STATE GOVERNMENT OF OSUN, NIGERIA.

REPORT OF

THE

AUDITOR-GENERAL

FOR

LOCAL GOVERNMENTS

ON THE ACCOUNTS OF

ILESA-WEST LOCAL GOVERNMENT

OMI-ALADIYE

FOR THE YEAR ENDED

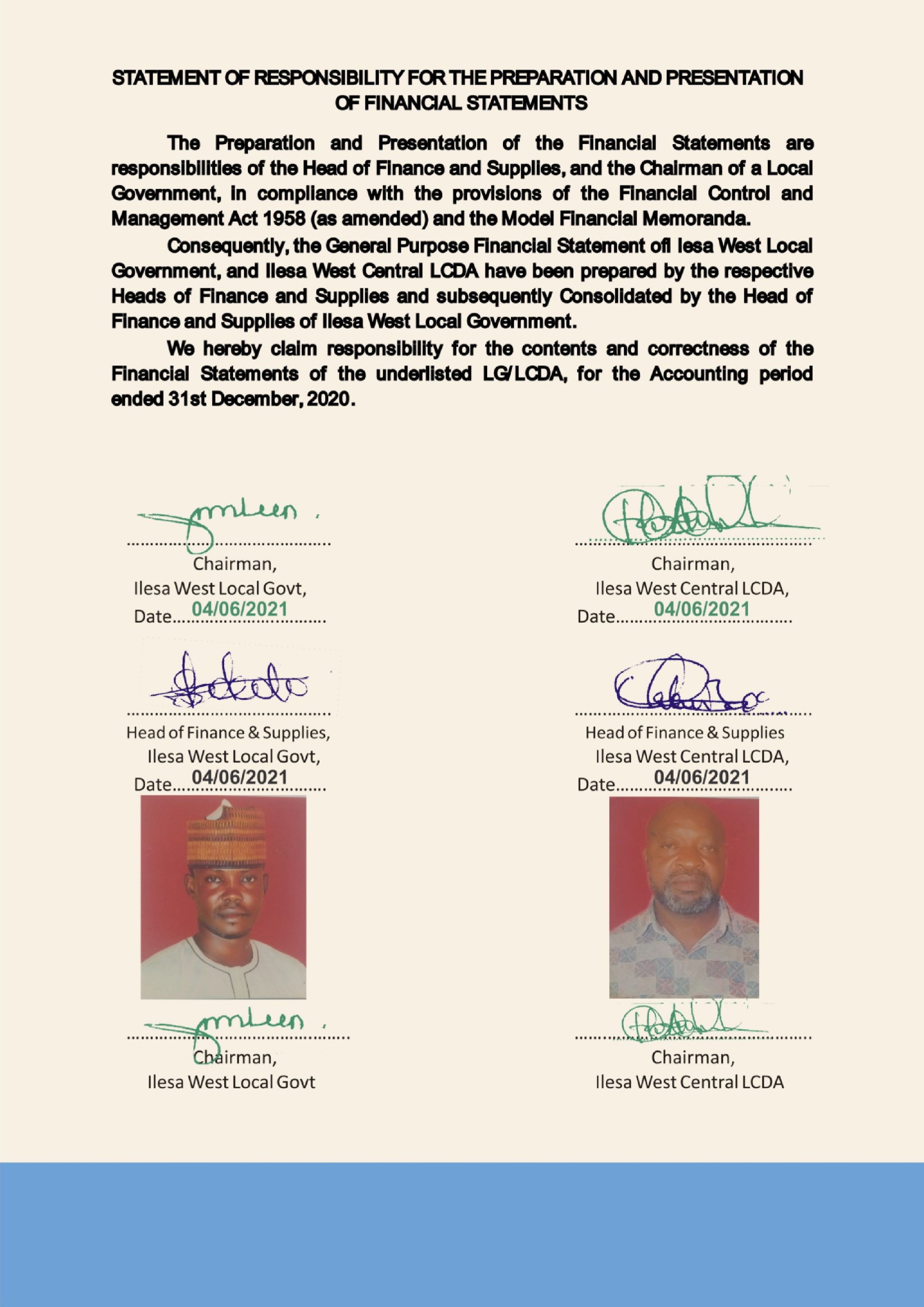
31ST DECEMBER, 2020.

**TABLE OF CONTENTS**

|  |  |  |
| --- | --- | --- |
|  | **DETAILS** | **PAGE** |
| 1 | TITLE PAGE | **1** |
| 2 | TABLE OF CONTENTS | **2** |
| 3 | LIST OF ABBREVIATIONS | **3** |
| 4 | STATEMENT OF RESPONSIBILITY FOR THE PREPARATION OF FINANCIAL STATEMENTS | **4** |
| 5 | STATEMENT OF RESPONSIBILITY OF THE AUDITOR-GENERAL | **5** |
| 6 | AUDIT CERTIFICATE | **6** |
| 7 | BASIS OF AUDIT OPINION | **7** |
| 8 | STATEMENT OF COMPLIANCE | **8** |
| 9 | STATEMENT OF ACCOUNTING POLICIES | **9-11** |
| 10 | GENERAL COMMENTS | **12-13** |
| 11 | **COMMENTS ON FINANCIAL STATEMENTS**   1. STATEMENT OF FINANCIAL PERFORMANCE 2. STATEMENT OF FINANCIAL POSITION | **14-18** |
| 12 | **AGGREGATE GENERAL PURPOSE FINANCIAL STATEMENTS**   1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION. 2. CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE. 3. CONSOLIDATED STATEMENT OF CASH FLOW. 4. CONSOLIDATED STATEMENT OF COMPARISON OF FINANCIAL OPERATIONS. 5. CONSOLIDATED STATEMENT OF NET ASSETS AND EQUITY 6. NOTES TO THE ACCOUNT | **19-33** |
| 13 | **FISCAL OPERATION REPORT**  i STATISTICAL AND ACCOUNTING RATIOS  ii NON-FINANCIAL DISCLOSURE | **34-35** |
| 14 | MANAGEMENT LETTER | **36-42** |
| 15 | LIST OF PROJECTS EXECUTED IN THE LOCAL GOVERNMENT | **43** |

**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



**AUDIT CERTIFICATE**

**I have audited the accounts of Ilesa West Local Government, Omi Aladiye for the Year ended 31st December, 2020.**

**I have obtained all necessary information and explanations required for my audit opinion except where reservations are expressed in this report.**

**Having regard to the basis of Audit opinion as stated below, I certify that the Financial Statements comprising of Consolidated Statement of Financial Position, Consolidated Statement of Financial Performance, Consolidated Statements of Cash Flow, Consolidated Statement of Net Assets and Equity of the Local Governments and Notes to the Account, give a true and fair view of the state of affairs of Ilesa West Local Government, Omi Aladiye for the accounting year ended 31st December, 2020, subject to the observations and comments, and resulting reservations, and disallowances as contained in this report.**

-----------------------------------------------------------------------

**Emmanuel Oluseun Kolapo FCA, CISA**

**Auditor-General for Local Governments,**

**State of Osun.**

**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 Governments in the State of Osun are responsible for the preparation of the respective Local Government GPFS as well as Financial Statements with the Financial Statement of 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 Statements signed by Heads of Finance and Chairmen of the Ilesa-West Local Governments and subsidiary LCDAs is attached to this report.

**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(inclusive of Ilesa-West Local Govt) 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 Ilesa-West Local Government in the state.

**BASIS OF AUDIT OPINION**

In the course of auditing the accounts of Ilesa-West Local Governments Omi-Aladiye 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 the Local Governments and 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 Ilesa-West Local Govt Education Authority.

**STATEMENT OF COMPLIANCE**

The Accounting Policies have been consistently applied on preparation of the Financial Statements of Ilesa 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 Ilesa-West Local Governments are constituents.

The accounts of Ilesa-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.
3. Statements of Financial Position.
4. Statements of Cash flow.
5. Statementsof Comparison of Budgeted and Actual Amounts
6. Statements of Changes in Net Asset/Equity.
7. Notes to the GPFS
8. **Consolidation Policy- IPSAS 6**

The Heads of Finance of the each 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. Consequently, the Heads of Finance of the 30 main Local Governments consolidate the GPFS of their respective main Local Government with the subsidiary LCDA, AO, and Ad. O.

***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 busineess. These include:

1. Gain on disposal of Property, Plant and Equipment

2. Disposal 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**

Contingent 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 Ilesa West Local Government, Omi Aladiye (including elements of Local Government fund in various Agencies and Institutions of Government, comprising Traditional Councils, LGSPB, LGSC, SUBEB, O’Meals and other Jointly executed programmes and projects of Local Governments) 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 Ilesa West 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 Ilesa West 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 N16,299,232.54 representing 1.04% 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, 04 nos of Audit Queries were issued in respect of 2020 Accounts, involving a total sum of N2,290,000.00.

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 Ilesa West 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 N1,068,813,926.18 was Share of FAAC and VAT amounted to N432,958,943.23.

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** |
| Ilesa West | 960,144,393.85 | 432,958,943.23 | 31,123,447.23 | 26,068,233.38 | 789,949.92 | 13,920,875.67 | 21,633,013.12 | 1,608,828.06 | 13,525,184.95 | 1,501,772,869.41 |

**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. #16,299,232.54.

**SALARIES AND WAGES – N794,142,108.86**

Salaries and Wages which amounted to N794,142,108.86 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 – 5,462,487.04**

The Aggregate closing cash and cash equivalents amounted to **₦5,462,487.04**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 - ₦126,149,760.86**

A total sum of N126,149,760.86k 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 - ₦589,633.00**

The sum of ₦589,633.00represents 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 - ₦51,257,085.33**

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) - #3,890,980,677.79**

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 - ₦265,928,391.79**

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 - ₦196,158,170.39**

The carrying amount of Investment Properties of the Local Governments stood at N196,158,170.39 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 - ₦1,242,186,222.39**

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 - ₦34,692,358.60**

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 AREAS:**

Transfer from main councils to the tune of #42,381,655.72 was made to the Local Council Development Areas and Area Offices in the period under review and was set off in the Consolidated Account.

**ILESA WEST LOCAL GOVERNMENT, OMI-ALADIYE**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **FINANCIAL POSITION** | | | | |
| **PARTICULAR** |  | **ILESA WEST** | **ILESA WEST CENTRAL LCDA** | **ILESA WEST CONSOLIDATED** |
| **ASSETS** | **NOTE** |  |  |  |
| **Current Assets** |  |  |  |  |
| **Cash & Cash Equivalents** | **1** | 5,088,329.76 | 374,157.28 | 5,462,487.04 |
| **Receivables** | **2** | 126,149,760.86 |  | 126,149,760.86 |
| **Prepayment/Advance** | **3** | 4,070,000.00 |  | 4,070,000.00 |
| **Inventories** | **4** | 400,000.00 | 189,633.00 | 589,633.00 |
| **Total Current Asset** |  | 135,708,090.62 | 563,790.28 | 136,271,880.00 |
| **Non Current Asset:** |  |  |  | - |
| **Long Term Loan Granted** |  |  |  | - |
| **Investments** | **5** | 38,507,085.33 | 12,750,000.00 | 51,257,085.33 |
| **Property, Plant & Equipment** | **6** | 2,253,812,620.31 | 1,637,168,057.48 | 3,890,980,677.79 |
| **Investment Property** | **7** | 127,502,810.75 | 68,655,359.64 | 196,158,170.39 |
| **Biological Asset** | **8** | 32,847,064.82 | 17,685,342.59 | 50,532,407.41 |
| **Assets Under Construction(WIP)** | **9** |  | 36,000,000.00 | 36,000,000.00 |
| **Total Non-Current Asset** |  | 2,452,669,581.21 | 1,772,258,759.71 | 4,224,928,340.92 |
| **Total Asset** |  | 2,588,377,671.83 | 1,772,822,549.99 | 4,361,200,221.82 |
| **LIABILITIES** |  |  |  | - |
| **Current Liabilities:** |  |  |  | - |
| **Deposit** |  |  |  | - |
| **Unremitted Deductions** | **10** | 27,636,724.25 | 7,055,634.35 | 34,692,358.60 |
| **Short Term Loan & Debts** | **11** |  |  | - |
| **Payables** | **12** | 144,641,662.10 | 121,286,729.69 | 265,928,391.79 |
|  |  |  |  | - |
| **Short Term Provisions** |  |  |  | - |
| **Total Current Liability** |  | 172,278,386.35 | 128,342,364.04 | 300,620,750.39 |
| **Non Current Liabilities:** |  |  |  | - |
| **Long Term Borrowing** | **13** | 386,518,045.26 | 855,668,177.11 | 1,242,186,222.37 |
| **Total Liabilities** |  | 558,796,431.61 | 984,010,541.15 | 1,542,806,972.76 |
| **Net Assets** |  | 2,029,581,240.22 | 788,812,008.84 | 2,818,393,249.06 |
| **Financed by** |  |  |  |  |
| **Reserve** | **14** | 2,611,644,608.07 | 902,261,247.43 | 3,513,905,855.50 |
| **Net Surplus/Deficit** | **15** | (582,063,367.85) | (113,449,238.59) | (695,512,606.44) |
| **Total** |  | **2,029,581,240.22** | **788,812,008.84** | **2,818,393,249.06** |

**ILESA WEST LOCAL GOVERNMENT, OMI-ALADIYE**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **PERFORMANCE** | | | | |
| **PARTICULAR** | **NOTE** | **ILESA WEST** | **ILESA WEST CENTRAL LCDA** | **ILESA WEST CONSOLIDATED** |
| **Government Share of FAAC(Statutory Revenue)** | **16** | 960,144,393.85 |  | 960,144,393.85 |
| **Government Share of VAT** | **17** | 432,958,943.23 |  | 432,958,943.23 |
| **Additional Fund** | **18** | 1,608,828.06 |  | 1,608,828.06 |
| **Revenue Furniture Allowance** | **19** |  |  | - |
| **Ex Rate Gain** | **20** | 31,123,447.23 |  | 31,123,447.23 |
| **Federal Govt Intervention Fund** | **21** | 26,068,233.38 |  | 26,068,233.38 |
| **ECO** | **22** | 21,633,013.12 |  | 21,633,013.12 |
| **Solid Minerals** | **23** |  |  | - |
| **Non-Oil Revenue** | **24** | 13,525,184.95 |  | 13,525,184.95 |
| **Distributable from Goods & Valuables** | 25 |  |  | - |
| **Forex Equalisation** | **26** | 13,920,875.67 |  | 13,920,875.67 |
| **10% IGR** | **27** |  |  | - |
| **Excess Bank Charges** | **28** | 789,949.92 |  | 789,949.92 |
| **Overpayment Recovery** | 29 |  |  | - |
| **Sub-Total Dependent Revenue** |  | 1,501,772,869.41 | - | 1,501,772,869.41 |
| **Transfer from Main Council** |  |  | 42,381,655.72 | - |
| **Tax Revenue** | **30** | 594,867.28 | 114,400.00 | 709,267.28 |
| **Non-Tax Revenue** | **31** | 8,934,675.26 | 6,655,290.00 | 15,589,965.26 |
| **Other Income** | **32** |  |  |  |
| **Sub-Total Independent Revenue** | **33** | 9,529,542.54 | 6,769,690.50 | 16,299,232.54 |
| **Total Revenue** | **34** | 1,511,302,411.95 | 49,151,345.72 | 1,518,072,101.95 |
| **EXPENDITURE** |  |  |  | - |
| **JOINTLY EXPENDED** |  |  |  | - |
| **Salaries & Wages** | **35** | 794,142,108.86 |  | 794,142,108.86 |
| **Social Benefits** | **36** | 300,000.00 |  | 300,000.00 |
| **Overhead Cost** | **37** | 18,949,956.72 |  | 18,949,956.72 |
| **Grants & Social Contribution** | **38** | 3,141,494.02 |  | 3,141,494.02 |
| **Transfer to Other Agencies** | **39** | 508,968,591.23 |  | 508,968,591.23 |
| **Allowances** | **40** | 271,388.28 |  | 271,388.28 |
| **Stationaries** |  |  |  | - |
| **Public Debt Charge** |  | 30,000,000.00 | - | 30,000,000.00 |
| **L/GOVERNMENT EXPENDITURE** |  |  |  | - |
| **Social Benefits** | **41** | 4,059,000.00 | 847,504.46 | 4,906,504.46 |
| **Overhead Cost** | **42** | 47,093,431.15 | 2,471,075.20 | 49,564,506.35 |
| **Grants & Social Contribution** | **43** | 75,168,814.83 | 5,850,002.36 | 81,018,817.19 |
| **Depreciation** | **44** | 246,816,577.54 | 156,834,464.28 | 403,651,041.82 |
| **Transfer to LCDA** | **45** | 42,381,655.72 |  | - |
| **Allowances** | **46** | 60,563,572.50 | 2,805,933.00 | 63,369,505.50 |
| **Impairment** | **47** |  |  | - |
| **Audit Fees** | **48** |  |  | - |
| **Stabilization Fund** | **49** |  |  | - |
| **Disposal of Assets** |  |  |  |  |
| **Revenue Refunded** |  |  |  |  |
| **Total Expenditures** |  | 1,831,856,590.85 | 168,808,979.30 | 1,958,283,914.43 |
| **Net Surplus/Deficit** | **50** | (320,554,178.90) | (119,657,633.58) | (440,211,812.48) |
| **Net Surplus/Deficit 31/12/2019** |  | (261,509,188.95) | 6,208,394.99 | (255,300,793.96) |
| **Net Surplus/Deficit 31/12/2020** | **51** | (582,063,367.85) | (113,449,238.59) | (695,512,606.44) |

**ILESA WEST LOCAL GOVERNMENT, OMI-ALADIYE**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **CASHFLOW STATEMENT** | | | | |
| **OPERATING ACTIVITIES** | **NOTE** | **ILESA WEST** | **ILESA WEST CENTRAL LCDA** | **ILESA WEST CONSOLIDATED** |
| **INFLOW** |  |  |  |  |
| **Statutory Revenue(JAAC)** | **53** | 1,010,988,449.55 |  | 1,010,988,449.55 |
| **Value Added Tax** | **54** | 383,592,005.60 |  | 383,592,005.60 |
| **Additional Fund** | **55** | 1,608,828.06 |  | 1,608,828.06 |
| **Furniture Allowance** |  |  |  | - |
| **Exchange Rate Gain** | **56** | 30,420,321.63 |  | 30,420,321.63 |
| **Others(Augmentation** |  |  |  | - |
| **Federal Govt Intervention Fund** | **57** | 26,068,233.38 |  | 26,068,233.38 |
| **Excess Crude Oil** | **58** | 21,633,013.12 |  | 21,633,013.12 |
| **Solid Minerals** |  |  |  | - |
| **Non-Oil Revenue** | **59** | 13,525,184.95 |  | 13,525,184.95 |
| **Distributable Good & Valuable** |  |  |  | - |
| **Forex Equalisation** | **60** | 12,672,271.43 |  | 12,672,271.43 |
| **10% IGR** | **61** |  |  | - |
| **Excess Bank Charges** | **62** | 789,949.92 |  | 789,949.92 |
| **Sub Total Dependent Revenue** |  | 1,501,298,257.64 |  | 1,501,298,257.64 |
| **Transfer from Main Council** | **63** |  | 42,381,655.72 | - |
| **Tax Revenue** | **64** | 594,867.28 | 114,400.00 | 709,267.28 |
| **Non-Tax Revenue** | **65** | 8,934,675.26 | 6,655,290.00 | 15,589,965.26 |
| **Aids and Grants** | **66** |  |  | - |
| **Overpayment Recovery** |  |  |  | - |
| **Sub Total Independent Revenue** |  | **9,529,542.54** | **6,769,690.00** | **1,517,577,490.18** |
| **Total Inflow Operating Activities** |  | **1,510,827,800.18** | **49,151,345.72** | **1,559,979,145.90** |
| **OUTFLOW** |  |  |  | - |
| **Salaries & Wages** | **67** | 718,987,361.78 |  | 718,987,361.78 |
| **Overheads Cost** | **68** | 62,985,138.93 | 2,171,075.20 | 65,156,214.13 |
| **Allowances** | **69** | 60,812,345.09 | 2,805,933.00 | 63,618,278.09 |
| **Social Benefits** | **70** | 4,359,000.00 | 847,504.46 | 5,206,504.46 |
| **Social Contributions** | **71** | 94,610,308.85 | 5,850,002.36 | 100,460,311.21 |
| **Inventories** | **72** | 602,688.65 | - | 602,688.65 |
| **Transfer to LCDA** | **73** | 42,381,655.72 |  | 42,381,655.72 |
| **Transfer to Other Agencies** |  | 484,474,197.24 |  | 484,474,197.24 |
| **Audit Fee** | **73** |  |  | - |
| **Revenue Refunded** |  |  |  |  |
| **Total Outflow from Operating Activities** |  | **1,469,212,696.26** | **11,886,348.02** | **1,438,717,388.56** |
| **Net Cashflow from Operating Activities** |  | **41,615,103.92** | **37,264,997.70** | **78,880,101.62** |
| **INVESTING ACTIVITIES** |  |  |  | - |
| **Total Inflow from Investing Activities** |  |  |  | - |
| **CashFlow from Investing Activities:** |  |  |  | - |
| **Administrative Sector** | **74** | 250,000.00 | 37,030,000.00 | 37,280,000.00 |
| **Economic Sector** | **75** | 10,270,000.00 | 3,400,000.00 | 13,670,000.00 |
| **Total Outflow from Investing Activites** |  | 10,520,000.00 | 40,430,000.00 | 50,950,000.00 |
| **Net Cashflow from Investing Activities** |  | (10,520,000.00) | (40,430,000.00) | (50,950,000.00) |
| **Inflow from Financing Activities** |  |  |  | - |
| **Bank Overdraft** | **76** |  |  | - |
| **Total Inflow from Financing Activities** |  |  |  |  |
| **OUTFLOW(REPAYMENT)** |  |  |  | - |
| **Bail-Out Repayment** | **77** | 13,661,440.90 |  | 13,661,440.90 |
| **10km Road** | **78** | 28,370,395.44 |  | 28,370,395.44 |
| **Water Project** | **79** | 2,121,521.68 |  | 2,121,521.68 |
| **Environmental Sanitation Loan** | **80** | 3,866,086.72 |  | 3,866,086.72 |
| **Loan Repayment (Inherited)** | **81** |  |  | - |
| **Bank Loan** | **82** |  |  | - |
| **Intervention Loan** | **83** | 8,969,122.16 |  | 8,969,122.16 |
| **Total Outflow from Financing Activities** |  | **56,988,566.90** | **-** | **56,988,566.90** |
| **Net Cashflow from Financing Activities** | **84** | **(56,988,566.90)** | **-** | **(56,988,566.90)** |
| **Cash and Cash Equivalent for the year** |  | **(25,893,462.98)** | **(3,165,002.30)** | **(29,058,465.28)** |
| **Cash and Cash Equivalent 01/01/2020** |  | **30,981,792.74** | **3,539,159.58** | **34,520,952.32** |
| **Cash and Cash Equivalent 31/12/2020** | **85** | **5,088,329.76** | **374,157.28** | **5,462,487.04** |

**ILESA WEST LOCAL GOVERNMENT, OMI-ALADIYE**

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

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **ILESA WEST** | | | **ILESA WEST CENTRAL** | | | **ILESA WEST CONSOLIDATED** | | |
| **PARTICULAR** | **NOTE** | **ACTUAL** | **FINAL BUDGET** | **VARIANCE** | **ACTUAL** | **FINAL BUDGET** | **VARIANCE** | **ACTUAL** | **FINAL BUDGET** | **VARIANCE** |
| **Government Share of FAAC(Statutory Revenue)** |  | 960,144,393.85 | 549,785,229.75 | 410,359,164.10 | - | 183,261,743.25 | (183,261,743.25) | **960,144,393.85** | **733,046,973.00** | **227,097,420.85** |
| **Government Share of VAT** |  | 432,958,943.23 |  | 432,958,943.23 |  |  | - | **432,958,943.23** | **-** | **432,958,943.23** |
| **Additional Fund** |  | 1,608,828.06 | 37,938,000.00 | (36,329,171.94) |  |  | - | **1,608,828.06** | **37,938,000.00** | **(36,329,171.94)** |
| **Exchange Rate Gain** |  | 31,123,447.23 |  | 31,123,447.23 |  |  | - | **31,123,447.23** |  | **31,123,447.23** |
| **Forex Equalisation** |  | 13,920,875.67 | 825,000.00 | 13,095,875.67 |  | 275,000.00 | (275,000.00) | **13,920,875.67** | **1,100,000.00** | **12,820,875.67** |
| **10%** |  | - |  |  |  | 12,646,000.00 | (12,646,000.00) | **-** | **12,646,000.00** | **(12,646,000.00)** |
| **ECO** |  | 21,633,013.12 |  | 21,633,013.12 |  |  | - | **21,633,013.12** | **-** | **21,633,013.12** |
| **Federal Govt Intervention Fund** |  | 26,068,233.38 |  | 26,068,233.38 |  |  | - | **26,068,233.38** | **-** | **26,068,233.38** |
| **Non-Oil Revenue** |  | 13,525,184.95 |  | 13,525,184.95 |  |  | - | **13,525,184.95** | **-** | **13,525,184.95** |
| **Excess Bank Charges** |  | 789,949.92 |  | 789,949.92 |  |  | - | **789,949.92** | **-** | **789,949.92** |
| **Sub-Total Dependent Revenue** |  | **1,501,772,869.41** | **588,548,229.75** | **913,224,639.66** | **-** | **196,182,743.25** | **(196,182,743.25)** | **1,501,772,869.41** | **784,730,973.00** | **717,041,896.41** |
| **Transfer from Main Council** |  | **-** | **-** | **-** | **42,381,655.72** |  | **42,381,655.72** | **42,381,655.72** | **-** | **42,381,655.72** |
| **Tax Revenue** |  | 594,867.28 | 4,125,000.00 | (3,530,132.72) | 114,400.00 | 1,375,000.00 | (1,260,600.00) | **709,267.28** | **5,500,000.00** | **(4,790,732.72)** |
| **Non-Tax Revenue** |  | 8,934,675.26 | 11,748,750.00 | (2,814,074.74) | 6,655,290.00 | 3,916,250.00 | 2,739,040.00 | **15,589,965.26** | **15,665,000.00** | **(75,034.74)** |
| **Other Income** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Sub-Total Independent Revenue** |  | **9,529,542.54** | **15,873,750.00** | **(6,344,207.46)** | **6,769,690.00** | **5,291,250.00** | **1,478,440.00** | **16,299,232.54** | **21,165,000.00** | **(4,865,767.46)** |
| **Total Revenue** |  | **1,511,302,411.95** | **604,421,979.75** | **906,880,432.20** | **49,151,345.72** | **201,473,993.25** | **(152,322,647.53)** | **1,560,453,757.67** | **805,895,973.00** | **754,557,784.67** |
| **EXPENDITURE** |  |  |  |  |  |  |  | **-** | **-** | **-** |
| **JOINTLY EXPENDED** |  |  |  |  |  |  |  | **-** | **-** | **-** |
| **Salaries & Wages** |  | 794,142,108.86 |  | (794,142,108.86) |  |  | - | **794,142,108.86** | **-** | **(794,142,108.86)** |
| **Social Benefits** |  | 300,000.00 |  | (300,000.00) |  |  |  | **300,000.00** | **-** | **(300,000.00)** |
| **Overhead Cost** |  | 18,949,956.72 |  | (18,949,956.72) |  |  |  | **18,949,956.72** | **-** | **(18,949,956.72)** |
| **Grants & Social Contribution** |  | 33,141,494.02 |  | (33,141,494.02) |  |  |  | **33,141,494.02** | **-** | **(33,141,494.02)** |
| **Transfer to Other Agencies** |  | 508,968,591.23 |  | (508,968,591.23) |  |  |  | **508,968,591.23** | **-** | **(508,968,591.23)** |
| **Allowances** |  | 271,388.28 |  | (271,388.28) |  |  |  | **271,388.28** | **-** | **(271,388.28)** |
| **Stationaries** |  |  |  | - |  |  |  | **-** | **-** | **-** |
| **Public Debt Charge** |  |  |  | - |  |  |  | **-** | **-** | **-** |
| **L/GOVERNMENT EXPENDITURE** |  |  |  | - |  |  |  | **-** | **-** | **-** |
| **Social Benefits** |  | 4,059,000.00 | 6,225,000.00 | 2,166,000.00 | 847,504.46 | 2,075,000.00 | 1,227,495.54 | **4,906,504.46** | **8,300,000.00** | **3,393,495.54** |
| **Overhead Cost** |  | 47,093,431.15 | 52,687,500.00 | 5,594,068.85 | 2,471,075.20 | 45,662,500.00 | 43,191,424.80 | **49,564,506.35** | **98,350,000.00** | **48,785,493.65** |
| **Grants & Social Contribution** |  | 75,168,814.83 | 25,875,000.00 | (49,293,814.83) | 5,850,002.36 | 8,625,000.00 | 2,774,997.64 | **81,018,817.19** | **34,500,000.00** | **(46,518,817.19)** |
| **Depreciation** |  | 246,816,577.54 | 3,690,000.00 | (243,126,577.54) | 156,834,464.28 | - | (156,834,464.28) | **403,651,041.82** | **3,690,000.00** | **(399,961,041.82)** |
| **Transfer to LCDA** |  | 42,381,655.72 |  | (42,381,655.72) | - | - | - | **42,381,655.72** | **-** | **(42,381,655.72)** |
| **Unpaid Contract** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Legal Fees** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Allowances** |  | 60,563,572.50 | 9,466,125.00 | (51,097,447.50) | 2,805,933.00 | 3,155,375.00 | 349,442.00 | **63,369,505.50** | **12,621,500.00** | **(50,748,005.50)** |
| **Stationaries** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Assets Devaluation** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Impairment** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Tax Expenses** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Bail-Out Repayment** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Audit Fees** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Stabilization Fund** |  |  |  | - | - | - | - | **-** | **-** | **-** |
| **Disposal of Assets** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Revenue Refunded** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Total Expenditures** |  | **1,831,856,590.85** | **97,943,625.00** | **(1,733,912,965.85)** | **168,808,979.30** | **59,517,875.00** | **(109,291,104.30)** | **2,000,665,570.15** | **157,461,500.00** | **(1,843,204,070.15)** |
| **Net Surplus/Deficit** |  | **(320,554,178.90)** | **506,478,354.75** | **(827,032,533.65)** | **(119,657,633.58)** | **141,956,118.25** | **(261,613,751.83)** | **(440,211,812.48)** | **648,434,473.00** | **(1,088,646,285.48)** |
| **Net Surplus/Deficit 31/12/2019** |  | (261,509,188.95) | 544,818,706.11 | (806,327,895.06) | 6,208,394.99 | (147,889,115.97) | 154,097,510.96 | (255,300,793.96) | 396,929,590.14 | (652,230,384.10) |
| **Net Surplus/Deficit 31/12/2020** |  | **(582,063,367.85)** | **1,051,297,060.86** | **(1,633,360,428.71)** | **(113,449,238.59)** | **(5,932,997.72)** | **(107,516,240.87)** | **(695,512,606.44)** | **1,045,364,063.14** | **(1,740,876,669.58)** |

**ILESA WEST LOCAL GOVERNMENT, OMI-ALADIYE**

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

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **RESERVE** | **ACCUMULATED SURPLUS** | **TOTAL** | **RESERVE** | **ACCUMULATED SURPLUS** | **TOTAL** | **RESERVE** | **ACCUMULATED SURPLUS** | **TOTAL** |
| **OPENING BALANCE AS AT 1/1/2020** | **2,395,161,387.07** | **(261,509,188.95)** | **2,133,652,198.12** | **747,186,391.33** | **6,208,394.99** | **753,394,786.32** | **3,142,347,778.40** | **(255,300,793.96)** | **2,887,046,984.44** |
| **Additional Reserve** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Revaluation Surplus** | **216,483,221.00** | **-** | **216,483,221.00** | **155,074,856.10** | **-** | **155,074,856.10** | **371,558,077.10** | **-** | **371,558,077.10** |
| **Adjusted Balance** | **2,611,644,603.07** | **(261,509,188.95)** | **2,132,652,198.12** | **902,261,247.43** | **6,208,394.99** | **908,469,642.42** | **3,513,905,855.50** | **(255,300,793.96)** | **3,258,605,061.54** |
| **NET SURPLUS FOR THE YEAR** | **-** | **(320,554,178.90)** | **(320,554,178.90)** | **-** | **(119,657,633.58)** | **(119,657,633.58)** | **-** | **(440,211,812.48)** | **(440,211,812.48)** |
| **CLOSING BALANCE AS AT 31/12/2020** | **2,611,644,603.07** | **(582,063,367.85)** | **2,029,581,240.22** | **902,261,247.43** | **(113,449,238.59)** | **788,812,008.84** | **3,513,905,855.50** | **(695,512,606.41)** | **2,818,393,249.06** |

**NOTES TO THE ACCOUNTS**

**NOTE 1 CASH & CASH EQUIVALENTS**

FCMB 3,679,400.72

ZENITH BANK 544,696.67

FIRST BANK 10,978.24

UNION 6,655.22

UBA 16,886.87

MICRO FINANCE 1,117,490.06

**TOTAL 5,462,487.04**

**NOTE 2 RECEIVABLES**

JAAC 74,831,093.39

VAT 49,366,937.63

FOREX EQUALIZATION 1,248,604.24

EXCHANGE RATE GAIN 703,125.60

**126,149,760.86**

**NOTE 3 PREPAYMENT/ADVANCES**

HOUSING LOAN 3,250,000.00

VEHICLE LOAN 820,000.00

**TOTAL 4,070,000.00**

**NOTE 4 INVENTORIES**

OFFICE MATERIALS 589,633.00

**NOTE 5 INVESTMENTS**

OMOLUABI 13,132,942.00

KAJOLA INTEGRATED 9,523,810.00

OSICOL 267,000.00

PREFERENCE SHARES 28,333,333.33

**TOTAL 51,257,085.33**

**NOTE 6 PROPERTY,PLANT & EQUIPMENT**

BUILDING 865,519,929.59

INFRASTRUCTURAL FACILITIES 2,449,557,236.78

PLANTS & MACHINERY 72,028,800.00

MOTOR VEHICLE 130,799,841.42

EQUIPMENTS 368,129,760.00

FURNITURE & FITTINGS 4,945,110.00

**3,890,980,677.79**

**NOTE 7 - INVESTMENT PROPERTY**

OPEN MARKET 53,544,609.45

LOCK UP STALL 64,661,894.77

SHOPPING COMPLEX 75,245,000.00

OTHERS 2,706,669.17

**196,158,170.39**

**NOTE 8 - BIOLOGICAL ASSETS**

PALM TREE 25,082,407.41

BANANA PLANTATION 25,450,000.00

**196,158,173.39**

**NOTE 9 – ASSET UNDER CONSTRUCTION**

ASSET UNDER CONSTRUCTION 36,000,000.00

**NOTE 10 - UNREMITTED DEDUCTION**

BAL AS AT 1ST JAN 2020 29,210,346.25

UNPAID DEDUCTIONS 5,482,012.35

**34,692,358.60**

**NOTE 11 - NIL**

**NOTE 12 - PAYABLE**

PAYABLE 265,928,391.79

**NOTE 13 - LONG TERM LOAN**

BAL B/F 1,301,909,077.45

10 KM (28 , 370 ,395.44)

INTERVENTION (8, 969, 122.16)

ENVIRONMENT (3,866,086.72)

WATER (2, 121, 521.68)

BAILOUT (13, 661, 440.90)

DECEMBER PAYABLES (2, 734, 288.18)

**1,242,186,22.37**

**NOTE 14 RESERVES**

BAL B/F 3,513,905,855.50

**NOTE 15 - ACCUMULATED SURPLUS/(DEFICIT)**

NET DEFICIT(1ST JAN 2020) (440,211,812.48)

ADDITIONAL DEFICIT FOR THE YEAR (255,300,793.96)

**(695,512,606.44**

**NOTE 16 - STATUTORY ALLOCATION**

JAAC 960,144,393.85

**NOTE 17 - VAT**

VAT 432,958,943.23

**NOTE 18 - ADDITIONAL FUND**

ADDITIONAL FUND 1,608,828.06

**NOTE 19 – REVENUE FURNITURE ALLOWANCE**

REVENUE FURNITURE ALLOWANCE NIL

**NOTE 20 - EXCHANGE RATE GAIN**

EXCHANGE RATE GAIN 31,123,447.23

**NOTE 21 - FEDERAL GOVT INTERVENTION FUND**

FEDERAL GOVT INTERVENTION FUND 26,068,233.38

**NOTE 22 - ECO**

ECO 21,633,013.12

**NOTE 24 - NON-OIL REVENUE**

NON-OIL REVENUE 13,525,184.95

**NOTE 25 – DISTRIBUTABLR FROM GOODS & VALUABLES - NIL**

**NOTE 26 - FOREX EQUALISATION**

FOREX EQUALISATION 13,920,875.67

**NOTE 28 - EXCESS BANK CHARGES**

EXCESS BANK CHARGES 789,949.92

**NOTE 29 - DEPENDENT REVENUE**

JAAC 960,144,393.85

VAT 432,958,943.23

ADDITIONAL FUND 1,608,828.06

FEDERAL GOVT INTERVENTION FUND 26,068,233.38

ECO 21,633,013.12

NON-OIL REVENUE 13,525,184.95

FOREX EQUALISATION 13,920,875.67

EXCESS BANK CHARGES 789,949.92

**1,501,772,869.41**

**NOTE 30 - TAX REVENUE**

COMMUNITY TAX 709,267.28

**NOTE 31 - NON-TAX REVENUE**

LICENSE FEES 15,589,965.26

**NOTE 32 – OTHER INCOME**

OTHER INCOME -

**NOTE 33 - INDEPENDENT REVENUE**

TAX REVENUE 709,267.28

NON-TAX REVENUE 15,589,965.26

OTHER INCOME -

TOTAL **16,299,232.54**

**NOTE 34 - TOTAL REVENUE**

DEPENDENT REVENUE 1,501,772,869.41

INDEPENDENT REVENUE 16,299,232.54

**1,518,072,101.95**

**NOTE 35 - SALARY & WAGES**

LOCAL GOVT STAFF 304,849,838.32

TEACHING & NON-TEACHING STAFF: ELEMENTARY 230,776,632.85

MIDDLE 100,262,008.73

LOCAL GOVT STAFF LOANS BOARD 803,604.83

LOCAL GOVERNMENT PENSION BOARD 1,094,377.13

PHC STAFF 156,365,647.00

**794,142,108.86**

**NOTE 36 - SOCIAL BENEFITS**

HUMAN RESOURCES 300,000.00

**NOTE 37 OVERHEAD**

GENERAL EXPENSES 18,949,956.72

**NOTE 38 - GRANTS & CONTRIBUTION**

FAAC DISTRIBUTION 3,141,494.02

**NOTE 39 - TRANSFER TO OTHER AGENCIES**

TRADITIONAL COUNCIL 44,638,959.55

TRAINING FUND 8,927,791.91

SUBEB 45,273,865.21

OMEAL 21,481,092.00

OYES 40,000,000.00

OHIS 11,439,494.07

ORAMP 11,079,423.09

SUBEB(ADMIN) 407,600.04

PENSION 271,109,092.20

SUBEB(ADM) 407,600.04

SUBEB(CONTRACT) 271,388.28

LOCAL STATUTORY DEDUCTIONS 33,135,417.05

AUDIT FEES 21,204,467.83

**508,968,591.23**

**NOTE 40 - ALLOWANCE**

O’ CLEAN ALLOWANCE 271,388.28

**NOTE 41 - PUBLIC DEBT CHARGES**

PUBLIC DEBT CHARGES 30,000,000.00

**LOCAL GOVERNMENT EXPENDITURE**

**NOTE 42 - SOCIAL BENEFITS**

TRAINING & WORKSHOP 3,569,000.00

FINANCIAL ASSISTANCE 847,504.46

GIFT TO STAFF 490,000.00

**4,906,504.46**

**NOTE 43 - OVERHEAD COST**

REPAIR & MAINTENANCE 6,440,000.00

GENERAL EXPENSES 3,445,575.20

ENTERTAINMENT 7,036,242.50

GENERAL EXPENSES 6,602,688.65

IMPREST 26,040,000.00

**49,564,506.35**

**NOTE 44 - GRANT & SOCIAL CONTRIBUTION**

EMPOWERMENT PROGRAMMES -

ILEYA GIFT & OTHERS 14,989,458.46

EASTER CELEBRATION 6,200,000.00

RAMADAN 3,525,000.00

CHRISTMAS CELEBRATION 8,450,000.00

ELECTRIFICATION 6,000,000.00

GRADING 16,000,000.00

CLEANING OF DEBRIS 4,755,000.00

SENSITISATION & TRAINING 18,000,000.00

PALLIATIVE MATERIAL(COVID 19) 18,000,000.00

**81,018,817.19**

**NOTE 45 - DEPRECIATION**

BUILDING 11,724,783.95

INFRASTRUCTURAL FACILITIES 271,728,581.86

BIOLOGICAL ASSETS -

PLANT & MACHINERY 18,007,200.00

MOTOR VEHICLE 5,837,460.36

OFFICE EQUIPMENT 1,236,277.50

FURNITURE & FITTINGS 91,477,440.00

INVESTMENT PROPERTIES 3,639,298.15

**403,651,041.82**

**NOTE 46 - ALLOWANCE**

COMMITTEE ALLOWANCE 63,369,505.50

**NOTE 47 - IMPAIRMENT COST**

IMPAIRMENT NIL

**NOTE 48 - STABILIZATION FUND**

STABILIZATION FUND NIL

**NOTE 49 - REVENUE REFUNDED**

REVENUE REFUNDED NIL

**NOTE 50-51 - NET SURPLUS/DEFICIT**

TOTAL REVENUE 1,518,072,101.95

TOTAL EXPENDITURE 1,958,283,914.43

NET SURPLUS/DEFICIT (440,211,812.48)

NET SURPLUS/DEFICIT 1/1/2020 (255,300,793.96)

NET SURPLUS/DEFICIT **(695,512,606.44)**

**ILESA WEST LOCAL GOVERNMENT, IYEMOGUN**

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

**STATEMENT OF CASHFLOW RATIO**

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

1,501,298,257.64 X 100

1,517,597,490.18 1 = **98.93%**

2. TOTAL INDEPENDENT REVENUE = TOTAL REVENUE

16,299,232.54 \* 100

1,517,597,490.18 1 = **1.07%**

3. PERSONNEL: TOTAL RECURRENT EXPENDITURE

718,987,361.78 \* 100

1,438,717,388.56 1 = **49.97%**

**STATEMENT OF FINANCIAL POSITION RATIO**

5. CURRENT RATIO = CURRENT ASSETS = 136,271,880.90

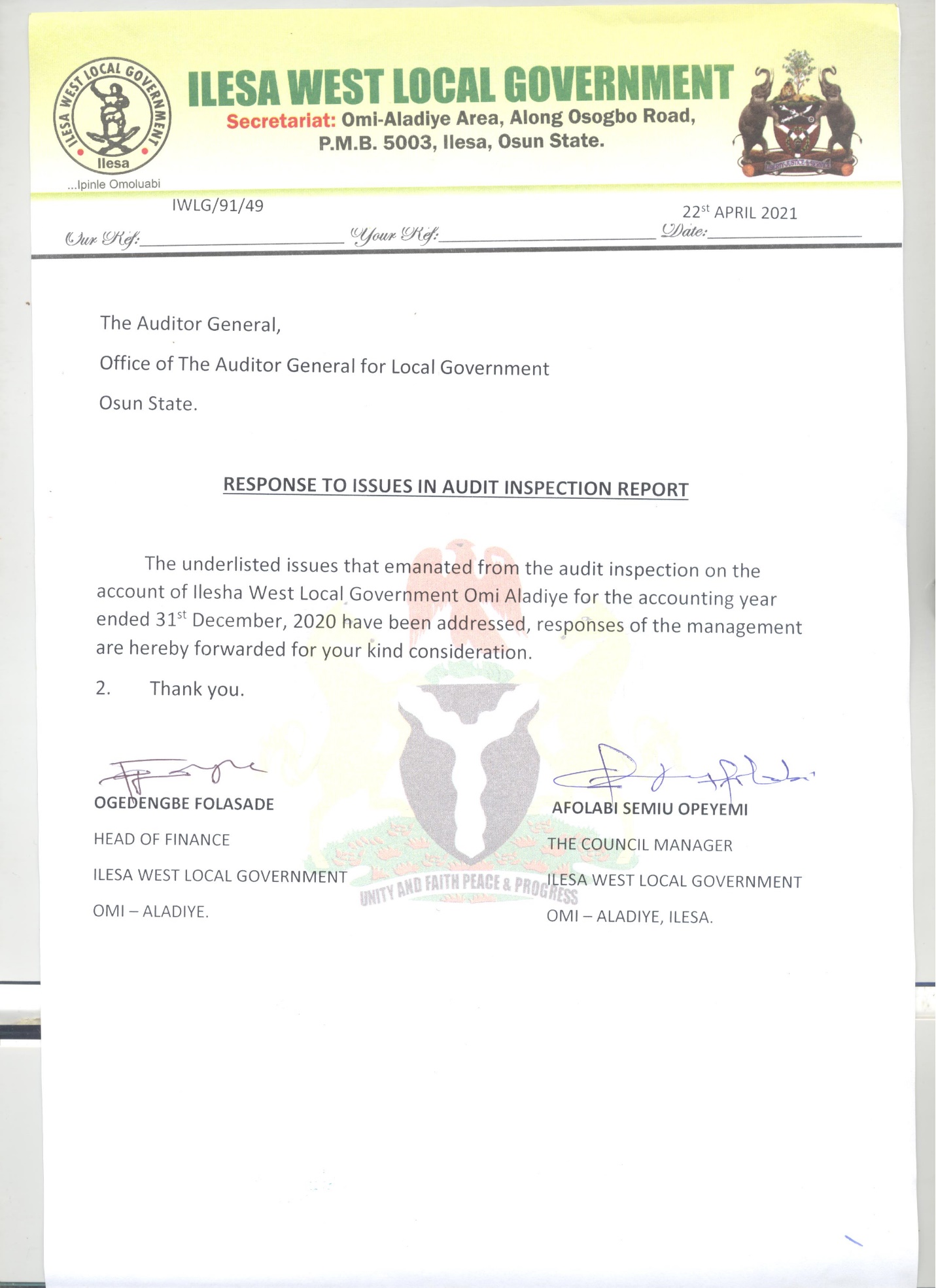
CURRENT LIABILITIES 300,620,750.39 = **0.45:1**

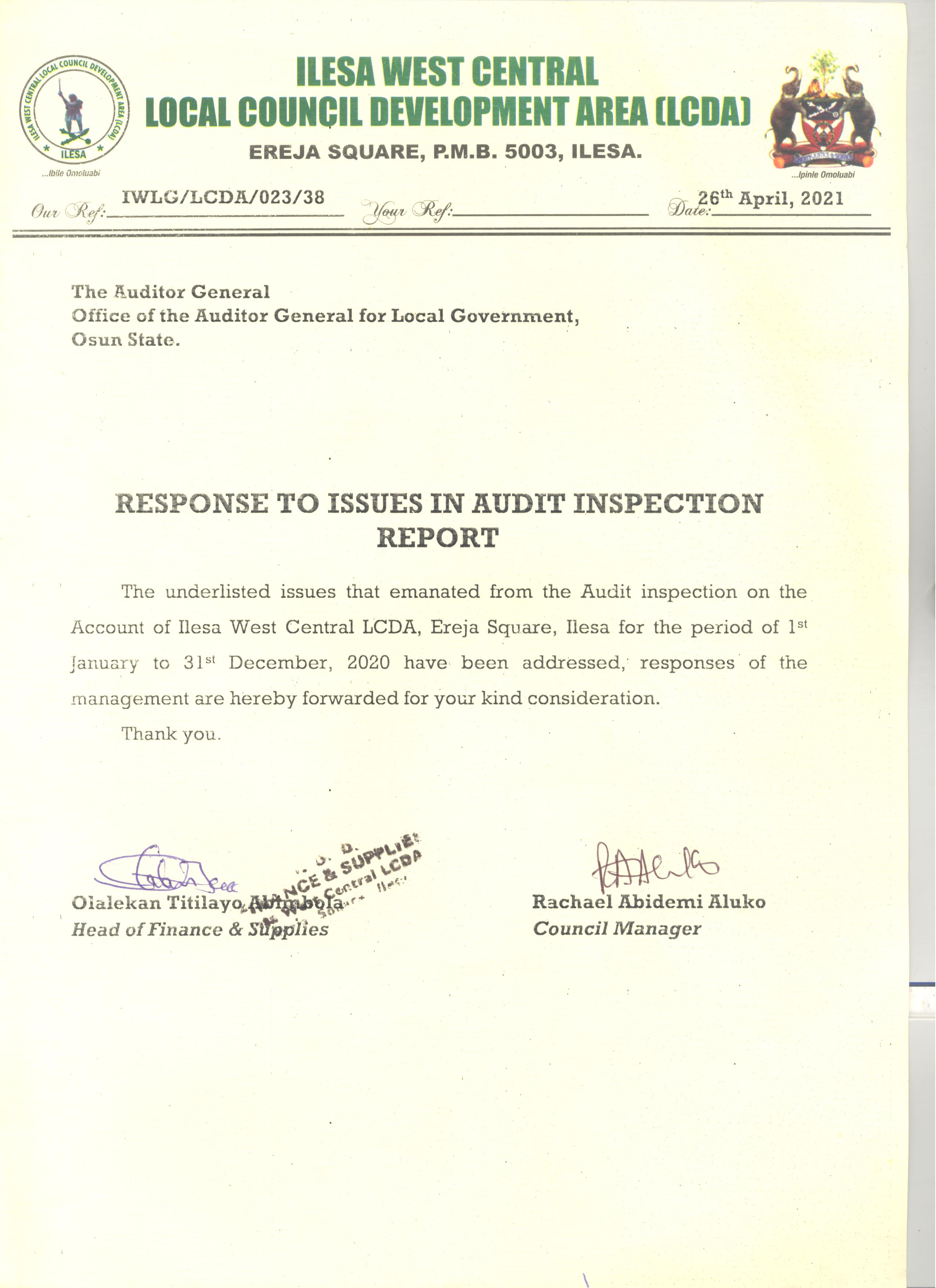
6. TOTAL ASSET: TOTAL LIABILITIES = 4,361,200,221.82

1,542,806,972.76 = **2.83:1**

7. EQUITY : TOTAL ASSET = 2,818,393,249.06

4,361,200,221.82 = 0.65:1

****

****

**MANAGEMENT LETTER**

**ILESA WEST LOCAL GOVERNMENT, OMI ALADIYE, ILESA**

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

**1. EXPENDITURE NOT SUPPORTED WITH PROPER RECORDS OR ACCOUNTS TOTALING (N1,070,000:00) :** Audit scrutiny of records revealed that some of the payment vouchers were not supported with receipt and other relevant documents contrary to Financial Memoranda 14:16 & 14:17 which state that, “ Payment Vouchers shall be receipted by the payee or authorized agent, and the receipt must state clearly in words and figure the actual amount received and not “Simply received the above amount” and paragraph 14:17 stipulate that “An official receipt must be obtained and attached to 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.*

**2. DOUBTFUL EXPENDITURE N545:000.00:** Audit Inspection exercise revealed that a sum of Five Hundred and Forty-Five Thousand Naira Only (N545, 000.00) was purportedly expended on hosting and entertainment of all the planning officers was observed wasted on fictitious activities as insubstantial hosting and entertainment, awareness campaign and printing of posters on ritual killings. Audit observation showed that the expenditure were doubtful and fictitious in nature because the payment vouchers lack documentary or pictorial evidence to justify the actual performance.

***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 work done had been eroded with passage of time before Audit exercise was done, supporting evidences would be produced.*

***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.*

**3. BANK RECONCILIATION STATEMENT:** The Reconciliation Statement was prepared up to December 2020. This following observation arising from the audit scrutiny of the Bank Reconciliation Statement prepared up to December 2020:

BANK CHARGES: It was observed that a total sum of ₦1,165,708.59 was floating as Bank Charges om previous months to date which was yet to be brought into account contrary to Financial Memoranda 19:27 which states that ‘’ the receipt and payment vouchers shall be made out where any credits 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 entered at once into the Cash book for the next month’’

**ILESA WEST CENTRAL LCDA, EREJA SQUARE, ILESA**

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

**1. EXPENDITURE NOT TAKEN ON CHARGE N50,000:00:** Audit Examination of records show that a sum of N50,000:00 was released to the staffer of the council vide payment voucher No 34/July/2020, PV No 52/Nov/2020 for the purchase of materials needed for the production of nominal roll and other items in the LCDA. However, the Audit observation showed that purportedly materials bought could not be traced or verified into store Contrary to the provision of Financial Memoranda 34:17(1-2) which states that “All stores should be examined immediately they are received by the store keeper or other official responsible for the stores. The stores must be checked for quantities, weights, e.t.c. against the Local Purchase order, invoice of Government store issue voucher; if the stores delivered are found to be correct and in good condition, they will be taken on charge and entered as a receipt in the appropriate stores ledger” .

***RISK:***

*This was an indication that the purported items might not have been purchased thereby resulting to loss of Local Government fund.*

***MANAGEMENT RESPONSE:*** *The store ledgers had not been updated as at the time of Audit inspection.*

***RECOMMENDATION-***

*The Internal Auditor should be alive to his responsibilities and audit attachments to payment vouchers and reflect it Internal Audit Report. The Internal Auditor should also audit stores to ascertain receipt and distribution of items.*

**2. UNREASONABLE EXPENDITURE TOTALLING ₦625,000.00:** It was observed that the sum of Six Hundred and Twenty-Five Thousand Naira was released to staffers of the council for various programmes purportedly organized. This amount of money was viewed to be unreasonable, wasteful and unjustifiable as it could be observed from the documents that all the money was expended on entertainment.

The Local Council management is advised to judiciously expended tax payers money on a project that would add value and improve the standard of living of the community dwellers.

***RISK:***

*Unreasonable expenditure was an indication of financial indiscipline and lack of prudency in the management of Local Government.*

***MANAGEMENT RESPONSE:*** *No response.*

***RECOMMENDATION***

*Expenditure incurred should be justified and reasonable as there should not be frivolous expenses so as to exhibits financial discipline.*

**3. BANK RECONCILIATION STATEMENT:** The Reconciliation Statement was prepared up to December 2020.

(i) BANK CHARGES: It was observed that a total sum of ₦333,138.28 was floating as Bank Charges on previous months to date which was yet to be brought into account contrary to Financial Memoranda 19:27 which states that ‘’ the receipt and payment vouchers shall be made out where any credits 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 entered at once into the Cash book for the next month’’

**INTERNAL AUDITOR’S REPORT**

*1.* The Internal Control mechanism is very effective and the impacts on the administration is yet to be felt particularly, on the monthly IGR of the Local Government. There should be more control and thorough monitoring of the Rate Section to block leakages and IGR be improved.

*2.* The rate section and other Revenue generating Departments of the Local Governments are yet to implement the suggestions of the Internal Control Unit on the monthly IGR. Other revenue items need to be tapped and leakages been blocked to improve the IGR of the council.

**LIST OF PROJECTS EXECUTED BY ILESA WEST LOCAL GOVERNMENT, OMI-ALADIYE [JANUARY – DECEMBER 2020]**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **S/N** | **DESCRIPTION** | **LOCATION** | **MODE OF EXECUTION** | **PROJECT COST** | **AMOUNT** | **BALANCE** | **REMARKS** |
| 1 | Massive grading of roads (20kms) | 1. Ward 4: Dodore Street/ back of Omofe church okoti/ Idasa  2. Ward 5: Surulere / Omi Oko / Onala/ Sarumi/ Agboworin / Saint Paul’s Oke-Omiru / Ayeni/ Apostolic Faith/ Along Esun Ido oko road/ Ifesowopo/ Sawmill Ajimoko Area, Moroke/ Ifelodun  All Zone  3. Ward 6: Ikoyi /Igbogi/ Ikoyi/Wonuola/ Omiowa/ Oromun/ Araromi  4. Ward 7: Ilaje/ Oke-Itunu/ Imadin/ Gari-Ijebu/ Isale General/ Agbeda/ Inukoko/ Temitope.s | Direct Labour | 4,625,000 | 4,625,000 | \_\_\_\_ | 100% Completed |
| 2 | Additional grading | 1. Ward 3: Igbogi/ Isinkin/ oke-Ola  2. Agbeda/ Adenibe/ Ikoyi Zone ii  3. Apostolic Faith Area, Saint Paul’s Anglican Church oke-Omiru  4. Zone i, Zone ii, Zone iii,  5. All other zones in ward 7 | Direct Labour | 1,440,000 | 1,250,000 | 190,000 | 100% Completed |
| 3 | Clearing of proposed market at the back of Ajimoko Grammer School | Back of Ajimoko Grammer School Ilesa | Direct Labour | 900,000 | 500,000 | 400,000 | On-going |
| 4 | Purchase of Toyota Camry for the Office of Chairman | Local Government Secretariat | Direct Labour | 3,000,000 | 3,000,000 | Nil | 100% Completed |
|  |  |  |  | **6,065,000.00** | **5,875,000.00** | **190,000.00** |  |

**LIST OF PROJECTS EXECUTED BY ILESA WEST CENTRAL LOCAL COUNCIL DEVELOPMENT AREA, EREJA-SQUARE [JANUARY – DECEMBER 2020]**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **S/N** | **DESTRUCTION** | **LOCATION** | **MODE OF EXECUTION** | **PROJECT COST** | **AMOUNT RELEASED** | **BALANCE** | **REMARKS** |
| 1 | Construction of Nine (9) units lock up shops and 2 Toilet facilities | Ereja Square | Direct Labour | 8,500,000.00 | 4,141,750.00 (2019)  2,275,000.00 (2020)  **6,896,750.00** | 1,603,250.00 | Project brought forward still on-going |
| 2 | Procurement of 2 Toyota Camry cars | Secretariat | Direct Labour | 3,800,000.00 | 3,400,000.00 | 400,000.00 | Supplied |
|  |  |  |  | **12,300,000.00** | **10,296,750.00** | **2,003,250.00** |  |