STATE GOVERNMENT OF OSUN, NIGERIA.

REPORT OF

THE

AUDITOR-GENERAL

FOR

LOCAL GOVERNMENTS

ON THE ACCOUNTS OF

ISOKAN LOCAL GOVERNMENT

APOMU

FOR THE YEAR ENDED

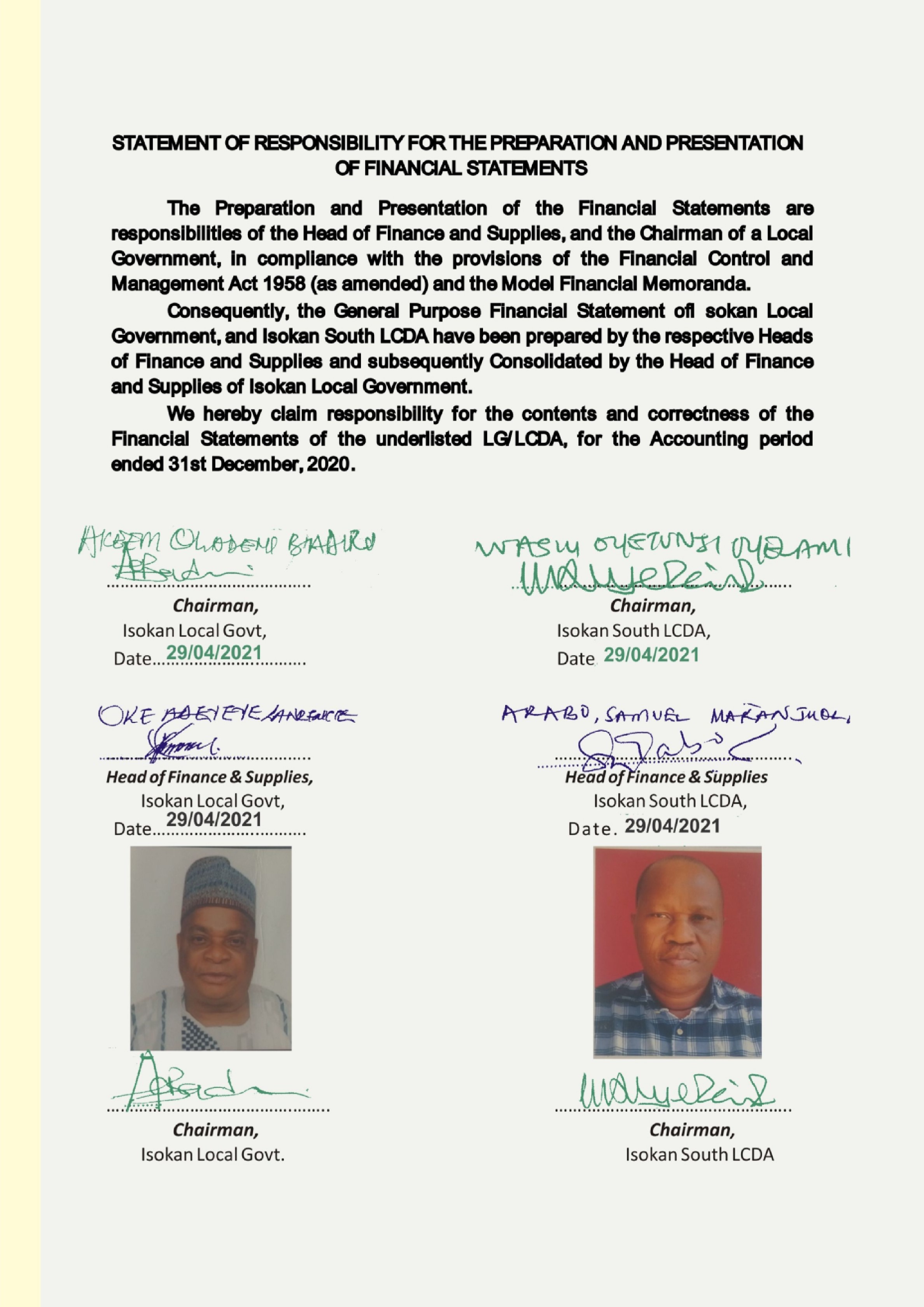
31ST DECEMBER, 2020.

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**LIST OF ABBREVIATIONS**

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



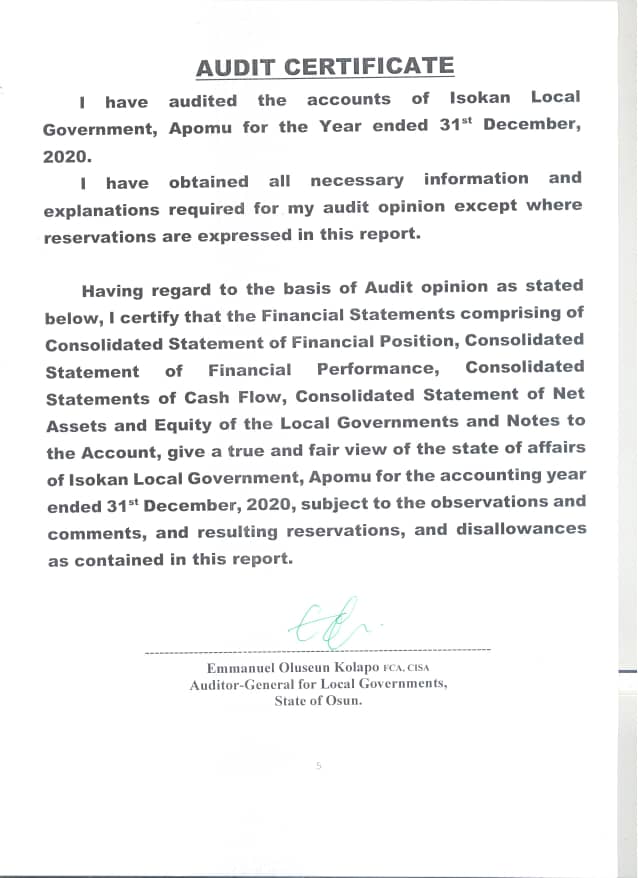
**STATEMENT OF FINANCIAL RESPONSIBILITY**

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

Consequently, the Heads of Finance of main Local 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 Isokan Local Governments and subsidiary LCDAs is attached to this report.

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

It is my responsibility to Audit the accounts of the Local Governments, the State Joint Local Government Account, and all offices of the Local Government(inclusive of Isokan 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 Isokan Local Government in the state.

**BASIS OF AUDIT OPINION**

In the course of auditing the accounts of Isokan Local Governments Apomu 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 Isokan Local Govt Education Authority.

**STATEMENT OF COMPLIANCE**

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

The accounts of Isokan 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, LCDA, and A/C and A/O 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 occured, and the asset recognition criteria are met.
3. **OTHER REVENUE**

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

1. Gain on disposal of Property, Plant and Equipment

2. Dsiposal of Investment such as Shares, bond etc

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

1. **UNREMITTED DEDUCTION**

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

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

**16. RESERVE**

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

**17. CONTIGENT LIABILITY IPSAS 19**

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

**GENERAL COMMENT**

I have audited the accounts of Isokan Local Government, Apomu (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 Isokan 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 Isokan 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 N5,717,392.58 representing 0.37% 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, 9 nos of Audit Queries were issued in respect of 2020 Accounts, involving a total sum of N827,500.00.

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 Isokan 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 N933,303,055.08 was Share of FAAC and VAT amounted to N432,456,212.60.

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** |
| Isokan | 933,303,055.08 | 432,456,212.59 | 30,248,683.50 | 25,335,552.82 | 767,747.37 | 13,529,611.92 | 21,024,990.01 | 1,563,609.92 | 13,145,042.57 | 1,471,374,505.78 |

**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. #5,717,392.58.

**SALARIES AND WAGES – N755,406,493.78**

Salaries and Wages which amounted to N755,406,493.78 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 – 12,971,122.52**

The Aggregate closing cash and cash equivalents amounted to **₦12,971,122.52** 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 - ₦123,946,485.19**

A total sum of N123,946,485.19k 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 - ₦49,013,460.00**

The sum of ₦49,013,460.00represents 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 - ₦52,422,176.52**

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 - ₦378,750,593.30**

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 - ₦262,670,294.40**

The carrying amount of Investment Properties of the Local Governments stood at N262,670,294.40 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 - ₦1,122,488,643.69**

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 - ₦28,941,369.96**

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 #77,478,268.58 was made to the Local Council Development Areas and Area Offices in the period under review and was set off in the Consolidated Account.

**ISOKAN LOCAL GOVERNMENT, APOMU**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **FINANCIAL POSITION** | | | | |
| **PARTICULAR** |  | **ISOKAN** | **ISOKAN SOUTH LCDA** | **ISOKAN CONSOLIDATED** |
| **ASSETS** | **NOTE** |  |  |  |
| **Current Assets** |  |  |  |  |
| **Cash & Cash Equivalents** | **1** | 8,342,784.90 | 4,628,337.62 | 12,971,122.52 |
| **Receivables** | **2** | 123,946,485.19 |  | 123,946,485.19 |
| **Prepayment/Advance** | **3** | 2,000,000.00 |  | 2,000,000.00 |
| **Inventories** | **4** | 40,522,564.00 | 8,490,896.00 | 49,013,460.00 |
| **Total Current Asset** |  | 174,811,834.09 | 13,119,233.62 | 187,931,067.71 |
| **Non Current Asset:** |  |  |  | - |
| **Long Term Loan Granted** |  |  |  | - |
| **Investments** | **5** | 31,453,305.91 | 20,968,870.61 | 52,422,176.52 |
| **Property, Plant & Equipment** | **6** | 1,067,199,478.07 | 720,042,277.09 | 1,787,241,755.16 |
| **Investment Property** | **7** | 157,602,176.64 | 105,068,117.76 | 262,670,294.40 |
| **Biological Asset** | **8** | 13,496,046.78 | 9,358,031.19 | 22,854,077.97 |
| **Assets Under Construction(WIP)** | **9** |  |  | - |
| **Total Non-Current Asset** |  | 1,269,751,007.40 | 855,437,296.65 | 2,125,188,304.05 |
| **Total Asset** |  | 1,444,562,841.49 | 868,556,530.27 | 2,313,119,371.76 |
| **LIABILITIES** |  |  |  | - |
| **Current Liabilities:** |  |  |  | - |
| **Deposit** |  |  |  | - |
| **Unremitted Deductions** | **10** | 19,333,741.45 | 9,607,628.51 | 28,941,369.96 |
| **Short Term Loan & Debts** | **11** |  |  | - |
| **Payables** | **12** | 242,322,297.76 | 136,428,295.54 | 378,750,593.30 |
|  |  |  |  | - |
| **Short Term Provisions** |  |  |  | - |
| **Total Current Liability** |  | 261,656,039.21 | 146,035,924.05 | 407,691,963.26 |
| **Non Current Liabilities:** |  |  |  | - |
| **Long Term Borrowing** | **13** | 650,454,886.87 | 472,033,756.82 | 1,122,488,643.69 |
| **Total Liabilities** |  | 912,110,926.08 | 618,069,680.87 | 1,530,180,606.95 |
| **Net Assets** |  | 532,451,915.41 | 250,486,849.40 | 782,938,764.81 |
| **Financed by** |  |  |  | - |
| **Reserve** | **14** | 673,103,858.41 | 270,419,896.07 | 943,523,754.48 |
| **Net Surplus/Deficit** | **15** | (140,661,943.00) | (19,933,046.67) | (160,584,989.67) |
| **Total** |  | 532,451,925.41 | 250,486,849.40 | 782,938,764.81 |

**ISOKAN LOCAL GOVERNMENT, APOMU**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **PERFORMANCE** | | | | |
| **PARTICULAR** | **NOTE** | **ISOKAN** | **ISOKAN SOUTH LCDA** | **ISOKAN CONSOLIDATED** |
| **Government Share of FAAC(Statutory Revenue)** | **16** | 933,303,055.08 |  | 933,303,055.08 |
| **Government Share of VAT** | **17** | 432,456,212.60 |  | 432,456,212.60 |
| **Additional Fund** | **18** | 1,563,609.92 |  | 1,563,609.92 |
| **Revenue Furniture Allowance** | **19** |  |  | - |
| **Ex Rate Gain** | **20** | 30,248,683.50 |  | 30,248,683.50 |
| **Federal Govt Intervention Fund** | **21** | 25,335,552.82 |  | 25,335,552.82 |
| **ECO** | **22** | 21,024,990.01 |  | 21,024,990.01 |
| **Solid Minerals** | **23** |  |  | - |
| **Non-Oil Revenue** | **24** | 13,145,042.57 |  | 13,145,042.57 |
| **Distributable from Goods & Valuables** | 25 |  |  | - |
| **Forex Equalisation** | **26** | 13,529,611.92 |  | 13,529,611.92 |
| **10% IGR** | **27** |  |  | - |
| **Excess Bank Charges** | **28** | 767,747.37 |  | 767,747.37 |
| **Sub-Total Dependent Revenue** | **29** | 1,471,374,505.79 | - | 1,471,374,505.79 |
| **Transfer from Main Council** | **30** |  | 77,478,268.58 | - |
| **Tax Revenue** | **31** | 581,322.58 | 171,400.00 | 752,722.58 |
| **Non-Tax Revenue** | **32** | 2,174,300.00 | 2,790,370.00 | 4,964,670.00 |
| **Other Income** | **33** |  |  |  |
| **Sub-Total Independent Revenue** | **34** | 2,755,622.58 | 2,961,770.00 | 5,717,392.58 |
| **Total Revenue** | **35** | 1,474,130,128.37 | 80,440,038.58 | 1,477,091,898.37 |
| **EXPENDITURE** |  |  |  | - |
| **JOINTLY EXPENDED** |  |  |  | - |
| **Salaries & Wages** | **36** | 755,406,493.78 |  | 755,406,493.78 |
| **Social Benefits** | **37** | 300,000.00 |  | 300,000.00 |
| **Overhead Cost** | **38** | 19,678,736.72 |  | 19,678,736.72 |
| **Grants & Social Contribution** | **39** | 949,480.19 |  | 949,480.19 |
| **Transfer to Other Agencies** | **40** | 448,279,147.23 |  | 448,279,147.23 |
| **Allowances** | **41** | 271,388.28 |  | 271,388.28 |
| **Stationaries** |  |  |  | - |
| **Public Debt Charge** |  | 30,000,000.00 | - | 30,000,000.00 |
| **L/GOVERNMENT EXPENDITURE** |  |  |  | - |
| **Social Benefits** | **42** | 3,000,000.00 | 18,903,200.00 | 21,903,200.00 |
| **Overhead Cost** | **43** | 55,281,474.70 | 1,675,302.36 | 56,956,777.06 |
| **Grants & Social Contribution** | **44** | 59,442,758.57 | 47,434,000.00 | 106,876,758.57 |
| **Depreciation** | **45** | 123,151,815.86 | 81,579,418.86 | 204,731,234.72 |
| **Transfer to LCDA** | **46** | 77,478,268.58 |  | 77,478,268.58 |
| **Unpaid Contract** |  |  |  | - |
| **Legal Fees** |  |  |  | - |
| **Allowances** | **47** | 87,709,404.26 | 2,876,000.00 | 90,585,404.26 |
| **Stationaries** |  |  |  | - |
| **Assets Devaluation** |  |  |  | - |
| **Impairment** | **48** |  |  | - |
| **Tax Expenses** |  |  |  |  |
| **Bail-Out Repayment** |  |  |  | - |
| **Audit Fees** | **49** |  |  | - |
| **Stabilization Fund** | **50** |  |  | - |
| **Disposal of Assets** |  |  |  |  |
| **Revenue Refunded** |  |  |  |  |
| **Total Expenditures** |  | 1,662,948,968.17 | 152,467,921.22 | 1,737,938,620.81 |
| **Net Surplus/Deficit** | **51** | (188,818,839.80) | (72,027,882.64) | (260,846,722.44) |
| **Net Surplus/Deficit 31/12/2019** |  | 48,166,896.80 | 52,094,835.97 | 100,261,732.77 |
| **Net Surplus/Deficit 31/12/2020** | **52** | 140,651,943.00 | (19,933,046.67) | (160,584,989.67) |

**ISOKAN LOCAL GOVERNMENT, APOMU**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **CASHFLOW STATEMENT** | | | | |
| **OPERATING ACTIVITIES** | **NOTE** | **ISOKAN** | **ISOKAN SOUTH LCDA** | **ISOKAN CONSOLIDATED** |
| **INFLOW** |  |  |  |  |
| **Statutory Revenue(JAAC)** | **53** | 996,504,007.47 |  | 996,504,007.47 |
| **Value Added Tax** | **54** | 383,134,462.86 |  | 383,134,462.86 |
| **Additional Fund** | **55** | 1,563,609.92 |  | 1,563,609.92 |
| **Furniture Allowance** |  |  |  | - |
| **Exchange Rate Gain** | **56** | 29,565,320.13 |  | 29,565,320.13 |
| **Others(Augmentation** |  |  |  | - |
| **Federal Govt Intervention Fund** | **57** | 25,335,552.82 |  | 25,335,552.82 |
| **Excess Crude Oil** | **58** | 21,024,990.01 |  | 21,024,990.01 |
| **Solid Minerals** | **59** |  |  | - |
| **Non-Oil Revenue** | **60** | 13,145,042.57 |  | 13,145,042.57 |
| **Distributable Good & Valuable** |  |  |  | - |
| **Forex Equalisation** | **61** | 12,316,101.28 |  | 12,316,101.28 |
| **10% IGR** | **62** |  |  | - |
| **Excess Bank Charges** | **63** | 767,747.37 |  | 767,747.37 |
| **Sub Total Dependent Revenue** |  | 1,483,356,834.43 |  | 1,483,356,834.43 |
| **Transfer from Main Council** | **64** |  | 77,478,268.58 | - |
| **Tax Revenue** | **65** | 581,322.58 | 171,400.00 | 752,722.58 |
| **Non-Tax Revenue** | **66** | 2,174,300.00 | 2,790,370.00 | 4,964,670.00 |
| **Aids and Grants** | **67** |  |  | - |
| **Overpayment Recovery** |  |  |  | 5,717,392.58 |
| **Sub Total Independent Revenue** |  | 2,755,622.58 | 2,961,770.00 | 1,489,074,227.01 |
| **Total Inflow Operating Activities** |  | **1,486,112,457.01** | **80,440,038.58** | **1,489,074,227.01** |
| **OUTFLOW** |  |  |  | - |
| **Salaries & Wages** | **68** | 682,251,746.70 |  | 682,251,746.70 |
| **Overheads Cost** | **69** | 72,744,473.73 | 1,675,302.36 | 74,419,776.09 |
| **Allowances** | **70** | 87,958,176.85 | 2,876,000.00 | 90,834,176.85 |
| **Social Benefits** | **71** | 3,300,000.00 | 18,903,200.00 | 22,203,200.00 |
| **Social Contributions** | **72** | 89,084,252.59 | 41,434,000.00 | 130,518,252.59 |
| **Local Government Statutory Deduction** |  |  |  | - |
| **Inventories** | **73** | 240,000.00 | 1,150,000.00 | 1,390,000.00 |
| **Transfer to LCDA** | **74** | 77,478,268.58 |  | - |
| **Audit Fee** | **74** |  |  |  |
| **Transfer to Other Govt Agencies** | **75** | 416,813,745.57 |  | 416,813,745.57 |
| **Revenue Refunded** |  |  |  |  |
| **Total Outflow from Operating Activities** |  | **1,429,870,664.02** | **66,038,502.36** | **1,418,430,897.80** |
| **Net Cashflow from Operating Activities** |  | **56,241,792.99** | **14,401,536.22** | **70,643,329.21** |
| **INVESTING ACTIVITIES** |  |  |  | - |
| **Total Inflow from Investing Activities** |  |  |  | - |
| **CashFlow from Investing Activities:** |  |  |  | - |
| **Administrative Sector** | **76** | - | - | - |
| **Economic Sector** | **77** | 5,620,000.00 | 121,161,500.00 | 17,781,500.00 |
| **Total Outflow from Investing Activites** |  | 5,620,000.00 | 12,161,500.00 | 17,781,500.00 |
| **Net Cashflow from Investing Activities** |  | (5,620,000.00) | (12,161,500.00) | (17,781,500.00) |
| **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** | 30,332,019.68 |  | 30,332,019.68 |
| **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** | 6,971,912.88 |  | 6,971,912.88 |
| **Loan Repayment** | **86** | - | 6,000,000.00 | 6,000,000.00 |
| **Total Outflow from Financing Activities** |  | **54,861,460.18** | **6,000,000.00** | **6,000,000.00** |
| **Net Cashflow from Financing Activities** | **87** | **(54,861,460.118)** | **6,000,000.00** | **60,861,460.18** |
| **Cash and Cash Equivalent for the year** |  | **(4,239,667.19)** | **(6,000,000.00)** | **(60,861,460.18)** |
| **Cash and Cash Equivalent 01/01/2020** |  | **12,582,452.09** | **8,388,301.40** | **20,970,753.49** |
| **Cash and Cash Equivalent 31/12/2020** | **88** | **8,342,784.90** | **4,628,337.62** | **12,971,122.52** |

**ISOKAN LOCAL GOVERNMENT, APOMU**

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

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **ISOKAN** | | | **ISOKAN SOUTH** | | | **ISOKAN CONSOLIDATED** | | |
| **PARTICULAR** | **NOTE** | **ACTUAL** | **FINAL BUDGET** | **VARIANCE** | **ACTUAL** | **FINAL BUDGET** | **VARIANCE** | **ACTUAL** | **FINAL BUDGET** | **VARIANCE** |
| **Government Share of FAAC(Statutory Revenue)** |  | 933,303,055.08 | 699,977,291.31 | 233,325,763.77 | - | 233,325,763.77 | (233,325,763.77) | **933,303,055.08** | **933,303,055.08** | **-** |
| **Government Share of VAT** |  | 432,456,212.60 | 324,342,159.45 | 108,114,053.15 | - | 108,114,053.15 | (108,114,053.15) | **432,456,212.60** | **432,456,212.60** | **-** |
| **Additional Fund** |  | 1,563,609.92 | 1,642,406.61 | (78,796.69) | - | 521,203.31 | (521,203.31) | **1,563,609.92** | **2,163,609.92** | **(600,000.00)** |
| **Exchange Rate Gain** |  | 30,248,683.50 | 22,686,400.12 | 7,562,283.38 | - | 7,562,133.38 | (7,562,133.38) | **30,248,683.50** | **30,248,533.50** | **150.00** |
| **Forex Equalisation** |  | 13,529,611.92 | 9,019,741.28 | 4,509,870.64 | - | 4,509,870.64 | (4,509,870.64) | **13,529,611.92** | **13,529,611.92** | **-** |
| **Augmentation** |  |  |  | - | - |  | - | **-** | **-** | **-** |
| **ECO** |  | 21,024,990.01 | 15,768,742.50 | 5,256,247.51 | - | 5,256,247.51 | (5,256,247.51) | **21,024,990.01** | **21,024,990.01** | **-** |
| **Federal Govt Intervention Fund** |  | 25,335,552.82 | 190,016,664.61 | (164,681,111.79) | - | 6,333,888.21 | (6,333,888.21) | **25,335,552.82** | **196,350,552.82** | **(171,015,000.00)** |
| **Non-Oil Revenue** |  | 13,145,042.57 | 9,858,781.92 | 3,286,260.65 | - | 3,286,260.65 | (3,286,260.65) | **13,145,042.57** | **13,145,042.57** | **-** |
| **Excess Bank Charges** |  | 767,747.37 | 575,810.52 | 191,936.85 | - | 191,936.85 | (191,936.85) | **767,747.37** | **767,747.37** | **-** |
| **Sub-Total Dependent Revenue** |  | **1,471,374,505.79** | **1,273,887,998.32** | **197,486,507.47** | **-** | **369,101,357.47** | **(369,101,357.47)** | **1,471,374,505.79** | **1,642,989,355.79** | **(171,614,850.00)** |
| **Transfer from Main Council** |  | **-** |  |  | **77,478,268.58** | **19,369,567.15** | **58,108,701.43** | **77,478,268.58** | **19,369,567.15** | **58,108,701.43** |
| **Tax Revenue** |  | 581,322.58 | 564,541.93 | 16,780.65 | 171,400.00 | 188,180.65 | (16,780.65) | **752,722.58** | **752,722.58** | **(0.00)** |
| **Non-Tax Revenue** |  | 2,174,300.00 | 3,723,502.50 | (1,549,202.50) | 2,790,370.00 | 1,241,167.50 | 1,549,202.50 | **4,964,670.00** | **4,964,670.00** | **-** |
| **Other Income** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Sub-Total Independent Revenue** |  | **2,755,622.58** | **4,288,044.43** | **1,532,421.85** | **2,961,778.00** | **1,429,348.15** | **1,532,421.85** | **5,717,392.58** | **5,717,392.58** | **-** |
| **Total Revenue** |  | **1,474,130,128.37** | **1,278,176,042.75** | **195,954,085.62** | **80,440,038.58** | **389,900,272.77** | **(309,460,234.19)** | **1,554,570,166.95** | **1,668,076,315.52** | **(113,506,148.57)** |
| **EXPENDITURE** |  |  |  |  |  |  |  | **-** | **-** | **-** |
| **JOINTLY EXPENDED** |  |  |  |  |  |  |  | **-** | **-** | **-** |
| **Salaries & Wages** |  | 755,406,493.78 | 566,554,870.33 | (188,851,623.45) | - | 188,851,623.45 | 188,851,623.45 | **755,406,493.78** | **755,406,493.78** | **-** |
| **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** |  | 19,678,736.72 | 14,759,052.54 | (4,919,684.18) | - | 4,919,684.18 | 4,919,684.18 | **19,678,736.72** | **19,678,736.72** | **-** |
| **Grants & Social Contribution** |  | 32,949,480.19 | 24,712,110.14 | (8,237,370.05) | - | 8,237,370.05 | 8,237,370.05 | **32,949,480.19** | **32,949,480.19** | **-** |
| **Transfer to Other Agencies** |  | 448,279,147.23 | 336,209,360.46 | (112,069,786.77) | - | 112,069,786.83 | 112,069,786.83 | **448,279,147.23** | **448,279,147.29** | **0.06** |
| **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** |  | 3,000,000.00 | 16,427,400.00 | 13,427,400.00 | 18,903,200.00 | 5,475,800.00 | (13,427,400.00) | **21,903,200.00** | **21,903,200.00** | **-** |
| **Overhead Cost** |  | 55,281,474.70 | 42,717,582.79 | (12,563,891.91) | 1,675,302.36 | 14,239,194.27 | 12,563,891.91 | **56,956,777.06** | **56,956,777.06** | **-** |
| **Grants & Social Contribution** |  | 59,442,758.57 | 80,157,568.92 | 20,714,810.35 | 47,434,000.00 | 26,719,189.65 | (20,714,810.35) | **106,876,758.57** | **106,876,758.57** | **-** |
| **Depreciation** |  | 123,151,815.86 | 153,548,426.04 | 30,396,610.18 | 81,579,418.86 | 51,182,808.68 | (30,396,610.18) | **204,731,234.72** | **204,731,234.72** | **-** |
| **Transfer to LCDA** |  | 77,478,268.58 | 58,108,701.43 | (19,369,567.15) | - | 19,369,567.15 | 19,369,567.15 | **77,478,268.58** | **77,478,268.58** | **-** |
| **Unpaid Contract** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Legal Fees** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Allowances** |  | 87,709,404.26 | 67,939,053.19 | (19,770,351.07) | 2,876,000.00 | 22,646,351.07 | 19,770,351.07 | **90,585,404.26** | **90,585,404.26** | **-** |
| **Tax Expenses** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Bail-Out Repayment** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Audit Fees** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Stabilization Fund** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Disposal of Assets** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Revenue Refunded** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Total Expenditures** |  | **1,662,948,968.17** | **1,361,562,667.05** | **(301,386,301.12)** | **152,467,921.22** | **453,854,222.40** | **301,386,301.18** | **1,815,416,889.39** | **1,815,416,889.45** | **0.06** |
| **Net Surplus/Deficit** |  | **(188,818,839.80)** | **(83,386,624.30)** | **(105,432,215.50)** | **(72,027,882.64)** | **(63,953,949.63)** | **(8,073,933.01)** | **(260,846,722.44)** | **(147,340,573.93)** | **(113,506,148.51)** |
| **Net Surplus/Deficit 31/12/2019** |  | 48,166,896.80 | 328,863,445.00 | (280,696,548.20) | 52,094,835.97 | (90,166,312.00) | 142,261,147.97 | 100,261,732.77 | 238,697,133.00 | (138,435,400.23) |
| **Net Surplus/Deficit 31/12/2020** |  | **(140,651,943.00)** | **245,476,820.70** | **386,128,763.70** | **(19,933,046.67)** | **(154,120,261.63)** | **134,187,214.96** | **(160,584,989.67)** | **91,356,559.07** | **(251,941,548.74)** |

**ISOKAN LOCAL GOVERNMENT, APOMU**

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

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **PARTICULAR** | **ISOKAN** | | | **ISOKAN SOUTH** | | | **ISOKAN CONSOLIDATED** | | |
|  | **RESERVE** | **ACCUMULATED SURPLUS** | **TOTAL** | **RESERVE** | **ACCUMULATED SURPLUS** | **TOTAL** | **RESERVE** | **ACCUMULATED SURPLUS** | **TOTAL** |
| **OPENING BALANCE AS AT 1/1/2020** | **673,103,858.41** | **48,166,896.80** | **721,270,755.21** | **270,419,896.07** | **52,094,835.97** | **322,514,732.04** | **943,523,754.48** | **100,261,732.77** | **1,043,785,487.25** |
| **Adjusted Reserve** |  |  |  |  |  |  |  |  |  |
| **Adjusted Balance** | **673,103,858.41** | **48,166,896.80** | **721,270,755.21** | **270,419,896.07** | **52,094,835.97** | **322,514,732.04** | **943,523,754.48** | **100,261,732.77** | **1,043,785,487.25** |
| **NET SURPLUS FOR THE YEAR** | **-** | **(188,818,839.80)** | **(188,818,839.80)** | **-** | **(72,027,882.64)** | **(72,027,882.64)** | **-** | **(260,846,722.44)** | **(260,846,722.44)** |
| **CLOSING BALANCE AS AT 31/12/2020** | **673,103,858.41** | **(140,651,943.00)** | **532,451,915.41** | **270,419,896.07** | **(19,933,046.67)** | **250,486,849.40** | **943,523,754.48** | **(160,584,989.67)** | **782,938,764.81** |

**NOTES TO THE ACCOUNTS**

**NOTE 1 CASH & CASH EQUIVALENTS**

ZENITH BANK 4,543,493.20

FIRST BANK 194,343.30

MICRO FINANCE BANK 134,603.72

ACCESS BANK 8,098,682.30

**TOTAL 12,971,122.52**

**NOTE 2 RECEIVABLES**

JAAC 123,946,485.19

**NOTE 3 PREPAYMENT/ADVANCES**

HOUSING LOAN 1,500,000.00

VEHICLE LOAN 500,000.00

**TOTAL 2,000,000.00**

**NOTE 4 INVENTORIES**

WORKS MATERIAL 35,000,000.00

FINANCE MATERIAL 5,000, 000.00

STATIONERIES 9, 013, 460.00

**TOTAL 49,013,460.00**

**NOTE 5 INVESTMENTS**

OMOLUABI 13,132,942.00

KAJOLA INTEGRATED 9,523,810.00

OSICOL 267,000.00

PREFERENCE SHARES 28,333,333.33

OTHERS 1,165,091.18

**TOTAL 52,422,176.52**

**NOTE 6 PROPERTY,PLANT & EQUIPMENT**

BUILDING 167,966,568.54

INFRASTRUCTURAL FACILITIES 1,549,337,991.20

PLANTS & MACHINERY 15,682,240.00

MOTOR VEHICLE 36,522,042.14

EQUIPMENTS 15,473,017.60

FURNITURE & FITTINGS 2,259,895.68

**1,787,241,895.68**

**NOTE 7 - INVESTMENT PROPERTY**

OPEN MARKET 3,670,294.40

LOCK UP STALL 107,000,000.00

SHOPPING COMPLEX 152,000,000.00

**262,670,294.40**

**NOTE 8 - BIOLOGICAL ASSETS**

TEAK PLANTATION 17,500,000.00

PALM OIL 5,354,077.97

**22,854,077.97**

**NOTE 9 - NIL**

**NOTE 10 - UNREMITTED DEDUCTION**

BAL AS AT 1ST JAN 2020 33,216,408.36

UNPAID DEDUCTIONS (4,275,038.40)

**28,941,369.96**

**NOTE 11 - NIL**

**NOTE 12 - PAYABLE**

PAYABLE 378,750,593.30

**NOTE 13 - LONG TERM LOAN**

BAL B/F 1,180,084,392.05

10 KM (30,332,019.68)

INTERVENTION (6,971,912.88)

ENVIRONMENTAL (3,886,086.72)

BAIL-OUT (13,671,440.90)

DECEMBER PAYABLES (2,734,288.18)

**1,122,488,643.69**

**NOTE 14 RESERVES**

RESERVE 943,523,754.48

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

NET DEFICIT(1ST JAN 2020) (260,846,722.44)

ADDITIONAL DEFICIT FOR THE YEAR (100,261,732.77)

**(160,584,732.77)**

**NOTE 16 - STATUTORY ALLOCATION**

JAAC 933,303,055.08

**NOTE 17 - VAT**

VAT 432,456,212.60

**NOTE 18 - ADDITIONAL FUND**

ADDITIONAL FUND 1,563,609.92

**NOTE 20 - EXCHANGE RATE GAIN**

EXCHANGE RATE GAIN 30,248,683.50

**NOTE 21 - FEDERAL GOVT INTERVENTION FUND**

FEDERAL GOVT INTERVENTION FUND 25,335,552.82

**NOTE 22 - ECO**

ECO 21,024,990.01

**NOTE 24 - NON-OIL REVENUE**

NON-OIL REVENUE 13,145,042.57

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

**NOTE 26 - FOREX EQUALISATION**

FOREX EQUALISATION 13,529,611.92

**NOTE 28 - EXCESS BANK CHARGES**

EXCESS BANK CHARGES 767,747.37

**NOTE 29 - DEPENDENT REVENUE**

JAAC 933,303,055.08

VAT 432,456,212.60

ADDITIONAL FUND 1,563,609.92

EXCHANGE RATE GAIN 30,248,683.50

FEDERAL GOVT INTERVENTION FUND 25,335,552.82

ECO 21,024,990.01

NON-OIL REVENUE 13,145,042.57

FOREX EQUALISATION 13,529,611.92

EXCESS BANK CHARGES 767,747.37

**1,471,374,505.79**

**NOTE 30 - TAX REVENUE**

COMMUNITY TAX 752,722.58

**NOTE 31 - NON-TAX REVENUE**

LICENSE FEES 49,646,670.00

**NOTE 33 - INDEPENDENT REVENUE**

TAX REVENUE 752,722.58

NON-TAX REVENUE 4,964,670.00

TOTAL **5,717,392.58**

**NOTE 34 - TOTAL REVENUE**

DEPENDENT REVENUE 1,471,374,505.79

INDEPENDENT REVENUE 5,717,392.58

**1,477,091,898.37**

**NOTE 35 - SALARY & WAGES**

LOCAL GOVT STAFF 296,858,347.42

TEACHING & NON-TEACHING STAFF: ELEMENTARY 306,867,225.64

LOCAL GOVT STAFF LOANS BOARD 803,604.83

LOCAL GOVERNMENT PENSION BOARD 1,094,377.13

PHC STAFF 149,782,938.76

**755,406,493.78**

**NOTE 36 - SOCIAL BENEFITS**

HUMAN RESOURCES 100,000.00

TRAINING & WORKSHOP **200,000.00**

**300,000.00**

**NOTE 37 OVERHEAD**

GENERAL EXPENSES **19,678,736.72**

**NOTE 38 - GRANTS & CONTRIBUTION**

FAAC DISTRIBUTION 449,480.19

GRADING (JOINT PROJECT) 2,500,000.00

**2,949,480.19**

**NOTE 39 - TRANSFER TO OTHER AGENCIES**

TRADITIONAL COUNCIL 45,032,456.86

TRAINING FUND 9,006,493.34

SUBEB 45,273,865.21

OMEAL 21,481,092.00

OYES 40,000,000.00

OHIS 8,958,656.74

ORAMP 11,079,423.09

SUBEB(ADMIN) 407,600.04

PENSION 212,461,176.36

SUBEB(CONTRACT) 271,388.28

LOCAL STATUTORY DEDUCTIONS 33,135,417.05

AUDIT FEES 21,171,578.26

**448,279,147.23**

**NOTE 40 - ALLOWANCE**

O’CLEAN ALLOWANCE 271,388.28

**NOTE 41 - PUBLIC DEBT CHARGES**

FINANCE COST 30,000,000.00

**LOCAL GOVERNMENT EXPENDITURE**

**NOTE 42 - SOCIAL BENEFITS**

TRAINING & WORKSHOP 15,903,200.00

FINANCIAL ASSISTANCE 6,000,000.00

**21,903,200.00**

**NOTE 43 - OVERHEAD COST**

GENERAL EXPENSES 56,956,777.06

**NOTE 44 - GRANT & SOCIAL CONTRIBUTION**

EMPOWERMENT PROGRAMMES 6,000,000.00

ILEYA GIFT & OTHERS 21,000,000.00

RAMADAN 6,000,000.00

CHRISTMAS CELEBRATION 20,000,000.00

GRADING 15,876,758.57

CLEARING OF DEBRIS 5,000,000.00

SENSITISATION & TRAINING 15,000,000.00

PALLIATIVE MATERIAL (COVID 19) 18,000,000.00

**106,876,758.57**

**NOTE 45 - DEPRECIATION**

BUILDING 3,212,144.26

INFRASTRUCTURAL FACILITIES 172,148,665.68

PLANT & MACHINERY 3, 920, 560.00

MOTOR VEHICLE 8, 905, 510.44

OFFICE EQUIPMENT 3, 868, 254.40

FURNITURE & FITTINGS 564,973.92

INVESTMENT PROPERTY 10,944,595.60

**204,731,234.72**

**NOTE 46 - ALLOWANCE**

COMMITTEE ALLOWANCE 3,508,479.16

CASUAL WORKERS’ ALLWOANCE 87,076,925.10

**90,585,404.26**

**NOTE 47 - IMPAIRMENT COST -** NIL

**NOTE 48 - STABILISATION FUND**

STABILIZATION FUND NIL

**NOTE 49 - REVENUE REFUNDED**

REVENUE REFUNDED NIL

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

TOTAL REVENUE 1,477,091,898.37

TOTAL EXPENDITURE 1,737,938,620.81

NET SURPLUS/DEFICIT (260,846,722.44)

NET SURPLUS/DEFICIT 1/1/2020 100,261,732.77

NET SURPLUS/DEFICIT **(160,584,989.67)**

**ISOKAN LOCAL GOVERNMENT, APOMU**

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

**STATEMENT OF CASHFLOW RATIO**

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

1,483,356,834.43 X 100

1,489,074,227.01 1 = **99.62%**

2. TOTAL INDEPENDENT REVENUE = TOTAL REVENUE

5,717,392.58 \* 100

1,489,074,227.01 1 = **0.38%**

3. PERSONNEL: TOTAL RECURRENT EXPENDITURE

682,251,746.70 \* 100

1,418,430,897.80 1 = **48.10%**

**STATEMENT OF FINANCIAL POSITION RATIO**

4. CURRENT RATIO = CURRENT ASSETS = 187,931,067.71

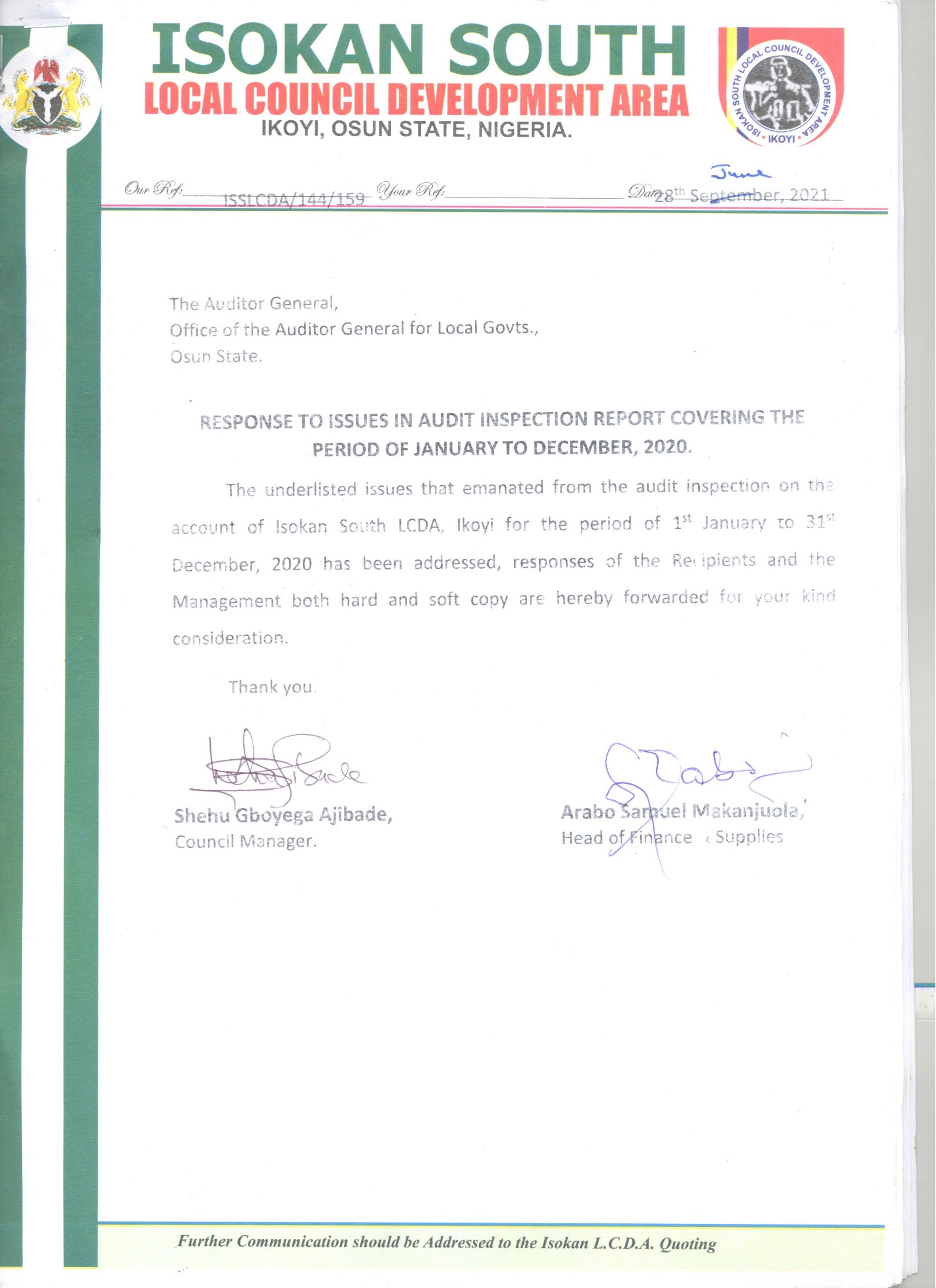
CURRENT LIABILITIES 407,691,963.26 = **0.46:1**

5. TOTAL ASSET: TOTAL LIABILITIES = 2,313,119,371.76

1,530,180,606.95 = **1.51:1**

6. EQUITY : TOTAL ASSET = 782,938,764.81

2,313,119,371.76 = **0.34:1**

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**MANAGEMENT LETTER**

**ISOKAN LOCAL GOVERNMENT, APOMU**

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

**1. EXPENDITURE NOT SUPPORTED BY PROPER RECORDS OF ACCOUNTS AMOUNTING TO: N50,000.00:** The sum of Fifty Thousand Naira Only (N50,000.00) representing payment for burial of unidentified corpse in the month of July, 2020 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/APM/03/2020.

***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. INTERNALLY GENERATED REVENUE:** The Local Government should look inward on ways and means of generating sufficient income to meet their responsibilities. Target 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. 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.*

***MANAGEMENT RESPONSE:*** *More effort would be geared towards revenue drive.*

***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.*

**3. ACQUISITION OF LAND MASS FOR AGRICULTURAL PRACTISE:** The Local Government of Isokan has embarked on Agricultural practice by acquiring 1,000 Hectare of land. The total cost was estimated to N600,000.00 in which N468,000 has been expended on it as at the time of writing this report.

**4. GRADING OF RURAL EARTH ROAD:** Some rural Earth roads were graded with the total sum of N5,500,000.00 approved for it, out of which the sum of N5,015,000.00 has been released and expended on it as at the time of writing this report. Also rehabilitation of Earth road was also carried out with the sum of N3,300,000 approved for it and a sum of 560,000 has been released and expended on it.

**ISOKAN SOUTH LOCAL COUNCIL DEVELOPMENT AREA, IKOYI**

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

**1. EXPENDITURE NOT SUPPORTED BY PROPER RECORDS OF ACCOUNTS AMOUNTING TO N25,000.00:** The sum of Twenty-Five Thousand Naira Only (N25,000.00) representing payment for burial of unidentified corpse in the month of July, 2020 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/ISK SOUTH IKOYI/03/2020.

***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. EXPENDITURE NOT ACCOUNTED FOR AMOUNTING TO N380,000.00:** It was observed during the audit inspection that the sum of Three Hundred and Eighty Thousand Naira(N380,000.00) was approved and released to Mr. Ibrahim M.A for logistic and publicity tagged “Save Life Hope” on behalf of Isokan South LCDA. Further observation shows that no evidence to authenticate the genuineness of the expenditure an indication that shows that the expenditure is doubtful in nature.

***RISK:***

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

***MANAGEMENT RESPONSE:*** *Supporting documents to the expenditure were not ready at the time of Audit inspection which were eventually 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 are being balanced and updated at the presence of Audit Team. The Head of Finance and Supplies should be alive to his duties and responsibilities as stated 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 subordinate 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. Target should be set for Revenue Officers and officers that meet their target should be commended appropriately to serve as morale booster for the other 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.*

**INTERNAL AUDITOR’S REPORT**

**1.** The Internal Control Unit is becoming more effective, but the co-operations of Other Revenue generating Departments on the IGR are not get forthcoming to improve the monthly IGR of the Council. Departments of WES, Town Planning and Agriculture need to gear up to improve the IGR of the Local Government.

**2.** The Internal Control mechanism is very effective. The activities of other Revenue generating Departments should also be directed towards monthly IGR of the Council, particularly the WES, Agriculture to boost the monthly IGR of the Council.

**LIST OF PROJECTS EXECUTED BY ISOKAN LOCAL GOVERNMENT, APOMU [JANUARY – DECEMBER 2020]**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **S/N** | **DESCRIPTION** | **LOCATION** | **MODE OF EXECUTION** | **PROJECT COST** | **AMOUNT RELEASED** | **BALANCE** | **REMARKS** |
| 1. | Grading of Earth roads in Isokan Local Govt. | Arikoko to Alapata, Agbaogun to Sanni , Awala to Agbaogun | Direct | 5,500,000.00 | 5,500,000.00 |  | Completed |
| 2. | Curtain Window Blind for office in the Local Government | rnmen | Direct | 1,902,500 | 334,310 | 1,258,500 | On-going |
| 3. | Rehabilitation of 3 bedroom flat inside Alapomu Palace in Isokan Local Government | Apomu Township | Direct | 11,045,129 | 10,819,000 | 226,129 | On-going |
| 4. | Rehabilitation of Earth road in Apomu | Egbedaoko to Onikokoope to Okodowo to Laderu to Aladura | Direct | 3,300,000.00 | 560,000.00 | 2,860,000.00 | On-going |
| 5. | Grading of Earth road in Isokan Local Government | Arikoko to Alapata, Agbaogun to Sanni, Awala to Agbaogun | Direct | 5,500,000.00 | 5,500,000.00 | 435,000.00 | On-going |
|  |  |  |  | **27,247,629.00** | **22,713,310.00** | **4,534,319.00** |  |

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **S/ N** | **DESCRIPTION** | **LOCATION** | **MODE OF EXECUTION** | **AMOUNT APPROVD** | **AMOUNT RELEASED** | **BALANCE** | **REMKS** |
| 1 | Widening of rural roads | Community Grammar School to Oloro (2km)  Community Grammar School to Arinkinkin, OLomeloIdiagbo to OlumeloAji (22km) | Direct | 2,500,000.00 | 870,000.00 | 1,630,000 | Completed |
| 2. | Payment on the amount approved for the Construction of Permanent Secretariat | Orita Ijebu, Ikoyi | Direct | 55,349,645 | 29,443,000 | 25,906,645 | On-going |
| 3. | Filling of Secretariat Permanent Site | Orita Ijebu, Ikoyi | Direct | 100,000.00 | 100,000.00 | - |  |
|  |  |  |  | **57,949,645.00** | **30,413,000** | **27,536,645** |  |