STATE GOVERNMENT OF OSUN, NIGERIA.

REPORT OF

THE

AUDITOR-GENERAL

FOR

LOCAL GOVERNMENTS

ON THE ACCOUNTS OF

OLA-OLUWA LOCAL GOVERNMENT

BODE-OSI

FOR THE YEAR ENDED

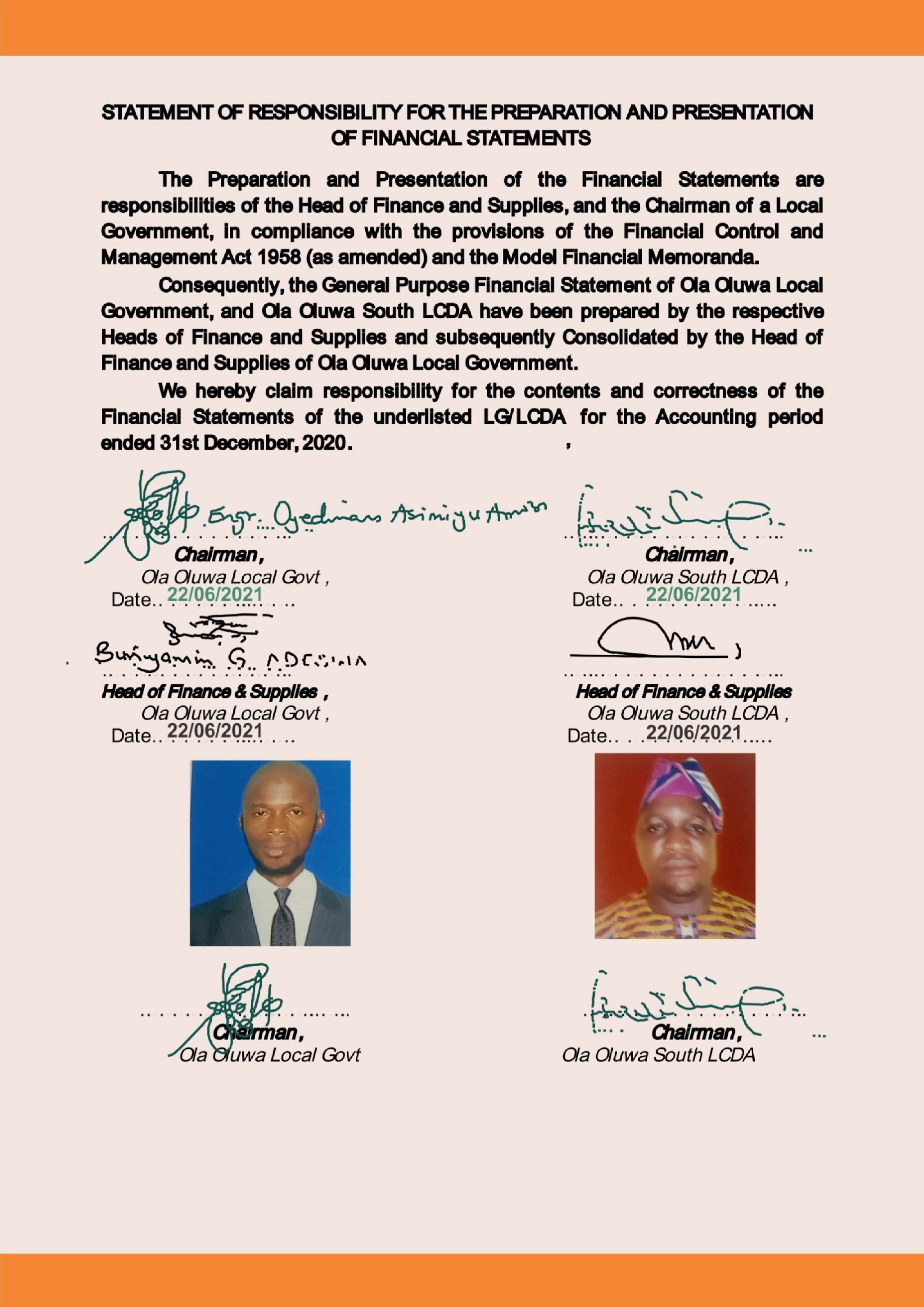
31ST DECEMBER, 2020.

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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 Ola-Oluwa 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 Ola-Oluwa 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 Ola-oluwa Local Government in the state.

**BASIS OF AUDIT OPINION**

In the course of auditing the accounts of Ola-Oluwa Local Governments Bode-Osi 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 Ola-Oluwa Local Govt Education Authority.

**STATEMENT OF COMPLIANCE**

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

The accounts of Ola-Oluwa 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. Consequentrly, the Heads of Finance of the 30 main Local Governments consolidate the GPFS of their respective main Local Government with the subsidiary LCDAs, AOs, and Ad. Os.

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

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

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

1. **DEPRECIATION**

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

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

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

1. **INVESTMENT PROPERTIES – IPSAS 16**

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

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

Other Revenues are proceeds that arise outside the Ordinary course of governmental 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 Ola Oluwa Local Government, Bode Osi (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 Ola Oluwa 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 Ola Oluwa Local Governments was prepared in compliance with new National Chart of Accounts. The 2020 Budget was an improvement on the previous Budget of 2019 as some of the obvious shortcomings observed by the Audit have been addressed.

**PROCUREMENT PRACTICES**

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

**VALUATION AND REVALUATION OF ASSETS**

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

**INTERNALLY REVENUE GENERATION AND FINANCIAL VIABILITY**

Of concern to the Audit is the paltry amount of revenue that was generated in the Financial Year 2020. Audit examination showed that none of the Local Governments improved significantly on their revenue drive. The Total Internally Revenue generated by the Local Government for 2020 was N16,940,625.32 representing 1.24% 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, 30 nos of Audit Queries were issued in respect of 2020 Accounts, involving a total sum of N4,300,500.00.

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.

**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 Ola Oluwa 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 N971,735,043.40 was Share of FAAC and VAT amounted to N397,100,150.73.

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** |
| Ola-Oluwa | 857,675,817.61 | 397,100,150.73 | 27,815,207.92 | 23,297,333.56 | 705,982.88 | 12,441,168.51 | 19,333,551.12 | 1,437,819.11 | 12,087,537.37 | 1,351,894,568.81 |

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

Fees; taxes and fines: The Local Government recognised revenue from fees, taxes, and fines when the event occurs, and the asset recognition criteria are met. The Local Government earned and recognised. #16,940,625.32.

**SALARIES AND WAGES – N743,881,048.02**

Salaries and Wages which amounted to N670,398,783.05 comprised of salaries of Staff of the Local Governments, Teaching and Non-Teaching Staff of SUBEB, staff of Local Government Loans Board and the Primary Health Care Board. Salary Payment was centralised in the State of Osun for the year 2020.

**COMMENTS ON ITEMS OF FINANCIAL POSITION**

**CASH AND CASH EQUIVALENTS – 7,065,391.55**

The Aggregate closing cash and cash equivalents amounted to **₦7,065,391.55** 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 - ₦114,765,024.98**

A total sum of N114,765,024.98k 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 - ₦690,000.00**

The sum of ₦690,000.00represents inventories valued at historical cost in the Local Governments as at 31st December, 2020. These include unallocated stores both expendable and non-expendable; and consumable items.

**INVESTMENTS - ₦51,342,085.33**

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

**PROPERTY, PLANT AND EQUIPMENT(PPE) - #1,616,630,304.60**

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 - ₦463,648,035.96**

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 - ₦488,775.00**

The carrying amount of Investment Properties of the Local Governments stood at N488,775.00 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 - ₦1,062,279,942.67**

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

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

**UNREMITTED DEDUCTIONS - ₦38,599,116.40**

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 #39,072,872.46 was made to the Local Council Development Areas and Area Offices in the period under review and was set off in the Consolidated Account.

**IMPAIRMENT - #14,783,200.00**

The impairment for the year stood at #14,783,200.00 which was beyond budgetary provision but observed to have been largely incurred due to the End-SARS Protest.

**OLA OLUWA LOCAL GOVERNMENT, BODE OSI**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **FINANCIAL POSITION** | | | | |
| **PARTICULAR** |  | OLA-OLUWA | OLA-OLUWA SOUTH EAST | OLA-OLUWA CONSOLIDATED |
| **ASSETS** | **NOTE** |  |  |  |
| **Current Assets** |  |  |  |  |
| **Cash & Cash Equivalents** | **1** | 5,198,035.52 | 1,867,356.03 | 7,065,391.55 |
| **Receivables** | **2** | 114,765,024.98 |  | 114,765,024.98 |
| **Prepayment/Advance** | **3** | 640,000.00 |  | 640,000.00 |
| **Inventories** | **4** | 10,500,000.00 | 190,000.00 | 10,690,000.00 |
| **Total Current Asset** |  | 131,103,060.50 | 2,057,356.03 | 133,160,416.53 |
| **Non Current Asset:** |  |  |  | - |
| **Long Term Loan Granted** |  |  |  | - |
| **Investments** | **5** | 42,257,085.33 | 9,085,000.00 | 51,342,085.33 |
| **Property,Plant & Equipment** | **6** | 1,381,993,651.63 | 234,636,652.97 | 1,616,630,304.60 |
| **Investment Property** | **7** | 488,775.00 |  | 488,775.00 |
| **Biological Asset** | **8** | 8,922,953.50 | 102,786,910.11 | 111,709,863.61 |
| **Assets Under Construction(WIP)** | **9** |  |  | - |
| **Total Non-Current Asset** |  | 1,433,662,465.46 | 346,508,563.08 | 1,780,171,028.54 |
| **Total Asset** |  | 1,564,765,525.96 | 348,565,919.11 | 1,913,331,445.07 |
| **LIABILITIES** |  |  |  |  |
| **Current Liabilities:** |  |  |  | - |
| **Deposit** |  |  |  | - |
| **Unremitted Deductions** | **10** | 38,640,891.44 | (41,775.04) | 38,599,116.40 |
| **Short Term Loan & Debts** | **11** |  |  | - |
| **Payables** | **12** | 273,873,381.63 | 189,774,654.33 | 463,648,035.96 |
|  |  |  |  | - |
| **Short Term Provisions** |  |  |  | - |
| **Total Current Liability** |  | 312,514,273.07 | 189,732,879.29 | 502,247,152.36 |
| **Non Current Liabilities:** |  |  |  | - |
| **Long Term Borrowing** | **13** | 1,106,779,120.69 | (44,499,178.02) | 1,062,279,942.67 |
| **Total Liabilities** |  | 1,419,293,393.76 | 145,233,701.27 | 1,564,527,095.03 |
| **Net Assets** |  | 145,472,132.20 | 203,332,217.84 | 348,804,350.04 |
| **Financed by** |  |  |  | - |
| **Reserve** | **14** | 332,953,874.63 | 58,901,712.75 | 391,855,587.38 |
| **Net Surplus/Deficit** | **15** | (187,481,742.43) | 144,430,505.09 | (43,051,237.34) |
| **Total** |  | 145,472,132.20 | 203,332,217.84 | 348,804,350.04 |

**OLA OLUWA LOCAL GOVERNMENT, BODE OSI**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **PERFORMANCE** | | | | |
| **PARTICULAR** | **NOTE** | OLA-OLUWA | OLA-OLUWA SOUTH EAST | OLA-OLUWA CONSOLIDATED |
| **Government Share of FAAC(Statutory Revenue)** | **16** | 857,675,817.61 |  | 857,675,817.61 |
| **Government Share of VAT** | **17** | 397,100,150.73 |  | 397,100,150.73 |
| **Additional Fund** | **18** | 1,437,819.11 |  | 1,437,819.11 |
| **Revenue Furniture Allowance** | **19** |  |  | - |
| **Ex Rate Gain** | **20** | 27,815,207.92 |  | 27,815,207.92 |
| **Augmentation** | **21** |  |  | - |
| **Federal Govt Intervention Fund** | **21** | 23,297,333.56 |  | 23,297,333.56 |
| **ECO** | **22** | 19,333,551.12 |  | 19,333,551.12 |
| **Solid Minerals** | **24** |  |  | - |
| **Non-Oil Revenue** | **24** | 12,087,537.37 |  | 12,087,537.37 |
| **Distributable from Goods & Valuables** | 26 |  |  | - |
| **Forex Equalisation** | **26** | 12,441,168.51 |  | 12,441,168.51 |
| **10% IGR** | **28** |  |  | - |
| **Excess Bank Charges** | **28** | 705,982.88 |  | 705,982.88 |
| **Aids & Grants** | 30 |  |  | - |
| **Overpayment Recovery** | 31 |  |  | - |
| **Sub-Total Dependent Revenue** | **29** | 1,351,894,568.81 | - | 1,351,894,568.81 |
| **Transfer from Main Council** |  |  | 39,072,872.46 | - |
| **Tax Revenue** | **30** |  | 351,925.32 | 351,925.32 |
| **Non-Tax Revenue** | **31** | 15,478,910.00 | 1,109,790.00 | 16,588,700.00 |
| **Other Income** | **35** |  |  |  |
| **Sub-Total Independent Revenue** | **33** | 15,478,910.00 | 1,461,715.32 | 16,940,625.32 |
| **Total Revenue** | **34** | 1,367,373,478.81 | 40,534,587.78 | 1,368,835,194.13 |
| **EXPENDITURE** |  |  |  | - |
| **JOINTLY EXPENDED** |  |  |  | - |
| **Salaries & Wages** | **35** | 743,881,048.02 |  | 743,881,048.02 |
| **Social Benefits** | **36** | 300,000.00 |  | 300,000.00 |
| **Overhead Cost** | **37** | 18,949,956.72 |  | 18,949,956.72 |
| **Grants & Social Contribution** | **38** | 29,641,494.02 |  | 29,641,494.02 |
| **Transfer to Other Agencies** | **39** | 511,238,290.94 |  | 511,238,290.94 |
| **Allowances** | **40** | 271,388.28 |  | 271,388.28 |
| **Stationaries** |  |  |  | - |
| **Public Debt Charge** |  |  |  | - |
| **L/GOVERNMENT EXPENDITURE** |  |  |  | - |
| **Social Benefits** | **41** | 233,000.00 | 474,000.00 | 707,000.00 |
| **Overhead Cost** | **42** | 15,427,746.86 | 14,584,876.72 | 30,012,623.58 |
| **Grants & Social Contribution** | **43** | 48,995,926.70 | 18,075,499.97 | 67,071,426.67 |
| **Depreciation** | **44** | 148,675,778.17 | 22,603,013.44 | 171,278,791.61 |
| **Transfer to LCDA** | **45** | 39,072,872.46 |  | - |
| **Unpaid Contract** |  |  |  | - |
| **Legal Fees** |  |  |  | - |
| **Allowances** | **46** | 11,017,122.54 | 4,044,000.00 | 15,061,122.54 |
| **Stationaries** |  |  |  | - |
| **Assets Devaluation** |  |  |  | - |
| **Impairment** | **47** | 14,783,200.00 |  | 14,783,200.00 |
| **Tax Expenses** |  |  |  |  |
| **Bail-Out Repayment** |  |  |  | - |
| **Audit Fees** |  |  |  | - |
| **Stabilization Fund** |  |  |  | - |
| **Disposal of Assets** |  |  |  |  |
| **Revenue Refunded** |  |  |  |  |
| **Total Expenditures** |  | 1,582,487,824.71 | 59,781,390.13 | 1,603,196,342.38 |
| **Net Surplus/Deficit** | **50** | (215,114,345.90) | (19,246,802.35) | (234,361,148.25) |
| **Net Surplus/Deficit 31/12/2019** |  | 27,632,603.47 | 163,677,307.44 | 191,309,910.91 |
| **Net Surplus/Deficit 31/12/2020** | **51** | (187,481,742.43) | 144,430,505.09 | (43,051,237.34) |

**OLA OLUWA LOCAL GOVERNMENT, BODE OSI**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **CASHFLOW STATEMENT** | | | | |
| **Operating Activities** | **NOTE** | OLA-OLUWA | OLA-OLUWA NORTH | OLAOLUWA CONSOLIDATED |
| **INFLOW** |  |  |  | - |
| **Statutory Revenue(JAAC)** | **53** | 916,614,478.58 |  | 916,614,478.58 |
| **Value Added Tax** | **54** | 350,956,377.84 |  | 350,956,377.84 |
| **Additional Fund** | **55** | 1,437,819.11 |  | 1,437,819.11 |
| **Furniture Allowance** |  |  |  | - |
| **Exchange Rate Gain** | **56** | 27,186,820.43 |  | 27,186,820.43 |
| **Others(Augmentation** |  |  |  | - |
| **Federal Govt Intervention Fund** | **57** | 23,297,333.56 |  | 23,297,333.56 |
| **Excess Crude Oil** | **58** | 19,333,551.12 |  | 19,333,551.12 |
| **Solid Minerals** | **59** |  |  | - |
| **Non-Oil Revenue** | **60** | 12,087,537.37 |  | 12,087,537.37 |
| **Distributable Good & Valuable** | **61** |  |  | - |
| **Forex Equalisation** | **62** | 11,325,283.55 |  | 11,325,283.55 |
| **10% IGR** |  |  |  | - |
| **Excess Bank Charges** | **63** | 705,982.88 |  | 705,982.88 |
| **Sub Total Dependent Revenue** |  | 1,362,945,184.44 |  | 1,362,945,184.44 |
| **Tax Revenue** | **64** |  | 351,925.32 | 351,925.32 |
| **Non-Tax Revenue** | **65** | 15,478,91000 | 1,109,790.00 | 16,588,700.00 |
| **Transfer from Main Council** | **66** |  | 39,072,872.46 | - |
| **Sub Total Independent Revenue** |  | 15,478,910.00 | 146,715.32 | 16,940,625.32 |
| **Total Inflow Operating Activities** |  | **1,378,424,094.44** | **40,534,587.78** | **1,379,885,809.76** |
| **OUTFLOW** |  |  |  | - |
| **Salaries & Wages** | **67** | 668,726,296.94 |  | 668,726,296.94 |
| **Overheads Cost** | **68** | 22,025,143.29 | 13,776,126.72 | 35,801,270.01 |
| **Allowances** | **69** | 11,265,895.13 | 4,044,000.00 | 15,309,895.13 |
| **Social Benefits** | **70** | 533,000.00 | 474,000.00 | 1,007,000.00 |
| **Social Contributions** | **71** | 78,637,424.72 | 9,475,499.97 | 88,112,924.69 |
| **Inventories** | **72** | 10,334,000.00 | 9,255,000.00 | 19,589,000.00 |
| **Transfer to LCDA** | **73** | 39,072,872.46 |  | - |
| **Subeb-Grant** |  |  |  | - |
| **Audit Fee** | **74** |  |  | - |
| **Transfer to Other Govt Agencies** | **75** | 475,693,452.59 |  | 475,693,452.59 |
| **Revenue Refunded** |  |  |  |  |
| **Total Outflow from Operating Activities** |  | **1,306,288,085.13** | **37,024,626.69** | **1,304,239,839.36** |
| **Net Cashflow from Operating Activities** | **76** | **72,136,009.31** | **3,509,961.09** | **75,645,970.40** |
| **INVESTING ACTIVITIES** |  |  |  | - |
| **Total Inflow from Investing Activities** |  |  |  | - |
| **CashFlow from Investing Activities:** |  |  |  | - |
| **Administrative Sector** | **77** |  | 1,974,400.00 | 1,974,400.00 |
| **Economic Sector** | **78** | 21,956,800.00 | 3,015,000.00 | 24,971,800.00 |
| **Total Outflow from Investing Activities** |  | 21,956,800.00 | 4,989,400.00 | 26,946,200.00 |
| **Net Cashflow from Investing Activities** |  | (21,956,800.00) | (4,989,400.00) | (26,946,200.00) |
| **Inflow from Financing Activities** |  |  |  | - |
| **Bank Overdraft** | **79** |  |  | - |
| **Total Inflow from Financing Activities** |  |  |  |  |
| **OUTFLOW(REPAYMENT)** |  |  |  | - |
| **Bail-Out Repayment** | **80** | 13,671,440.90 |  | 13,671,440.90 |
| **10km Road** | **81** | 23,693,456.64 |  | 23,693,456.64 |
| **Water Project** | **82** |  |  | - |
| **Environmental Sanitation Loan** | **83** | 3,886,086.72 |  | 3,886,086.72 |
| **Loan Repayment (Inherited)** | **84** |  |  | - |
| **Bank Loan** | **85** |  |  | - |
| **Intervention Loan** | **86** | 9,078,826.80 |  | 9,078,826.80 |
| **Total Outflow from Financing Activities** |  | **50,329,811.06** |  | **50,329,811.06** |
| **Net Cashflow from Financing Activities** | **87** | **(50,329,811.06)** |  | **(50,329,811.06)** |
| **Cash and Cash Equivalent for the year** |  | **(150,601.75)** | **(1,479,438.91)** | **(1,630,040.66)** |
| **Cash and Cash Equivalent 01/01/2020** |  | **5,348,637.27** | **3,346,794.94** | **8,695,432.21** |
| **Cash and Cash Equivalent 31/12/2020** | **88** | **5,198,035.52** | **1,867,356.03** | **7,065,391.55** |

**OLA OLUWA LOCAL GOVERNMENT, BODE OSI**

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

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **OLA OLUWA** | | | **OLA OLUWA SOUTH EAST** | | | **OLA OLUWA CONSOLIDATED** | | |
| **PARTICULAR** | **NOTE** | **ACTUAL** | **FINAL BUDGET** | **VARIANCE** | **ACTUAL** | **FINAL BUDGET** | **VARIANCE** | **ACTUAL** | **FINAL BUDGET** | **VARIANCE** |
| **Government Share of FAAC(Statutory Revenue)** |  | 857,675,817.61 | 643,256,863.21 | 214,418,954.40 | - | 214,418,954.40 | (214,418,954.40) | **857,675,817.61** | **857,675,817.61** | **-** |
| **Government Share of VAT** |  | 397,100,150.73 | 29,782,511,305.00 | (29,385,411,154.27) | - | 99,275,037.68 | (99,275,037.68) | **397,100,150.73** | **29,881,786,342.68** | **(29,484,686,191.95)** |
| **Additional Fund** |  | 1,437,819.11 | 1,078,364.33 | 359,454.78 | - | 359,454.78 | (359,454.78) | **1,437,819.11** | **1,437,819.11** | **-** |
| **Exchange Rate Gain** |  | 27,815,207.92 | 20,861,405.94 | 6,953,801.98 | - | 6,953,801.98 | (6,953,801.98) | **27,815,207.92** | **27,815,207.92** | **-** |
| **Forex Equalisation** |  | 12,441,168.51 | 9,330,876.38 | 3,110,292.13 | - | 3,110,292.13 | (3,110,292.13) | **12,441,168.51** | **12,441,168.51** | **-** |
| **Augmentation** |  | - | - | - | - | - | - | **-** | **-** | **-** |
| **ECO** |  | 19,333,551.12 | 14,500,163.34 | 4,833,387.78 | - | 4,833,387.78 | (4,833,387.78) | **19,333,551.12** | **19,333,551.12** | **-** |
| **Federal Govt Intervention Fund** |  | 23,297,333.56 | 1,747,300.17 | 21,550,033.39 | - | 5,824,333.39 | (5,824,333.39) | **23,297,333.56** | **7,571,633.56** | **15,725,700.00** |
| **Non-Oil Revenue** |  | 12,087,537.37 | 9,065,653.03 | 3,021,884.34 | - | 3,021,884.34 | (3,021,884.34) | **12,087,537.37** | **12,087,537.37** | **-** |
| **Excess Bank Charges** |  | 705,982.88 | 529,487.16 | 176,495.72 |  | 176,495.72 | (176,495.72) | **705,982.88** | **705,982.88** | **-** |
| **Sub-Total Dependent Revenue** |  | **1,351,894,568.81** | **30,482,881,418.56** | **(29,130,986,849.75)** | **-** | **337,973,642.20** | **(337,973,642.20)** | **1,351,894,568.81** | **30,820,855,060.76** | **(29,468,960,491.95)** |
| **Transfer from Main Council** |  | **-** |  |  | **39,072,872.46** | **9,768,218.12** | **29,304,654.34** | **39,072,872.46** | **9,768,218.12** | **29,304,654.34** |
| **Tax Revenue** |  | - | 263,943.99 | (263,943.99) | 351,925.32 | 87,981.33 | 263,943.99 | **351,925.32** | **351,925.32** | **-** |
| **Non-Tax Revenue** |  | 15,478,910.00 | 12,441,525.00 | 3,037,385.00 | 1,109,790.00 | 4,147,175.00 | (3,037,385.00) | **16,588,700.00** | **16,588,700.00** | **-** |
| **Other Income** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Sub-Total Independent Revenue** |  | **15,478,910.00** | **12,705,468.99** | **2,773,441.01** | **1,461,715.32** | **4,235,156.33** | **(2,773,441.01)** | **16,940,625.32** | **16,940,625.32** | **-** |
| **Total Revenue** |  | **1,367,373,478.81** | **30,495,586,887.55** | **(29,128,213,408.74)** | **40,534,587.78** | **351,977,016.65** | **(311,442,428.87)** | **1,407,908,066.59** | **30,847,563,904.20** | **(29,439,655,837.61)** |
| **EXPENDITURE** |  |  |  |  |  |  |  | **-** | **-** | **-** |
| **JOINTLY EXPENDED** |  |  |  |  |  |  |  | **-** | **-** | **-** |
| **Salaries & Wages** |  | 743,881,048.02 | 557,910,786.01 | (185,970,262.01) |  | 185,970,262.01 | 185,970,262.01 | **743,881,048.02** | **743,881,048.02** | **-** |
| **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 | 14,212,467.54 | (4,737,489.18) |  | 4,737,489.18 | 4,737,489.18 | **18,949,956.72** | **18,949,956.72** | **-** |
| **Grants & Social Contribution** |  | 29,641,494.02 | 22,231,120.51 | (7,410,373.51) |  | 7,410,373.51 | 7,410,373.51 | **29,641,494.02** | **29,641,494.02** | **-** |
| **Transfer to Other Agencies** |  | 511,238,290.94 | 383,428,718.20 | (127,809,572.74) |  | 127,809,572.74 | 127,809,572.74 | **511,238,290.94** | **511,238,290.94** | **-** |
| **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** |  | 233,000.00 | 530,250.00 | 297,250.00 | 474,000.00 | 176,750.00 | (297,250.00) | **707,000.00** | **707,000.00** | **-** |
| **Overhead Cost** |  | 15,427,746.86 | 225,094,669.00 | 209,666,922.14 | 14,584,876.72 | 7,503,155.89 | (7,081,720.83) | **30,012,623.58** | **232,597,824.89** | **202,585,201.31** |
| **Grants & Social Contribution** |  | 48,995,926.70 | 5,030,570.00 | (43,965,356.70) | 18,075,499.97 | 16,767,856.67 | (1,307,643.30) | **67,071,426.67** | **21,798,426.67** | **(45,273,000.00)** |
| **Depreciation** |  | 148,675,778.17 | 128,459,093.71 | (20,216,684.46) | 22,603,013.44 | 428,196,979.00 | 405,593,965.56 | **171,278,791.61** | **556,656,072.71** | **385,377,281.10** |
| **Transfer to LCDA** |  | 39,072,872.46 | 29,304,654.34 | (9,768,218.12) | - | 9,768,218.12 | 9,768,218.12 | **39,072,872.46** | **39,072,872.46** | **-** |
| **Unpaid Contract** |  |  |  | - | - | 3,765,280.64 | 3,765,280.64 |  |  |  |
| **Legal Fees** |  |  |  | - | - | 3,695,800.00 | 3,695,800.00 |  |  |  |
| **Allowances** |  | 11,017,122.54 | 11,295,841.90 | 278,719.36 | 4,044,000.00 |  | (4,044,000.00) | **15,061,122.54** | **11,295,841.90** | **(3,765,280.64)** |
| **Stationaries** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Assets Devaluation** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Impairment** |  | 14,783,200.00 | 11,087,400.00 | (3,695,800.00) | - | 3,695,800.00 | 3,695,800.00 | **14,783,200.00** | **14,783,200.00** | **-** |
| **Tax Expenses** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Bail-Out Repayment** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Audit Fees** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Stabilization Fund** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Disposal of Assets** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Revenue Refunded** |  |  |  | - |  |  | - | **-** | **-** | **-** |
| **Total Expenditures** |  | **1,582,487,824.71** | **1,389,014,112.42** | **(193,473,712.29)** | **59,781,390.13** | **799,640,384.83** | **739,858,994.70** | **1,642,269,214.84** | **2,188,654,497.25** | **546,385,282.41** |
| **Net Surplus/Deficit** |  | **(215,114,345.90)** | **29,106,572,775.13** | **(29,321,687,121.03)** | **(19,246,802.35)** | **(447,663,368.18)** | **428,416,565.83** | **(234,361,148.25)** | **28,658,909,406.95** | **(28,893,270,555.20)** |
| **Net Surplus/Deficit 31/12/2019** |  | 27,632,603.47 | 686,441,146.47 | (658,808,543.00) | 163,677,307.44 | 1,144,015,628.14 | (980,338,320.70) | 191,309,910.91 | 1,830,456,774.61 | (1,639,146,863.70) |
| **Net Surplus/Deficit 31/12/2020** |  | **(187,481,742.43)** | **29,793,013,921.60** | **29,980,495,664.03** | **144,430,505.09** | **696,352,259.96** | **(551,921,754.87)** | **(43,051,237.34)** | **30,489,366,181.56** | **(30,532,417,418.90)** |

**OLA OLUWA LOCAL GOVERNMENT, BODE OSI**

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

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **PARTICULAR** | **OLA-OLUWA** | | | **OLAOLUWANORTH LCDA** | | | **OLA-OLUWA CONSOLIDATED** | | |
|  | **RESERVE** | **ACCUMULATED SURPLUS** | **TOTAL** | **RESERVE** | **ACCUMULATED SURPLUS** | **TOTAL** | **RESERVE** | **ACCUMULATED SURPLUS** | **TOTAL** |
| **OPENING BALANCE AS AT 1/1/2020** | **332,953,874.63** | **27,632,603.47** | **360,586,478.10** | **58,901,712.75** | **163,677,307.44** | **222,579,020.19** | **391,855,587.38** | **191,309,910.91** | **583,165,498.29** |
| **Adjusted Reserve** |  |  |  |  |  |  |  |  |  |
| **Adjusted Balance** | **332,953,874.63** | **27,632,603.47** | **360,586,478.10** | **58,901,712.15** | **163,677,307.44** | **221,579,020.19** | **391,855,587.38** | **191,309,910.91** | **583,165,498.29** |
| **NET SURPLUS FOR THE YEAR** |  | **(215,114,345.90)** | **(215,114,345.90)** | **-** | **(19,246,802.35)** | **(19,246,802.35)** | **-** | **(234,361,148.25)** | **(234,361,148.25)** |
| **CLOSING BALANCE AS AT 31/12/2020** | **332,953,874.63** | **(187,481,742.43)** | **145,472,132.20** | **58,901,712.15** | **144,430,505.09** | **203,332,217.84** | **391,855,587.38** | **(43,051,237.34)** | **348,804,350.04** |

**NOTES TO THE ACCOUNTS**

**NOTE 1 CASH & CASH EQUIVALENTS**

WEMA 7,065,391.55

**NOTE 2 RECEIVABLES**

JAAC 66,876,979.64

VAT 46,146,772.89

FOREX EQUALIZATION 1,115,884.96

EX RATE GAIN 628,387.49

**114,765,024.98**

**NOTE 3 PREPAYMENT/ADVANCES**

HOUSING LOAN 400,000.00

VEHICLE LOAN 240,000.00

**TOTAL 640, 000.00**

**NOTE 4 INVENTORIES**

FINANCE MATERIAL 10,690,000.00

**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 85,000.00

**TOTAL 51,342,085.33**

**NOTE 6 PROPERTY,PLANT & EQUIPMENT**

BUILDING 92,566,265.18

INFRASTRUCTURAL FACILITIES 1,420,373,344.10

PLANTS & MACHINERY 13,775,200.00

MOTOR VEHICLE 7,051,868.00

EQUIPMENTS 6 ,405,316.60

FURNITURE & FITTINGS 55,058,000.00

**1,616,630,304.60**

**NOTE 7 - INVESTMENT PROPERTY**

OPEN MARKET 488,775.00

**NOTE 8 - BIOLOGICAL ASSETS**

TEAK PLANTATION 14,500,000.00

CASHEW PLANTATION 21,720,000.00

POULTRY 28,500,000.00

PALMTREE/PALM OIL 39,250,000.00

BANANA PLANTATION 7,739,863.61

**111,709,863.61**

**NOTE 9 - NIL**

**NOTE 10 - UNREMITTED DEDUCTION**

BAL AS AT 1ST JAN 2020 37,913,565.90

UNPAID DEDUCTIONS 685,550.50

**38,599,116.40**

**NOTE 11 - NIL**

**NOTE 12 - PAYABLE**

PAYABLE 463,648,035.96

**NOTE 13 - LONG TERM LOAN**

BAL B/F 1,115,344,041.91

10 KM (23,693,456.64)

INTERVENTION (9,078,826.80)

ENVIRONMENTAL (3,886,086.72)

BAIL-OUT (13,671,440.90)

DECEMBER PAYABLES (2,734,288.18)

**1,062,279,942.67**

**NOTE 14 RESERVES**

RESERVE 391,855,587.38

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

NET DEFICIT(1ST JAN 2020) 191,309,910.91

ADDITIONAL DEFICIT FOR THE YEAR (234,361,148.25)

**43,051,237.34**

**NOTE 16 - STATUTORY ALLOCATION**

JAAC 857,675,817.61

**NOTE 17 - VAT**

VAT 397,100,150.73

**NOTE 18 - ADDITIONAL FUND**

ADDITIONAL FUND 1,437,819.11

**NOTE 20 - EXCHANGE RATE GAIN**

EXCHANGE RATE GAIN 27,815,207.92

**NOTE 21 - FEDERAL GOVT INTERVENTION FUND**

FEDERAL GOVT INTERVENTION FUND 23,297,333.56

**NOTE 22 - ECO**

ECO 19,333,551.12

**NOTE 24 - NON-OIL REVENUE**

NON-OIL REVENUE 12,087,537.37

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

**NOTE 26 - FOREX EQUALISATION**

FOREX EQUALISATION 12,441,168.51

**NOTE 28 - EXCESS BANK CHARGES**

EXCESS BANK CHARGES 705,982.88

**NOTE 29 - DEPENDENT REVENUE**

JAAC 857,675,817.61

VAT 397,100,150.73

ADDITIONAL FUND 1,437,819.11

EXCHANGE RATE GAIN 27,815,207.92

FEDERAL GOVT INTERVENTION FUND 23,297,333.56

ECO 19,333,551.12

NON-OIL REVENUE 12,087,537.37

FOREX EQUALISATION 12,441,168.51

EXCESS BANK CHARGES 705,982.88

**1,351,894,568.81**

**NOTE 30 - TAX REVENUE**

COMMUNITY TAX 351,925.32

**NOTE 31 - NON-TAX REVENUE**

LICENSE FEE 16,588,700.00

**NOTE 33 - INDEPENDENT REVENUE**

TAX REVENUE 351,925.32

NON-TAX REVENUE 16,588,700.00

TOTAL **16,940,625.32**

**NOTE 34 - TOTAL REVENUE**

DEPENDENT REVENUE 1,351,894,568.81

INDEPENDENT REVENUE 16,940,625.32

**1,368,835,194.13**

**NOTE 35 - SALARY & WAGES**

LOCAL GOVT STAFF 295,722,408.05

TEACHING & NON-TEACHING STAFF: ELEMENTARY 293,841,394.04

LOCAL GOVT STAFF LOANS BOARD 803,604.83

LOCAL GOVERNMENT PENSION BOARD 1,094,377.13

PHC STAFF 152,419,263.97

**743,881,048.02**

**NOTE 36 - SOCIAL BENEFITS**

HUMAN RESOURCES 100,000.00

TRAINING & WORKSHOP **200,000.00**

**300,000.00**

**NOTE 37 OVERHEAD**

GENERAL EXPENSES **18,949,956.72**

**NOTE 38 - GRANTS & CONTRIBUTION**

PAYABLES DEC 2020 (IWUDE, OLOJO & OTHERS) 29,641,494.02

**NOTE 39 - TRANSFER TO OTHER AGENCIES**

TRADITIONAL COUNCIL 40,728,045.16

TRAINING FUND 8,145,608.13

SUBEB 45,273,865.21

OMEAL 21,481,092.00

OYES 40,000,000.00

OHIS 8,602,163.11

ORAMP 11,079,423.09

SUBEB(ADMIN) 407,600.04

PENSION 282,577,394.15

SUBEB(CONTRACT) 271,388.28

LOCAL STATUTORY DEDUCTIONS 33,135,417.05

AUDIT FEES 19,536,294.72

**511,238,290.94**

**NOTE 40 - ALLOWANCE**

O’CLEAN ALLOWANCE 271,388.28

**NOTE 41 - PUBLIC DEBT CHARGES - NIL**

**LOCAL GOVERNMENT EXPENDITURE**

**NOTE 42 - SOCIAL BENEFITS**

TRAINING & WORKSHOP 707,000.00

**NOTE 42 - OVERHEAD COST**

REPAIR & MAINTENANCE 30,012,623.58

**NOTE 44 - GRANT & SOCIAL CONTRIBUTION**

ILEYA GIFT & OTHERS 17,000,000.00

CHRISTMAS CELEBRATION 8,000,000.00

GRADINGS 471,430.67

SENSITISATION & TRAINING 23,000.00

PALLIATIVE MATERIAL(COVID 19) 18,599,996.00

**67,071,42.67**

**NOTE 46 - DEPRECIATION**

BUILDING 1,848,405.42

INFRASTRUCTURAL FACILITIES 157,374,820.01

PLANT & MACHINERY 3,443,800.00

MOTOR VEHICLE 4,845,077.68

OFFICE EQUIPMENT 1,639,217.00

FURNITURE & FITTINGS 1,601,320.00

INVESTMENT PROPERTY 9,975.00

**171,278,791.61**

**NOTE 46 - ALLOWANCE**

COMMITTEE ALLOWANCE 15,061,122.54

**NOTE 47 - IMPAIRMENT COST -** NIL

**NOTE 48 - STABILISATION FUND**

**NOTE 49 - REVENUE REFUNDED**

REVENUE REFUNDED NIL

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

TOTAL REVENUE 1,368,835,194.13

TOTAL EXPENDITURE 1,603,196,342.38

NET SURPLUS/DEFICIT (234,361,148.25)

NET SURPLUS/DEFICIT 1/1/2020 191,309,910.91

NET SURPLUS/DEFICIT **(43,051,237.34)**

**OLA OLUWA LOCAL GOVERNMENT, BODE OSI**

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

**STATEMENT OF CASHFLOW RATIO**

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

1,362,945,184.44 X 100

1,379,885,809.76 1 = **98.77%**

2. TOTAL INDEPENDENT REVENUE = TOTAL REVENUE

16,940,625.32 \* 100

1,379,885,809.76 1 = **1.23%**

3. PERSONNEL: TOTAL RECURRENT EXPENDITURE

668,726,296.94 \* 100

1,304,239,839.36 1 = **51.27%**

**STATEMENT OF FINANCIAL POSITION RATIO**

4. CURRENT RATIO = CURRENT ASSETS = 133,160,416.53

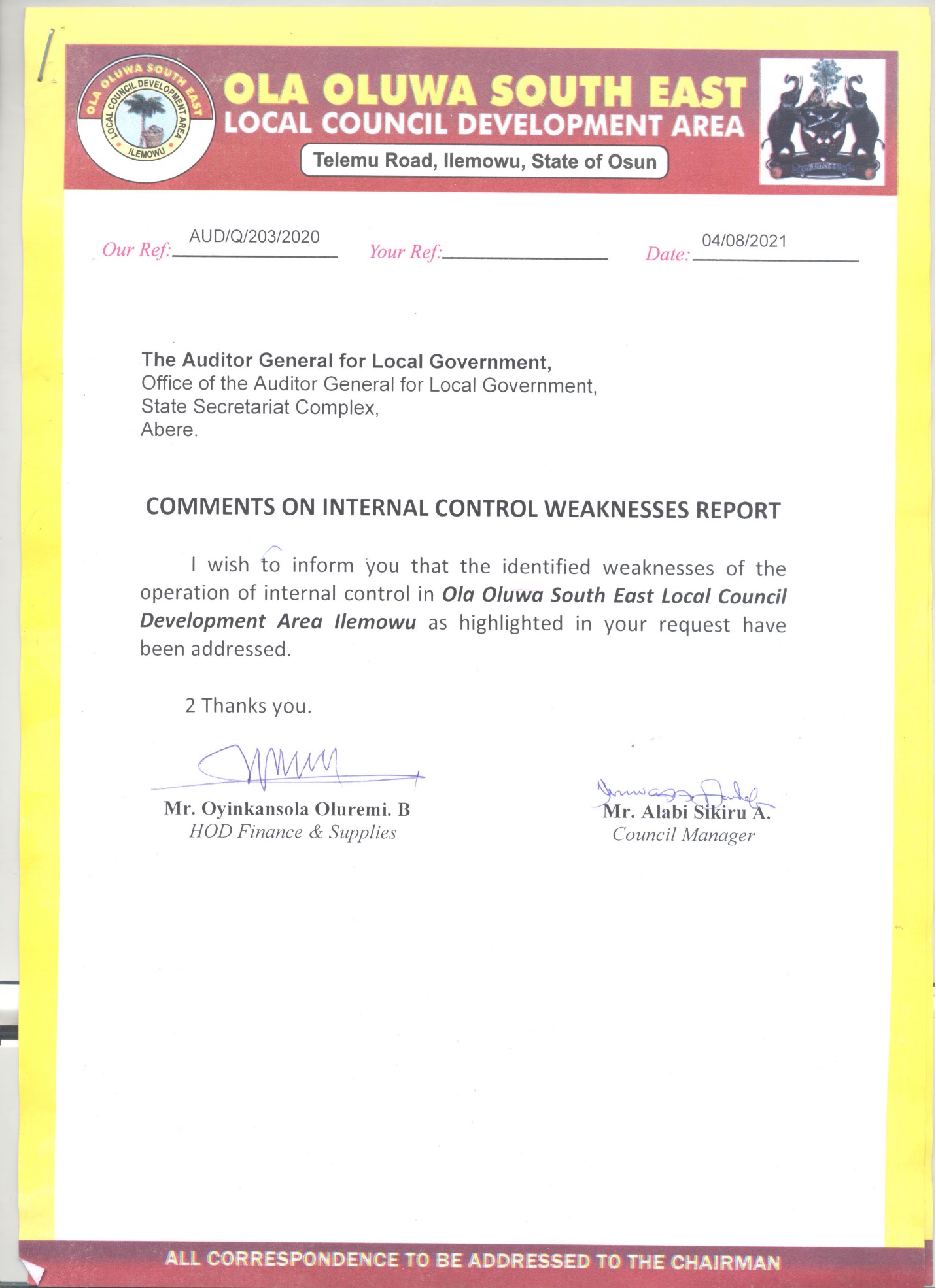
CURRENT LIABILITIES 502,247,152.36 = **0.26:1**

5. TOTAL ASSET: TOTAL LIABILITIES = 1,913,331,445.07

1,564,527,095.03 = **1.22:1**

6. EQUITY : TOTAL ASSET = 348,804,350.04

1,913,331,445.07 = 0.18:1

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**MANAGEMENT LETTER**

**OLA-OLUWA LOCAL GOVERNMENT, BODE- OSI,**

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

**1.** **EXPENDITURE NOT SUPPORTED BY PROPER RECORDS OF ACCOUNTS AMOUNTING TO:** (**N360,000.00**): It was observed that the total sum of N360,000.00 representing sundry payment e.g. payment made for the creation of awareness for the people of Ola Oluwa Local Government towards ITN distribution and its usage and amount expended on the production of draft and final copies of year 2021 Budget for Ola-Oluwa Local Government were not supported with the required official receipts and invoice to authenticate the genuineness of the expenditure. This was contrary to Financial Memoranda 14:17 which states that, “An official printed receipt must be obtained and attached to the payment voucher in respect of a payment to Government, another Local Government or Commercial firm. If the printed receipt covers more than one payment voucher, reference to the number of the payment voucher to which the receipt is attached, shall be entered on the other voucher”.

***RISK:***

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

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

***RECOMMENDATION:***

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

**OLA-OLUWA SOUTH EAST LOCAL COUNCIL DEVELOPMENT AREA, ILEMOWU**

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

**1. STORE ITEMS NOT TAKEN ON CHARGE:**  It was observed that store items such as essential drugs purportedly purchased for health facilities in the LCDA, Ilemowu and printing of file jackets to the tune of Two Hundred and Fifty Thousand Naira (N250,000.00) involved were not taken on charge and could not be verified in the store contrary to the provision of Financial Memoranda 34:17 (1-2) which states that, “All stores should be examined immediately they are received by the Store Keeper or other official responsible for the stores. The stores must be checked for quantities, weights, etc. against the Local Purchase order, invoices and Store Issue Voucher; if the stores delivered are found to be correct and in good condition, they will be taken on charge and entered as a receipt in the appropriate stores ledger”.

***RISK:***

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

***MANAGEMENT RESPONSE:*** *The store ledgers were not updated as at the time of Audit exercise.*

***RECOMMENDATION-***

*All necessary supporting documents such as store receipt voucher and store issued vouchers should be attached to the payment vouchers before put into use.*

**2. NON-PRODUCTION OF OBSOLETE PARTS AMOUNTING TO (N500,000.00):**It was observed that the repair of vehicles claimed to have been done by the LCDA during the period under review could not be verified as obsolete parts replaced could neither be produced nor checked or traced to any place or store contrary to Financial Memoranda No.34:14.

***MANAGEMENT RESPONSE:*** *Obsolete parts were withdrawn from the Mechanics workshop and were not available at the period of Audit inspection.*

***RECOMMENDATION:*** *The Management should ensure proper keeping of obsolete parts in the works store until approval were given for disposal of such items. The Internal Auditor should post payment audit.*

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

(i) Bank Charges: It was observed that the total sum of N162,981.56 appeared as bank charges to date which was yet to be brought into accounts contrary to Financial Memoranda 19:27 which states that the “Receipt and payment vouchers shall be made out where any credit or charges shown in the bank statement have not been brought to account in the cashbook and are positively identified as being items due from or the Local Government

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

***RISK:***

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

***MANAGEMENT RESPONSE:*** *The payment vouchers in respect of the transactions had not been prepared.*

***RECOMMENDATION:***

*Payment vouchers must pass through all due processes. Also, payment vouchers must be raised to wipe off all bank charges.*

**INTERNAL AUDITOR’S REPORT**

**1.** Despite the fact that the Internal Control Unit is functioning well, on the activities of the Council, yet there are a lot of rooms for improvement particularly, untapped Revenue items of the IGR. As Agriculture is fully functioning and contributing well to the IGR, other Departments like WES, Town Planning, and marriage Unit should also gear up on Revenue generation.

**2.** The Internal Control unit is functioning well, there is need to divert the attention of the Local Government towards Agriculture to boost monthly IGR of the Council.

**LIST OF PROJECTS EXECUTED BY OLA OLUWA LOCAL GOVERNMENT, BODE-OSI [JANUARY – DECEMBER 2020]**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **S/N** | **PROJECT DESCRIPTION** | **LOCATION** | **MODE OF EXCUTION** | **PROJECT COST** | **AMOUNT RELEASED** | **BALANCE** | **REMARKS** |
| 1. | Renovation of NUT Building, Bode-Osi | Bode-Osi | Direct Labour | 250,000.00 | 250,000.00 | - | Completed |
| 2. | Opening, Filling and Grading ofAsa-IleOgo | Asa-Ileogo | Direct Labour | 2,700,000.00 | 100,000.00 | 2,600,000.00 | On-going |
| 3. | Repair of Damaged Electricity Transformer | Ileogo | Direct Labour | 726,000.00 | 200,000.00 | 100,000.00 | On-going |
| 4. | Renovation of Office in Finance Department | Local Govt. Secretariat | Direct Labour | 83,000.00 | 83,000.00 | - | Completed |
| 5. | Servicing & Repairs of Local Government Grader | Ola-Oluwa Local Government | Direct Labour | 300,000.00 | 300,000.00 | - | Completed |
| 6. | Repair of Borehole | Bode-Osi Market | Direct Labour | 370,000.00 | 370,000.00 | - | Completed |
| 7. | Repair of Borehole | Corper’s Lodge, Bode-Osi | Direct Labour | 33,600.00 | 33,600.00 | - | Completed |
| 8. | Purchase of Big Daddy Toyota Camry for Office of the Secretary | Office of the Secretary | Direct Labour | 1,850,000.00 | 800,000.00 | - | Completed |
| 9. | Rehabilitation of Adebiopon, Aworo and Ikonifin-Palace road | Adebiopon, Aworo and Ikonifin | Direct Labour | 499,133.000 | 499,133.000 | - | Completed |
| 10 | Repair of Faulty Transformer | Ileogo | Direct Labour | 726,000.00 | 100,000.00 | 626,000.00 | Completed |
| 11. | Rehabilitation of J Junction Ajiogun – Molansowo road | Maaro, Ajiogun, Molansanowo Village | Direct Labour | 1,154,000.00 | 500,000 | 654,000.00 | On-going |
| 12. | Rehabilitation of Aba Omooba Junction Ajagba – Jagun and road behind secretariat | Aba OmoObaAjagba, Jagun, Bode-Osi | Direct Labour | 471,500.00 | 250,000.00 | 221,500.00 | On-going |
| 13. | Rehabilitation of failed Borehole and extension of two water points to Idi-apo | Idi Ape, Bode-Osi | Direct Labour | 470,000.00 | 100,000.00 | 370,000.00 | On-going |
| 14. | Rehabilitation of Court Hall and repair of damaged roof | Bode-Osi | Direct Labour | 280,000.00 | 200,000.00 | 80,000.00 | On-going |
| 15. | Sinking of Borehole opposite Methodist Church, Bode-Osi | Bode-Osi | Direct services provider | 750,000.00 | 750,000.00 | - | Completed |
| 16. | Sinking og of Borehole at Balogun’s Compound, Bode-Osi | Bode-Osi | Direct Labour | 750,000.00 | 750,000.00 | - | Completed |
| 17. | Sinking og of Borehole at Balogun’s Compound, Ajagunlasa | Ajagunlasa | Direct Labour | 750,000.00 | 750,000.00 | - | Completed |
| 18. | Sinking og of Borehole at Aloro Village | Maaro | Direct Labour | 750,000.00 | 750,000.00 | - | Completed |
| 19. | Sinking og of Borehole along Iwo – Ifelodun road, Ikonofin | Ikonifin | Direct Labour | 750,000.00 | 750,000.00 | - | Completed |
| 20. | Sinking og of Borehole at Ikolaba Village | Ikolaba | Direct Labour | 750,000.00 | 750,000.00 | - | Completed |
| 21. | Sinking og of Borehole at Mogbelerin Village | Mogbelerin | Direct Labour | 750,000.00 | 750,000.00 | - | Completed |
|  |  |  |  | **13,313,233.00** | **8,235,733.00** | **5,077,500.00** |  |

**LIST OF PROJECTS EXECUTED BY OLA OLUWA SOUTH LOCAL COUNCIL DEVELOPMENT AREA, ILEMOWU [JANUARY – DECEMBER 2020]**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **S/N** | **DESCRIPTION** | **LOCATION** | **MODE OF EXECUTION** | **PROJECT COST** | **AMOUNT RELEASED** | **BALANCE** | **REMARKS** |
| 1 | Repair of grounded Comatsu grader inherited from the mother council | Ilemowu | Direct | 1,320,000.00 | - | - | Completed |
| 2. | Grading of selected roads with five (5) wards | Ola-Oluwa LCDA | Direct | 500,000.00 | - | - | Completed |
| 3. | Grading of all roads in Ola-Oluwa South-East LCDA | Ola-Oluwa South-East LCDA | Direct | 2,000,000.00 | 1,779,000.00 | 221,000 | Completed |
| 4. | Completion of Elemowu Palace | Ilemowu | Direct | 3,400,000.00 | 1,474,400.00 | 1,925,600.00 | On - going |
|  |  |  |  | **7,220,000.00** | **5,073,400.00** | **2,146,600.00** |  |