIP)** | **9** |  |  | - |
| **Total Non-Current Asset** |  | 1,187,123,568.09 | 791,121,044.43 | 1,978,244,612.52 |
| **Total Asset** |  | 1,313,637,950.57 | 794,948,476.94 | 2,108,586,427.51 |
| **LIABILITIES** |  |  |  | - |
| **Current Liabilities:** |  |  |  | - |
| **Deposit** |  |  |  | - |
| **Unremitted Deductions** | **10** | (376,184.28) | 22,484,285.48 | 22,108,101.20 |
| **Short Term Loan & Debts** | **11** |  |  | - |
| **Payables** | **12** | 582,025,145.73 | 280,006,927.16 | 862,032,072.89 |
|  |  |  |  | - |
| **Short Term Provisions** |  |  |  | - |
| **Total Current Liability** |  | 581,648,961.45 | 302,491,212.64 | 884,140,174.09 |
| **Non Current Liabilities:** |  |  |  | - |
| **Long Term Borrowing** | **13** | 529,621,230.52 | 388,700,441.23 | 918,321,671.75 |
| **Total Liabilities** |  | 1,111,270,191.97 | 691,191,653.87 | 1,802,461,845.84 |
| **Net Assets** |  | 202,367,758.60 | 103,756,823.077 | 306,124,581.67 |
| **Financed by** |  |  |  | - |
| **Reserve** | **14** | 542,791,052.73 | 189,030,249.76 | 731,821,302.49 |
| **Net Surplus/Deficit** | **15** | **(340,423,294.13)** | **(85,273,426.69)** | **(425,696,720.82)** |
| **Total** |  | **202,367,738.60** | **103,756,823.07** | **306,124,581.67** |

**ATAKUNMOSA WEST LOCAL GOVERNMENT, OSU**

**CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER 2020**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **PARTICULAR** | **NOTE** | **ATAKUMOSA WEST** | **ATAKUMOSA WEST CENTRAL LCDA** | **ATAKUMOSA WEST CONSOLIDATED** |
| **Government Share of FAAC(Statutory Revenue)** | **16** | **848,027,663.86** |  | 848,027,663.86 |
| **Government Share of VAT** | **17** | **387,387,928.19** |  | 387,387,928.19 |
| **Additional Fund** | **18** | **1,422,059.66** |  | 1,422,059.66 |
| **Revenue Furniture Allowance** | **19** |  |  | - |
| **Ex Rate Gain** | **20** | **27,510,335.00** |  | 27,510,335.00 |
| **Federal Govt Intervention Fund** | **21** | **23,041,979.50** |  | 23,041,979.50 |
| **ECO** | **22** | **19,121,642.71** |  | 19,121,642.71 |
| **Solid Minerals** | **23** |  |  | - |
| **Non-Oil Revenue** | **24** | **11,955,050.03** |  | 11,955,050.03 |
| **Distributable from Goods & Valuables** | 25 |  |  | - |
| **Forex Equalisation** | **26** | **12,304,805.13** |  | 12,304,805.13 |
| **10% IGR** | **27** |  |  | - |
| **Excess Bank Charges** | **28** | **698,244.85** |  | 698,244.85 |
| **Sub-Total Dependent Revenue** | **29** | **1,331,469,708.93** | - | 1,331,469,708.93 |
| **Transfer from Main Council** |  |  | **39,910,660.04** | - |
| **Tax Revenue** | **30** | **830,400.00** | **751,200.00** | 1,581,600.00 |
| **Non-Tax Revenue** | **31** | **6,866,275.00** | **924,029.00** | 7,790,304.00 |
| **Other Income** | **32** |  | **35,491.47** | 35,491.47 |
| **Sub-Total Independent Revenue** | **33** | 7,696,675.00 | 1,710,720.47 | 9,407,395.47 |
| **Total Revenue** | **34** | **1,339,166,383.34** | **41,621,380.51** | 1,340,877,104.40 |
| **EXPENDITURE** |  |  |  | - |
| **JOINTLY EXPENDED** |  |  |  | - |
| **Salaries & Wages** | **34** | **749,736,666.99** |  | 749,736,666.99 |
| **Social Benefits** | **35** | **300,000.00** |  | 300,000.00 |
| **Overhead Cost** | **36** | **18,949,956.52** |  | 18,949,956.52 |
| **Grants & Social Contribution** | **37** | **3,500,000.00** |  | 3,500,000.00 |
| **Transfer to Other Agencies** | **38** | **464,968,381.55** |  | 464,968,381.55 |
| **Allowances** | **39** | **271,388.28** |  | 271,388.28 |
| **Stationaries** |  |  |  | - |
| **Public Debt Charge** |  |  |  |  |
| **L/GOVERNMENT EXPENDITURE** |  |  |  | - |
| **Social Benefits** | **40** | **2,937,200.00** | **1,727,000.00** | 4,664,200.00 |
| **Overhead Cost** | **41** | **30,289,078.34** | **18,350,678.34** | 48,639,756.68 |
| **Grants & Social Contribution** | **42** | **95,219,646.95** | **11,789,281.93** | 107,008,928.88 |
| **Depreciation** | **43** | **187,006,502.36** | **102,215,311.99** | 289,221,814.35 |
| **Transfer to LCDA** | **44** | **39,910,660.04** |  | - |
| **Unpaid Contract** |  |  |  | - |
| **Legal Fees** |  |  |  | - |
| **Allowances** | **45** | **9,417,389.40** | **3,571,000.00** | 12,988,389.40 |
| **Stationaries** |  |  |  | - |
| **Assets Devaluation** | **46** |  |  | - |
| **Impairment** | **47** | **44,000,000.00** |  | 44,000,000.00 |
| **Tax Expenses** |  |  |  |  |
| **Bail-Out Repayment** |  |  |  | - |
| **Audit Fees** |  |  |  | - |
| **Stabilization Fund** | **48** |  |  | - |
| **Revenue Refunded** |  |  |  |  |
| **Total Expenditures** |  | 1,646,506,870.43 | 137,653,272.26 | 1,744,249,482.65 |
| **Net Surplus/Deficit** | **49** | (307,340,486.50) | (96,031,891.75) | (403,372,378.25) |
| **Net Surplus/Deficit 31/12/2019** |  | **(33,082,807.63)** | **10,758,465.06** | (22,324,342.57) |
| **Net Surplus/Deficit 31/12/2020** | **50** | (340,423,294.13) | (85,273,426.69) | (425,696,720.82) |

**ATAKUNMOSA WEST LOCAL GOVERNMENT, OSU**

**CONSOLIDATED STATEMENT OF CASHFLOW AS AT 31ST DECEMBER 2020**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Operating Activities** | **NOTE** | **ATAKUMOSA WEST** | **ATAKUMOSA WEST CENTRAL LCDA** | **ATAKUMOSA WEST CONSOLIDATED** |
| **INFLOW** |  |  |  |  |
| **Statutory Revenue(JAAC)** | **51** | 915,203,279.80 |  | 915,203,279.80 |
| **Value Added Tax** | **52** | 341,333,455.21 |  | 341,333,455.21 |
| **Additional Fund** | **53** | 1,422,059.66 |  | 1,422,059.66 |
| **Furniture Allowance** |  |  |  | - |
| **Exchange Rate Gain** | **54** | 26,888,835.05 |  | 26,888,835.05 |
| **Others(Augmentation** |  |  |  | - |
| **Federal Govt Intervention Fund** | **55** | 23,041,979.50 |  | 23,041,979.50 |
| **Excess Crude Oil** | **56** | 19,121,642.71 |  | 19,121,642.71 |
| **Solid Minerals** |  |  |  | - |
| **Non-Oil Revenue** | **57** | 11,955,050.03 |  | 11,955,050.03 |
| **Distributable Good & Valuable** |  |  |  | - |
| **Forex Equalisation** | **58** | 11,201,151.01 |  | 11,201,151.01 |
| **10% IGR** |  |  |  | - |
| **Excess Bank Charges** | **59** | 698,244.85 |  | 698,244.85 |
| **Sub Total Dependent Revenue** |  | 1,350,865,697.82 |  | 1,350,865,697.82 |
| **Tax Revenue** | **60** | 830,400.00 | 751,200.00 | 1,581,600.00 |
| **Non-Tax Revenue** | **61** | 6,866,275.00 | 924,029.00 | 7,790,304.00 |
| **Aids and Grants** |  |  |  | - |
| **Overpayment Recovery** |  |  |  | - |
| **Transfer from Main Council** | **62** |  | 39,910,660.04 | - |
| **Soft Loan** |  |  |  |  |
| **Asset Disposal Revenue** |  |  |  |  |
| **Other Income** |  |  | 35,491.47 | 35,491.47 |
| **Sub Total Independent Revenue** |  | 7,696,675.00 | 41,621,380.51 | 9,407,395.47 |
| **Total Inflow Operating Activities** |  | **1,358,562,372.82** | **41,621,380.51** | **1,360,273,093.29** |
| **OUTFLOW** |  |  |  | - |
| **Salaries & Wages** | **63** | 674,581,919.91 |  | 674,581,919.91 |
| **Overheads Cost** | **64** | 47,463,377.93 | 1,710,720.47 | 65,814,056.27 |
| **Allowances** | **65** | 9,666,161.99 | 3,571,000.00 | 13,237,161.99 |
| **Social Benefits** | **66** | 3,237,200.00 | 1,727,000.00 | 4,964,200.00 |
| **Social Contributions** | **66** | 95,219,646.95 | 11,789,281.93 | 107,008,928.88 |
| **Transfer to LCDA** | **67** | 39,910,660.04 |  | - |
| **Audit Fee** |  |  |  | - |
| **Transfer to Other Govt Agencies** | **68** | 462,996,749.18 |  | 462,996,749.18 |
| **OHIS** |  |  |  | - |
| **Contingent Liabilities Paid** |  |  |  |  |
| **Revenue Refunded** |  |  |  |  |
| **Total Outflow from Operating Activities** |  | **1,333,075,716.00** | **35,437,960.27** | **1,328,603,016.23** |
| **Net Cashflow from Operating Activities** |  | **25,486,656.82** | **6,183,420.24** | **31,670,077.06** |
| **INVESTING ACTIVITIES** |  |  |  | - |
| **Total Inflow from Investing Activities** |  |  |  | - |
| **CashFlow from Investing Activities:** |  |  |  | - |
| **Administrative Sector** |  | - | - | - |
| **Economic Sector** |  | 20,918,000.00 | 7,270,000.00 | 28,188,000.00 |
| **Total Outflow from Investing Activites** |  | 20,918,000.00 | 7,270,000.00 | 28,188,000.00 |
| **Net Cashflow from Investing Activities** |  | (20,918,000.00) | (7,270,000.00) | (28,188,000.00) |
| **Inflow from Financing Activities** |  |  |  | - |
| **Bank Overdraft** | **69** |  |  | - |
| **Total Inflow from Financing Activities** |  | - | - | - |
| **OUTFLOW(REPAYMENT)** |  |  |  | - |
| **Bail-Out Repayment** | **70** | 13,671,440.90 |  | 13,671,440.90 |
| **10km Road** | **71** | 28,274,679.12 |  | 28,274,679.12 |
| **Water Project** |  |  |  | - |
| **Enviromental Sanitation Loan** | **72** | 3,886,086.72 |  | 3,886,086.72 |
| **Loan Repayment (Inherited)** |  |  |  | - |
| **Bank Loan** |  |  |  | - |
| **Intervention Loan** | **73** | 4,862,936.40 |  | 4,862,936.40 |
| **Total Outflow from Financing Activities** |  | **50,695,143.14** | **-** | **50,695,143.14** |
| **Net Cashflow from Financing Activities** | **74** | **(50,695,143.14)** | **-** | **(50,695,143.14)** |
| **Cash and Cash Equivalent for the year** |  | **(46,126,486.32)** | **(1,086,579.76)** | **(47,213,066.08)** |
| **Cash and Cash Equivalent 01/01/2020** |  | **51,623,897.75** | **4,914,012.27** | **56,537,910.02** |
| **Cash and Cash Equivalent 31/12/2020** | **75** | **5,497,411.43** | **3,827,432.51** | **9,324,843.94** |

**ATAKUNMOSA WEST LOCAL GOVERNMENT, OSU**

**CONSOLIDATED STATEMENT OF COMPARSIM OF BUDGET AND ACTUAL AS AT 31ST DECEMBER 2020**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **ATAKUNMOSA WEST** | | | **ATAKUNMOSA WEST CNETRAL** | | | **ATAKUNMOSA WEST CONSOLIDATED** | | |
| **PARTICULAR** | **NOTE** | **ACTUAL** | **FINAL BUDGET** | **VARIANCE** | **ACTUAL** | **FINAL BUDGET** | **VARIANCE** | **ACTUAL** | **FINAL BUDGET** | **VARIANCE** |
| **Government Share of FAAC(Statutory Revenue)** |  | 848,027,643.86 | 1,370,375,120.38 | (522,347,476.52) |  | 456,791,706.80 | (456,791,706.80) | **848,027,663.86** | **1,827,166,827.18** | **(979,139,163.32)** |
| **Government Share of VAT** |  | 387,387,928.19 | 225,000,000.00 | 162,387,928.19 |  | 75,000,000.00 | (75,000,000.00) | **387,387,928.19** | **300,000,000.00** | **87,387,928.19** |
| **Additional Fund** |  | 1,422,059.66 | - | 1,422,059.66 |  |  | - | **1,422,059.66** | **-** | **1,422,059.66** |
| **Exchange Rate Gain** |  | 27,510,335.00 | - | 27,510,335.00 |  |  | - | **27,510,335.00** |  | **27,510,335.00** |
| **Forex Equalisation** |  | 12,304,805.13 |  | 12,304,805.13 |  |  | - | **12,304,805.13** | **-** | **12,304,805.13** |
| **Augmentation** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **ECO** |  | 19,121,642.71 | 90,000,000.00 | (70,878,357.29) |  | 30,000,000.00 | (30,000,000.00) | **19,121,642.71** | **120,000,000.00** | **(100,878,357.29)** |
| **Federal Govt Intervention Fund** |  | 23,041,979.50 | - | 23,041,979.50 |  | - | - | **23,041,979.50** | **-** | **23,041,979.50** |
| **Non-Oil Revenue** |  | 11,955,050.03 | - | 11,955,050.03 |  | - | - | **11,955,050.03** | **-** | **11,955,050.03** |
| **Excess Bank Charges** |  | 698,244.85 | - | 698,244.85 |  | - | - | **698,244.85** | **-** | **698,244.85** |
| **Sub-Total Dependent Revenue** |  | **1,331,469,708.93** | **1,685,375,120.38** | **(353,905,411.45)** | **-** | **561,791,706.80** | **(561,791,706.80)** | **1,331,469,708.93** | **2,247,166,827.18** | **(915,697,118.25)** |
| **Transfer from Main Council** |  | **-** | **-** | **-** | **39,910,660.04** |  | **39,910,660.04** |  |  |  |
| **Tax Revenue** |  | 830,400.00 | 2,550,000.00 | (1,719,600.00) | 751,200.00 | 850,000.00 | (98,800.00) | **1,581,600.00** | **3,400,000.00** | **(1,818,400.00)** |
| **Non-Tax Revenue** |  | 6,866,275.00 | 19,125,000.00 | (12,258,725.00) | 924,029.00 | 6,375,000.00 | (5,450,971.00) | **7,790,304.00** | **25,500,000.00** | **(17,709,696.00)** |
| **Other Income** |  |  |  | - | 35,491.47 |  | 35,491.47 | **35,491.47** | **-** | **35,491.47** |
| **Sub-Total Independent Revenue** |  | **7,696,675.00** | **21,675,000.00** | **(13,978,325.00)** | **1,710,720.47** | **7,225,000.00** | **(5,514,279.53)** | **9,407,395.47** | **28,900,000.00** | **(19,492,604.53)** |
| **Total Revenue** |  | **1,339,166,363.93** | **1,707,050,120.38** | **(367,883,736.45)** | **41,621,380.51** | **569,016,706.80** | **(527,395,326.29)** | **1,340,877,104.40** | **2,276,066,827.18** | **(895,279,062.74)** |
| **EXPENDITURE** |  |  |  |  |  |  |  | **-** | **-** | **-** |
| **JOINTLY EXPENDED** |  |  |  |  |  |  |  | **-** | **-** | **-** |
| **Salaries & Wages** |  | 749,736,666.99 | 289,955,925.00 | (459,780,741.99) | - | 96,651,975.00 | 96,651,975.00 | **749,736,666.99** | **386,607,900.00** | **(363,128,766.99)** |
| **Social Benefits** |  | 300,000.00 |  | (300,000.00) |  | - | - | **300,000.00** | **-** | **(300,000.00)** |
| **Overhead Cost** |  | 18,949,956.52 |  | (18,949,956.52) |  | - | - | **18,949,956.52** | **-** | **(18,949,956.52)** |
| **Grants & Social Contribution** |  | 3,500,000.00 |  | (3,500,000.00) |  | - | - | **3,500,000.00** | **-** | **(3,500,000.00)** |
| **Transfer to Other Agencies** |  | 464,968,381.55 |  | (464,968,381.55) |  | - | - | **464,968,381.55** | **-** | **(464,968,381.55)** |
| **Allowances** |  | 271,388.28 |  | (271,388.28) |  |  | - | **271,388.28** | **-** | **(271,388.28)** |
| **Stationaries** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Public Debt Charge** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **L/GOVERNMENT EXPENDITURE** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Social Benefits** |  | 2,937,200.00 | 31,500,000.00 | 28,562,800.00 | 1,727,000.00 | 10,500,000.00 | 8,773,000.00 | **4,664,200.00** | **42,000,000.00** | **37,335,800.00** |
| **Overhead Cost** |  | 30,289,078.34 | 285,000,000.00 | 254,710,921.66 | 18,350,678.34 | 95,000,000.00 | 76,649,321.66 | **48,639,756.68** | **380,000,000.00** | **331,360,243.32** |
| **Grants & Social Contribution** |  | 95,219,646.95 | 33,442,141.09 | (61,777,505.86) | 11,789,281.93 | 11,147,380.37 | (641,901.56) | **107,008,928.88** | **44,589,521.46** | **(62,419,407.42)** |
| **Depreciation** |  | 187,006,502.36 |  | (187,006,502.36) | 102,215,311.99 |  | (102,215,311.99) | **289,221,814.35** | **-** | **(289,221,814.35)** |
| **Transfer to LCDA** |  | 39,910,660.04 |  | (39,910,660.04) |  |  | - |  |  |  |
| **Unpaid Contract** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Legal Fees** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Allowances** |  | 9,417,389.40 | 16,668,855.00 | 7,251,465.60 | 3,571,000.00 | 5,556,285.00 | 1,985,285.00 | **12,988,389.40** | **22,225,140.00** | **9,236,750.60** |
| **Stationaries** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Assets Devaluation** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Impairment** |  | 44,000,000.00 |  | (44,000,000.00) |  |  | - | **44,000,000.00** | **-** | **(44,000,000.00)** |
| **Tax Expenses** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Bail-Out Repayment** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Audit Fees** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Stabilization Fund** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Disposal of Assets** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Revenue Refunded** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Total Expenditures** |  | **1,646,506,870.43** | **656,566,921.09** | **(989,939,949.34)** | **137,653,272.26** | **218,855,640.37** | **81,202,368.11** | **1,784,160,142.69** | **875,422,561.46** | **(908,737,581.23)** |
| **Net Surplus/Deficit** |  | **(307,340,486.50)** | **1,050,483,199.29** | **(1,357,823,685.79)** | **(96,031,891.75)** | **350,161,066.43** | **(446,192,958.18)** | **(403,372,378.25)** | **1,400,644,265.72** | **(1,804,016,643.97)** |
| **Net Surplus/Deficit 31/12/2019** |  | (33,082,807.63) | (765,585,184.50) | 732,502,376.87 | 10,758,465.06 | 1,040,687,351.00 | (1,029,928,885.94) | (22,324,342.57) | 275,102,166.50 | (297,426,509.07) |
| **Net Surplus/Deficit 31/12/2020** |  | **(340,423,294.13)** | **284,898,014.79** | **(625,321,328.92)** | **(85,273,426.69)** | **1,390,848,417.43** | **(1,476,121,844.12)** | **(425,696,720.82)** | **1,675,746,432.22** | **(2,101,443,153.04)** |

**ATAKUNMOSA WEST LOCAL GOVERNMENT, OSU**

**CONSOLIDATED STATEMENT OF NET ASSET/EQUITY AS AT 31ST DECEMBER 2020**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **PARTICULAR** | **ATAKUMOSA WEST** | | | **ATAKUMOSA WEST LCDA** | | | **ATAKUMOSA WEST CONSOLIDATED** | | |
|  | **RESERVE** | **ACCUMULATED SURPLUS** | **TOTAL** | **RESERVE** | **ACCUMULATED SURPLUS** | **TOTAL** | **RESERVE** | **ACCUMULATED SURPLUS** | **TOTAL** |
| **OPENING BALANCE AS AT 1/1/2020** | **542,791,052.73** | **(33,082,807.63)** | **509,708,245.10** | **189,030,249.76** | **10,758,465.06** | **199,788,714.82** | **731,821,302.49** | **(22,324,342.57)** | **709,496,959.92** |
| **Adjusted Reserve** |  |  |  |  |  |  |  |  |  |
| **Adjusted Balance** | **542,791,052.73** | **(33,082,807.63)** | **509,708,245.10** | **189,030,249.16** | **10,758,465.06** | **199,788,714.82** | **731,821,302.49** | **(22,324,342.57)** | **709,496,959./92** |
| **NET SURPLUS FOR THE YEAR** | **-** | **(307,340,506.58)** | **(307,340,506.30)** | **-** | **(96,031,891.75)** | **(96,031,891.75)** | **-** | **(403,372,398.25)** | **(403,372,398.25)** |
| **CLOSING BALANCE AS AT 31/12/2020** | **542,791,502.73** | **(340,423,294.13)** | **202,367,738.60** | **189,030,249.76** | **(85,273,426.69)** | **103,756,823.07** | **731,821,302.49** | **(425,696,720.82)** | **306,124,581.67** |

**NOTES TO THE ACCOUNT**

**ATAKUNMOSA WEST LOCAL GOVERNMENT, OSU**

NOTE 1

CASH AND CASH EQUIVALENT #

United Bank for Africa (UBA) 5,408,128.39

Wema Bank 1,598.92

Zenith Bank 95,572.82

Union Bank 3,819,543.81

9,324,843.94

NOTE 2

#

JAAC 113,923,591.05

VAT 46,054,472.98

FOREX EQUALIZATION 1,103,654.12

EXCHANGE RATE GAIN **113,923,,591.05**

NOTE 3

PREPAYMENT/ADVANCES #

Housing Loan 2,000,000.00

Vehicle Loan 900,000.00

2,900,000.00

NOTE 4

INVENTORIES #

Work Materials 4,193,380.00

NOTE 5

INVESTMENT #

Omoluabi 13,132,942.00

Kajola integrated 9,523,810.00

Osicol 267,000.00

Preference shares 28,333,333.83

Others 8,800,000.00

60,057,085.83

NOTE 6

PROPERTY, PLANTS AND EQUIPMENT #

Building 284,903,163.59

Infrastructural facilities 837,292,953.38

Plant & machinery 201,973,992.59

Motor vehicles 218,591,056.14

Equipment 142,077,252.97

Furniture & fittings 186,391,158.02

Land -

1,871,229,576.69

NOTE 7

INVESTMENT PROPERTY #

Open Market 15,000,000.00

Lock Up Stall 23,902,500.00

38,902,500.00

NOTE 8

BIOLOGICAL ASSETS #

Teak Plantation 8,055,450.00

NOTE 10

Balance as at 1st January, 2020 10,231,475.34

Unpaid Deductions 11,876,625.86

22,108,101.20

NOTE 12

#

Payables 862,032,072.89

NOTE 13

LONG-TERM LOAN #

B/F 971,751,103.07

10km (28,274,679.12)

Intervention (4,862,936.40)

Environment (3,886,086.72)

Bailout (13,671,440.90)

December Payables (Bailout) (2,734,288.18)

918,321,671.75

NOTE 14

RESERVES #

B/F 731,821,302.49

NOTE 15

ACCUMULATED SURPLUS/DEFICIT #

Net Surplus (1st January 2020) (403,372,378.25)

Additional Net Surplus/Deficit for the year (22,324,342.57)

(425,696,720.82)

NOTE 16

STATUTORY ALLOCATION #

JAAC 848,027,663.86

NOTE 17

#

Value Added Tax (VAT) 387,387,928.19

NOTE 18

#

Additional Fund 1,422,059.66

NOTE19

#

Revenue Furniture Allowance NIL

NOTE 20

#

Ex-Rate Gain 27,510,335.00

NOTE 21

#

Federal Government Intervention Fund 23,041,979.50

NOTE 22

#

ECO 19,121,642.71

NOTE 23

#

Solid Minerals NIL

NOTE 24

#

Non-Oil Revenue 11,955,050.03

NOTE 25

#

Distributable from Good & Valuables NIL

NOTE 26

#

Forex-Equalisation 12,304,805.13

NOTE 27

#

10% IGR NIL

NOTE 28

#

Excess Bank Charges 698,244.85

NOTE 29

DEPENDED REVENUE #

JAAC 848,027,663.86

Additional Fund 1,422,059.66

Ex Rate Gain 27,510,335.00

Federal Government Intervention Fund 23,041,979.50

ECO 19,121,642.71

Non-Oil Revenue 11,955,050.03

Forex Equalisation 12,304,805.13

Excess Bank Charges 698,244.85

1,331,469,708.93

NOTE 30 (Tax Revenue)

#

Community Tax 1,581,600.00

NOTE 31 (Non-Tax Revenue)

#

License Fees 7,790,304.00

NOTE 32

#

Other Income 35,491.47

NOTE 33

INDEPENDENT REVENUE #

Tax Revenue 1,581,600.00

Non-Tax Revenue 7,790,304.00

Other Income 35,491.47

9,407,395.47

NOTE 34

TOTAL REVENUE #

Dependent Revenue 1,331,469,708.93

Independent Revenue 9,407,395.47

1,340,877,104.40

NOTE 35

SALARY AND WAGES #

RECURRENT EXPENDITURE

CENTRALLY EXECUTED

Local Government Staff 304,662,747.99

Teaching & Non-Teaching Staff Elementary 207,922,001.36

Teaching & Non-Teaching Staff Middle 73,985,638.11

Local Government Staff Loans Board 803,604.83

Local Government Pension Board 1,094,377.13

PHC Staff 161,268,297.57

749,736,666.99

NOTE 36

SOCIAL BENEFIT #

Training Workshop 300,000.00

NOTE 37

OVERHEAD #

General Expenses 18,949,956.52

NOTE 38

GRANTS & SOCIAL CONTRIBUTION #

Grading (Joint Project) 3,500,000.00

NOTE 39

TRANSFER TO OTHER AGENCIES #

Traditional Council 44,235,096.32

Training Fund (LGSC) 8,847,019.06

SUBEB 45,273,865.21

O’Meal 21,481,092.00

O’YES 40,000,000.00

O’HIS 9,213,363.67

O’RAMP 11,079,423.09

SUBEB (ADM) 407,600.04

Pension 242,473,923.15

SUBEB Contract 271,388.28

Local Statutory Deduction 33,135,417.05

Audit Fees 20,412,163.73

464,968,381.55

NOTE 40 (ALLOWANCE)

#

O’CLEAN ALLOWANCE 271,388.28

NOTE 41

PUBLIC DEBT CHARGE #

Finance Department NIL

NOTE 42

SOCIAL BENEFITS #

Training workshop 4,000,000.00

Financial Assistance 664,200.00

4,664,200.00

NOTE 43

OVERHEAD COST #

Repair & Maintenance 29,818,400.00

Entertainment 16,780,000.00

General Expenses 941,356.68

Imprest 1,100,000.00

48,639,756.68

NOTE 44

EMPOWERMENT PROGRAMMES #

Ileya Gift & Others 4,510,128.89

Easter Celebration 2,480,570.89

Ramadan 4,510,128.89

Christmas Celebration 5,261,817.04

Electrifications 10,585,002.38

Gradings 7,516,881.00

Cleanings of Debris 3,758,440.74

Sensitization & Training 14,056,568.38

Palliative Materials (COVID-19) 28,339,278.52

81,018,817.19

NOTE 45

DEPRECIATION #

Buildings 6,106,676.85

Infrastructual Asset 91,066,772.59

Plant & Machinery 50,743,498.14

Motor Vehicles 54,716,514.03

Office Equipment 39,003,063.24

Furniture & Fittings 47,585,289.50

289,221,814.35

NOTE 46

ALLOWANCES #

Committee Allowances 9,417,389.40

Casual Workers 3,571,000.00

12,988,389.40

NOTE 48

Stabilization Fund NIL

NOTE 49

Revenue Refunded NIL

NOTE 50-51

NET SURPLUS/DEFICIT #

Total Revenue 1,340,877,104.40

Total Expenditure 1,744,249,482.65

Net Surplus/Deficit (403,372,378.25)

Net Surplus/Deficit 1/1/2020 (22,324,342.57)

Net Surplus/Deficit (425,696,720.82)

**ATAKUNMOSA WEST LOCAL GOVERNMENT, OSU**

**STATUTORY FISCAL OPERATIONS REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2020**

**STATEMENT OF CASHFLOW RATIO**

1. FEDERAL STATUTORY ALLOCATION + STATE STATUTORY ALLOCATION: TOTAL REVENUE

1,350,865,697.82 X 100

1,360,273,093.29 1 = **99.30%**

2. TOTAL INDEPENDENT REVENUE = TOTAL REVENUE

9,407,395.47 \* 100

1,360,273,093.29 1 = **0.70%**

3. PERSONNEL: TOTAL RECURRENT EXPENDITURE

674,581,919.91 \* 100

1,328,603,016.23 1 = **50.78%**

**STATEMENT OF FINANCIAL POSITION RATIO**

4. CURRENT RATIO = CURRENT ASSETS = 130,341,814.99

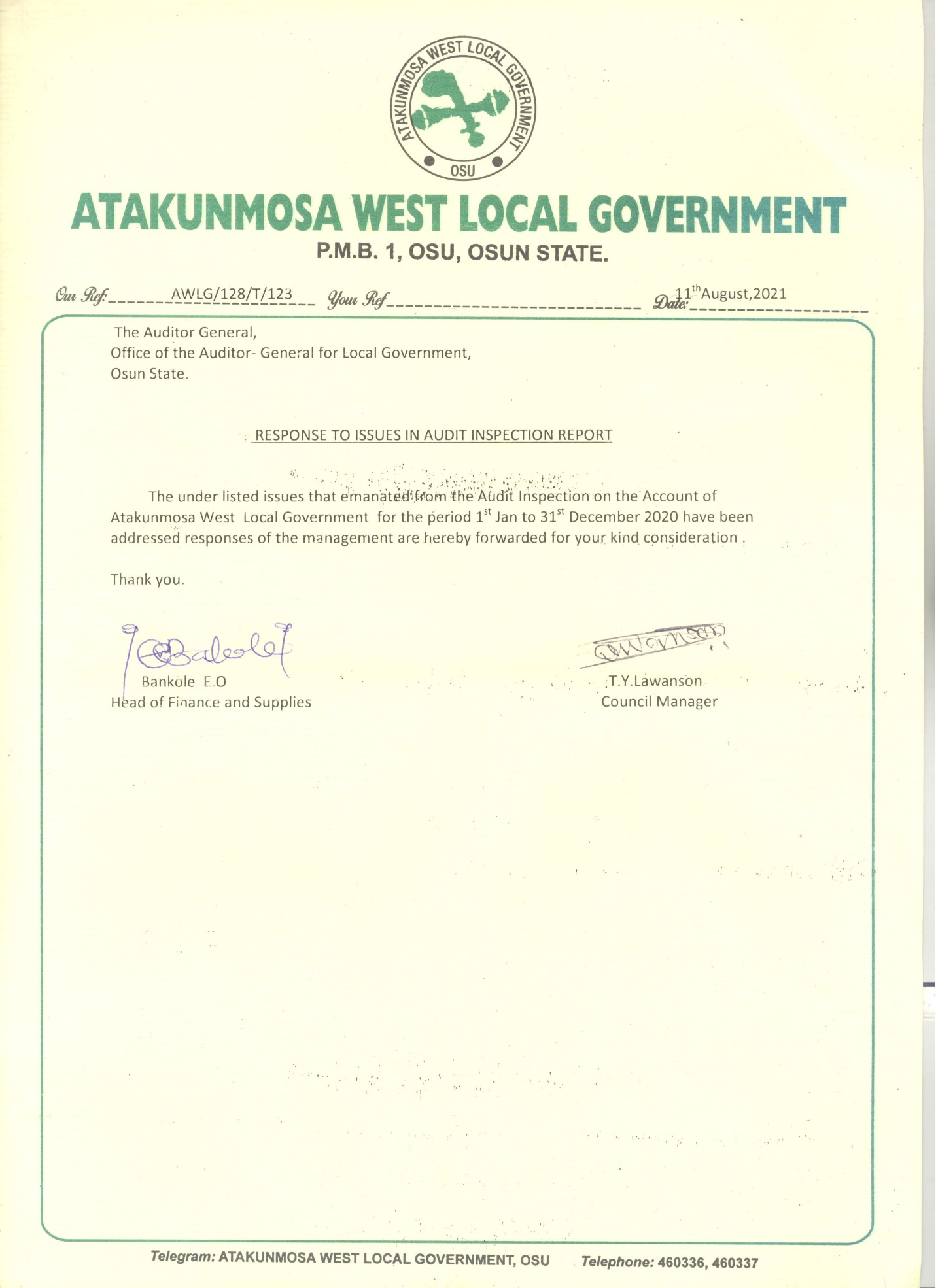
CURRENT LIABILITIES 884,140,174.09 = **0.15:1**

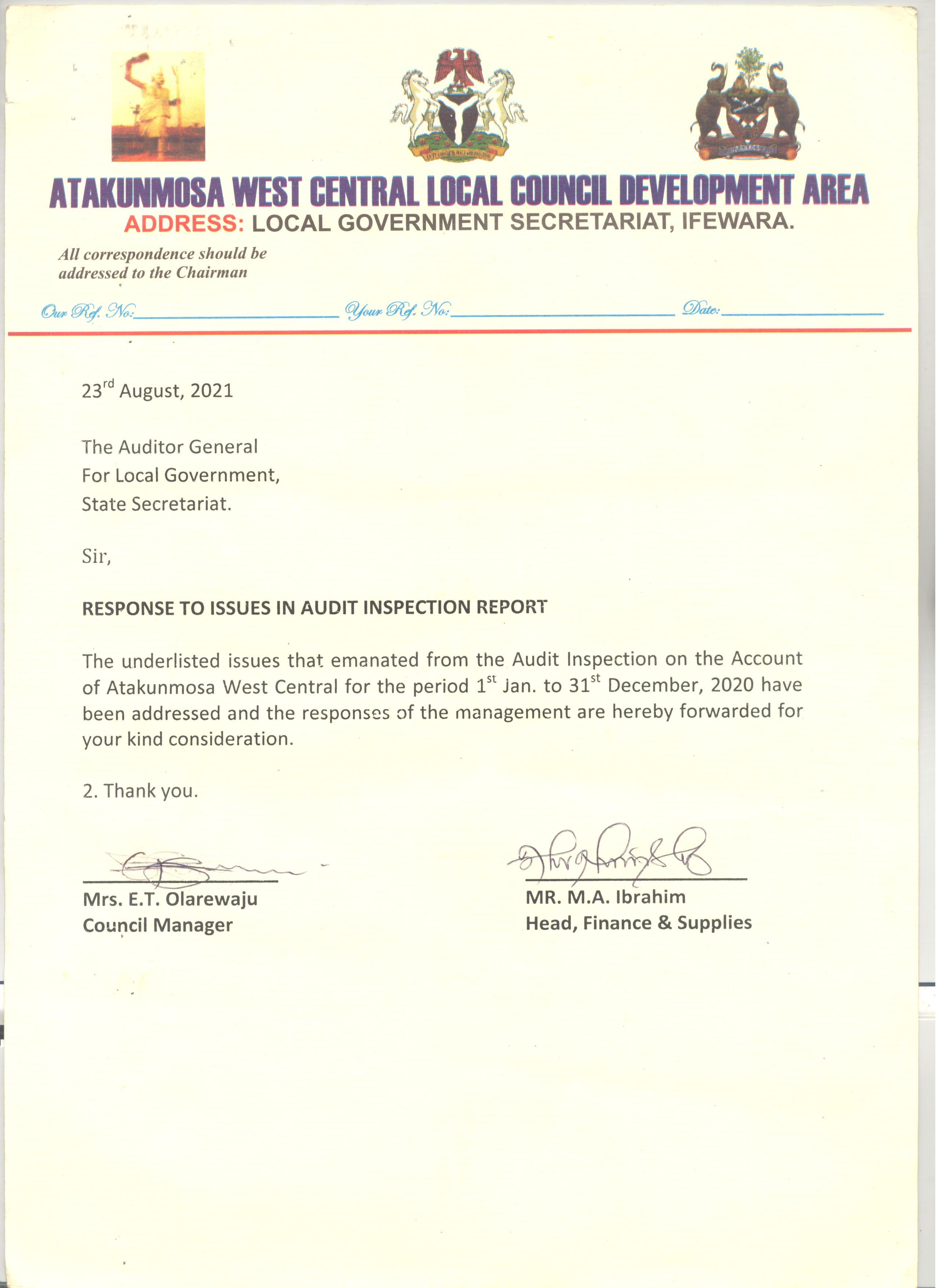
5. TOTAL ASSET: TOTAL LIABILITIES = 2,108,586,427.51

1,802,461,845.84 = **1.17:1**

6. EQUITY : TOTAL ASSET = 306,124,581.67

2,108,586,427.51 = **0.15**

****

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**MANAGEMENT LETTER**

**ATAKUNMOSA WEST LOCAL GOVERNMENT, OSU**

**OBSERVATIONS AND INTERNAL CONTROL REVIEW FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2020**

**1. UNRETIRED IMPREST TOTALLING N2, 240, 000:00:** The sum of ₦2,240,000 representing payment made in the month of July and November, 2020 was not retired contrary to the provision of Financial Memoranda 14:27 which state that, “Imprest shall be retired when the purpose for which the imprest shall be retired when the purpose for which the imprest was granted is completed or at such intervals as made prescribed when the imprest is approved. However, all imprests shall automatically be retired at the end of each Financial Year”.

***RISK:***

*Government Fund might not have been used for official purpose.*

***MANAGEMENT RESPONSE:***

*It was an oversight, and the receipt would be produced.*

***RECOMMENDATION-***

*Proper recording of petty cash should be done and all payments must be retired immediately and presented for audit verification.*

**2. EXPENDITURE NOT SUPPORTED WITH PROPER RECORDS OR ACCOUNTS TOTALLING N212,000:00:** The sum of N212,000:00 Two Hundred and Twelve Thousand Naira in respect of Entertainment of Opinion leaders for a Crucial meeting with Chairman of the Local government was observed to have been made without attaching proper records such as official receipts, bills etc to authenticate the genuineness of the expenditure which is contrary to provision of Financial Memoranda No. 14:16:17 particularly 14:16 which states that, “Payment Vouchers shall be receipted by the payee or his authorized agent, and receipt must state clearly in words and figures the actual amount received and not simply “Received the above amount while paragraph 14:17 stipulate that, “An official printed receipt must be obtained and attached to the Payment Voucher in respect of a payment to Government, another Local Government or a commercial firm”.

***RISK:***

*Payments made without supporting documents could imply non-execution of all or part of the services/purchases, or conceal inflation of prices.*

***MANAGEMENT RESPONSE:***

*It was an oversight and the receipt would be produced.*

***RECOMMENDATION:***

*The recipient/authorizing officer should ensure that all supporting documents were collected while incurring the expenditure.*

**3. DOUBTFUL EXPENDITURE N9, 200, 000:00:** It was observed that the payments purportedly made in respect of Dunghill, clearing of overgrown of weeds, clearing of blocked water ways, clearing of illegal dumping and preventing of flooding in Atakunmosa West Local Government, Osun appeared to be doubtful as there were no genuine and concrete evidences that the programme were executed.

***RISK:***

*The implication of this expenditure was that the services might not have been performed, thus the public fund might have been diverted for personal purposes.*

***MANAGEMENT RESPONSE:*** *The effect of the work done had been eroded with the passage of time before inspection was done supporting evidences would be presented.*

***RECOMMENDATION:***

*The recipients must attach all necessary supporting evidence such as sub-receipts, evidence of participation, or video coverage to prove genuineness of the expenditure.*

**4. NUGATORY PAYMENT AMOUNTING TO N2, 768, 000:00:** It was observed that the total sum of (N2, 768, 000:00) Two Million Seven Hundred and Sixty Eight Thousand Naira made for Enlightment programme on baby food stuffs to the Vulnerable, Women in different communities as financial Assistance, organized one day deliberation of stakeholders such as Parents, religion leaders, traditional rulers and chiefs, youth Leaders on how to curb the rampart and increase in sexual abuse of teenagers, girls.

**5. IRREGULAR PAYMENT N 2,408,921:96:** It was observed that a reasonable number of Payment Vouchers were not controlled by the officer with Authority to incur Expenditure (A.I.E) neither checked and passed by the Internal Auditor. They were not also supported with proper records or Accounts contrary to Financial Memoranda 14:10 which states that, “Before any payment is made, a prepayments audit of vouchers and supporting documents shall be made by the Internal Auditor on all payment vouchers to verify that the provision of these financial memoranda have been followed in all respects, the payment is one properly authorized and correctly charged to the stated sub-head or account, and that sufficient funds are available to meet it”.

***RISK:***

*Not subjecting payment vouchers to Internal Audit check before payment was an indication of weak Internal Control System which could result to misappropriation of public fund.*

***MANAGEMENT RESPONSE:***

*It was on omission/oversight by not noticing that the voucher was yet to be audited before payment was made.*

***RECOMMENDATION:***

*The signatories to the cheque should explain the rationale behind making payment without Internal Auditor’s involvement.*

**6. BANK RECONCILIATION STATEMENT:** Bank Reconciliation Statement was prepared up to December, 2020. The following are the observations arising from the audit scrutiny of the Bank Reconciliation statement of the Council.

BANK CHARGES: It was observed that a total sum of N932,824.40 appeared as Bank Charges to date which was yet to be brought into Accounts Contrary to Financial Memoranda 19:27, which states that “Receipt and Payment Vouchers shall be made out where any credit or charges shown in the bank statement have not been brought to account in the cashbook and are positively identified as being items due from or to the Local Government, such receipts and payments shall be entered at once into the cashbook for the next month”.

***RECOMMENDATION:***

*The Head of Finance should raise and process payment voucher to wipe off the accumulated bank charges. The Head of Finance should ensure that payments are not made until payment vouchers are completely processed.*

**ATAKUNMOSA WEST CENTRAL LCDA, IFEWARA**

**OBSERVATIONS AND INTERNAL CONTROL REVIEW FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2020**

**1. EXPENDITURE NOT SUPPORTED WITH PROPER RECORDS OR ACCOUNTS TOTALLING N195, 000:00:** It was observed that the sum of (N195, 000.00) One Hundred and Ninety Five Thousand Naira Only representing payment for rentage of self-contained three-room occupied by the temporary staff, amount expended on re-selection exercise of filling of vacant stool of Wasare of Ijana-Wasare was made without attaching proper records such as official receipts, bills etc. to authenticate the genuineness of the expenditure contrary to provision of Financial Memoranda No. 14:16 which states that, “Payment Vouchers shall be receipted by the payee or authorized agent, and receipt must state clearly in words and figures the actual amount received and not simply “Received the above amount and paragraph 14:17 stipulates that “An official receipt must be obtained and attached to the Payment Voucher in respect of a payment to Government, another Local Government or a Commercial Firm.”

***RISK:***

*Payments made without supporting documents could imply non-execution of all or part of the services/purchases, or conceal inflation of prices.*

***MANAGEMENT RESPONSE:*** *It was an oversight and the receipts were eventually presented.*

***RECOMMENDATION:***

*The recipient/authorizing officer should present official receipt and other necessary documents to prove the authenticity of the expenditure, or should make a refund.*

**2. UNRETIRED IMPREST TOTALLING N1, 153, 000:00:** The sum of N1, 153, 000:00 representing payment made in the month of July to December, 2020, was not retired contrary to the provision of Financial Memoranda 14:27 which states that, “Imprest shall be retired when the purpose for which the imprest was granted is completed or at such intervals as are prescribed when the Imprest is approved. However, all Imprests shall automatically be retired at the end of each financial year”.

***RISK:***

*Government Fund might not have been used for official purpose.*

***MANAGEMENT RESPONSE:*** *It was an oversight and the receipts were eventually presented.*

***RECOMMENDATION-***

*Proper recording of petty cash should be done and all payments must be retired immediately and presented for audit verification.*

**3. BANK RECONCILIATION:** The Bank Reconciliation Statement was not prepared for the period under review contrary to the provision of Financial Memoranda No.22:7(5) which state that, “Following the examination of the monthly Reconciliation Accounts by the Executive Committee, the duplicate copy together with a copy of the Bank Reconciliation Statement shall be sent to the Auditor General for Local Government, the original copy filled and carefully preserved in the Finance Department”. The Head of Finance had been instructed to prepare the Bank Reconciliation Statement and forward same to this office without further delay.

***RISK:***

*Non-preparation of Bank Reconciliation Statement by the Head of Finance could conceal fraud, errors perpetrated in the Bank transactions through extraneous debits in the Bank Statements, and Cashbook collusion between the signatories.*

***MANAGEMENT RESPONSE:*** *Payment vouchers in respect of the transactions were not ready as at the time of Audit exercise.*

***RECOMMENDATION:***

*The Head of Finance should ensure that payments are not effected until payment vouchers are completely processed.*

**INTERNAL AUDITOR’S REPORT:**

1. The Internal Control Unit is not effective at all. The impacts of the Control mechanism were not felt on the activities of the Council. The quarterly report was submitted very lately.

2. The Internal Control is very weak. The I.G.R of the Council is going down. The management should provide more logistics to empower the Rate Section to improve on IGR of the Council.

**LIST OF PROJECTS EXECUTED BY ATAKUNMOSA WEST LOCAL COUNCIL DEVELOPMENT AREA, IWARA [JANUARY – DECEMBER 2020]**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **S/N** | **DESCRIPTION** | **LOCATION** | **MODE OF EXECUTION** | **PROJECT COST** | **AMT RELEASED** | **BALANCE** | **REMARK** |
| 1. | Construction of two metres block wall line drainage | Paimo to junction at Ifewara | Direct | 2,404,960.00 | 900,000.00 | 1,504,960.00 | Uncompleted |
| 2. | Grading of earth roads and across 5 wards in Atakunmosa West Central LCDA | Across the 5 wards | Direct | 4,731,000.00 | 150,000.00 | 4,581,000.00 | Uncompleted |
| 3 | Replacement of 5 new tyres and new tokunbo Engine and gear, panel beating painting into HOD finance official vehicle L.G. SSU 12. | L.C.D.A | Direct | 600,000.00 | 600,000.00 |  | Completed |
| 4 | Replacement of Engine and gear panel beating painting (LG 07 SSU, attached to sm L.C.D.A Ifewara | L.C.D.A | Direct | 528,000.00 | 378,000.00 | 150,000.00 | Uncompleted |
| 5. | Replacement of Engine and geart, 5 tyres into reg. L.G 01 SSU attached to L.C.D.A chairman Ifewara | L.C.D.A | Direct | 635,000.00 | 635,000.00 |  | Completed |
| 6. | Replacement of gear and overhauling of the engine attached to Vice Chairman | L.C.D.A | Direct | 320,000.00 | 320,000.00 |  | Completed |
| 7. | Provision and Installation of hair thermocool refrigerator, air conditional, Generator and rewiring of Local Government Secretariat. | L.C.D.A | Direct | 498,000.00 | 350,000.00 | 148,000.00 | Uncompleted |
| 8. | Provision of Standing OX fan for the offices in Atakunmosa West Central L.C.D.A Ifewara | L.C.D.A | Direct | 840,000.00 | 480,000.00 | 360,000.00 | Uncompleted |
| 9. | Clearing of the road verges | Ifewara Temidire to Ajeoku junction | Direct | 834,000.00 | 660,000.00 | 174,000.00 | Uncompleted |
| 10. | Purchase of official vehicle to the office of the secretary, Toyota matrix 2005 model | L.C.D.A | Direct | 2,250,000.00 | 1,330,000.00 | 920,000.00 | Uncompleted |
|  | **TOTAL** |  |  | **13,640,960.00** | **5,803,000.00** | **7,873,960.00** |  |