STATE GOVERNMENT OF OSUN, NIGERIA.

REPORT OF

THE

AUDITOR-GENERAL

FOR

LOCAL GOVERNMENTS

ON THE ACCOUNTS OF

AYEDIRE LOCAL GOVERNMENT

ILE-OGBO

FOR THE YEAR ENDED

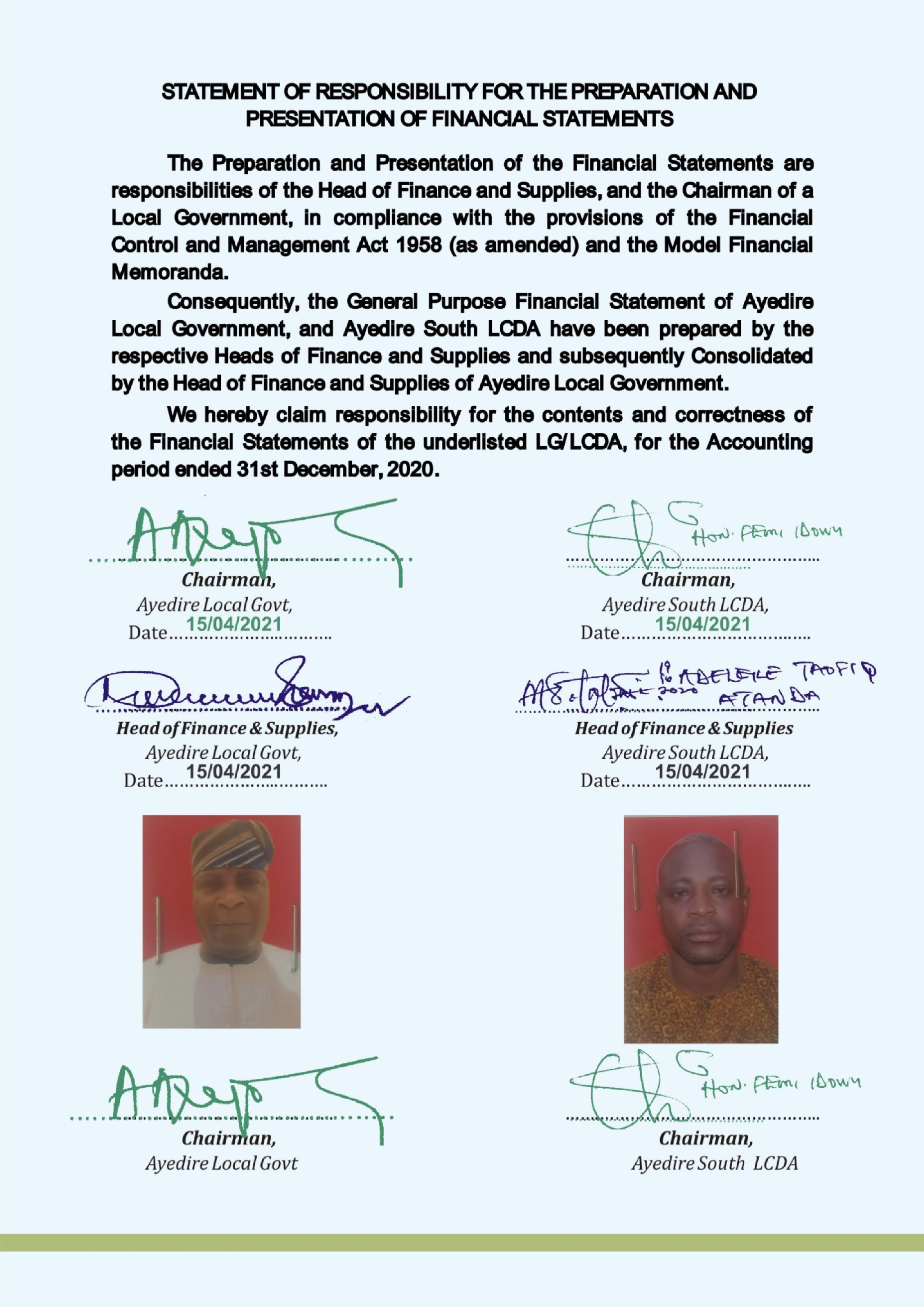
31ST DECEMBER, 2020.

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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



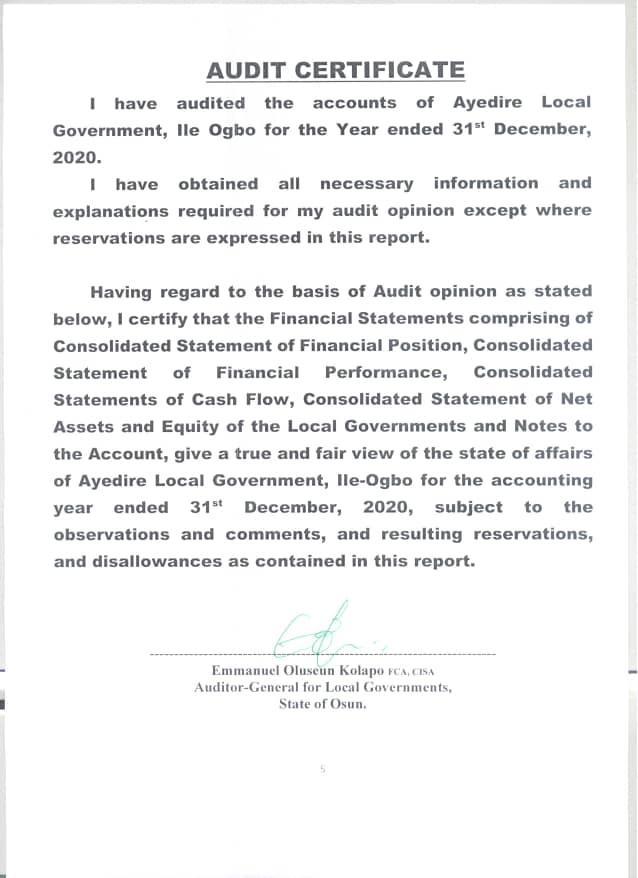
**STATEMENT OF FINANCIAL RESPONSIBILITY**

The preparation and fair presentation of Financial Statements of Local Governments, the State Joint Local Government Accounts, and offices administering elements of Local Governments Fund is the direct responsibility of the Heads of Finance and Supply in the Local Governments, the Accountant of the Ministry of Local Governments, and Directors of Finance in the Offices of the Local Governments, respectively, 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.

In the State of Osun, the Heads of Finance of main Local Governments are responsible for the consolidation of the respective Financial Statements with the subsidiary LCDAs, 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 respective Local Governments are attached to individual 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 Ayedire 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 Ayedire Local Governments are constituents.

The accounts of Ayedire Local Government 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 occurred, and the asset recognition criteria are met.
3. **OTHER REVENUE**

Other Revenues are proceeds that arise outside the Ordinary course of governmental business. 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 COMMENT**

I have audited the accounts of Ayedire Local Government, Ile-Ogbo 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 Ayedire Local Government and other Chairmen, all of whom were members of the Joint Account Allocation Committee.

**FULL ADOPTION OF IPSAS ACCRUALS:** 2020 GPFS reports 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 Ayedire Local Governments 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**

With the support of Governor Oyetola, the office of the Auditor-General for Local Governments was able to embark 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**

Of concern to the Audit is the paltry amount of revenue that was generated in the Financial Year 2020. Audit examination showed that none of the Local Governments improved significantly on their revenue drive. The Total Internally Revenue generated by the Local Government for 2020 was N6,178,517.00 representing 0.42% 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, 34 nos of Audit Queries were issued in respect of 2020 Accounts, involving a total sum of N9,730,000.00.

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.

Similarly, the office sought to enhance the performance of internal audit functions in the Local Government by ensuring adequately wide coverage and prompt rendition of Internal Audit Reports in line with the FM cap 39. Reports on Internal Audit Rendition is included.

**JOINTLY EXECUTED AND INDIVIDUAL PROJECTS AND PROGRAMMES:**

In line with the best practices, the Audit has verified the jointly executed projects at the JAAC level, in collaboration with reputable experts cut access disciplines, within the service at both State and Local Governments. It was claimed that the joint programmes/Projects were done to avail the Local Governments of the advantage of economies of large scale operations as they were able to secure the services of experts and incur lesser unit costs due to bulk purchases. Performance Audit was initiated on some joints projects and programmes during the year.

**COMMENTS ON FINANCIAL STATEMENTS**

1. **STATEMENT OF FINANCIAL PERFORMANCE**

**Share of FAAC and VAT:** To ensure completeness of Revenue, the total Allocation received from the Federation Account in respect of Ayedire Local Government as contained in JAAC Account was confirmed from the Accountant General of the State and further reference was made to data released by office of Accountant General of the Federation. The total sum of N1,135,990,168.01 was Share of FAAC and VAT amounted to N395,245,578.57.

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.

**10% IGR OF STATE GOVERNMENT**

The State Government paid the total sum of #NIL to the Local Government being 10% of reconciled figure of distributable IGR of the State in year 2020. The reconciled amount was essential offset against the indebtedness of Local Governments to the State Government.

**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** |
| Ayedire | 933,752,963.76 | 395,245,578.57 | 30,296,801.11 | 25,375,854.94 | 768,968.65 | 13,551,133.94 | 21,058,435.17 | 1,566,097.21 | 13,165,952.83 | 1,434,781,786.18 |

**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. #6,178,517.00.

**SALARIES AND WAGES – N670,398,783.05**

Salaries and Wages which amounted to N670,398,783.05 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 – 8,515,476.19**

The Aggregate closing cash and cash equivalents amounted to **₦8,515,476.19** for the Local Governments. The Bank Statements and Bank Reconciliation Statements of the Local Government 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 - ₦11,936,835.91**

A total sum of N11,936,835.91k 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 - ₦4,695,775.00**

The sum of ₦4,695,775.00represents 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 - ₦96,367,804.05**

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 - ₦428,663,216.63**

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 - ₦36,429,604.26**

The carrying amount of Investment Properties of the Local Governments stood at N36,429,604.26 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 - ₦960,928,392.38**

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, chlorination, etc aimed at preserving lives and environments
  3. Intervention Projects including Grading, access to rural areas, etc..
  4. Repayment of Bail Out

**UNREMITTED DEDUCTIONS - ₦259,735,695.52**

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 COUNCIL TO LOCAL COUNCIL DEVELOPMENT AREAS:**

Transfer from main councils to the tune of #90,275,443.40 was made to the Local Council Development Areas and Area Offices in the period under review and was set off in the Consolidated Account.

**AYEDIRE LOCAL GOVERNMENT, ILE-OGBO**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **FINANCIAL POSITION** | | | | |
| **PARTICULAR** |  | **AYEDIRE** | **AYEDIRE SOUTH** | **AYEDIRE CONSOLIDATED** |
| **ASSETS** | **NOTE** |  |  |  |
| **Current Assets** |  |  |  |  |
| **Cash & Cash Equivalents** | **1** | 6,039,503.46 | 2,475,972.73 | 8,515,476.19 |
| **Receivables** | **2** | 119,936,835.91 |  | 119,936,835.91 |
| **Prepayment/Advance** | **3** | 2,820,000.00 |  | 2,820,000.00 |
| **Inventories** | **4** | 4,510,775.00 | 185,000.00 | 4,695,775.00 |
| **Total Current Asset** |  | 133,307,114.37 | 2,660,972.73 | 135,968,087.10 |
| **Non Current Asset:** |  |  |  | - |
| **Long Term Loan Granted** |  |  |  | - |
| **Investments** | **5** | 96,367,804.05 |  | 96,367,804.05 |
| **Property,Plant & Equipment** | **6** | - 651,197,072.93 | 1,168,212,755.25 | 1,819,409,828.18 |
| **Investment Property** | **7** | 23,364,862.56 | 13,064,741.70 | 36,429,604.26 |
| **Biological Asset** | **8** | 4,598,188.00 | 3,305,000.00 | 7,903,188.00 |
| **Assets Under Construction(WIP)** | **9** |  |  | - |
| **Total Non-Current Asset** |  | 775,527,927.54 | 1,184,582,496.95 | 1,960,110,424.49 |
| **Total Asset** |  | 908,835,041.91 | 1,187,243,469.68 | 2,096,078,511.59 |
| **LIABILITIES** |  |  |  | - |
| **Current Liabilities:** |  |  |  | - |
| **Deposit** |  |  |  | - |
| **Unremitted Deductions** | **10** | 155,336,222.17 | 104,399,473.35 | 259,735,695.52 |
| **Short Term Loan & Debts** | **11** |  |  | - |
| **Payables** | **12** | 145,582,132.08 | 283,081,084.55 | 428,663,216.63 |
|  |  |  |  |  |
| **Short Term Provisions** |  |  |  |  |
| **Total Current Liability** |  | 300,918,354.25 | 387,480,557.90 | 688,398,912.15 |
| **Non Current Liabilities:** |  |  |  | - |
| **Long Term Borrowing** | **13** | 557,751,376.88 | 403,177,015.50 | 960,928,392.38 |
| **Total Liabilities** |  | 858,669,731.13 | 790,657,573.40 | 1,649,327,304.53 |
| **Net Assets** |  | 50,165,310.78 | 396,585,896.28 | 446,751,207.06 |
| **Financed by** |  |  |  |  |
| **Reserve** | **14** | 472,707,739.22 | 72,202,797.81 | 544,910,537.03 |
| **Net Surplus/Deficit** | **15** | (422,542,428.44) | 324,383,098.47 | (98,159,329.97) |
| **Total** |  | **50,165,310.78** | **396,585,896.28** | **446,751,207.06** |

**AYEDIRE LOCAL GOVERNMENT, ILE-OGBO**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **PERFORMANCE** | | | | |
| **PARTICULAR** | **NOTE** | **AYEDIRE** | **AYEDIRE SOUTH** | **AYEDIRE CONSOLIDATED** |
| **Government Share of FAAC(Statutory Revenue)** | **16** | 933,752,963.76 |  | 933,752,963.76 |
| **Government Share of VAT** | **17** | 395,245,578.57 |  | 395,245,578.57 |
| **Additional Fund** | **18** | 1,566,097.21 |  | 1,566,097.21 |
| **Revenue Furniture Allowance** | **19** |  |  | - |
| **Ex Rate Gain** | **20** | 30,296,801.11 |  | 30,296,801.11 |
| **Augmentation** | **21** |  |  | - |
| **Federal Govt Intervention Fund** | **21** | 25,375,854.94 |  | 25,375,854.94 |
| **ECO** | **22** | 21,058,435.17 |  | 21,058,435.17 |
| **Solid Minerals** | **24** |  |  | - |
| **Non-Oil Revenue** | **24** | 13,165,952.83 |  | 13,165,952.83 |
| **Distributable from Goods & Valuables** | 26 |  |  | - |
| **Forex Equalisation** | **26** | 13,551,133.94 |  | 13,551,133.94 |
| **10% IGR** | **28** |  |  | - |
| **Excess Bank Charges** | **28** | 768,968.65 |  | 768,968.65 |
| **Aids & Grants** |  |  |  | - |
| **Overpayment Recovery** |  |  |  | - |
| **Sub-Total Dependent Revenue** | **29** | 1,434,781,786.18 | - | 1,434,781,786.18 |
| **Transfer from Main Council** | **32** |  | 90,275,443.40 | - |
| **Tax Revenue** | **30** | 12,000.00 | 332,750.00 | 344,750.00 |
| **Non-Tax Revenue** | **31** | 3,124,119.00 | 2,709,648.00 | 5,833,767.00 |
| **Other Income** | **35** |  |  |  |
| **Sub-Total Independent Revenue** | **33** | 3,136,119.00 | 93,317,841.40 | 6,178,517.00 |
| **Total Revenue** | **34** | 1,437,917,905.18 | 93,317,841.40 | 1,440,960,303.18 |
| **EXPENDITURE** |  |  |  | - |
| **JOINTLY EXPENDED** |  |  |  | - |
| **Salaries & Wages** | **35** | 745,548,480.13 |  | 745,548,480.13 |
| **Social Benefits** | **36** | 958,500.00 | 709,000.00 | 1,667,500.00 |
| **Overhead Cost** | **37** | 38,421,575.12 | 20,047,299.08 | 58,468,874.20 |
| **Grants & Social Contribution** | **38** | 21,054,283.31 | 39,590,090.11 | 60,644,373.42 |
| **Transfer to Other Agencies** | **39** | 444,116,203.19 |  | 444,116,203.19 |
| **Allowances** | **40** | 24,361,388.28 | 29,536,935.67 | 53,898,323.95 |
| **Stationaries** |  |  |  | - |
| **Public Debt Charge** |  | 150,000,000.00 | - | 150,000,000.00 |
| **L/GOVERNMENT EXPENDITURE** |  |  |  | - |
| **Social Benefits** | **41** |  |  | - |
| **Overhead Cost** | **42** | 513,467.28 | 470,728.34 | 984,195.62 |
| **Grants & Social Contribution** |  |  |  | - |
| **Depreciation** | **44** | 64,396,918.70 | 117,931,219.82 | 182,328,138.52 |
| **Transfer to LCDA** | **45** | 90,275,443.40 |  | - |
| **Allowances** | **46** |  | 1,198,000.00 | 1,198,000.00 |
| **Impairment** | **48** |  |  | - |
| **Tax Expenses** |  |  |  | - |
| **Bail-Out Repayment** |  |  |  | - |
| **Audit Fees** | **49** |  |  | - |
| **Stabilization Fund** | **50** |  |  | - |
| **Disposal of Assets** |  |  |  |  |
| **Revenue Refunded** |  |  |  |  |
| **Total Expenditures** |  | 1,579,646,259.41 | 209,483,273.02 | 1,698,854,089.03 |
| **Net Surplus/Deficit** | **51** | (141,728,354.23) | (116,165,431.62) | (257,893,785.85) |
| **Net Surplus/Deficit 31/12/2019** |  | (280,814,074.21) | 440,548,530.09 | 159,734,455.88 |
| **Net Surplus/Deficit 31/12/2020** | **52** | (422,542,428.44) | 324,383,098.47 | (98,159,329.97) |

**AYEDIRE LOCAL GOVERNMENT, ILE-OGBO**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **CASHFLOW STATEMENT** | | | | |
| **OPERATING ACTIVITIES** | **NOTE** | **AYEDIRE** | **AYEDIRE SOUTH** | **AYEDIRE CONSOLIDATED** |
| **INFLOW** |  |  |  |  |
| **Statutory Revenue(JAAC)** | **53** | 1,011,069,594.64 |  | 1,011,069,594.64 |
| **Value Added Tax** | **54** | 350,052,186.21 |  | 350,052,186.21 |
| **Additional Fund** | **55** | 1,566,097.21 |  | 1,566,097.21 |
| **Furniture Allowance** |  |  |  | - |
| **Exchange Rate Gain** | **56** | 29,612,350.69 |  | 29,612,350.69 |
| **Others(Augmentation** |  |  |  | - |
| **Federal Govt Intervention Fund** | **57** | 25,375,854.94 |  | 25,375,854.94 |
| **Excess Crude Oil** | **58** | 21,058,435.17 |  | 21,058,435.17 |
| **Solid Minerals** | **59** |  |  | - |
| **Non-Oil Revenue** | **60** | 13,165,952.83 |  | 13,165,952.83 |
| **Distributable Good & Valuable** |  |  |  | - |
| **Forex Equalisation** | **61** | 12,335,692.92 |  | 12,335,692.92 |
| **10% IGR** |  |  |  | - |
| **Excess Bank Charges** | **62** | 768,968.65 |  | 768,968.65 |
| **Sub Total Dependent Revenue** |  | 1,465,005,133.26 |  | 1,465,005,133.26 |
| **Transfer from Main Council** | **63** |  | 90,275,443.40 | - |
| **Tax Revenue** | **64** | 12,000.00 | 332,750.00 | 344,750.00 |
| **Non-Tax Revenue** | **65** | 3,124,119.00 | 2,709,648.00 | 5,833,767.00 |
| **Aids and Grants** | **66** |  |  | - |
| **Overpayment Recovery** |  |  |  | - |
| **Other Income** | **67** |  |  |  |
| **Sub Total Independent Revenue** |  | 3,136,119.00 | 3,042,398.00 | 6,178,517.00 |
| **Total Inflow Operating Activities** |  | **1,468,141,252.26** | **93,317,841.40** | **1,471,183,650.26** |
| **OUTFLOW** |  |  |  | - |
| **Salaries & Wages** | **68** | 670,393,733.05 |  | 670,393,733.05 |
| **Overheads Cost** | **69** | 37,303,982.11 | 21,048,027.42 | 58,352,009.53 |
| **Allowances** | **70** | 24,338,772.59 | 29,536,935.67 | 53,875,708.26 |
| **Social Benefits** | **71** | 958,500.00 | 709,000.00 | 1,667,500.00 |
| **Social Contributions** | **72** | 80,778,839.91 | 39,590,090.11 | 120,368,930.02 |
| **Inventories** | **73** | 105,000.00 | 17,000.00 | 122,000.00 |
| **Transfer to Other Govt Agencies** | **74** | 504,381,568.03 |  | 504,381,568.03 |
| **OHIS** |  | 7,870,920.89 |  |  |
| **Contingent Liabilities Paid** |  |  | - |  |
| **Revenue Refunded** |  |  |  |  |
| **Total Outflow from Operating Activities** |  | **1,408,535,839.09** | **90,901,053.20** | **1,409,161,448.89** |
| **Net Cashflow from Operating Activities** |  | **59,605,413.17** | **2,416,788.20** | **62,022,201.37** |
| **INVESTING ACTIVITIES** |  |  |  | - |
| **Total Inflow from Investing Activities** |  |  |  | - |
| **CashFlow from Investing Activities:** |  |  |  | - |
| **Administrative Sector** | **75** | 8,818,500.00 | 3,860,000.00 | 12,678,500.00 |
| **Economic Sector** | **76** | 8,660,016.67 | 1,744,000.00 | 10,404,016.67 |
| **Total Outflow from Investing Activites** |  | 17,478,516.67 | 5,604,000.00 | 23,082,516.67 |
| **Net Cashflow from Investing Activities** |  | (17,478,516.67) | (5,604,000.00) | (23,082,516.67) |
| **Inflow from Financing Activities** |  |  |  | - |
| **Bank Overdraft** | **77** |  |  | - |
| **Total Inflow from Financing Activities** |  | - | - | - |
| **OUTFLOW(REPAYMENT)** |  |  |  | - |
| **Bail-Out Repayment** | **78** | 13,671,440.90 |  | 13,671,440.90 |
| **10km Road** | **79** | 18,327,270.16 |  | 18,327,270.16 |
| **Water Project** | **80** |  |  | - |
| **Environmental Sanitation Loan** | **81** | 8,395,060.40 |  | 8,395,060.40 |
| **Loan Repayment (Inherited)** | **82** |  |  | - |
| **Bank Loan** | **83** |  |  | - |
| **Intervention Loan** | **84** | 3,886,086.72 |  | 3,886,086.72 |
| **Total Outflow from Financing Activities** |  | **44,279,858.18** | **-** | **44,279,858.18** |
| **Net Cashflow from Financing Activities** | **85** | **(44,279,858.18)** | **-** | **(44,279,858.18)** |
| **Cash and Cash Equivalent for the year** |  | **(2,152,961.68)** | **(3,187,211.80)** | **(5,340,173.48)** |
| **Cash and Cash Equivalent 01/01/2020** |  | **8,192,465.14** | **5,663,184.53** | **13,855,649.67** |
| **Cash and Cash Equivalent 31/12/2020** | **86** | **6,039,503.46** | **2,475,972.73** | **8,515,476.19** |

**AYEDIRE LOCAL GOVERNMENT, ILE-OGBO**

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

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **AYEDIRE** | | | | **AYEDIRE SOUTH** | | | | **AYEDIRE CONSOLIDATED** | | | |
| **PARTICULAR** | **NOTE** | **ACTUAL** | **FINAL BUDGET** | **VARIANCE** | **ACTUAL** | | **FINAL BUDGET** | **VARIANCE** | **ACTUAL** | | **FINAL BUDGET** | **VARIANCE** |
| **Government Share of FAAC(Statutory Revenue)** |  | 933,752,963.76 | 1,061,812,789.76 | (128,059,826.00) | - | | 353,937,596.59 | (353,937,596.59) | **933,752,963.76** | | **1,415,750,386.35** | **(481,997,422.59)** |
| **Government Share of VAT** |  | 395,245,578.57 |  | 395,245,578.57 | - | | - | - | **395,245,578.57** | | **-** | **395,245,578.57** |
| **Additional Fund** |  | 1,566,097.21 | - | 1,566,097.21 | - | | - | - | **1,566,097.21** | | **-** | **1,566,097.21** |
| **Exchange Rate Gain** |  | 30.296,801.11 | - | - | - | | - | - | **30,296,801.11** | |  | **30,296,801.11** |
| **Forex Equalisation** |  | 13,551,133.94 | 288,000,000.00 | (274,448,866.06) | - | | 96,000,000.00 | (96,000,000.00) | **13,551,133.94** | | **384,000,000.00** | **(370,448,866.06)** |
| **Augmentation** |  |  |  |  |  | |  |  |  | |  |  |
| **ECO** |  | 21,058,435.17 | 4,777,500.00 | 16,280,935.17 | - | | 15,925,000.00 | (15,925,000.00) | **21,058,435.17** | | **20,702,500.00** | **355,935.17** |
| **Federal Govt Intervention Fund** |  | 25,375,854.94 | - | 25,375,854.94 | - | | - | - | **25,375,854.94** | | **-** | **25,375,854.94** |
| **Non-Oil Revenue** |  | 13,165,952.83 | - | 13,165,952.83 | - | | - | - | **13,165,952.83** | | **-** | **13,165,952.83** |
| **Excess Bank Charges** |  | 768,968.65 | - | 768,968.65 | - | | - | - | **768,968.65** | | **-** | **768,968.65** |
| **Sub-Total Dependent Revenue** |  | **1,434,781,786.18** | **1,354,590,289.76** | **80,191,496.42** | **-** | | **465,862,596.59** | **(465,862,596.59)** | **1,434,781,786.18** | | **1,820,452,886.35** | **(385,671,100.17)** |
| **Transfer from Main Council** |  | **-** | **-** | **-** | **90,275,443.40** | | **-** | **90,275,443.40** | **-** | | **-** | **-** |
| **Tax Revenue** |  | 12,000.00 | 375,000.00 | (363,000.00) | 332,750.00 | | 125,000.00 | 207,750.00 | **344,750.00** | | **500,000.00** | **(155,250.00)** |
| **Non-Tax Revenue** |  | 3,124,119.00 | 27,452,365.23 | (24,328,246.23) | 2,709,648.00 | | 9,150,788.42 | (6,441,140.42) | **5,833,767.00** | | **36,603,153.65** | **(30,769,386.65)** |
| **Other Income** |  |  |  | - |  | |  | - | **-** | | **-** | **-** |
| **Sub-Total Independent Revenue** |  | **3,136,119.00** | **27,827,365.23** | **(24,691,246.23)** | **3,042,398.00** | | **9,275,788.42** | **(6,233,390.42)** | **6,178,517.00** | | **37,103,153.65** | **(30,924,636.65)** |
| **Total Revenue** |  | **1,437,917,905.18** | **1,382,417,654.99** | **55,500,250.19** | **93,317,841.40** | | **475,138,385.01** | **(381,820,543.61)** | **1,440,960,303.18** | | **1,857,556,040.00** | **(326,320,293.42)** |
| **EXPENDITURE** |  |  |  |  |  | |  |  | **-** | | **-** | **-** |
| **JOINTLY EXPENDED** |  |  |  |  |  | |  |  | **-** | | **-** | **-** |
| **Salaries & Wages** |  | 745,548,480.13 | 682,934,872.50 | (62,613,607.63) | - | | 227,644,957.50 | 227,644,957.50 | **745,548,480.13** | | **910,579,830.00** | **165,031,349.87** |
| **Social Benefits** |  | 958,500.00 |  | (958,500.00) | 709,000.00 | | - | (709,000.00) | **1,667,500.00** | | **-** | **(1,667,500.00)** |
| **Overhead Cost** |  | 38,421,575.12 | 202,500,000.00 | 164,078,424.88 | 20,047,299.08 | | 67,500,000.00 | 47,452,700.92 | **58,468,874.20** | | **270,000,000.00** | **211,531,125.80** |
| **Grants & Social Contribution** |  | 171,054,283.31 | 121,500,000.00 | (49,554,283.31) | 39,590,090.11 | | 40,500,000.00 | 909,909.89 | **210,644,373.42** | | **162,000,000.00** | **(48,644,373.42)** |
| **Transfer to Other Agencies** |  | 444,116,203.19 |  | (444,116,203.19) | - | | - | - | **444,116,203.19** | | **-** | **(444,116,203.19)** |
| **Allowances** |  | 24,361,388.28 | 43,330,282.50 | 18,968,894.22 | 29,536,935.67 | | 14,443,427.50 | (15,093,508.17) | **53,898,323.95** | | **57,773,710.00** | **3,875,386.05** |
| **Stationaries** |  |  |  | - |  | |  | - | **-** | | **-** | **-** |
| **Public Debt Charge** |  |  |  | - |  | |  | - | **-** | | **-** | **-** |
| **L/GOVERNMENT EXPENDITURE** |  |  |  | - |  | |  | - | **-** | | **-** | **-** |
| **Social Benefits** |  |  |  | - |  | |  | - | **-** | | **-** | **-** |
| **Overhead Cost** |  | 513,467.28 |  | (513,467.28) | 470,728.34 | |  | (470,728.34) | **984,195.62** | | **-** | **(984,195.62)** |
| **Grants & Social Contribution** |  |  |  | - |  | |  | - | **-** | | **-** | **-** |
| **Depreciation** |  | 64,396,918.70 |  | (64,396,918.70) | 117,931,219.82 | |  | (117,931,219.82) | **182,328,138.52** | | **-** | **(182,328,138.52)** |
| **Transfer to LCDA** |  | 90,275,443.40 |  | (90,275,443.40) | - | |  | - |  | |  |  |
| **Unpaid Contract** |  |  |  | - |  | |  | - | **-** | | **-** | **-** |
| **Legal Fees** |  |  |  | - |  | |  | - | **-** | | **-** | **-** |
| **Allowances** |  |  |  | - | 1,198,000.00 | |  | (1,198,000.00) | **1,198,000.00** | | **-** | **(1,198,000.00)** |
| **Impairment** |  |  |  | - |  | |  | - | **-** | | **-** | **-** |
| **Tax Expenses** |  |  |  | - |  | |  | - | **-** | | **-** | **-** |
| **Bail-Out Repayment** |  |  |  | - |  | |  | - | **-** | | **-** | **-** |
| **Audit Fees** |  |  |  | - |  | |  | - | **-** | | **-** | **-** |
| **Stabilization Fund** |  |  |  | - |  | |  | - | **-** | | **-** | **-** |
| **Revenue Refunded** |  |  |  | - |  | |  | - | **-** | | **-** | **-** |
| **Total Expenditures** |  | **1,579,646,259.41** | **1,050,265,155.00** | **(529,381,104.41)** | **209,483,273.02** | | **350,088,385.00** | **140,605,111.98** | **1,789,129,532.43** | | **1,400,353,540.00** | **(388,775,992.43)** |
| **Net Surplus/Deficit** |  | **(141,728,354.23)** | **332,152,499.99** | **(473,880,854.22)** | **(116,165,431.62)** | | **125,050,000.01** | **(241,215,431.63)** | **(257,893,785.85)** | | **457,202,500.00** | **(715,096,285.85)** |
| **Net Surplus/Deficit 31/12/2019** |  | (280,814,074.21) | 1,320,446,428.65 | (1,601,260,502.86) | 440,548,530.09 | | 623,726,530.53 | (183,178,000.44) | 159,734,455.88 | | 1,944,172,959.18 | (1,784,438,503.30) |
| **Net Surplus/Deficit 31/12/2020** |  | **(422,542,428.44)** | **1,652,598,928.64** | **(2,075,141,357.08)** | **324,383,098.47** | | **748,776,530.54** | **(424,393,432.07)** | **(98,159,329.97)** | | **2,401,375,459.18** | **2,499,534,789.15** |

**AYEDIRE LOCAL GOVERNMENT, ILE-OGBO**

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

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **PARTICULAR** | **AYEDIRE** | | | **AYEDIRE SOUTH** | | | **AYEDIRE CONSOLIDATED** | | |
|  | **RESERVE** | **ACCUMULATED SURPLUS** | **TOTAL** | **RESERVE** | **ACCUMULATED SURPLUS** | **TOTAL** | **RESERVE** | **ACCUMULATED SURPLUS** | **TOTAL** |
| **OPENING BALANCE AS AT 1/1/2020** | **472,707,739.22** | **(280,814,074.21)** | **191,893,665.01** | **72,202,797.81** | **440,548,530.09** | **512,751,327.90** | **544,910,537.03** | **159,734,455.88** | **704,644,992.91** |
| **Adjusted Reserve** |  |  |  |  |  |  |  |  |  |
| **Adjusted Balance** | **472,707,739.22** | **(280,814,074.21)** | **191,893,665.01** | **72,202,797.61** | **440,548,530.09** | **512,751,327.90** | **544,910,537.03** | **159,734,455.88** | **704,644,992.51** |
| **NET SURPLUS FOR THE YEAR** | **-** | **(141,728,354.23)** | **(141,728,354.23)** | **-** | **(116,165,431.62)** | **(116,165,431.62)** | **-** | **(257,893,785.85)** | **(257,893,785.85)** |
| **CLOSING BALANCE AS AT 31/12/2020** | **472,707,739.22** | **(422,542,428.44)** | **50,165,310.78** | **72,202,797.61** | **324,383,098.47** | **396,585,896.28** | **544,910,537.03** | **(98,159,329.97)** | **446,751,207.66** |

**NOTES TO THE ACCOUNTS**

AYEDIRE LOCAL GOVERNMENT

Note 1: Cash & Cash Equivalent

₦

Wema Bank 337,648.89

Sterling Bank 26,806.15

First Bank 2,496,776.49

Polaris Bank 5,552,123.44

Microfinance Bank 102,121.22

**TOTAL 8,515,476.19**

NOTE 2 RECEIVABLES

JAAC **72,843,552.11**

VAT 45,193,392.36

FOREX EQUALIZATION 1,215,441.02

EXCHANGE RATE GAIN 684,450.42

**119,936,835.91**

NOTE 3 PREPAYMENT/ADVANCES

HOUSING LOAN 1,100,000.00

VEHICLE LOAN 1,720,000.00

**2,820,000.00**

NOTE 4 INVENTORIES

WORKS MATERIAL 1,165,275.00

FINANCE MATERIALS 3,125,500.00

OFFICE MATERIALS 405,000.00 **4,695,775.00**

NOTE 5 INVESTMENTS

OMOLUABI 13,132,942.00

KAJOLA INTEGRATED 9,523,810.00

OSICOL 267,000.00

PREFERENCE SHARES 32,499,999.99

OTHERS 40,944,052.06

**96,367,804.05**

NOTE 6 PROPERTY, PLANT & EQUIPMENT

BUILDING 337,169,347.83

INFRASTRUCTURAL FACILITIES 1,403,579,191.09

MOTOR VEHICLE 68,280,720.00

EQUIPMENTS 177,000.00

LAND 2,232,000.00

FURNITURE & FITTINGS 7,971,569.26

**1,819,409,828.18**

NOTE 7 INVESTMENT PROPERTY

OPEN MARKET(NBV) 15,000,000.00

LOCK UP STALL 6,000,000.00

SHOPPING COMPLEX 15,429,604.26

**36,429,604.26**

NOTE 8 BIOLOGICAL ASSETS

TEAK PLANTATION **7,903,188.00**

NOTE 10 UNREMITTED DEDUCTIONS

BALANCE AS AT 1ST JAN 2020 B/F 260,097,209.55

UNPAID DEDUCTIONS (361,514.03)

**259,735,695.52**

NOTE 11 SHORT TERM BORROWING

BANK LOAN (WITHIN 12 MONTHS)

NOTE 12 PAYABLES

PAYABLE 4**28,663,216.63**

NOTE 13 LONG TERM LOAN

BAL B/F 1,007,942,538.74

10 KM ROAD (18,327,270.16)

INTERVENTION (8,395,060,40)

ENVIRONMENTAL PROJECT (3,886,086.72)

WATER LOAN -

BAIL-OUT (13,671,440.90)

PAYABLES (DECEMBER 2020) (2,734,288.18)

**960,928,392.38**

NOTE 14 RESERVES

RESERVE BAL B/F **544,910,537.03**

NOTE 15 ACCUMULATED SURPLUS /(DEFICIT)

NET DEFICIT (1ST JAN 2020) 159,734,455.88

ADDITIONAL NET SURPLUS 1/1/2020 (257,893,785.85)

NET SURPLUS / DEFICIT 31/12/2020 **(98,159,329.97)**

NOTE 16 STATUTORY ALLOCATIONS

JAAC **933,752,963.76**

NOTE 17 VAT

VAT **395,245,578.57**

NOTE 18 ADDITIONAL FUNDS

ADDITIONAL FUND **1,566,097.21**

NOTE 19 REVENUE FURNITURE ALLOWANCE

NIL

NOTE 20 EXCHANGE RATE GAIN

EXCHANGE RATE GAIN **30,296,801.11**

NOTE 21 FEDERAL GOVT INTERVENTION FUND

FEDERAL GOVT INTERVENTION FUND **25,375,854.94**

NOTE 22 ECO

ECO **21,058,435.17**

NOTE 23 SOLID MINERALS

NIL

NOTE 24 NON-OIL REVENUE

NON-OIL REVENUE **13,165,952.83**

NOTE 25 DISTRIBUTABLE FROM GOODS & VALUABLES

NIL

NOTE 26 FOREX EQUALISATION

FOREX EQUALISATION **13,551,133.94**

NOTE 27 10% IGR

NIL

NOTE 28 EXCESS BANK CHARGES

EXCESS BANK CHARGES **768,968.65**

NOTE 29 DEPENDENT REVENUE

JAAC 933,752,963.76

VAT 395,245,578.57

ADDITIONAL FUND 1,566,097.21

EXCHANGE RATE GAIN 30,296,801.11

FEDERAL GOVT INTERVENTION FUND 25,375,854.94

ECO 21,058,435.17

NON-OIL REVENUE 13,165,952.83

FOREX EQUALISATION 13,551,133.94

EXCESS BANK CHARGES 768,968.65

**1,434,781,786.18**

NOTE 30 TAX REVENUE

COMMUNITY TAX **344,750.00**

NOTE 31 NON-TAX REVENUE

LICENSE FEES **5,833,767.00**

NOTE 32 OTHER INCOME

NIL

NOTE 33 INDEPENDENT REVENUE

TAX REVENUE 344,750.00

NON-TAX REVENUE 5,833,767.00

**TOTAL** **6,178,517.00**

NOTE 34 TOTAL REVENUE

DEPENDENT REVENUE 1,434,781,786.00

INDEPENDENT REVENUE 6,178,517.00

**1,440,960,303.18**

NOTE 35 SALARY & WAGES

LOCAL GOVT STAFF 295,467,724.44

TEACHING & NON-TEACHING STAFF:ELEMENTARY 215,629,329.73

MIDDLE 78,347,026.57

LOCAL GOVT STAFF LOANS BOARD 803,604.83

LOCAL GOVERNMENT PENSION BOARD 1,094,377.13

PHC STAFF 154,206,417.43

**745,548,480.13**

NOTE 36 SOCIAL BENEFITS

SOCIAL BENEFIT **1,667,500.00**

NOTE 37 OVERHEADS

GENERAL EXPENSES **58,468,874.20**

NOTE 38 GRANTS & CONTRIBUTION

GRADING 38,644,373.42

STABILIZATION 22,000,000.00

**TOTAL 60,644,373.42**

NOTE 39 TRANSFERS TO OTHER AGENCIES

TRADITIONAL COUNCIL 39,823,667.80

TRAINING FUND (LGSC) 7,964,733.37

SUBEB 45,273,865.21

OMEAL 21,481,092.00

OYES 40,000,000.00

OHIS 8,769,288.74

ORAMP 11,079,423.09

SUBEB(ADMIN) 407,600.04

PENSION 216,609,055.53

SUBEB(CONTRACT) 271,388.28

LOCAL STATUTORY DEDUCTIONS 33,135,417.05

AUDIT FEES 19,300,672.08

**444,116,203.19**

NOTE 40 ALLOWANCES

O’ CLEAN ALLOWANCE **53,898,323.95**

NOTE 41 PUBLIC DEBT CHARGES

FINANCE COST **150,000,000**

**LOCAL GOVERNMENT EXPENDITURE**

NOTE 43 OVERHEAD COST

GENERAL EXPENSES **984,195.62**

NOTE 45 DEPRECIATION

₦

BUILDING

INFRASTRUCTURAL ASSET

BIOLOGICAL ASSET

PLANT & MACHINERY

MOTOR VEHICLES

OFFICE EQUIPMENT

FURNITURE & FITTINGS

INVESTMENT PROJECT

**182,328,138.52**

NOTE 46 ALLOWANCES

₦

CASUAL WORKERS **1,198,000.00**

NOTE 47 IMPAIRMENT COST

NIL

NOTE 48 STABILISATION FUND

NIL

NOTE 49 REVENUES REFUNDED

NIL

NOTE 50-51 NET SURPLUS/DEFICIT

₦

TOTAL REVENUE 1,440,960,303.18

TOTAL EXPENDITURE 1,698,854,089,03

NET SURPLUS/DEFICIT (257,893,785.85)

NET SURPLUS/DEFICIT 1/1/2020 159,734,455.88

NET SURPLUS/DEFICIT (98,159,329.97)

**AYEDIRE LOCAL GOVERNMENT, ILE-OGBO**

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

**STATEMENT OF CASHFLOW RATIO**

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

1,465,005,133.26 X 100

1,471,183,650.26 1 = **99.58%**

2. TOTAL INDEPENDENT REVENUE = TOTAL REVENUE

6,178,517.00 \* 100

1,471,183,650.26 1 = **0.42%**

3. PERSONNEL: TOTAL RECURRENT EXPENDITURE

670,393,733.05 \* 100

1,409,161,448.89 1 = **47.57%**

**STATEMENT OF FINANCIAL POSITION RATIO**

4. CURRENT RATIO = CURRENT ASSETS = 135,968,087.10

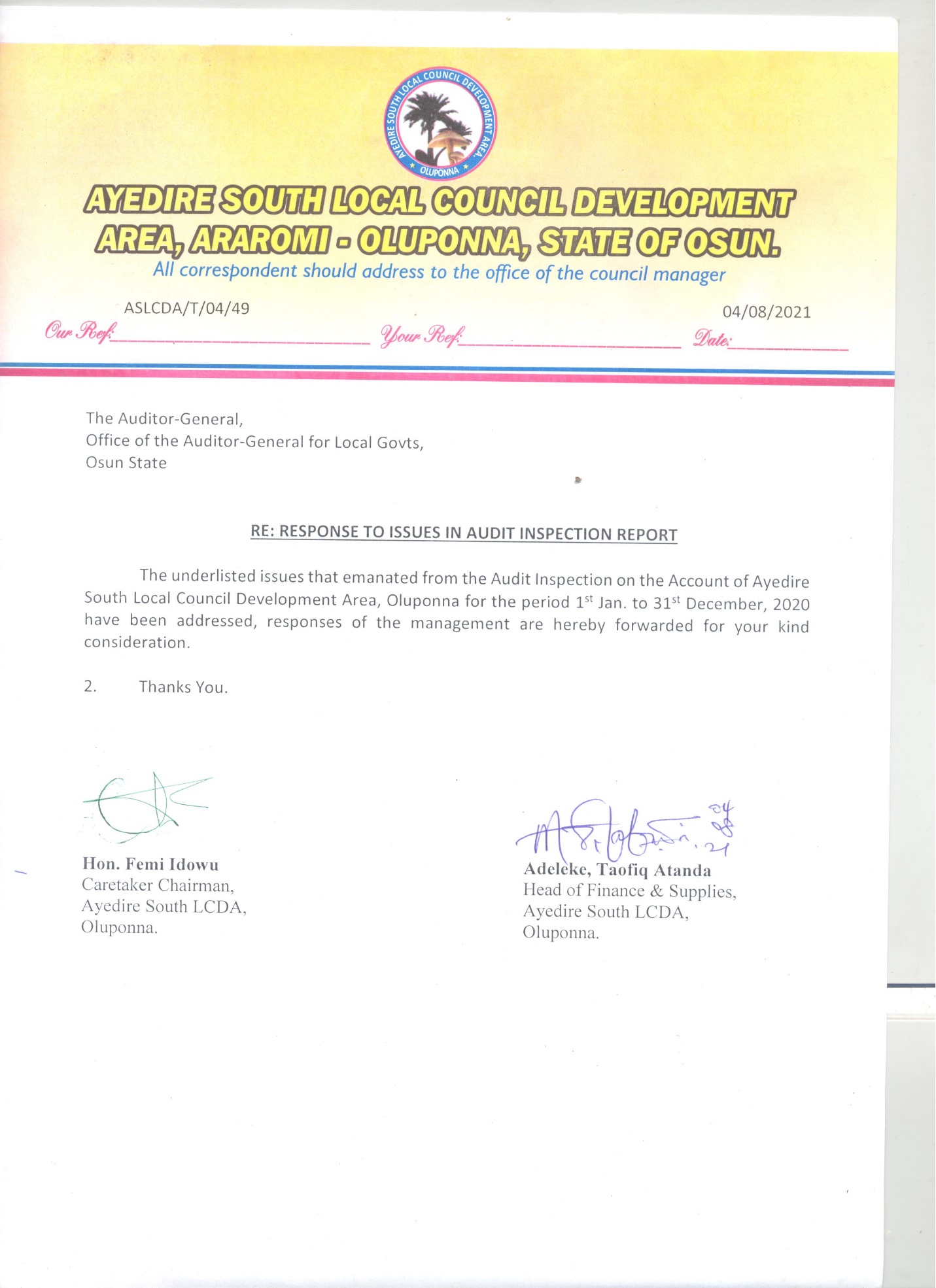
CURRENT LIABILITIES 688,398,912.15 = **0.19:1**

5. TOTAL ASSET: TOTAL LIABILITIES = 2,096,078,511.59

1,649,327,304.53 = **1.27:1**

6. EQUITY : TOTAL ASSET = 446,751,207.06

2,096,078,511.59 = **0.21:1**

****

**MANAGEMENT LETTER**

**AYEDIRE LOCAL GOVERNMENT, ILE-OGBO**

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

**1. EXPENDITURE NOT SUPPORTED BY PROPER RECORDS OF ACCOUNTS AMOUNTING TO: N560,000.00:**  It was observed that a total sum of Five Hundred and Sixty Thousand Naira (N560,000.00) paid to certain officers of Ayedire Local Government, Ile-Ogbo, for reactivation of Gbada scheme and expenses made by the Medical Department of the Local Government was not supported with relevant official receipts to justify the authenticity of the payment contrary to Financial Memoranda 14:17 17 which states that, *“Payment vouchers shall be receipted by payee or his authorized agent and the official printed receipt must be obtained and attached to the payment voucher in respect of a payment to Government, Local Government, or commercial firm. If the printed receipt covers more than one payment voucher, reference to the number of the payment voucher to which the receipt is attached shall be entered on the other voucher”.*

***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.*

**2. EXPENDITURE NOT CHECKED AND PASSED (N580,000.00):**  It was observed that the payment voucher raised for the sum of Five Hundred and Eighty-Thousand Naira only (N580,000.00) to some Officers of Ayedire Local Government, Ile-Ogbo for entertainment of stakeholders of commercial motor cycles in the council, preparation of perimeter survey of health centre and staff quarters, production of year 2021 proposed estimates, payment for the entertainment of past Chairmen on an emergency meeting etc at the Local Government did not follow due process of prepayment of auditing because payment vouchers used to effect the payment was not processed before payments were made to various recipients contrary to Financial Memoranda No 14:10 which states that, *“Before any payment is made, a prepayment audit of vouchers and supporting documents shall be made by the Internal Auditor on all payment vouchers to verify that the provisions 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 accounts, 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:*** *The payments were not subjected to prepayment audit before payment was made.*

***RECOMMENDATION:***

*The Internal Auditor should ensure that prepayment and post payment audit were carried out on all transactions of the Local Government.*

**3.** Bank Charges: It was observed that a total sum of ~~N~~1,401,731.31 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 the Local Government.

However, the concerned Head of Department of Finance and Supplies should provide details of the aforementioned accumulated and effect necessary corrections.

***RISK:***

*It could conceal fraud and misappropriation of government fund while unprocessed accumulated bank charges will give unreliable cashbook balance.*

***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 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.*

**AYEDIRE SOUTH LOCAL COUNCIL DEVELOPMENT AREA, OLUPONNA**

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

**1. EXPENDITURE NOT CHECKED AND PASSED (N2,825,000.00):** It was observed that the payment vouchers raised for the sum of Two Million, Eight Hundred and Twenty-Five Thousand Naira (N2,825,000.00) only to some members of Ayedire South LCDA, Oluponna for the repairs of HKV Transformer at Erina Aladua, desilting of road in different location, sensitization awareness on voter’s registration. The vouchers were not controlled, classified, audited and did not follow due process of prepayment auditing because payment vouchers before payments were made to various recipients contrary to Financial Memoranda No. 14:10 which states that, *“Before any payment is made, a prepayment audit of vouchers and supporting documents shall be made by the Internal Auditor on all payment vouchers to verify that the provisions 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 accounts, 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:*** *The payments were not subjected to prepayment audit before payment was made.*

***RECOMMENDATION:***

*The Internal Auditor should ensure that prepayment and post payment audit were carried out on all transactions of the Local Government.*

**2. EXPENDITURE NOT SUPPORTED BY PROPER RECORDS OF ACCOUNTS AMOUNTING TO: N920,000.00:** It was observed that Payment Vouchers raised for the sum of Nine Hundred and Twenty Thousand Naira (N920,000.00) paid to certain officers of Ayedire South LCDA, Oluponna for sensitization of the public on how to be conscious of preventive measures on fire out-breaks and preventive measure and maintenance of Oluponna palace up keeping was not supported with relevant official receipts to justify the authenticity of the payment contrary to Financial Memoranda 14:17 17 which states that, *“Payment vouchers shall be receipted by payee or his authorized agent and the official printed receipt must be obtained and attached to the payment voucher in respect of a payment to Government, Local Government, or commercial firm. If he printed receipt covers more than one payment voucher, reference to the number of the payment voucher to which the receipt is attached shall be entered on the other voucher.*

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

**3.** **BANK RECONCILIATION STATEMENT:** It was observed during Audit Inspection that the Bank Reconciliation Statement was prepared up to December, 2020 and our observation thereof was:

(i) Bank Charges: A total sum of N129,966.14 appeared as bank charges to date which was yet to be brought into accounts contrary to Financial Memoranda 19:27 which states that the “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 the Local Government

However, the concerned Head of Department of Finance and Supplies should provide details of the aforementioned accumulated and effect necessary corrections.

***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. The activities of the Internal Audit are not felt on the activities of the Council. The Internal Auditor failed to discharge her duties timely and submitted her quarterly report very lately.

2. The Internal Audit unit is very weak. The activities of the Rate Section need through supervision and the Revenue collectors should be checked weekly and money remitted be traced to the Bank Account(s).

**LIST OF PROJECTS EXECUTED BY AYEDIRE LOCAL GOVERNMENT, ILE-OGBO [JANUARY – DECEMBER 2020]**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **S/N** | **DESCRIPTION** | **LOCATION** | **MODE OF EXECUTION** | **PROJECT COST** | **AMOUNT RELEASED** | **BALANCE** | **REMARKS** |
| 1. | Repair of Damaged roads | Gbongan road, Ile-Ogbo | Direct | 50,000.00 | 50,000.00 | - | Completed |
| 2. | Payment for blocked line drainage | Some roads in Kuta | Direct | 670,000.00 | 670,000.00 | - | Completed |
| 3. | Payment for desilting of blocked line drainage & culvert | Ile-Ogbo | Direct | 630,000.00 | 630,000.00 | - | Completed |
| 4. | Payment for improvement of rural roads | Ikoyi – Kuta, roads | Direct | 700,000.00 | 700,000.00 | - | Completed |
| 5. | Payment for Electrification | Ojomode market, Ile-Ogbo | Direct | 1,350,000.00 | 1,350,000.00 | - | Completed |
| 6. | Payment for Electrification | Obada market, Kuta | Direct | 1.240,000.00 | 1,240,000.00 | - | Completed |
| 7. | Payment for Concreting of the surface area | Obada market, Kuta | Direct | 4,930,000.00 | 4,930,000.00 | - | Completed |
| 8. | Payment for construction of double – 3 compartment water closet toilet | Obada | Direct | 3,600,000.00 | 3,600,000.00 | - | Completed |
| 9. | Payment for concrete flooring | Ojomode Market, Ile-Ogbo | Direct | 4,820,000.00 | 4,820,000.00 | - | Completed |
| 10. | Payment for collection of Electricity supply | Kuta& Ile-Ogbo | Direct | 180,000.00 | 180,000.00 | - | Completed |
| 11. | Payment for grading & Later ting | Olude, Idi-Ogun in Ile-Ogbo | Direct | 216,000.00 | 216,000.00 |  | Completed |
| 12. | Payment for grading &Lateriting | Ikoyi, Kuta | Direct | 884,000.00 | 884,000.00 | - | Completed |
| 13. | Payment for Construction of blocks | Ojomode Market | Direct | 4,673,446.00 | 4,673,446.00 | - | Completed |
| 14. | Payment for Construction of blocks of market | Obada market | Direct | 6,387,509.25 | 6,387,509.25 | - | Completed |
| 15. | Payment for grading | Isale-Oba road, Kuta | Direct | 215,840.00 | 215,840.00 | - | Completed |
| 16. | Payment for grading &Lateriting of roads | Kuta to Ikoyi township | Direct | 875,560.00 | 875,560.00 | - | Completed |
| 17. | Payment for grading &Lateriting of roads | Luther King’s Junction – saw mill junction, Ile-Ogbo | Direct | 908,600.00 | 908,600.00 | - | Completed |
|  | **TOTAL** |  |  | **32,330,955.25** | **32,330,955.25** | **-** | Completed |

**LIST OF PROJECTS EXECUTED BY AYEDIRE SOUTH LOCAL COUNCIL DEVELOPMENT AREA, OLUPONNA [JANUARY – DECEMBER 2020]**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **S/N** | **PROJECT DESCRIPTION** | **LOCATION** | **MODE OF EXCUTION** | **PROJECT COST** | **AMOUNT RELEASED** | **BALANCE** | **REMARKS** |
| 1. | Grading of  Various roads within Ward 1 Township & rural roads in Ayedire South LCDA (11.05 km) | Ward 1 | Direct Labour | 1,000,000.00 | 1,000,000.00 | - | Completed |
| 2. | Desciting of silted line drainage and clearing of roadverges in Oluponna Township | Oluponna Township | Direct Labour | 500,000.00 | 500,000.00 | - | Completed |
| 3. | Grading of roads at Oluponna township | Eleko road, Oluponna Township | Direct Labour | 100,000.00 | 100,000.00 | - | Completed |
| 4. | Desilting of silted line drainage and clearing of shrub, grass And bushes from road verges | Oke-Osun Community | Direct Labour | 1,100,000.00 | 1,100,000.00 | - | Completed |
|  | **TOTAL** |  |  | **2,700,000.00** | **2,700,000.00** | - | Completed |