STATE GOVERNMENT OF OSUN, NIGERIA.

REPORT OF

THE

AUDITOR-GENERAL

FOR

LOCAL GOVERNMENTS

ON THE ACCOUNTS OF

IREWOLE LOCAL GOVERNMENT

IKIRE

FOR THE YEAR ENDED

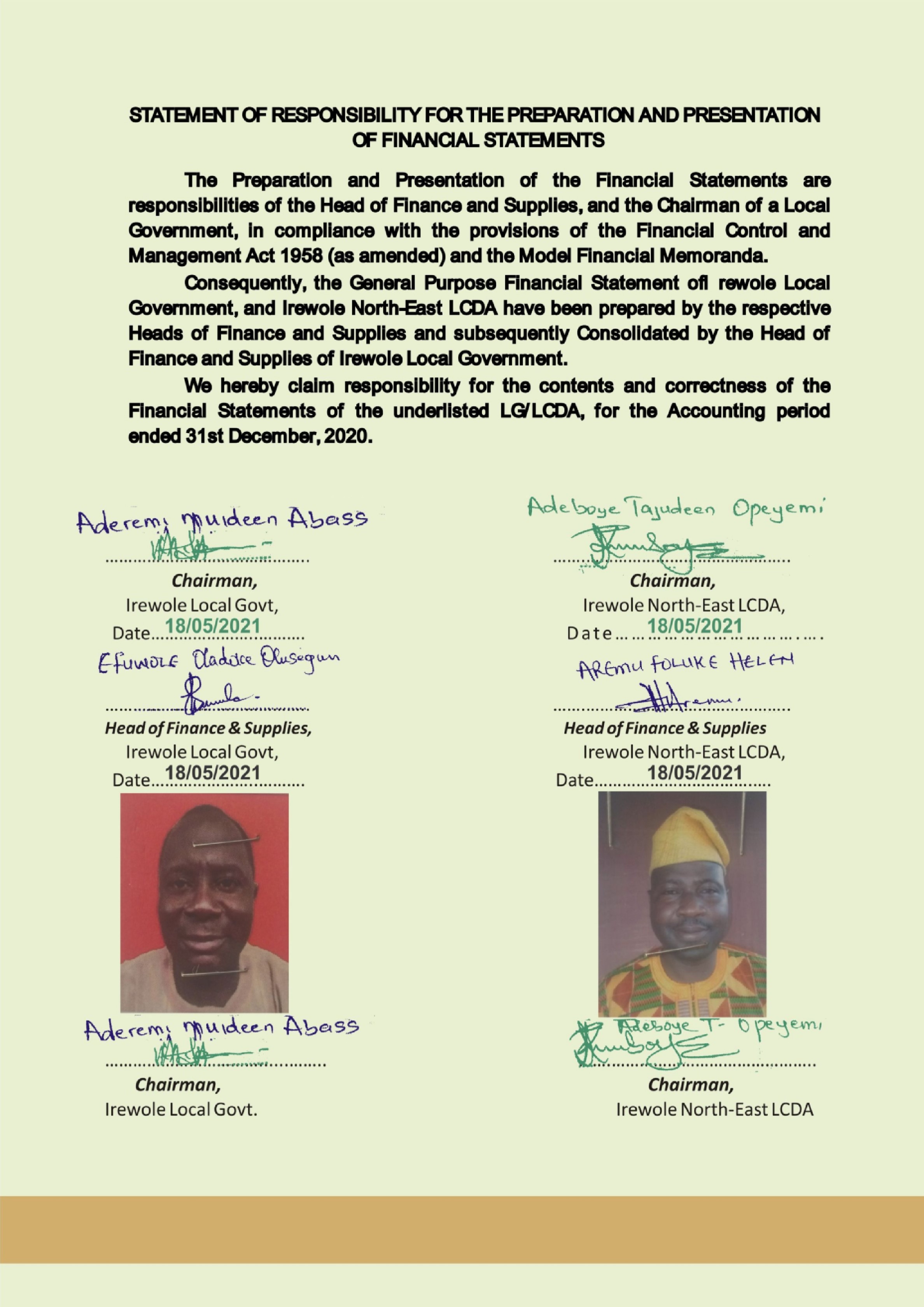
31ST DECEMBER, 2020.

**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 | **19-35** |
| 13 | **FISCAL OPERATION REPORT**  i STATISTICAL AND ACCOUNTING RATIOS  ii NON-FINANCIAL DISCLOSURE | **36-37** |
| 14 | MANAGEMENT LETTER | **38-45** |
| 15 | LIST OF PROJECTS EXECUTED IN THE LOCAL GOVERNMENT | **46** |

**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 Irewole Local Government, Ikire 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 Irewole Local Government, Ikire for the accounting year ended 31st December, 2020, subject to the observations and comments, and resulting reservations, and disallowances as contained in this report.**

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**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 Irewole 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 Irewole 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 Irewole Local Government in the state.

**BASIS OF AUDIT OPINION**

In the course of auditing the accounts of Irewole Local Governments Ikire 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 Irewole Local Govt Education Authority.

**STATEMENT OF COMPLIANCE**

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

The accounts of Irewole 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 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. 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**

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 Irewole Local Government, Ikire (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 Irewole 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 Irewole 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 N4,060,469.26 representing 0.85% 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, 15 nos of Audit Queries were issued in respect of 2020 Accounts, involving a total sum of N1,992,000.00.

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 Irewole 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 N1,145,547,668.35 was Share of FAAC and VAT amounted to N486,216,471.90.

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

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

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

**SUMMARY OF REVENUE FROM JAAC**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **LOCAL GOVERNMENT** | **STATUTORY ALLOCATION** | **VAT** | **EX RATE GAIN** | **FEDERAL GOVT INTERVENTION** | **EXCESS BANK** | **FOREX EQUALISATION** | **ECO** | **ADD FUND FRM SOLID MIN** | **NON-OIL EXCESS REVENUE** | **TOTAL** |
| Irewole | 1,029,188,506.77 | 486,216,471.87 | 33,325,791.80 | 27,912,863.16 | 845,848.02 | 14,905,939.06 | 23,163,799.64 | 1,722,671.30 | 14,482,248.60 | 1,631,764,140.22 |

**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. #14,060,469.26.

**SALARIES AND WAGES – N785,193,756.89**

Salaries and Wages which amounted to N785,193,756.89 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 – 13,388,859.54**

The Aggregate closing cash and cash equivalents amounted to **₦13,388,859.54** 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 - ₦136,370,083.82**

A total sum of N136,370,083.82k 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 - ₦46,049,881.43**

The sum of ₦46,049,881.43represents 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 - ₦51,263,085.34**

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 - ₦631,203,325.86**

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 - ₦31,434,550.00**

The carrying amount of Investment Properties of the Local Governments stood at N31,434,550.00 in the Statement of Financial Position. However, there is no restriction on title or property pledge as securities for liabilities. Straight Line Method of depreciation was applied.

**LONG – TERM BORROWINGS - ₦1,593,947,757.87**

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 - ₦182,834,115.47**

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 #55,963,264.73 was made to the Local Council Development Areas and Area Offices in the period under review and was set off in the Consolidated Account.

**IREWOLE LOCAL GOVERNMENT, IKIRE**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **FINANCIAL POSITION** | | | | |
| **PARTICULAR** |  | **IREWOLE** | **IREWOLE NORTH EAST LCDA** | **IREWOLE CONSOLIDATED** |
| **ASSETS** | **NOTE** |  |  |  |
| **Current Assets** |  |  |  |  |
| **Cash & Cash Equivalents** | **1** | 9,372,270.01 | 4,016,589.53 | 13,388,859.54 |
| **Receivables** | **2** | 136,370,083.82 |  | 136,370,083.82 |
| **Prepayment/Advance** | **3** | 4,300,000.00 |  | 4,300,000.00 |
| **Inventories** | **4** | 45,747,581.43 | 302,300.00 | 46,049,881.43 |
| **Total Current Asset** |  | 195,789,935.26 | 4,318,889.53 | 200,108,824.79 |
| **Non Current Asset:** |  |  |  | - |
| **Long Term Loan Granted** |  |  |  | - |
| **Investments** | **5** | 38,513,085.34 | 12,750,000.00 | 51,263,085.34 |
| **Property,Plant & Equipment** | **6** | 1,759,363,198.58 | 1,411,880,796.29 | 3,171,243,994.87 |
| **Investment Property** | **7** | 19,164,730.00 | 12,269,820.00 | 31,434,550.00 |
| **Biological Asset** | **8** |  |  | - |
| **Assets Under Construction(WIP)** | **9** |  |  | - |
| **Total Non-Current Asset** |  | 1,817,041,013.92 | 1,436,900,616.29 | 3,253,941,630.21 |
| **Total Asset** |  | 2,012,830,949.18 | 1,441,219,505.82 | 3,454,050,455.00 |
| **LIABILITIES** |  |  |  | - |
| **Current Liabilities:** |  |  |  | - |
| **Deposit** |  |  |  | - |
| **Unremitted Deductions** | **10** | 110,414,456.48 | 72,419,658.99 | 182,834,115.47 |
| **Short Term Loan & Debts** | **11** |  |  | - |
| **Payables** | **12** | 386,704,372.03 | 244,498,980.83 | 631,203,352.86 |
|  |  |  |  | - |
| **Short Term Provisions** |  |  |  | - |
| **Total Current Liability** |  | 497,118,828.51 | 316,918,639.82 | 814,037,468.33 |
| **Non Current Liabilities:** |  |  |  | - |
| **Long Term Borrowing** | **13** | 930,859,058.53 | 663,088,699.34 | 1,593,947,757.87 |
| **Total Liabilities** |  | 1,424,977,887.04 | 980,007,339.16 | 2,407,985,226.20 |
| **Net Assets** |  | 584,853,062.14 | 461,212,166.66 | 1,046,065,228.80 |
| **Financed by** |  |  |  | - |
| **Reserve** | **14** | 752,890,433.07 | 523,658,407.47 | 1,276,548,840.54 |
| **Net Surplus/Deficit** | **15** | (168,037,370.93) | (62,446,240.81) | (230,483,611.74) |
| **Total** |  | 584,853,062.14 | 461,212,166.66 | 1,046,065,228.80 |

**IREWOLE LOCAL GOVERNMENT, IKIRE**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **PERFORMANCE** | | | | |
| **PARTICULAR** | **NOTE** | **IREWOLE** | **IREWOLE NORTH EAST LCDA** | **IREWOLE CONSOLIDATED** |
| **Government Share of FAAC(Statutory Revenue)** | **16** | 1,029,188,506.77 |  | 1,029,188,506.77 |
| **Government Share of VAT** | **17** | 486,216,471.90 |  | 486,216,471.90 |
| **Additional Fund** | **18** | 1,722,671.30 |  | 1,722,671.30 |
| **Revenue Furniture Allowance** | **19** |  |  | - |
| **Ex Rate Gain** | **20** | 33,325,791.80 |  | 33,325,791.80 |
| **Federal Govt Intervention Fund** | **21** | 27,912,863.16 |  | 27,912,863.16 |
| **ECO** | **22** | 23,163,799.64 |  | 23,163,799.64 |
| **Solid Minerals** | **23** |  |  | - |
| **Non-Oil Revenue** | **24** | 14,482,248.60 |  | 14,482,248.60 |
| **Distributable from Goods & Valuables** | 25 |  |  | - |
| **Forex Equalisation** | **26** | 14,905,939.06 |  | 14,905,939.06 |
| **10% IGR** | **27** |  |  | - |
| **Excess Bank Charges** | **28** | 845,848.02 |  | 845,848.02 |
| **Sub-Total Dependent Revenue** | **29** | 1,631,764,140.25 | - | 1,631,764,140.25 |
| **Transfer from Main Council** |  |  | 55,963,264.73 | 55,963,264.73 |
| **Tax Revenue** | **30** | - | 202,550.00 | 202,550.00 |
| **Non-Tax Revenue** | **31** | 11,876,729.26 | 1,981,190.00 | 13,857,919.26 |
| **Other Income** | **32** |  |  |  |
| **Sub-Total Independent Revenue** | **33** | 11,876,729.26 | 2,183,740.00 | 14,060,469.26 |
| **Total Revenue** | **34** | 1,643,640,869.51 | 58,147,004.73 | 1,645,824,609.51 |
| **EXPENDITURE** |  |  |  | - |
| **JOINTLY EXPENDED** |  |  |  | - |
| **Salaries & Wages** | **35** | 785,193,756.89 |  | 785,193,756.89 |
| **Social Benefits** | **36** | 300,000.00 |  | 300,000.00 |
| **Overhead Cost** | **37** | 18,949,956.72 |  | 18,949,956.72 |
| **Grants & Social Contribution** | **38** | 27,594,281.73 |  | 27,594,281.73 |
| **Transfer to Other Agencies** | **39** | 489,835,334.49 |  | 489,835,334.49 |
| **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** | 6,567,025.28 | 5,841,290.00 | 12,408,315.28 |
| **Overhead Cost** | **42** | 42,387,520.81 | 23,215,911.54 | 65,603,431.85 |
| **Grants & Social Contribution** | **43** | 78,312,600.85 | 23,103,872.70 | 101,416,473.55 |
| **Depreciation** | **44** | 157,359,843.42 | 110,818,633.25 | 268,178,476.67 |
| **Transfer to LCDA** | **45** | 55,963,264.73 |  | - |
| **Unpaid Contract** |  |  |  | - |
| **Legal Fees** |  |  |  | - |
| **Allowances** | **46** | 41,292,121.50 | 24,685,392.71 | 65,977,514.21 |
| **Stationaries** |  |  |  |  |
| **Assets Devaluation** |  |  |  |  |
| **Impairment** | **47** |  |  |  |
| **Tax Expenses** |  |  |  |  |
| **Bail-Out Repayment** |  |  |  | - |
| **Audit Fees** | **48** |  |  | - |
| **Stabilization Fund** | **49** |  |  | - |
| **Disposal of Assets** |  |  |  |  |
| **Revenue Refunded** |  |  |  |  |
| **Total Expenditures** |  | 1,734,027,094.20 | 187,665,100.20 | 1,865,728,929.67 |
| **Net Surplus/Deficit** | **50** | 90,386,224.69 | (129,518,095.47) | (219,904,320.16) |
| **Net Surplus/Deficit 31/12/2019** |  | (77,651,146.24) | 67,071,854.66 | (10,579,291.58) |
| **Net Surplus/Deficit 31/12/2020** | **51** | (168,037,370.93) | (62,446,240.81) | (230,483,611.74) |

**-IREWOLE LOCAL GOVERNMENT, IKIRE**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **CASHFLOW STATEMENT** | | | | |
| **OPERATING ACTIVITIES** | **NOTE** | **IREWOLE** | **IREWOLE NORTH EAST LCDA** | **IREWOLE CONSOLIDATED** |
| **INFLOW** |  |  |  |  |
| **Statutory Revenue(JAAC)** | **53** | 1,048,618,720.53 |  | 1,048,618,720.53 |
| **Value Added Tax** | **54** | 432,062,485.47 |  | 432,062,485.47 |
| **Additional Fund** | **55** | 1,722,671.30 |  | 1,722,671.30 |
| **Furniture Allowance** |  |  |  |  |
| **Exchange Rate Gain** | **56** | 32,572,912.11 |  | 32,572,912.11 |
| **Others(Augmentation** |  |  |  |  |
| **Federal Govt Intervention Fund** | **57** | 27,912,863.16 |  | 27,912,863.16 |
| **Excess Crude Oil** | **58** | 23,163,799.64 |  | 23,163,799.64 |
| **Solid Minerals** | **59** |  |  |  |
| **Non-Oil Revenue** | **60** | 14,482,248.60 |  | 14,482,248.60 |
| **Distributable Good & Valuable** |  |  |  |  |
| **Forex Equalisation** | **61** | 13,568,981.59 |  | 13,568,981.59 |
| **10% IGR** |  |  |  |  |
| **Excess Bank Charges** | **62** | 845,848.02 |  | 845,848.02 |
| **Sub Total Dependent Revenue** |  | 1,594,950,530.42 | - | 1,594,950,530.42 |
| **Transfer from Main Council** | **63** |  | 55,963,264.73 | 55,963,264.73 |
| **Tax Revenue** | **64** |  | 202,550.00 | 202,550.00 |
| **Non-Tax Revenue** | **65** | 11,876,729.26 | 1,981,190.00 | 13,857,919.26 |
| **Aids and Grants** | **66** |  |  |  |
| **Overpayment Recovery** |  |  |  |  |
| **Sub Total Independent Revenue** |  | 11,876,729.26 | 2,183,740.00 | 14,060,469.26 |
| **Total Inflow Operating Activities** |  | **1,606,827,259.68** | **58,147,004.73** | **1,609,010,999.68** |
| **OUTFLOW** |  |  |  |  |
| **Salaries & Wages** | **67** | 710,039,009.81 |  | 710,039,009.81 |
| **Overheads Cost** | **68** | 64,826,026.67 | 342,311.54 | 65,168,338.21 |
| **Allowances** | **69** | 41,540,894.09 | 24,685,392.71 | 66,226,286.80 |
| **Social Benefits** | **70** | 6,867,025.28 | 5,841,290.00 | 12,708,315.28 |
| **Social Contributions** | **71** | 135,906,882.55 | 23,131,324.52 | 159,038,207.07 |
| **Transfer to LCDA** | **72** | 55,963,264.73 |  | - |
| **Inventories** | **73** |  |  |  |
| **Audit Fee** | **74** |  |  |  |
| **Transfer to Other Govt Agencies** | **75** | 484,475,486.83 |  | 484,475,486.83 |
| **Revenue Refunded** |  |  |  |  |
| **Total Outflow from Operating Activities** |  | **1,499,618,589.96** | **54,000,318.77** | **1,497,655,644.00** |
| **Net Cashflow from Operating Activities** |  | **107,208,669.72** | **4,146,685.96** | **111,355,355.68** |
| **INVESTING ACTIVITIES** |  |  |  |  |
| **Total Inflow from Investing Activities** |  |  |  |  |
| **CashFlow from Investing Activities:** |  |  |  |  |
| **Administrative Sector** | **76** | - | - | - |
| **Economic Sector** | **77** | 38,674,800.59 | 5,620,000.00 | 44,294,800.59 |
| **Total Outflow from Investing Activites** |  | 38,674,800.59 | 5,620,000.00 | 44,294,800.59 |
| **Net Cashflow from Investing Activities** |  | (38,674,800.59) | (5,620,000.00) | (44,294,800.59) |
| **Inflow from Financing Activities** |  |  |  |  |
| **Bank Overdraft** | **78** |  |  |  |
| **Total Inflow from Financing Activities** |  |  |  |  |
| **OUTFLOW(REPAYMENT)** |  |  |  |  |
| **Bail-Out Repayment** | **79** | 13,671,440.90 |  | 13,671,440.90 |
| **10km Road** | **80** | 23,704,252.16 |  | 23,704,252.16 |
| **Water Project** | **81** |  |  | - |
| **Environmental Sanitation Loan** | **82** | 3,886,086.72 |  | 3,886,086.72 |
| **Loan Repayment (Inherited)** | **83** |  |  | - |
| **Bank Loan** | **84** |  |  | - |
| **Intervention Loan** | **85** | 19,777,922.48 |  | 19,777,922.48 |
| **Total Outflow from Financing Activities** |  | **61,039,702.26** |  | **61,039,702.26** |
| **Net Cashflow from Financing Activities** | **86** | **(61,039,702.26)** |  | **(61,039,702.26)** |
| **Cash and Cash Equivalent for the year** |  | **7,494,166.87** | **(1,473,314.04)** | **6,020,852.83** |
| **Cash and Cash Equivalent 01/01/2020** |  | **1,878,103.14** | **5,489,903.57** | **7,368,006.71** |
| **Cash and Cash Equivalent 31/12/2020** | **87** | **9,372,270.01** | **4,016,589.53** | **13,388,859.54** |

**IREWOLE LOCAL GOVERNMENT, IKIRE**

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

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **IREWOLE** | | | **IREWOLE NORTH-EAST** | | | **IREWOLE CONSOLIDATED** | | |
| **PARTICULAR** | **NOTE** | **ACTUAL** | **FINAL BUDGET** | **VARIANCE** | **ACTUAL** | **FINAL BUDGET** | **VARIANCE** | **ACTUAL** | **FINAL BUDGET** | **VARIANCE** |
| **Government Share of FAAC(Statutory Revenue)** |  | 1,029,188,506.77 | 771,891,380.07 | 257,297,126.70 | - | 257,297,126.70 | (257,297,126.70) | **1,029,188,506.77** | **1,029,188,506.77** | **-** |
| **Government Share of VAT** |  | 486,216,471.90 | 364,662,353.92 | 121,554,117.98 | - | 121,554,117.98 | (121,554,117.98) | **486,216,471.90** | **486,216,471.90** | **-** |
| **Additional Fund** |  | 1,722,671.30 | 1,292,003.47 | 430,667.83 | - | 430,667.83 | (430,667.83) | **1,722,671.30** | **1,722,671.30** | **-** |
| **Exchange Rate Gain** |  | 33,325,791.80 | 24,994,343.85 | 8,331,447.95 | - | 8,331,447.95 | (8,331,447.95) | **33,325,791.80** |  | **33,325,791.80** |
| **Forex Equalisation** |  | 14,905,939.06 | 11,179,454.29 | 3,726,484.77 | - | 3,726,484.77 | (3,726,484.77) | **14,905,939.06** | **14,905,939.06** | **-** |
| **Augmentation** |  | - | - | - |  | - | - | **-** | **-** | **-** |
| **ECO** |  | 23,163,799.64 | 17,372,849.73 | 5,790,949.91 |  | 5,790,949.91 | (5,790,949.91) | **23,163,799.64** | **23,163,799.64** | **-** |
| **Federal Govt Intervention Fund** |  | 27,912,863.16 | 20,934,647.37 | 6,978,215.79 |  | 3,726,484.77 | (3,726,484.77) | **27,912,863.16** | **24,661,132.14** | **3,251,731.02** |
| **Non-Oil Revenue** |  | 14,482,248.60 | 10,824,186.45 | 3,658,062.15 |  | 3,608,062.15 | (3,608,062.15) | **14,482,248.60** | **14,432,248.60** | **50,000.00** |
| **Excess Bank Charges** |  | 845,848.02 | 634,386.01 | 211,462.01 |  | 211,462.01 | (211,462.01) | **845,848.02** | **845,848.02** | **-** |
| **Sub-Total Dependent Revenue** |  | **1,631,764,140.25** | **1,223,785,605.16** | **407,978,535.09** | **-** | **404,676,804.07** | **(404,676,804.07)** | **1,631,764,140.25** | **1,628,462,409.23** | **3,301,731.02** |
| **Transfer from Main Council** |  | **-** | **-** | **-** | **55,963,264.73** | **13,990,816.19** | **41,972,448.54** | **55,963,264.73** | **13,990,816.19** | **41,972,448.54** |
| **Tax Revenue** |  | - | 151,912.50 | (151,912.50) | 202,550.00 | 50,637.50 | 151,912.50 | **202,550.00** | **202,550.00** | **-** |
| **Non-Tax Revenue** |  | 11,876,729.26 | 10,393,439.44 | 1,483,289.82 | 1,981,190.00 | 3,464,479.82 | (1,483,289.82) | **13,857,919.26** | **13,857,919.26** | **-** |
| **Other Income** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Sub-Total Independent Revenue** |  | **11,876,729.26** | **10,545,351.94** | **1,331,377.32** | **2,183,740.00** | **3,515,117.32** | **(1,331,377.32)** | **14,060,469.26** | **14,060,469.26** | **-** |
| **Total Revenue** |  | **1,643,640,869.51** | **1,234,330,957.10** | **409,309,912.41** | **58,147,004.73** | **422,182,737.58** | **(364,035,732.85)** | **1,701,787,874.24** | **1,656,513,694.68** | **45,274,179.56** |
| **EXPENDITURE** |  |  |  |  |  |  |  | **-** | **-** | **-** |
| **JOINTLY EXPENDED** |  |  |  |  |  |  |  | **-** | **-** | **-** |
| **Salaries & Wages** |  | 785,193,756.89 | 588,895,317.66 | (196,298,439.23) | - | 196,298,439.23 | 196,298,439.23 | **785,193,756.89** | **785,193,756.89** | **-** |
| **Social Benefits** |  | 300,000.00 | 225,000.00 | (75,000.00) |  | 75,000.00 | 75,000.00 | **300,000.00** | **300,000.00** | **-** |
| **Overhead Cost** |  | 18,949,956.72 | 14,212,467.49 | (4,737,489.23) | - | 4,737,489.23 | 4,737,489.23 | **18,949,956.72** | **18,949,956.72** | **-** |
| **Grants & Social Contribution** |  | 57,594,281.73 | 43,195,711.29 | (14,398,570.44) |  | 14,398,570.44 | 14,398,570.44 | **57,594,281.73** | **57,594,281.73** | **-** |
| **Transfer to Other Agencies** |  | 489,835,334.49 | 366,626,500.95 | (123,208,833.54) |  | 122,208,833.65 | 122,208,833.65 | **489,835,334.49** | **488,835,334.60** | **(999,999.89)** |
| **Allowances** |  | 271,388.28 | 203,541.21 | (67,847.07) |  | 67,847.07 | 67,847.07 | **271,388.28** | **271,388.28** | **-** |
| **Stationaries** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Public Debt Charge** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **L/GOVERNMENT EXPENDITURE** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Social Benefits** |  | 6,567,025.28 | 9,306,236.46 | 2,739,211.18 | 5,841,290.00 | 3,102,078.82 | (2,739,211.18) | **12,408,315.28** | **12,408,315.28** | **-** |
| **Overhead Cost** |  | 42,387,520.31 | 49,202,573.51 | 6,815,053.20 | 23,215,911.54 | 16,400,857.84 | (6,815,053.70) | **65,603,431.85** | **65,603,431.35** | **(0.50)** |
| **Grants & Social Contribution** |  | 78,312,600.85 | 76,062,355.16 | (2,250,245.69) | 23,103,872.70 | 25,354,118.39 | 2,250,245.69 | **101,416,473.55** | **101,416,473.55** | **0.00** |
| **Depreciation** |  | 157,359,843.42 | 201,133,857.50 | 43,774,014.08 | 110,818,633.25 | 67,044,619.17 | (43,774,014.08) | **268,178,476.67** | **268,178,476.67** | **-** |
| **Transfer to LCDA** |  | 55,963,264.73 | 41,972,448.54 | (13,990,816.19) | - | 13,990,816.19 | 13,990,816.19 | **55,963,264.73** | **55,963,264.73** | **-** |
| **Unpaid Contract** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Legal Fees** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Allowances** |  | 41,292,121.50 | 49,483,143.15 | 8,191,021.65 | 24,685,392.71 | 16,494,381.06 | (8,191,011.65) | **65,977,514.21** | **65,977,524.21** | **10.00** |
| **Stationaries** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Assets Devaluation** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Impairment** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Tax Expenses** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Bail-Out Repayment** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Audit Fees** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Stabilization Fund** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Disposal of Assets** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Revenue Refunded** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Total Expenditures** |  | **1,734,027,094.20** | **1,440,519,152.92** | **(293,507,941.28)** | **187,665,100.20** | **480,173,051.09** | **292,507,950.89** | **1,921,692,194.40** | **1,920,692,204.01** | **(999,990.39)** |
| **Net Surplus/Deficit** |  | **(90,386,224.69)** | **(206,188,195.82)** | **115,801,971.13** | **(129,518,095.47)** | **(57,990,313.51)** | **(71,527,781.96)** | **(219,904,320.16)** | **(264,178,509.33)** | **44,274,189.17** |
| **Net Surplus/Deficit 31/12/2019** |  | (77,651,146.24) | 188,592,667.81 | (266,243,814.05) | 67,071,854.66 | 115,088,445.21 | (48,016,590.55) | (10,579,291.58) | 303,681,113.02 | (314,260,404.60) |
| **Net Surplus/Deficit 31/12/2020** |  | **(168,037,370.93)** | **(17,595,528.01)** | **(150,441,842.92)** | **(62,446,240.81)** | **57,098,131.70** | **(119,544,372.51)** | **(230,483,611.74)** | **39,502,603.69** | **(269,986,215.43)** |

**IREWOLE LOCAL GOVERNMENT, IKIRE**

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

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **PARTICULAR** | **IREWOLE** | | | **IREWOLE NORTH** | | | **IREWOLE CONSOLIDATED** | | |
|  | **RESERVE** | **ACCUMULATED SURPLUS** | **TOTAL** | **RESERVE** | **ACCUMULATED SURPLUS** | **TOTAL** | **RESERVE** | **ACCUMULATED SURPLUS** | **TOTAL** |
| **OPENING BALANCE AS AT 1/1/2020** | **752,890,433.07** | **(77,651,146.24)** | **675,239,286.83** | **523,658,407.47** | **67,071,854.66** | **590,730,262.13** | **1,276,548,840.54** | **(10,579,291.58)** | **1,265,969,548.96** |
| **Adjusted Reserve** |  |  |  |  |  |  |  |  |  |
| **Adjusted Balance** | **752,890,433.07** | **(77,651,146.24)** | **675,239,286.83** | **523,658,407.47** | **67,071,854.66** | **590,730,262.13** | **1,276,548,840.54** | **(10,579,291.58)** | **1,265,969,548.69** |
| **NET SURPLUS FOR THE YEAR** | **-** | **(90,386,224.69)** | **(90,386,224.69)** | **-** | **(129,518,095.47)** | **(129,518,095.47)** | **-** | **(219,904,320.16)** | **(219,904,320.16)** |
| **CLOSING BALANCE AS AT 31/12/2020** | **752,890,433.07** | **(168,037,370.93)** | **584,853,062.14** | **523,658,407.47** | **(62,446,240.81)** | **461,212,166.66** | **1,276,548,840.54** | **(230,483,611.74)** | **1,046,065,228.80** |

**IREWOLE LOCAL GOVERNMENT, IKIRE**

**[NOTES TO THE ACCOUNT]**

**NOTE 1**

**CASH AND CASH EQUIVALENT**

FIRST BANK 4,592,436.77

POLARIS BANK 8,305,450.66

MICROFINANCE BANK 411,581.92

WEMA BANK 49,968.84

STERLING BANK 29,421.35

**TOTAL 13,388,859.54**

**NOTE 2**

JAAC 80,126,260.26

VAT 54,153,986.40

FOREX EQUALIZATION 1,336,957.47

EXCHANGE RATE GAIN 752,879.69

**136,370,083.82**

**NOTE 3**

**PREPAYMENTS/ADVANCES 2020**

HOUSING LOAN 2,400,000.00

VEHICLE LOAN 1,900,000.00

**TOTAL 4,300,000.00**

**NOTE 4**

**INVENTORIES**

WORK MATERIALS 30,000,000.00

FINANCE MATERIALS 16,509,881.43

OFFICE MATERIALS -

STATIONERIES (460,000.00)

**TOTAL 46,049,881.43**

**NOTE 5**

**INVESTMENTS**

OMOLUABI 13,132,942.00

KAJOLA INTEGRATED 9,523,810.00

OSICOL 267,000.00

PREFERENCE SHARES 28,333,333.34

OTHERS 6,000.00

**TOTAL 51,263,085.34**

**NOTE 6**

**PROPERTY, PLANTS AND EQUIPMENT**

BUILDINGS 1,844,471,807.75

INFRASTRUCTURAL FACILITIES 108,594,918.58

PLANT AND MACHINERY 425,017,877.59

MOTOR VEHICLES 52,800,559.24

EQUIPMENT 248,871,191.55

FURNITURE AND FITTINGS 238,070,485.61

LAND 253,417,154.55

**TOTAL 3,171,243,994.87**

**NOTE 7**

**INVESTMENT PROPERTY**

OTHERS: NBV 4,034,550.00

OPEN MARKET: NBV 5,000,000.00

LOCKUP STALL: NBV 6,400,000.00

SHOPPING COMPLEX: NBV 16,000,000.00

**TOTAL 31,434,550.00**

**NOTE 8**

BIOLOGICAL ASSET NIL

**NOTE 9**

ASSET UNDER CONSTRUCTION NIL

**NOTE 10**

**UNREMITTED DEDUCTIONS**

BALANCE AS AT 1ST JANUARY 175,179,468.82

UNPAID DEDUCTIONS 7,654,646.65

**TOTAL 182,834,115.47**

**NOTE 11**

SHORT TERM BORROWINGS NIL

**NOTE 12**

PAYABLES 631,203,352.86

**NOTE 13**

**LONG TERM LOAN**

BALANCE B/F 1,657,721,748.31

10KM (23,704,252.16)

INTERVENTION (19,777,922.48)

ENVIRONMENT (3,886,086.72)

BAILOUT (13,671,440.90)

DECEMBER PAYABLES (2,734,288.18)

**TOTAL 1,593,947,757.87**

**NOTE 14**

RESERVES 1,276,548,840.53

**NOTE 15**

**ACCUMULATED SURPLUS/DEFICIT**

NET SURPLUS/DEFICIT (01/01/2020) (10,579,291.58)

ADDITIONAL NET SURPLUS/DEFICIT FOR THE YEAR (219,904,320.16)

**TOTAL (230,483,611.74)**

**NOTE 16**

**STATUTORY ALLOCATION**

JAAC 1,029,188,506.77

**NOTE 17**

**VALUE ADDED TAX**

VALUE ADDED TAX (VAT) 486,216,471.90

**NOTE 18**

**ADDITIONAL FUND**

ADDITIONAL FUND 1,722,671.30

**NOTE 19**

**REVENUE FURNITURE ALLOWANCE**

REVENUE FURNITURE ALLOWANCE NIL

**NOTE 20**

**EX-RATE GAIN**

EX-RATE GAIN 33,325,791.80

**NOTE 21**

**FEDERAL GOVERNMENT INTERVENTION FUND**

FEDERAL GOVERNMENT INTERVENTION FUND 27,912,863.16

**NOTE 22**

EXCESS CRUDE OIL 23,163,799.64

**NOTE 23**

SOLID MINERALS NIL

**NOTE 24**

NON-OIL REVENUE 14,482,248.60

**NOTE 25**

DISTRIBUTABLE FROM GOODS AND VALUABLES NIL

**NOTE 26**

FOREX EQUALIZATION 14,905,939.06

**NOTE 27**

10% IGR NIL

**NOTE 28**

EXCESS BANK CHARGES 845,848.02

**NOTE 29**

**DEPENDENT REVENUE**

JAAC 1,029,188,506.77

VAT 486,216,471.90

ADDITIONAL FUND 1,722,671.30

EX-RATE GAIN 33,325,791.80

FEDERAL GOVERNMENT INTERVENTION FUND 27,912,863.16

EXCESS CRUDE OIL 23,163,799.64

SOLID MINERALS NIL

NON-OIL REVENUE 14,482,248.60

DISTRIBUTABLE FROM GOODS AND VALUABLES NIL

FOREX EQUALIZATION 14,905,939.06

10% IGR NIL

EXCESS BANK CHARGES 845,848.02

**TOTAL 1,631,764,140.25**

**NOTE 30**

COMMUNITY TAX 202,550.00

**NOTE 31**

LICENSE FEE 13,857,919.26

**NOTE 32**

OTHER INCOME NIL

**NOTE 33**

**INDEPENDENT REVENUE**

TAX REVENUE 202,550.00

NON-TAX REVENUE 13,857,919.26

**TOTAL 14,060,469.26**

**NOTE 34**

**TOTAL REVENUE**

DEPENDENT REVENUE 1,631,764,140.25

INDEPENDENT REVENUE 14,060,469.26

**TOTAL 1,645,824,609.51**

**NOTE 35**

**SALARY AND WAGES**

TEACHING AND NON-TEACHING STAFF 324,336,739.77

PHC STAFF SALARY 148,320,309.84

LOCAL GOVERNMENT STAFF 310,638,725.32

LOAN BOARD STAFF 803,604.83

PENSION BUREAU STAFF 1,094,377.13

**TOTAL 785,193,756.89**

**NOTE 36**

**SOCIAL BENEFITS**

HUMAN RESOURCES 300,000.00

**NOTE 37**

**OVERHEAD**

GENERAL EXPENSES 18,949,956.72

**NOTE 38**

FAAC DISTRIBUTION 27,594,281.73

**NOTE 39**

**TRANSFER TO OTHER AGENCIES**

TRADITIONAL COUNCIL 46,143,953.70

TRAINING FUND (LGSC) 9,228,990.76

SUBEB 45,273,865.21

O’MEAL 21,481,092.00

O’YES 40,000,000.00

O’HIS 10,414,995.30

O’RAMP 11,079,423.09

SUBEB (ADM) 407,600.04

PENSION 250,090,030.20

SUBEB CONTRACT 271,388.28

LOCAL STATUTORY DEDUCTION 33,135,417.05

AUDIT FEES 22,308,578.86

**TOTAL 489,835,334.49**

**NOTE 40**

**NIL**

**NOTE 41**

**PUBLIC DEBT CHARGE**

FINANCE COST 30,000,000.00

**NOTE 42**

**SOCIAL BENEFITS**

TRAINING AND WORKSHOP 12,000,000.00

FINANCIAL ASSISTANCE 408,315.28

**TOTAL 12,408,315.28**

**NOTE 43**

**OVERHEAD COST**

REPAIR AND MAINTENANCE 10,350,000.00

UTILITY 6,750,000.00

ENTERTAINMENT 431,266.87

GENERAL EXPENSES 13,632,076.46

STATIONERIES -

IMPREST 24,300,000.00

BANK CHARGES 2,501,115.34

PUBLICITY AND ADVERTISEMENT 7,638,973.18

**TOTAL 65,603,431.85**

**NOTE 44**

**GRANT AND SOCIAL CONTRIBUTION**

EMPOWERMENT PROGRAMMES

ILEYA GIFT AND OTHERS 25,185,552.65

EASTER CELEBRATION 8,340,000.00

RAMADAN 5,000,000.00

CHRISTMAS CELEBRATION 1,352,600.85

BOREHOLES -

ELECTRIFICATION 13,942,500.00

GRADINGS -

CLEARING OF DEBRIS -

SENSITIZATION AND TRAINING 16,851,275.49

PARLIATIVE MATERIALS (COVID-19) 16,366,544.56

**TOTAL 101,416,473.55**

**NOTE 45**

**DEPRECIATION**

BUILDINGS 37,642,281.78

INFRASTRUCTURAL ASSET 12,066,102.06

BIOLOGICAL ASSET -

PLANT & MACHINERY 74,504,490.62

MOTOR VEHICLES 13,200,139.81

OFFICE EQUIPMENT 71,247,840.95

FURNITURE AND FITTINGS 59,517,621.45

**TOTAL 268,178,476.67**

**NOTE 46**

**ALLOWANCES**

COMMITTEE ALLOWANCES 23,050,000

NYSC ALLOWANCES 1,852,379.67

FURNITURE ALLOWANCES 26,160,000

CASUAL WORKERS ALLOWANCES 4,403,013.04

O’TECHNICAL 10,512,121.50

**TOTAL 65,977,514.21**

**NOTE 47**

**IMPAIRMENT**

**NOTE 48**

STABILIZATION FUND -

**NOTE 49**

REVENUE REFUNDED -

**NOTE 50 – 51**

**NET SURPLUS/DEFICIT**

TOTAL REVENUE 1,645,824,609.51

TOTAL EXPENDITURE 1,865,728,928.67

NET SURPLUS/DEFICIT (219,904,320.16)

NET SURPLUS/DEFICIT (01/01/2020) (10,579,291.58)

**NET SURPLUS/DEFICIT (230,483,611.74)**

**IREWOLE LOCAL GOVERNMENT, IKIRE**

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

**STATEMENT OF CASHFLOW RATIO**

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

1,594,950,530.42 X 100

1,609,010,999.68 1 = **99.13%**

2. TOTAL INDEPENDENT REVENUE = TOTAL REVENUE

14,060,469.26 \* 100

1,609,010,999.68 1 = **0.87%**

3. PERSONNEL: TOTAL RECURRENT EXPENDITURE

710,039,009.81 \* 100

1,497,655,644.00 1 = **47.41%**

**STATEMENT OF FINANCIAL POSITION RATIO**

4. CURRENT RATIO = CURRENT ASSETS = 200,108,824.79

CURRENT LIABILITIES 814,037,468.33 = **0.25:1**

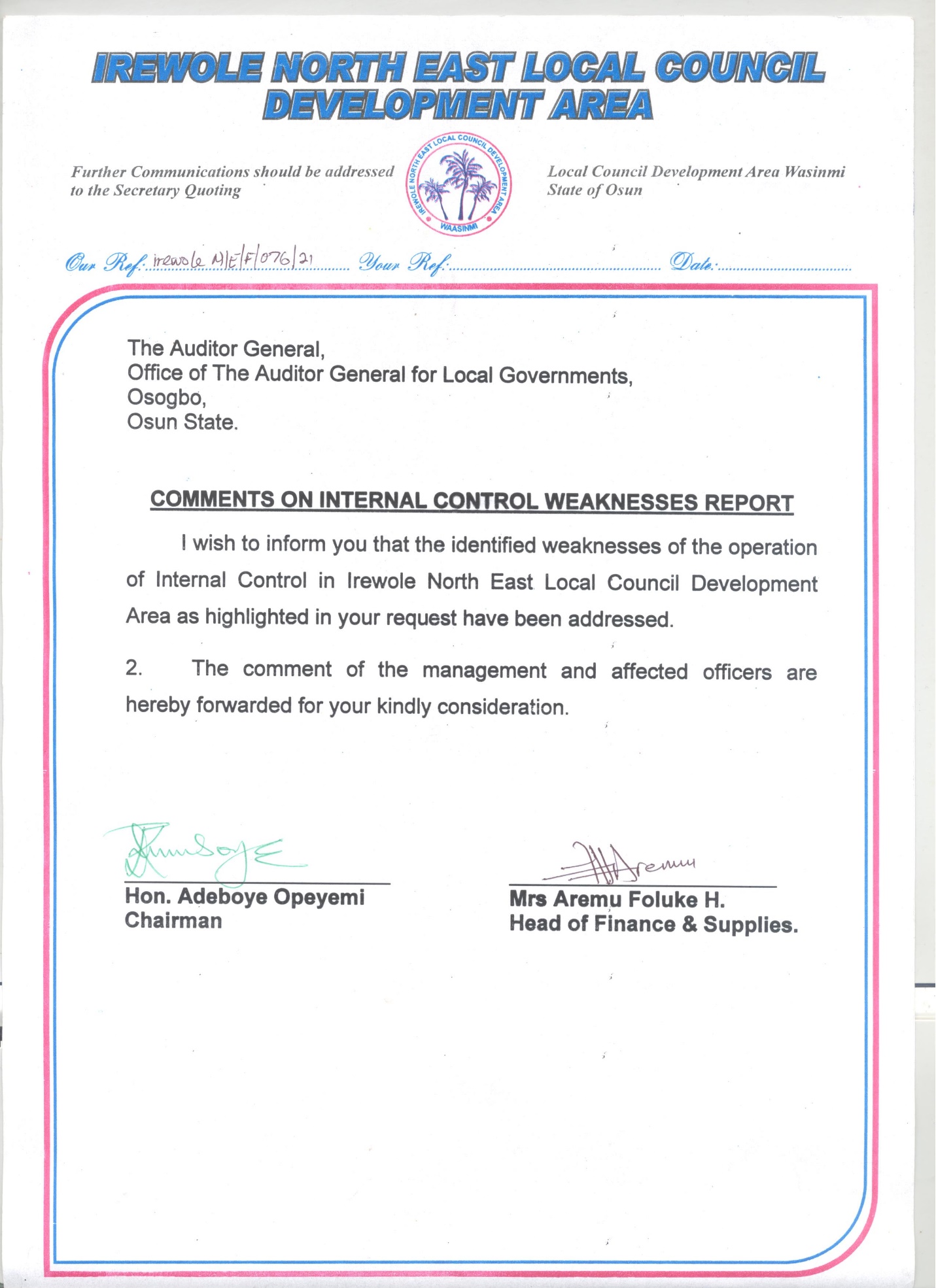
5. TOTAL ASSET: TOTAL LIABILITIES = 3,454,050,455.00

2,407,985,226.20 = **1.43:1**

6. EQUITY : TOTAL ASSET = 1,046,065,228.80

3,454,050,455.00 = 0.30:1

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**MANAGEMENT LETTER**

**IREWOLE LOCAL GOVERNMENT, IKIRE**

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

**1. UNCLAIMED ALLOWANCE/EXPENDITURE AMOUNTING TO N572,000:** It was observed that the sum of Five Hundred Seventy-Two Thousand Naira (N572,000.00) was not acknowledged as recorded by the beneficiaries/recipients an indication which suggests that the amount involved was neither paid to the beneficiaries nor remitted to the Government coffers contrary to Financial Memoranda No 14:13 which states that “Payment shall as far as possible, be made to the person to whom it is due, payment for a third party shall only be made on production of a written authority from the person to whom payment is due, such authority being attached to the payment voucher after payment”. This had been made a subject of Audit Query No LQ/AUD/IKR/06/2020.

***RISK:***

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

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

***RECOMMENDATION:***

*An official printed receipt must be obtained and attached to the payment voucher as this proved the authenticity that the expenditure was carried out.*

**2. INTERNALLY GENERATED REVENUE:** The Local Government should look inward on ways and means of generating sufficient income to meet their responsibilities. Targets should be set for Revenue Officers and officers that meet their targets should be commended appropriately to serve as morale booster for the rest officers. Meanwhile, the Revenue Collectors should be properly monitored to ensure probity, transparency and accountability.

Also the Agric Department should be fully utilized by keeping poultry, practicing arable and cash crops farming so as to serve as another source of income of independent revenue. Effort should be taken in this direction.

***RISK:***

*The implication of this was that the Local Government is susceptible to financial crisis in the event of none on low allocation from Federation Account.*

***RECOMMENDATION:***

*The Local Council is therefore advised to increase revenue drive in order to enhance its revenue to meet its enormous responsibilities, by tapping into other sources of revenue such as crop and livestock farming.*

**IREWOLE NORTH-EAST LOCAL COUNCIL DEVELOPMENT AREA, WASINMI**

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

**1. EXPENDITURE NOT SUPPORTED BY PROPER RECORDS OF ACCOUNTS AMOUNTING TO: N400,000.00:** The sum of Four Hundred Thousand Naira Only (N400,000.00) representing payment for repair of Transformer, Installation and Replacement of stolen cables of Balogun Community was observed to have occurred during the period of Audit Inspection. The payment was not supported with required official receipts and invoice to authenticate the genuineness of the expenditure which was against the provision of Financial Memoranda 14:17 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”. However, this had been made a subject of Audit Query No LQ/AUD/IRNE/04/2020.

***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. UNCLAIMED ALLOWANCE/EXPENDITURE AMOUNTING TO N20,000:** It was observed that the sum of Twenty Thousand Naira only was not acknowledged as recorded by the beneficiaries/recipients an indication which suggests that the amount involved was neither paid to the beneficiaries nor remitted to the Government coffers. This is contrary to Financial Memoranda 14:13 which states that, “Payment shall as far as possible, be made to the person to whom it is due, payment for a third party shall only be made on production of a written authority from the person to whom payment is due, such authority being attached to the payment voucher after payment”. This had been made a subject of Audit Query No LQ/AUD/IRNE/05/2020.

***RISK:***

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

***MANAGEMENT RESPONSE:*** *The sub-receipt for the payment had not been signed by all recipients.*

***RECOMMENDATION:***

*An official printed receipt must be obtained and attached to the payment voucher as this proved the authenticity that the expenditure was carried out.*

**3. UNRETIRED IMPREST AMOUNTING TO N240,000.00 :** Payment vouchers raised for imprest totaling Two Hundred and Forty Thousand Naira were not supported with necessary receipts to authenticate the genuineness of the expenditure contrary to the Financial Memoranda 14:27 which states that, “Imprest shall be retired when the purpose for which the imprest was granted is completed or at such intervals as are prescribed when the imprest is approved. However, all imprests shall automatically be retired at the end of each financial year ’’.This had been made a subject of Audit Query No LQ/AUD/IRNE/06/2020.

***RISK:***

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

***MANAGEMENT RESPONSE:***

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

***RECOMMENDATION-***

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

**4. EXPENDITURE NOT ACCOUNTED FOR AMOUNTING TO N250,000.00:** During the recent Audit Inspection, It was revealed that the sum of N250,000.00 was approved and released to Mrs. Oke F.O for hosting of FRSC in the LCDA. Further observation showed that the payment to this Officer was not accounted for since there was no evidence to justify the services rendered, an indication that shows that the expenditure is doubtful in nature. This had been made a subject of Audit Query No LQ/AUD/IRNE/07/2020.

***RISK:***

*Payments made without supporting documents could imply non-execution of such services and therefore constitute a loss of Local Government fund.*

***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.*

**5. STATE OF RECORDS:** Audit Inspection revealed that the books of account such as Cashbook, DVEA and DVRA Ledgers were balanced and updated at the presence of Audit Team. The Head of Finance and Supplies should be alive to his duties and responsibilities as prescribed by the Financial Memoranda Nos 1 – 8(8) which states that, “The Finance Department will be responsible for keeping and showing all the Account and Records in an orderly manner and ensuring that they are updated before next accounting period (i.e every month end)”. The Head of Department of Finance and Supplies should ensure strict compliance with the above quoted law and should exercise supervision over his subordinates by ensuring that all the records of account should be maintained and updated and made available for auditing on time. Failure of which necessary sanction may be imposed on your office.

**6. INTERNALLY GENERATED REVENUE:** The Local Government should look inward on ways and means of generating sufficient income to meet their responsibilities. Targets should be set for Revenue Officers and officers that meet their target should be commended appropriately to serve as morale booster for the rest officers. Meanwhile, the Revenue Collector should be properly monitored to ensure probity, transparency and accountability.

Also, the Agric Department should be fully utilized by keeping poultry, practicing arable and cash crops farming so as to serve as another source of income of independent revenue. Efforts should be taken in this direction.

***RISK:***

*The implication of this was that the Local Government is susceptible to financial crisis in the event of none on low allocation from Federation Account.*

***RECOMMENDATION:***

*The Local Council is therefore advised to increase revenue drive in order to enhance its revenue to meet its enormous responsibilities, by tapping into other sources of revenue such as crop and livestock farming.*

**INTERNAL AUDITOR’S REPORT**

**1.** The activities of the Internal Control mechanism are very helpful on the IGR of the Local Government. The Rate Section marriage Unit and other Revenue generating Departments should as a matter of duty work together to improve the IGR, particularly the WES Department. The market days and Rate activities be more monitored and proper control be put in place to reduce leakages.

**2.** Despite the fact that the Internal Control Unit is very effective, yet the other stakeholders on Revenue generation are contributing lesser towards the IGR of the Local Government. Other potential revenue heads need to be identified due to the location of the Council in a strategic area of the State to improve the IGR.

**LIST OF PROJECTS EXECUTED BY IREWOLE LOCAL GOVERNMENT, IKIRE [JANUARY – DECEMBER 2020]**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **S/N** | **DESCRIPTION** | **LOCATION** | **MODE OF EXECUTION** | **PROJECT COST** | **AMOUNT RELEASED** | **BALANCE** | **REMARKS** |
| 1. | Payment for the construction of Maternity Centre. | Atoba’s Compound, Ikire | Direct | 4,200,000.00 | 4000,000.00 | 200,000.00 |  |
| 2. | Payment for the overhauling and servicing of CAT Grader | Secretariat Ikire | Direct | 1,800,000.00 | 1,800,000.00 | - | Completed |
| 3. | Construction of ring culvert | General Hospital Junction, along Panada road, Ikire | Direct | 250,000.00 | 250,000.00 | - | Completed |
| 4. | Payment for the overhauling and servicing of Gbanined Motorcycle | Irewole Local Government Education Authority, Ikire | Direct | 221,000.00 | 221,000.00 | - | Completed |
| 5. | Setting of road alignment in preparation of road opening | Molagbo Scheme Phase I, Ikire | Direct | 800,000.00 | 800,000.00 | - | Completed |
| 6. | Tracing of boundary and Topographic Map Preparation | Orisumbare Plank Market, Ikire | Direct | 750,000.00 | 750,000.00 | - | Completed |
| 7. | Replacement of obsolete parts of CAT Grader 1206 | Secretariat, Ikire | Direct | 500,000.00 | 500,000.00 | - | Completed |
|  |  |  |  | **8,521,000.00** | **8,321,000.00** | **200,000.00** |  |

**LIST OF PROJECTS EXECUTED BY IREWOLE NORTH EAST LOCAL COUNCIL DEVELOPMENT AREA, WASINMI [JANUARY – DECEMBER 2020]**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **S/N** | **DESCRIPTION** | **LOCATION** | **MODE OF EXECUTION** | **PROJECT COST** | **AMT RELEASED** | **BALANCE** | **REMARKS** |
| 1. | Repair and replacement of XCMED 2 Engine | Irewole North-East | Direct | 1,500,000.00 | 1,000,000.00 | 500,000.00 |  |
| 2. | Grading of Rural Roads & filling of pot-holes within Irewole North-East, Community | ArosotoAjilo Community Olupele to Odesile, Ola-OLuwa to AlahunMorere to Ajegede | Direct | 10,950,000.00 | 5,860,000.00 | 5,860,000.00 |  |
| 3. | Repair and Servicing of (2) restoration of Electricity | Corper’s Lodge | Direct | 450,000.00 | 450,000.00 | - |  |
| 4. | Payment for the repair of Transformer, installation and replacement of stolen cables | Balogun Community | Direct | 150,000.00 | 150,000.00 | - |  |
| 5. | Rehabilitation of block of 4 shops to be converted to office for the NSCDC | Wasinmi | Direct | 1,977,412.00 | 535,000.00 | 1,442,412.00 |  |
| 6. | Repair & Renovation of Customary Court, Ikire | Ikire | Direct | 235,00-0.00 | 235,000.00 | - |  |
| 7. | Purchase of new motorcycle for the office Secretary LGEA. | Ikire | Direct | 270,000.00 | 270,000.00 | - |  |
|  |  |  |  | **15,532,412.00** | **8,500,000.00** | **7,032,412.00** |  |