STATE GOVERNMENT OF OSUN, NIGERIA.

REPORT OF

THE

AUDITOR-GENERAL

FOR

LOCAL GOVERNMENTS

ON THE ACCOUNTS OF

ATAKUNMOSA WEST LOCAL GOVERNMENT

OSU

FOR THE YEAR ENDED

31ST DECEMBER, 2021.

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**LIST OF ABBREVIATIONS**

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





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

It is my responsibility to Audit the accounts of the Local Governments, the State Joint Local Government Account, and all offices of the Local Government as stipulated by the Laws of Osun State and the Financial Memoranda; and to form an independent opinion based on the Audit of the Financial Statements and accompany notes submitted by the Head of Finance and Supply of Local Governments, the Head of Accounts in the Ministry of Local Governments and various Institutions and all agencies, handling projects and programmes funded by Local Governments in the state inclusive of Atakunmosa West Local Government and Atakunmosa West Central LCDA.

**STATEMENT OF FINANCIAL RESPONSIBILITY**

The preparation and fair presentation of Financial Statements of Local Governments is the direct of responsibility of the Head of Finance and Supply in the Local Government 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.

The Heads of Finance of Atakunmosa West Local Governments is responsible for the consolidation of Financial Statements with the subsidiary Atakunmosa West LCDA,

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 the Local Governments is attached.

**BASIS OF AUDIT OPINION**

In the course of auditing the accounts of Local Governments in the State of Osun, I have complied with the requirement and stipulations of the International Standards on Auditing, the Generally Acceptable Auditing Standards, International Standards of Supreme Audit Institutions (ISSAI,) Laws of Osun State, International Public Sector Accounting Standards and Audit Guide of the Office of the Auditor-General for Local Governments, Osun State.

I have conducted Financial and Compliance audit on the Finances of Local Governments and JAAC. Projects and Programmes were reasonably evaluated and verified on the principle of Performance Auditing. All items of Revenue and Expenditure were captured in the course of the Audit and Audit Tests were conducted on procedures, transactions and balances. Consequently 100% Substantive Test was done on all items of Revenue and Expenditure; and Assets and Liabilities, and appropriate Audit Tests of Control were conducted on procedures and transactions.

**STATEMENT OF COMPLIANCE**

The Accounting Policies have been consistently applied on preparation of the Financial Statements of Atakunmosa West Local Government in the year under review. These have been prepared on the basis of Historical Cost and in accordance with IPSAS Accruals and other applicable standards. The Cash Flow Statement was prepared using the Direct Method. The basis of measurement is Naira and kobo which is the functional and reporting currency of the Federal Republic of Nigeria of which Osun State and Atakumosa West Local Governments are constituents.

The accounts of Atakumosa West Local Government have been audited and reported upon.

Audit noted some instances of non-compliance in the Local Governments, with the due process in revenue collection and payment procedure contrary to the provision of Financial Memoranda and relevant Guidelines. The associated internal control weaknesses have been addressed. The inspection reports (letters of Internal Control weaknesses) for the year 2021 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 herewith.

**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, 2021.

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

The Head of Finance of Atakunmosa West Local Government and Atakunmosa West Central LCDA 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, the subsidiary entity was Atakunmosa West Central which GPFS has been consolidated with that of Atakunmosa West Local Government by the Head of Finance of the main Local Government.

***The duty of the Auditor-General for Local Governments is not to prepare or consolidate Local Governments’ accounts, but to Audit the prepared Financial Statements.***

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 COMMENTS**

I have audited the accounts of Atakunmosa West Local Government, Iperindo for the financial year ended 31st December 2021, 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 Atakunmosa West Local Government and other Chairmen, all of whom were members of the Joint Account Allocation Committee, inclusive of the Chairman of Atakunmosa West Central Local Government.

**FULL ADOPTION OF IPSAS ACCRUALS:** 2021 GPFS 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 and the 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 all contributions to centrally executed Projects and programmes of Local Governments, and Statutory remittances to Traditional Councils.

**BUDGET PREPARATION / EXECUTION**

The Budget for 2021 for Atakunmosa West Local Government, Iperindo was prepared in compliance with new National Chart of Accounts. The 2021 Budget was an improvement on the previous Budget as some of the obvious shortcomings observed by the Audit have been addressed.

**PROCUREMENT PRACTICES**

The Audit observed that the procurement Office needs to be strengthened to further assist in promoting sound and transparent procurement practices in the Local Governments.

**VALUATION AND REVALUATION OF ASSETS**

The Office of the Auditor-General for Local Governments embarked on verification exercise on valuation and Revaluation of Assets during the year involving a team of standing multi-disciplinary 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 yearly.

**INTERNALLY REVENUE GENERATION AND FINANCIAL VIABILITY**

The total Internally Generated Revenue generated by the Local Government for 2021 was N14,973,596.00 representing 1.02% 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 improving on the poor revenue profile.

**INTERNAL CONTROL WEAKNESS IN THE LOCAL GOVERNMENT AND RELATED AGENCIES**

At the conclusion of the Audit, 18 nos of Audit Queries were issued in respect of 2021 Accounts, involving a total sum of N5,051,900.00

The identified internal control weaknesses, the inherent risks, the management Responses and Audit Recommendations are highlighted in Management Letter contained in this Report.

**JOINTLY EXECUTED AND INDIVIDUAL PROJECTS AND PROGRAMMES:** In line with the best practices, the Audit has verified the jointly executed projects at the JAAC in collaboration with reputable expert cut access disciplines, within the service at both State and 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.

It was observed that Atakunmosa West Local Government collaborated with other Local Government to embark on some jointly executed projects and programmes. Report on the joint project are contained in the Aggregated Statutory Report of the Auditor General.

**COMMENTS ON FINANCIAL STATEMENTS**

1. **STATEMENT OF FINANCIAL PERFORMANCE**

**Share of FAAC and VAT:** The total sum of N895,887,101.82 was Share of FAAC and VAT amounted to N554,613,118.26

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** |
| Atakumosa West | 848,027,663.86 | 387,387,928.19 | 27,510,335.00 | 23,041,979.50 | 698,244.85 | 12,304,805.13 | 19,121,642.71 | 1,422,059.66 | 11,955,050.03 | 1,331,469,708.93 |

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

Fees; taxes and fines: The Local Government recognised revenue from fees, taxes, and fines when the event occurs, and the asset recognition criteria are met. The Local Government earned and recognised. #14,973,596.00

**SALARIES AND WAGES – N855,868,781.13**

Salaries and Wages which amounted to N855,868,781.13 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 2021.

**COMMENTS ON ITEMS OF FINANCIAL POSITION**

**CASH AND CASH EQUIVALENTS – #₦33,098,906.28**

The Aggregate closing cash and cash equivalents amounted to **₦33,098,906.28** for the Local Governments. The Bank Statements and Bank Reconciliation Statements of all Local Governments and Local Government Development Areas as at 31st December, 2021 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 – N148,242,168.20**

A total sum of N148,242,168.20 was standing as Receivables as at 31st December, 2021. The Receivables include, Revenue Recognised in December 2020 but received in January, 2021 from Joint Allocation Account Committee (JAAC).

**INVENTORIES - ₦4,348,380.00**

The sum of ₦4,348,380.00represents inventories valued at historical cost in the Local Governments as at 31st December, 2021. These include unallocated stores both expendable and non-expendable; and consumable items.

**INVESTMENTS - ₦60,057,085.83**

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 - ₦1,092,450,227.17**

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 – N62,095,894.50**

The carrying amount of Investment Properties of the Local Governments stood at N62,095,894.50 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 - ₦886,655,899.55**

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 - ₦37,822,002.06.**

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, 2021. 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 AREA:**

Transfer from main councils to the tune of #68,607,704.68 made to the Local Council Development Areas and Area Offices in the period under review and was set off in the Consolidated Account.

**IMPAIRMENT – Nil**

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

**ATAKUNMOSA WEST LOCAL GOVERNMENT, OSU**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2021**

|  |  |  |
| --- | --- | --- |
|  |  |  |
| **PARTICULAR** | **NOTE** | ATAKUNMOSA WEST CONSOLIDATED |
| ASSETS |  |  |
| Current Assets |  |  |
| Cash & Cash Equivalents | 1 | 33,098,906.28 |
| Receivables | 2 | 148,242,168.20 |
| Prepayment/Advance | 3 | 2,900,000.00 |
| Inventories | 4 | 4,348,380.00 |
| **Total Current Asset** |  | 188,589,454.48 |
| Non-current Asset |  | - |
| Long Term Loan Granted |  | - |
| Investments | 5 | 60,057,085.83 |
| -Property, Plant & Equipment | 6 | 188,626,05565 |
| Investment Property | 7 | 62,095,894.50 |
| Biological Asset | 8 | 8,055,450.00 |
| Assets Under Construction (wip) | 9 | - |
| Total Non-Current Asset |  | 2,016,468,982.98 |
| Total Asset |  | 2,205,058,437.46 |
| LIABILITIES |  | - |
| Current Liabilities |  | - |
| Deposit |  | - |
| Short Term Loan & Debts | 10 | - |
| Unremitted Deduction | 11 | 37,822,002.06 |
| Payables | 12 | 1,033,950,227.17 |
| Short Terms Provisions |  | - |
| Total Current Liability |  | 1,071,772,229.23 |
| Non-Current Liabilities |  | - |
| Long Term Borrowing | 13 | 886,655,899.55 |
| Total Liabilities |  | 1,958,428,128.78 |
| Net Assets |  | 246,630,308.68 |
| Financed by |  | - |
| Reserve | 14 | 952,359,859.40 |
| Net Surplus/Deficit | 15 | (705,729,549.72) |
| Total |  | 246,630,308.68 |

**ATAKUNMOSA WEST LOCAL GOVERNMENT, OSU**

**CONSOLIADTED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2021**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **PARTICULAR** | **NOTE** | **ATAKUNMOSA WEST** | **ATAKUNMOSA WEST LCDA** | **ATAKUNMOSA WEST CONSOLIDATED** |
| ASSETS |  |  |  |  |
| Current Assets |  |  |  |  |
| Cash & Cash Equipments | 1 | 19,046,056.79 | 14,052,849.49 | 33,098,906.28 |
| Receivables | 2 | 148,242,168.20 |  | 148,242,168.20 |
| Prepayment/Advance | 3 | 2,900,000.00 |  | 2,900,000.00 |
| Inventories | 4 | 4,193,380.00 | 155,000.00 | 4,348,380.00 |
| **Total Current Asset** |  | **174,381,604.99** | **14,207,849.49** | **188,589,454.48** |
| Non-current Asset |  |  |  | - |
| Long Term Loan Granted |  |  |  | - |
| Investments | 5 | 60,057,085.83 | - | 60,057,085.83 |
| Property, Plant & Equipment | 6 | 1,166,352,641.33 | 719,907,911.32 | 1,886,260,552.65 |
| Investment Property | 7 | 23,341,500.00 | 38,754,394.50 | 62,095,894.50 |
| Biological Asset | 8 | 8,055,450.00 | - | 8,055,450.00 |
| Assets Under Construction (wip) | 9 |  |  |  |
| Total Non-Current Asset |  | **1,257,806,677.16** | **758,662,305.82** | **2,016,468,982.98** |
| Total Asset |  | **1,432,188,282.15** | **772,870,155.31** | **2,205,058,437.46** |
| LIABILITIES |  |  |  |  |
| Current Liabilities |  |  |  |  |
| Deposit |  |  |  |  |
| Short Term Loan & Debts | 10 |  |  |  |
| Unremitted Deduction | 11 | 7,869,350.85 | 29,952,651.21 | 37,822,002.06 |
| Payables | 12 | 753,943,300.01 | 280,006,927.16 | 1,033,950,227.17 |
| Short Terms Provisions |  |  |  | - |
| Total Current Liability |  | **761,812,650.86** | **309,959,578.37** | **1,071,772,229.23** |
| Non-Current Liabilities |  |  |  | - |
| Long Term Borrowing | 13 | 497,955,458.32 | 388,700,441.23 | 886,655,899.55 |
| Total Liabilities |  | **1,259,768,109.18** | **698,660,019.60** | **1,958,428,128.78** |
| Net Assets |  | **172,420,172.97** | **74,210,135.71** | **246,630,308.68** |
| Financed by |  |  |  | - |
| Reserve | 14 | 740,136,214.14 | 212,223,644.26 | 952,359,858.40 |
| Net Surplus/Deficit | 15 | (567,716,041.17) | (138,013,508.55) | (705,729,549.72) |
| Total |  | **172,420,172.97** | **74,210,135.71** | **246,630,308.68** |

**ATAKUNMOSA WEST LOCAL GOVERNMENT, OSU**

**CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2021**

|  |  |  |
| --- | --- | --- |
|  |  |  |
| **PERFORMANCE** |  |  |
| **PARTICULAR** | **NOTE** | ATAKUNMOSA WEST CONSOLIDATED |
| **STATUTORY REVENUE** |  |  |
| Government share of FAAC (Statutory Revenue) | 16 | 895,887,101.82 |
| Government Share of VAT | 17 | 554,613,118.26 |
| **Sub-Total Statutory Allocation** | 18 | 1,450,500,220.08 |
| **INDEPENDENT REVENUE** |  | - |
| Augmentation | 19 | 5,386,786.00 |
| Transfer from main Council | 20 |  |
| Tax Revenue | 21 | 2,044,300.00 |
| Non-Tax Revenue | 22 | 7,542,510.00 |
| Other Income |  |  |
| Overpayment Recovery |  |  |
| **Sub-Total Independent Revenue** |  | 14,973,596.00 |
| **Total Revenue** |  | 1,465,473,816.08 |
| **EXPENDITURE** |  | - |
| **JOINTLY EXPENDED** |  | - |
| Salaries & Wages | 23 | 855,868,781.13 |
| Social Benefits | 24 | 100,000.00 |
| Overehead Cost | 25 | 42,159,434.78 |
| Grants & Social Contribution | 26 | 40,748,870.07 |
| Transfer to other Agencies | 27 | 442,074,542.13 |
| **L/GOVERNMENT EXPENDITURE** |  | - |
| Social Benefits | 28 | 3,320,000.00 |
| Overhead Cost | 29 | 53,991,554.69 |
| Grants & Social Contribution | 30 | 51,505,338.08 |
| Depreciation | 31 | 211,455,185.45 |
| Allowances | 32 | 44,282,938.65 |
| Transfer to LCDA | 33 |  |
| Impairment | 34 | - |
| Revenue Refunded | 35 | - |
| Public Debt Charges |  |  |
| Stabilization Fund |  |  |
| Refund to main Council |  | - |
| Stationeries |  | - |
| Severance Gratuity |  | - |
| **Total Expenditures** |  | 1,745,506,644.98 |
| **Net Surplus/Deficit** | 36 | (28,003,282,890.72) |
| **Net Surplus/Deficit 01/01/2021** | 37 | (425,696,720.00) |
| **Net Surplus/Deficit 31/12/2021** | 38 | (705,729,549.72) |
| **Gain on property (Building)** |  | 197,345,161.41 |
| **Surplus/Deficit from non-operating for the period** |  | (508,384,388.31) |
|  |  | 7,542,510.00 |

**ATAKUNMOSA WEST LOCAL GOVERNMENT, OSU**

**CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2021**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **PERFORMANCE** |  |  |  |  |
| **PARTICULAR** | **NOTE** | **ATAKUMOSA WEST** | **ATAKUNMOSA WEST CNTRAL** | **ATAKUNMOSA WEST CONSOLIDATED** |
| **DEPENDENT REVENUE** |  |  |  |  |
| Government share of FAAC (Statutory Revenue) | 16 | 895,887,101.82 |  | 895,887,101.82 |
| Government Share of VAT | 17 | 554,613,118.26 |  | 554,613,118.26 |
| **Sub-Total Dependent Revenue** | 18 | **1,450,500,220.08** |  | **1,450,500,220.08** |
| **INDEPENDENT REVENUE** |  |  |  |  |
| Augumentation | 19 | 5,386,786.00 |  | 5,386,786.00 |
| Transfer from main Council | 20 |  | 68,607,704.68 |  |
| Tax Revenue | 21 | 717,900.00 | 1,326,400.00 | 2,044,300.00 |
| Non-Tax Revenue | 22 | 6,040,855.00 | 1,501,655.00 | 7,542,510.00 |
| Other Income |  |  |  | - |
| Overpayment Recovery |  |  |  | - |
| **Sub-Total Independent Revenue** |  | **12,145,541.00** | **71,435,759.68** | **14,973,596.00** |
| **Total Revenue** |  | **1,462,645,761.08** | **71,435,759.68** | **1,465,473,816.08** |
| **EXPENDITURE** |  |  |  |  |
| **JOINTLY EXPENDED** |  |  |  |  |
| Salaries & Wages | 23 | 855,868,781.13 |  | 855,868,781.13 |
| Social Benefits | 24 | 100,000.00 |  | 100,000.00 |
| Overhead Cost | 25 | 42,159,434.78 |  | 42,159,434.78 |
| Grants & Social Contribution | 26 | 40,748,870.07 |  | 40,748,870.07 |
| Transfer to other Agencies | 27 | 442,074,542.13 |  | 442,074,542.13 |
| **L/GOVERNMENT EXPENDITURE** |  |  |  |  |
| Social Benefits | 28 | 1,500,000.00 | 1,820,000.00 | 3,320,000.00 |
| Overhead Cost | 29 | 37,263,108.17 | 16,728,446.52 | 53,991,554.69 |
| Grants & Social Contribution | 30 | 25,076,742.84 | 26,428,595.24 | 51,505,338.08 |
| Depreciation | 31 | 149,318,052.34 | 62,137,133.11 | 211,455,185.45 |
| Allowances | 32 | 27,221,271.98 | 17,061,666.67 | 44,282,938.65 |
| Transfer to LCDA | 33 | 68,607,704.68 |  |  |
| Impairment | 34 |  |  | - |
| Revenue Refunded | 35 |  |  | - |
| **Total Expenditures** |  | **1,689,938,508.12** | **124,175,841.54** | **1,745,506,644.98** |
| **Net Surplus/Deficit** | 36 | **(227,292,747.04)** | **(52,740,081.86)** | **280,032,828.90** |
| **Net Surplus/Deficit 01/01/2021** | 37 | **(340,423,294.13)** | **(85,273,426.69)** | (425,696,720.82) |
| **Net Surplus/Deficit 31/12/2021** | 38 | **(567,716,041.17)** | **(138,013,508.55)** | **(705,729,549.72)** |
| Gain in Building |  | 197,344,161,41 |  |  |
| **Surplus / Deficit from Non-operating Account** |  | **(370,370,879.76)** |  |  |
|  |  | **6,040,855.00** |  |  |

**ATAKUNMOSA WEST LOCAL GOVERNMENT, OSU**

**AGGREGATED STATEMENT OF CASHFLOW AS AT 31ST DECEMBER, 2021**

|  |  |  |
| --- | --- | --- |
|  |  |  |
| **OPERATING ACTIVITIES** | **NOTE** | ATAKUNMOSA WEST CONSOLIDATED |
| **INFLOW** |  |  |
| Statutory Revenue (JAAC) | 39 | 1,074,104,824.03 |
| Value Added Tax | 40 | 554,613,118.26 |
| Receivable |  | - |
| **Sub Total Statutory Allocation** | 41 | 1,628,717,942.29 |
| Aids and Grants | 42 | - |
| Transfer from Main Council | 43 |  |
| Tax Revenue | 44 | 154,680.00 |
| Non Tax Revenue | 45 | 3,272,115.00 |
| Other Income |  | - |
| Overpayment Recovery |  | - |
| **Sub Total Independent Revenue** | 46 | 3,426,795.00 |
| **Total Inflow Operating Activities** | 47 | 1,632,144,737.29 |
| **OUTFLOW** |  | - |
| Salaries & Wages | 48 | 898,527,485.56 |
| Social Benefits | 49 | 2,250,000.00 |
| Overhead Cost | 50 | 56,208,348.22 |
| Social Contributions | 51 | 74,701,649.87 |
| Allowances | 52 | 31,057,166.66 |
| Modulated Salary Arrears | 53 | 13,333,333.28 |
| Inventories | 54 | - |
| Fund Conserved for Salary |  | - |
| Transfer to LCDA | 55 |  |
| Transfer to other Govt. Agencies | 56 | 461,347,884.53 |
| Refund to Main Councils |  | - |
| Revenue Refunded |  |  |
| Stabilization Fund |  |  |
| Tax Expenses | 57 | - |
| Severance Gratuity |  | - |
| Total Outflow from Operating Activities | 58 | 1,537,425,868.12 |
| Net Cashflow from Operating Activities | 59 | 94,718,869.17 |
| **INVESTING ACTIVITIES** |  | - |
| Proceed from Disposal of Asset |  | - |
| **Total Inflow from Investing Activities** |  | - |
| Cashflow from Investing Activities |  | - |
| Administrative Sector | 60 | 63,641,000.00 |
| Economic Sector |  | - |
| **Total Outflow from Investing Activities** | 61 | 63,641,000.00 |
| **Net Cashflow from Investing Activities** |  | 63,641,000.00 |
| Inflow from Financing Activities |  | - |
| Bank Overdraft |  |  |
| Soft Loan(Bank) |  |  |
| Deduction Received | 62 | 61,348,834.79 |
| **Total Inflow from Financing Activities** | 63 | 61,348,834.79 |
| **OUFLOW (PAYMENT)** |  | - |
| Bail Out Repayment |  | - |
| 10km Road | 64 | 17,671,674.45 |
| Water Project | 65 | - |
| Environmental Sanitation Loan | 66 | 2,914,565.04 |
| Loan Repayment (Inherited) | 67 | - |
| Bank Loan | 68 | - |
| Intervention Loan | 69 | 2,431,468.20 |
| Other Loan Repayment |  |  |
| Deduction Paid | 70 | 45,634,933.93 |
| **Total Outflow From Financing Activities** | 71 | 68,652,641.62 |
| **Net Cashflow from financing Activities** | 72 | - (7,303,806.83) |
| **Cash and Cash Equivalent for the year** | 73 | 23,774,062.34 |
| **Cash and Cash Equivalent 01/01/2021** | 74 | 9,324,843.94 |
| **Cash and Cash Equivalent 31/12/2021** | 75 | 33,098,906.28 |

**ATAKUNMOSA WEST LOCAL GOVERNMENT, OSU**

**CONSOLIDATED STATEMENT OF CASHFLOW AS AT 31ST DECEMBER, 2021**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **OPERATING ACTIVITIES** | **NOTE** | **ATAKUNMOSA WEST** | **ATAKUNMOSA WEST CENTRAL** | **ATAKUNMOSA WEST CONSOLIDATED** |
| **INFLOW** |  |  |  |  |
| Statutory Revenue (JAAC) | 39 | 1,074,104,824.03 |  | 1,074,104,824.03 |
| Value Added Tax | 40 | 554,613,118.26 |  | 554,613,118.26 |
| Receivable |  |  |  | - |
| **Sub Total Dependent Revenue** | 41 | **1,628,717,942.29** | **-** | **1,628,717,942.29** |
| Aids and Grants | 42 |  |  | - |
| Transfer from Main Council | 43 |  | 62,258,571.81 |  |
| Tax Revenue | 44 | 154,680.00 |  | 154,680.00 |
| Non Tax Revenue | 45 | 2,696,830.00 | 575,285.00 | 3,272,115.00 |
| Other Income |  |  |  | - |
| Overpayment Recovery |  |  |  |  |
| **Sub Total Independent Revenue** | 46 | **2,851,510.00** | **62,833,856.81** | **3,426,795.00** |
| **Total Inflow Operating Activities** | 47 | **1,631,569,452.29** | **62,833,856.81** | **1,632,144,737.29** |
| **OUTFLOW** |  |  |  |  |
| Salaries & Wages | 48 | 898,082,485.56 | 445,000.00 | 898,527,485.56 |
| Social Benefits | 49 | 1,550,000.00 | 700,000.00 | 2,250,000.00 |
| Overhead Cost | 50 | 39,479,901.70 | 16,728,446.52 | 56,208,348.22 |
| Social Contributions | 51 | 49,483,290.83 | 25,218,359.04 | 74,701,649.87 |
| Allowances | 52 | 20,557,166.66 | 10,500,000.00 | 31,057,166.66 |
| Modulated Salary Arrears | 53 | 13,333,333.28 | - | 13,333,333.28 |
| Inventories | 54 |  | - | - |
| Fund Conserved for Salary |  |  | - | - |
| Transfer to LCDA | 55 | 62,258,571.81 | - | - |
| Transfer to other Govt. Agencies | 56 | 461,347,884.53 | - | 461,347,884.53 |
| Refund to Main Councils |  |  | - | - |
| Revenue Refunded |  |  | - |  |
| Stabilization Fund |  |  |  |  |
| Tax Expenses | 57 |  |  | - |
| Severance Gratuity |  |  |  | - |
| Total Outflow from Operating Activities | 58 | **1,546,092,634.37** | **53,591,805.56** | **1,537,425,868.12** |
| Net Cashflow from Operating Activities | 59 | **85,476,817.92** | **9,242,051.25** | **94,718,869.17** |
| **INVESTING ACTIVITIES** |  |  |  |  |
| Proceed from Disposal of Asset |  |  |  | - |
| **Total Inflow from Investing Activities** |  |  |  | - |
| Cashflow from Investing Activities |  |  |  | - |
| Administrative Sector | 60 | 57,156,000.00 | 6,485,000.00 | 63,641,000.00 |
| Economic Sector |  |  |  | - |
| **Total Outflow from Investing Activities** | 61 | **57,156,000.00** | **6,485,000.00** | **63,641,000.00** |
| **Net Cashflow from Investing Activities** |  | **57,156,000.00** | **(6,485,000.00)** | **63,641,000.00** |
| Inflow from Financing Activities |  |  |  |  |
| Bank Overdraft |  |  |  |  |
| Soft Loan(Bank) |  |  |  |  |
| Deduction Received | 62 | 43,285,395.29 | 18,063,439.50 | 61,348,834.79 |
| **Total Inflow from Financing Activities** | 63 | **43,285,395.29** | **18,063,439.50** | **61,348,834.79** |
| **OUFLOW (PAYMENT)** |  |  |  | - |
| Bail Out Repayment |  |  |  | - |
| 10km Road | 64 | 17,671,674.45 |  | 17,671,674.45 |
| Water Project | 65 |  |  | - |
| Environmental Sanitation Loan | 66 | 2,914,565.04 |  | 2,914,565.04 |
| Loan Repayment (Inherited) | 67 |  |  | - |
| Bank Loan | 68 |  |  | - |
| Intervention Loan | 69 | 2,431,468.20 |  | 2,431,468.20 |
| Other Loan Repayment |  |  |  |  |
| Deduction Paid | 70 | 35,039,860.16 | 10,595,073.77 | 45,634,933.93 |
| **Total Outflow From Financing Activities** | 71 | **58,057,567.85** | **10,595,073.77** | **68,652,641.62** |
| **Net Cashflow from financing Activities** | 72 | **(14,772,172.56)** | **7,468,365.73** | **(7,303,806.83)** |
| **Cash and Cash Equivalent for the year** | 73 | **13,548,645.36** | **10,225,416.98** | **23,774,062.34** |
| **Cash and Cash Equivalent 01/01/2021** | 74 | **5,497,411.43** | **3,827,432.51** | **9,324,843.94** |
| **Cash and Cash Equivalent 31/12/2021** | 75 | **19,046,056.79** | **14,052,849.49** | **33,098,906.28** |

**ATAKUNMOSA WEST LOCAL GOVERNMENT, OSU**

**CONSOLIDATED STATEMENT OF COMPARISM AS AT 31ST DECEMBER, 2021**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | ATAKUNMOSA WEST CONSOLIDATED | | |
| **PARTICULAR** | **NOTE** | Final Budget | Actual (N) | Variance |
| DEPENDENT REVENUE |  |  |  |  |
| Government Share of FAAC(Statutory Revenue) | 16 | 1,100,791,728.19 | 964,494,806.50 | 843,262,228.95 |
| Government Share of VAT | 17 | 311,291,916.66 | 554,613,118.26 | 493,321,201.60 |
| **Sub-Total Dependent Revenue** | **18** | 1,412,083,644.85 | 1,519,107,924.76 | 1,336,583,430.55 |
| INDEPENDENT REVENUE |  |  |  |  |
| Augumentation | 19 | 16,000,000.00 | 5,386,786.00 | 21,386,786.00 |
| Transfer from Main Council | 20 |  |  |  |
| Tax Revenue | 21 | 4,280,000.00 | 2,044,300.00 | 2,235,700.00 |
| Non-Tax Revenue | 22 | 15,120,000.00 | 7,542,510.00 | 7,577,490.00 |
| Other Income |  |  |  |  |
| **Sub-Total Independent Revenue** |  | 35,400,000.00 | 14,973,596.00 | 31,199,976.00 |
| **Total Revenue** |  | 1,447,483,644.85 | 1,534,081,520.76 | 1,367,783,406.55 |
| EXPENDITURE |  |  |  |  |
| Salaries & Wages | 23 | 708,982,690.00 | 855,868,781.13 | (146,886,091.13) |
| Social Benefits | 24 | 5,000,000.00 | 3,420,000.00 | 1,580,000.00 |
| Overhead Cost | 25 | 179,220,000.00 | 96,150,989.47 | 83,069,010.53 |
| Grants & Social Contribution | 26 | 257,402,864.85 | 92,254,208.15 | 165,148,656.70 |
| Transfer to Other Agencies | 27 | - | 442,074,542.13 | (442,074,542.13) |
| Depreciation | 31 | - | 249,143,635.47 | (249,143,635.47) |
| Allowances | 32 | 39,778,090.00 | 44,282,938.65 | (4,504,848.65) |
| Transfer to LCDA | 33 | - | 68,607,704.68 | (68,607,704.68) |
| Impairment | 34 |  |  |  |
| Revenue Refunded | 35 |  |  |  |
| Stationaries |  |  |  |  |
| **Total Expenditures** |  | 1,190,383,644.85 | 1,851,802,799.68 | (661,419,154.83) |
| **Net Surplus/Deficit** | **36** | 257,100,000.00 | (317,721,278.92) | 2,029,202,561.38 |
| **Net Surplus/Deficit 31/12/2020** | **37** | - | (425,696,720.82) | - |
| **Net Surplus/Deficit 31/12/2021** | **38** | 257,100,000.00 | (743,417,999.74) | 2,029,202,561.38 |

**ATAKUNMOSA WEST LOCAL GOVERNMENT, OSU**

**CONSOLIDATED STATEMENT OF COMPARISM BUDGET AND ACTUAL AS AT 31ST DECEMBER, 2021**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | ATAKUNMOSA WEST | | | ATAKUMOSA WEST LCDA | | | ATAKUNMOSA WEST CONSOLIDATED | | |
| **PARTICULAR** | **NOTE** | **FINAL BUDGET** | **ACTUAL** | **VARIANCE** | **Final Budget** | **Actual (N)** | **Variance** | **Final Budget** | **Actual (N)** | **Variance** |
| DEPENDENT REVENUE |  |  |  |  |  |  |  |  |  |  |
| Government Share of FAAC(Statutory Revenue) | 16 | 542,404,448.19 | 895,887,101.82 | 353,482,653.63 | 558,387,280.00 | 68,607,704.68 | 489,779,575.32 | 1,100,791,728.19 | 895,887,101.82 | 843,262,228.95 |
| Government Share of VAT | 17 | 186,291,916.66 | 554,613,118.26 | 368,321,201.60 | 125,000,000.00 |  | 125,000,000.00 | 311,291,916.66 | 554,613,118.26 | 493,321,201.60 |
| **Sub-Total Dependent Revenue** | **18** | **728,696,364.85** | **1,450,500,220.08** | **721,803,855.23** | **683,387,280.00** | **68,607,704.68** | **614,779,575.32** | **1,412,083,644.85** | **14,500,220.08** | **1,336,583,430.55** |
| INDEPENDENT REVENUE |  |  |  |  |  |  |  |  |  |  |
| Grants & Aids | 19 |  | 5,386,786.00 | 5,386,786.00 | 16,000,000.00 |  | 16,000,000.00 | 16,000,000.00 | 5,386,786.00 | 21,386,786.00 |
| Transfer from Main Council | 20 |  |  |  |  |  |  |  |  |  |
| Tax Revenue | 21 | 2,080,000.00 | 717,900.00 | 1,362,100.00 | 2,200,000.00 | 1,326,400.00 | 873,600.00 | 4,280,000.00 | 2,044,300.00 | 2,235,700.00 |
| Non-Tax Revenue | 22 | 7,820,000.00 | 6,040,855.00 | 1,779,145.00 | 7,300,000.00 | 1,501,655.00 | 5,798,345.00 | 15,120,000.00 | 7,542,510.00 | 7,577,490.00 |
| Other Income |  |  |  |  |  |  |  |  |  |  |
| **Sub-Total Independent Revenue** |  | 9,900,000.00 | 12,145,541.00 | 8,528,031.00 | 25,500,000.00 | 2,828,055.00 | 22,671,945.00 | 35,400,000.00 | 14,973,596.00 | 31,199,976.00 |
| **Total Revenue** |  | 738,596,364.85 | 1,462,645,761.08 | 730,331,886.23 | 708,887,280.00 | 71,435,759.68 | 637,451,520.32 | 1,447,483,644.85 | 1,465,473,816.08 | 1,367,783,406.55 |
| EXPENDITURE |  |  |  |  |  |  |  |  |  |  |
| Salaries & Wages | 23 | 312,583,950.00 | 855,868,781.13 | (543,284,831.13) | 396,398,740.00 |  | 396,398,740.00 | 708,982,690.00 | 855,868,781.13 | (146,886,091.13) |
| Social Benefits | 24 |  | 1,600,000.00 | (1,600,000.00) | 5,000,000.00 | 1,820,000.00 | 3,180,000.00 | 5,000,000.00 | 100,000.00 | 1,580,000.00 |
| Overhead Cost | 25 | 150,000,000.00 | 79,422,542.95 | 70,577,457.05 | 29,220,000.00 | 16,728,446.52 | 12,491,553.48 | 179,220,000.00 | 42,159,434.78 | 83,069,010.53 |
| Grants & Social Contribution | 26 | 22,002,864.85 | 65,825,612.91 | (43,822,748.06) | 235,400,000.00 | 26,428,595.24 | 208,971,404.76 | 257,402,864.85 | 40,248,870.07 | 165,148,656.70 |
| Transfer to Other Agencies | 27 |  | 442,074,542.13 | (442,074,542.13) |  |  |  | - | 442,074,542.13 | (442,074,542.13) |
| Depreciation | 31 |  | 187,006,502.36 | (187,006,502.36) |  | 62,137,133.11 | (62,137,133.11) | - | 249,143,635.47 | (249,143,635.47) |
| Allowances | 32 | 20,009,550.00 | 27,221,271.98 | (7,211,721.98) | 19,768,540.00 | 17,061,666.67 | 2,706,873.33 | 39,778,090.00 | 44,282,938.65 | (4,504,848.65) |
| Transfer to LCDA | 33 |  | 68,607,704.68 | (68,607,704.68) |  |  |  | - |  | (68,607,704.68) |
| Impairment | 34 |  |  |  |  |  |  |  |  |  |
| Revenue Refunded | 35 |  |  |  |  |  |  |  |  |  |
| Stationaries |  |  |  |  |  |  |  |  |  |  |
| **Total Expenditures** |  | **504,596,364.85** | **1,727,626,958.14** | **(1,223,030,593.29)** | **685,787,280.00** | **124,175,841.54** | **561,611,438.46** | **1,190,383,644.85** | **1,851,802,799.68** | **(661,419,154.83)** |
| **Net Surplus/Deficit** | **36** | **234,000,000.00** | **(264,981,197.06)** | **1,953,362,479.52** | **23,100,000.00** | **(52,740,081.86)** | **75,840,081.86** | **257,100,000.00** | **(317,721,278.92)** | **2,029,202,561.38** |
| **Net Surplus/Deficit 31/12/2020** | **37** |  | **(340,423,294.13)** |  |  | **(85,273,426.69)** |  | **-** | **(425,696,720.82)** | **-** |
| **Net Surplus/Deficit 31/12/2021** | **38** | **234,000,000.00** | **(605,404,491.19)** | **1,953,362,479.52** | **23,100,000.00** | **(138,013,508.55)** | **75,840,081.86** | **257,100,000.00** | **(743,417,999.74)** | **2,029,202,561.38** |

**ATAKUNMOSA EAST LOCAL GOVERNMENT, OSU**

|  |  |  |  |
| --- | --- | --- | --- |
| **NET ASSE AND EQUITY** | **ATAKUNMOSA WEST CONSOLIDATED** | | |
| **DETAILS** | RESERVES | Accumulated Surplus/Deficit | TOTAL |
| **Opening Balance 1/1/2021** | 731,821,302.49 | (425,696,720.82) | 306,124,581.67 |
| **Adjusted Reserve** | - | - | - |
| **Adjusted Balance** | 731,821,302.49 | (425,696,720.82) | 306,124,581.67 |
| **Net Surplus Deficit for the year** | - | (317,721,278.92) | (317,721,278.92) |
| **Closing Balance as at 31/12/2021** | 731,821,302.49 | (743,417,999.74) | (11,596,697.25) |

**ATAKUNMOSA WEST LOCAL GOVERNMENT, OSU**

**CONSOLIDATED STATEMENT OF NET ASSET/EQUITY AS AT 31ST DECEMBER, 2021**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **ATAKUNMOSA WEST** | | | **ATAKUNMOSA WEST CENTRAL** | | | **ATAKUNMOSA WEST CONSOLIDATED** | | |
| **DETAILS** | **RESERVES** | **Accumulated Surplus/Deficit** | **TOTAL** | **RESERVES** | **Accumulated Surplus/Deficit** | **TOTAL** | **RESERVES** | **Accumulated Surplus/Deficit** | **TOTAL** |
| **Opening Balance 1/1/2021** | 542,791,052.73 | (340,423,294.13) | 202,367,758.60 | 189,030,249.76 | (85,273,426.69) | 103,756,823.07 | 731,821,302.49 | (425,696,720.82) | 306,124,581.67 |
| **Adjusted Reserve** |  |  | - | **23,193,394.50** |  | **23,193,394.50** | **23,193,394.50** | - | **23,193,394.50** |
| **Adjusted Balance** | **542,791,052.73** | **(340,423,294.13)** | **202,367,758.60** | **21,223,644.26** | **(85,273,426.69)** | **103,756,823.07** | **755,014,696.99** | **(425,696,720.82)** | **306,124,581.67** |
| **Net Surplus Deficit for the year** |  | (264,981,197.06) | (264,981,197.06) |  | (52,740,081.86) | (52,740,081.86) | - | (317,721,278.92) | (317,721,278.92) |
| **Closing Balance as at 31/12/2021** | **542,791,052.73** | **(605,404,491.19)** | **(62,613,438.46)** | **212,223,644.26** | **(138,013,508.55)** | **74,210,135.71** | **75,504,696.99** | **(743,417,999.74)** | **(11,596,697.25)** |
|  |  |  |  |  |  |  |  |  |  |

|  |  |
| --- | --- |
| **ATAKUNMOSA WEST LOCAL GOVERNMENT, OSU** | |
| **NOTE TO THE ACCOUNTS** | |
| **NOTE 1** |  |
| **Cash & Cash Equivalent** |  |
|  | **CONSOLIDATED** |
| Bal b/f | 9,324,843.94 |
| Total Receipt | 1,751,876,650.66 |
|  | **1,761,201,494.60** |
| **Less** |  |
| Total Payment | 1,728,102,588.32 |
|  | **33,098,906.28** |
|  |  |
| **NOTE 2** |  |
| **Receivables** |  |
|  | **CONSOLIDATED** |
|  | **N** |
| **Add:** | - |
| Statutory Revenue | 94,555,376.15 |
| VAT | 53,686,792.05 |
|  | **148,242,168.20** |
|  |  |
| **NOTE 3** |  |
| **Prepayment/Advance** |  |
|  | **CONSOLIDATED** |
| **Housing loan** | 2,000,000.00 |
| Vehicle loan | 900,000.00 |
|  | **2,900,000.00** |
|  |  |
| **NOTE 4** |  |
| **Inventories** |  |
|  | **CONSOLIDATED** |
|  |  |
| Work materials | 4,348,380.00 |
|  | **4,348,380.00** |
|  |  |
|  |  |
|  |  |
|  |  |
| **NOTE 5** |  |
| **Investment** |  |
|  | **CONSOLIDATED** |
| Omoluabi | 13,132,942.00 |
| Kajola Integrated | 9,523,810.00 |
| OSCOL | 267,000.00 |
| Ore Share | 28,333,333.83 |
| Others | 8,800,000.00 |
| **Bal C/F** | **60,057,085.83** |
|  |  |
| **-NOTE 6** |  |
| **Property plant & Equipment** |  |
| Plant & Machinery | 981,330,478.45 |
| Infrastructure | 396,907,265.70 |
| Furniture and fitting | 84,505,919.51 |
| Office Equipment | 117,437,286.11 |
| Building | 212,588,569.91 |
| Motor vehicle | 93,491,032.97 |
|  | **1,886,260,552.65** |
|  |  |
| **NOTE 7** |  |
| **Investment Properties** |  |
|  | **CONSOLIDATED** |
| Open Market | 53,754,394.50 |
| Lock up stall | 8,341,500.00 |
|  | 62,095,894.50 |
|  |  |
| **NOTE 8** |  |
| **Biological Assets** |  |
|  | **CONSOLIDATED** |
| Teak plantation | 8,055,450.00 |
| **Total** | **8,055,450.00** |
|  |  |
| **NOTE 11** |  |
| **Unremitted Deductions** |  |
|  | **CONSOLIDATED** |
| Bal B/f | 29,576,466.93 |
| Deduction Received | 43,285,395.29 |
|  | **72,861,862.22** |
| Less Deduction Paid | 35,039,860.16 |
| Unremitted Deduction | **37,822,002.06** |
| **NOTE 12** |  |
| **Payables** |  |
|  | **CONSOLIDATED** |
| Bal B/f | 513,793,551.73 |
| Unpaid voucher | 394,084,481.09 |
| Unpaid arears | 1,666,666.60 |
| Unpaid modulated arears | 44,000,414.06 |
| Transfer to other AGENCIES | 73,701,792.21 |
| Overheads | 4,703,321.48 |
| Conservation | 60,500,000.00 |
|  | **1,092,450,227.17** |
|  |  |
| **NOTE 13** |  |
| **Long Term Borrowing** |  |
|  | **CONSOLIDATED** |
|  |  |
| Bal B/f | 918,321,671.75 |
| Less: | - |
| Cash (10Km) | 21,206,009.34 |
| Cash (Intervention) | 7,059,436.98 |
| Cash (Environmental) | 3,400,325.88 |
|  | **31,665,772.20** |
|  | **886,655,899.55** |
|  |  |
| **NOTE 14** |  |
| **Reserve** |  |
|  | **CONSOLIDATED** |
| Bal b/f | 952,359,858.50 |
| Revaluation Surplus-PPE | - |
| Revaluation Surplus- Investment Assets | - |
| Bal b/d | **952,359,858.50** |
|  |  |
| **NOTE 15** |  |
| **Accumulated Surplus/Deficit** |  |
|  | **CONSOLIDATED** |
| Net Surplus / Deficit | 717,326,246.97 |
| Net Surplus / Deficit 1/1/2021 | 11,596,697.25 |
| Bal b/d | **705,729,549.72** |
|  |  |
|  |  |
|  |  |
| **NOTE 16** |  |
| **Statutory Revenue (JAAC)** |  |
|  | **CONSOLIDATED** |
| JAAC | 842,795,598.68 |
| Non oil | 28,039,605.27 |
| Forex Equailization | 1,343,069.66 |
| Ex Rate Gain | 5,117,117.34 |
| Eco Fund | 17,358,200.24 |
| Cash (Solid Mineral) | 1,233,510.63 |
|  | **895,887,101.82** |
|  |  |
| **NOTE 17** |  |
| **Govt share Of VAT** |  |
|  | **CONSOLIDATED** |
| VAT | 554,613,118.26 |
|  | **554,613,118.26** |
|  |  |
| **NOTE 18** |  |
| **Dependent Revenue** |  |
|  | **CONSOLIDATED** |
| Statutory Allocation | 842,795,598.68 |
| VAT | 607,704,621.40 |
| Bal b/d | **1,450,500,220.08** |
|  |  |
| **NOTE 19** |  |
| **Augmentation** |  |
|  | **CONSOLIDATED** |
|  | **5,386,786.00** |
|  |  |
| **NOTE 21** |  |
| **Tax Revenue** |  |
|  | **CONSOLIDATED** |
|  | **N** |
| Community Tax | 1,063,000.00 |
| Other Tax | 981,300.00 |
| Bal b/d | **2,044,300.00** |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
| **NOTE 22** |  |
| **Non-Tax Revenue** |  |
|  | **CONSOLIDATED** |
| Fees | 2,326,995.62 |
| Rentals | 1,532,678.13 |
| Finess & Penalty | 986,006.25 |
| Sales of goods | 2,696,830.00 |
| Bal b/d | **7,542,510.00** |
|  |  |
| **NOTE 23** |  |
| **Salaries & Wages** |  |
|  | **CONSOLIDATED** |
|  | **N** |
| Cash (TNT Elementary Dec) | 257,112,710.42 |
| Cash (SUBEB ADM&Monitory) | 407,867.49 |
| Cash (Middle Dec) | 98,411,854.38 |
| Salary PHC | 182,227,151.33 |
| Salary Local Govt | 315,273,044.50 |
| Cash (Loans Board) | 1,003,950.06 |
| Cash (Pension Board) | 1,432,202.95 |
|  | **855,868,781.13** |
| **NOTE 24** |  |
| **Social Benefits** |  |
|  | **CONSOLIDATED** |
|  | **N** |
| Cash (Trainning of all drivers) | 100,000.00 |
|  | **100,000.00** |
|  |  |
| **NOTE 25** |  |
| **Overheads** |  |
|  | **CONSOLIDATED** |
|  | **N** |
| Cash (Running Cost JAAC) | 1,200,000.00 |
| Algon imprest | 10,200,000.00 |
| Bank Charges | 1,475,879.05 |
| Consultancy fees | 6,001,319.28 |
| Magnum trust | 3,979,218.25 |
| SUBEB Stipend | 66,666.70 |
| Running Grant | 2,999,999.97 |
| Budget fees | 16,236,351.53 |
|  | **42,159,434.78** |
|  |  |
| **NOTE 26** |  |
| **Social Contribution** |  |
|  | **CONSOLIDATED** |
|  | **N** |
| Subeb Need Sch' | 14,765,536.74 |
| Iwude Debt | 3,500,000.00 |
| 2021 xmas & new year | 11,750,000.00 |
| Grading | 10,733,333.33 |
|  | **40,748,870.07** |
|  |  |
| **NOTE 27** |  |
| **Transfer to other Agencies** |  |
|  | **CONSOLIDATED** |
|  | **N** |
| Cash (1% tranning fund) | 8,686,139.06 |
| (5% Traditional) | 50,361,687.92 |
| 5% Stabilization | 43,698,707.76 |
| Subeb Matcching grad | 38,806,170.18 |
| Audit Fees | 18,064,647.66 |
| Subeb contract staff | 271,120.78 |
| Gratuity | 46,666,666.78 |
| Monthly Pension | 138,630,841.92 |
| Cash (Contributory TNT) | 31,058,944.44 |
| Cash (Contributory LG) | 20,922,166.00 |
| Cash (O'HIS) | 11,520,861.65 |
| Cash (O'Meal) | 32,185,925.58 |
| Cash (O'RAMP) | 867,329.07 |
| Cash (Public School) | 333,333.33 |
|  | **442,074,542.13** |
|  |  |
| **NOTE 28** |  |
| **Social Benefit** |  |
| Financial Assistance to Local Govt Staff | 3,320,000.00 |
|  | **3,320,000.00** |
|  |  |
| **NOTE 29** |  |
| **OVER HEAD COST** |  |
| Publication & Advert | 2,347,169.00 |
| Repair & Maintenance of vehicle | 29,479,080.49 |
| Printing & general expenses | 2,650,000.00 |
| Electrical bill | 15,000.00 |
| Hospitality & Entertainment | 19,500,305.20 |
|  | **53,991,554.69** |
| **NOTE 30** |  |
| **GRANT AND SOCIAL CONTRIBUTION** |  |
| Disilting of culverts | 4,500,000.00 |
| Clearing of dump site | 2,139,742.85 |
| Sensitization & workshop | 2,365,000.00 |
| Training & Entertainment | 2,097,000.00 |
| IWUDE | 3,500,000.00 |
| Ileya | 5,225,000.00 |
| Xmas | 21,178,595.24 |
| Grading | 10,500,000.00 |
|  | **51,505,338.09** |
|  |  |
| **NOTE 31** |  |
| **Depreciation** |  |
|  | **CONSOLIDATED** |
| LAND & BUILDING | 6,079,925.51 |
| INFRASTRUCTURAL ASSETS | 25,528,599.00 |
| PLANT & MACHINERY | 42,802,744.97 |
| MOTOR VEHICLE | 52,141,418.70 |
| OFFICE EQUIPMENT | 47,357,737.13 |
| FURNITURE & FITTINGS | 37,544,760.14 |
|  | **211,455,185.45** |
|  |  |
| **NOTE 32** |  |
| **Allowances** |  |
|  | **CONSOLIDATED** |
| Committee allowance | 39,399,166.66 |
| NYSC | 110,000.00 |
| O Technical | 2,761,666.67 |
| Personal Assistant | 2,012,105.32 |
|  | **44,282,938.65** |
|  |  |
| **NOTE 36** |  |
| **NET SURPLUS/DEFICIT** |  |
| Total Revenue | 1,465,473,816.08 |
| Less |  |
| Total Expenditure | 1,745,506,644.98 |
|  | **(280,032,828.90)** |

ATAKUNMOSA WEST

FISCAL OPERATION REPORT

**STATEMENT OF CASHFLOW RATIOS**

1. STATUTORY llocation/TOTAL REVENUE x 100

**1,074,104,824.03 + 554,613,118.26**

**1,632,144,737.29**

**= 1,628,717,942.29**

**1,632,144,737.29**

**= 99.79%**

This indicated that Statutory Allocation took 99.79% of the Total Revenue of the Local Government and LCDA leaving 0.21% as Independence Revenue

2. TOTAL INDEPENDENT REVENUE

TOTAL REVENUE

**3,426,795.00 x 100**

**1,632,144,737.29**

**0.21%**

3. SALARY & WAGES : TOTAL RECURRENT EXPENDITURE

**898,527,485.56 x 100**

**1,537,425,868.12**

**= 58.4%**

**Therefore, the Salaries and Wages took about 58.4% out of the Recurrent Expenditure in the Local Government while the remaining 41.6% was expended on other expenditure.**

**4. TRANSFER TO OTHER AGENCIES : TOTAL RECURRENT EXPENDITURE**

**461,347,884.53 x 100**

**1,537,425,868.12**

**= 30%**

**It means that Transfer to Other Agencies took about 30% out of the recurrent expenditure.**

**STATEMENT OF FINANCIAL POSITION RATIOS**

**5 CURRENT ASSET : CURRENT LIABILITIES**

**188,589,454.48**

**1,071,772,229.23 = 0.18:1**

**The Current ratio was not good enough for the system as the Current Liabilities was much higher than the Current Asset.**

**6 TOTAL ASSET : TOTAL LIABILITIES**

**2,205,058,437.46**

**1,958,428,128.78**

**= 1.13:1**

**To every liability there was more than 1 Asset to cover.**

**8. 12. EQUITY : TOTAL ASSET**

**246,630,308.68**

**2,205,058,437.46**

**= 0.11:1**

**STATEMENT OF FINANCIAL PERFORMANCE RATIO**

**9. STATUTORY ALLOCATION : TOTAL REVENUE**

**1,450,500,220.08 x 100**

**1,465,473,816.08**

**= 98.99%**

**This indicates that the Dependent Revenue accounted for 98.99% of the Total Revenue of all the Local Government of the State leaving 0.01% as Independent Revenue.**

**10. INDEPENDENT REVENUE : TOTAL REVENUE**

**14,973,596.00 x 100**

**1,465,473,816.08**

**= 10.21%**

**MANAGEMENT LETTER**

**OBSERVATION AND INTERNAL CONTROL REVIEW FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2021.  
ATAKUNMOSA WEST LOCAL GOVERNMENT, OSU**

**1. IRREGULAR PAYMENT AMOUNTING N 300, 000:00:** Audit Inspection revealed that there were a lot of irregularities in the appended signature infront of the names of some beneficiaries amounting to three hundred thousand naira indicating that the money was paid by proxy without authority letter to that effect Contrary to the Financial Memoranda No. 14:13 Which states that ‘payment as far as possible be made to the person to whom it is due. Payment to a third party shall only be made on production of a written authority from the person whom is due. Such authority being attached to the Payment Vouchers after payment.

***RISK:*** *This was an indication that purported recipient might not have been paid thereby resulting to the loss of Local Government fund.*

***MANAGEMENT RESPONSE:*** *Action had been taken, the sub-receipts attached to the payment voucher had been signed by the recipient which would be presented for further audit verification.*

***RECOMMENDATION:*** *Due process should be strictly adhered to before payment is effected.*

**2. EXPENDITURE NOT SUPPORTED WITH PROPER RECORDS OR ACCOUNTS TOTALLING N805,000:00:** During the Audit Inspection, it was observed that a total sum of eight hundred and five thousand naira (#805,000.00) was released for the production of jingle, entertainment of Osun planning commission members, replacement of obsolete spare parts and entertainment to the community development association member respectively in the Local Government with necessary documents to prove the genuiness of the expenditure contrary to Financial Memoranda No. 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, Local Government or commercial firm. If the printed receipt cover more one payment Voucher, reference to the Payment Voucher to which the receipt is attached shall be entered on the other voucher”.

***RISK:*** *Payment 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 had been obtained and attached to the Payment Vouchers and would be presented for audit scrutiny.*

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

**3. STORE ITEMS NOT TAKEN ON CHARGE (N208,000.00):** It was observed that store items amounting to N208,000 for printing of Internal Audit report, purchase of cartridge Toner and other material were not charged to the store before usage which was contrary to the financial memoranda 34:17(1) which states that “All stores should be examined immediately they are received by the store keeper or other officer responsible for the stores. The stores must be checked for quantities, weights etc against the local purchase order, invoice of government store issue voucher”.

***RISK:*** *This is an indication that purported items might not have been purchased/printed, thereby resulting to loss of Local Government fund*

***MANAGEMENT RESPONSE:*** *It was an oversight and items procured had been taken to the store for record purpose and the store receipts vouchers had been issued and attached to the payment vouchers and would be presented for further audit scrutiny.*

***RECOMMENDATION:*** *Necessary supporting document such as store receipt vouchers and store issued voucher should be attached to the payment voucher before put into use*

**4.** **UNRETIRED IMPREST TOTALING TOTALLING TO ~~N~~470,000.00:** Payment vouchers for imprest totalling Four hundred and seventy thousand naira only were not supported with necessary receipts to authenticate the genuineness of the expenditure contrary to the Financial Memoranda 14:27 which states that, “Imprest shall be retired when the purpose for which the imprest was granted is completed or at such intervals as are prescribed when the imprest is approved. However, all imprests shall be automatically be retired at the end of each financial year”.

***RISK:*** *Government fund might not have been use for official purpose*

***MANAGEMENT RESPONSE:*** *It was an oversight, and the receipt had been obtained and attached to the Payment Vouchers which would be presented for further audit verification.*

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

**5. UNPRODUCED REVENUE EARNING RECEIPT BOOKLETS AMOUNT TO N100,000.00 FOR THE YEAR 2019 & 2020:** It was observed that during the Audit Inspection that some Revenue Collectors did not produce Revenue Earning Receipts in their possession for Auditing.

***RISK:*** *It can lead to lost in the Internally Generated Revenue of the Local Government and opportunity for perpetration of fraud by the concerned Revenue Collectors.*

***MANAGEMENT RESPONSE:*** *The concerned Revenue Collectors had been called upon to immediately produce all the receipt booklets under their coffer and duly account for them to be presented for further audit verification.*

***RECOMMENDATION:*** *All the receipt booklets should be produced for audit check and verification.*

**6. VALUATION AND REVALUATION OF NON CURRENT ASSETS:** It should be noted that the office of Auditor General for Local Government has embarked on verification and valuation of all Non-Current Asset of the Local Government to ensure their existence and completeness.

It was observed that the Local Government did not have comprehensive and reliable inventory and fixed Assets Register.

***RISK:*** *Non availability of comprehensive and reliable inventory/fixed asset register could made the Local Government Asset prone to theft, expropriation of assets (i.e use of Local Government property without authorisation, pilfering, falsification of asset values in GPFS, duplication of service in term of repairs and obsolete parts replacements*

***MANAGEMENT RESPONSE:*** *A comprehensive asset register would be opened to capture all Assets of Local Government and would be updated on monthly basis by the Internal Audit unit of the Local Government*

***RECOMMENDATION:*** *The Internal Auditor must ensure that all assets are captured in the register by taking into cognisance the ownership, existence valuation and authorisation in order to give accurate reliable financial data of the assets*

**7. FINAL ACCOUNT:** The General Purpose Financial stated was submitted in 25th May, 2022 contrary to the 29th April deadline given for its submission, the idea which is considered not to be too good enough for timely presentation of financial information to the appropriate users.

The Head of Finance is charge to be alive to his/her responsibility by ensuring adequate supervision of its subordinate towards ensuring timely preparation and presentation of their financial statement henceforth

***RISK:*** *It can lead to hoarding of some important information needed in the preparation of Final Account, leading to not having true and fair judgement of the Account by the Auditor-General.*

***MANAGEMENT RESPONSE:*** *The General Purpose Financial Statement was submitted late due to delay in checking and corrections of the accounts*

***RECOMMENDATION:*** *The Director of Finance and Supplies should make sure that the General Purpose Financial Statement are submitted before the speculated time to avoid sanction by the Auditor General*

**8. SUBMISSION OF REVENUE RETURNS:** It was observed that the Finance Department and Mr Fela Olalere (Rate Officer) have failed to remit to the Auditor-General the correct Internally Generated Revenue profile for the period of 1st to 4th quarter inspite of all the effort made by the Director on Revenue for the Auditor-General for Local Governments.

***RISK:*** *It can lead to loss in the Internally Generated Revenue of the Local Government and opportunity for perpetration of fraud by the concerned Revenue Collectors.*

***MANAGEMENT RESPONSE:*** *The preparation was in progress as at the time of Audit exercise and it had been prepared accordingly for further Audit verification.*

***RECOMMENDATION:*** *All the receipt booklets should be produced for audit check and verification.*

**MANAGEMENT LETTER**

**OBSERVATION AND INTERNAL CONTROL REVIEW FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2021**. **ATAKUNMOSA WEST CENTRAL LOCAL COUNCIL DEVELOPMENT AREA, IFEWARA**

**1. EXPENDITURE NOT PROPERLY ACCOUNTED FOR ~~N~~2,357,500.00:** Expenditure worth two million, three hundred and fifty-seven thousand five hundred naira only was released to Messers Odusoro Olaoluwa, Ogedengbe Idowu, Awe Adewale, Abe Gbenga and Olukanni E.A fro production of 2021 approved estimate, hosting of traditional rulers, sensitization of selected youth, prevention of flooding, workshop on the effective and efficient productivity and production warning and approved stamp respectively in the Local Government of which the officer failed to accounted for by supporting the expenditure with necessary documents to prove the genuiness of the expenditure contrary to Financial Memoranda No. 14:16-18 which states that “An official printed receipt must be obtained and attached to the Payment Voucher in respect of a payment to Government, Local Government or commercial firm. If the printed receipt cover more one payment Voucher, reference to the Payment Voucher to which the receipt is attached shall be entered on the other voucher.

It was further observed that receipts attached as evidences of execution seem to be fake and moreover list of invitees, video coverage with photograph were not provided for Audit scrutiny

***RISK:*** *Payment 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 had been obtained and attached to the Payment Vouchers and would be presented for audit scrutiny.*

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

**2. UNCLAIMED ALLOWANCE/EXPENDITURE AMOUNTING N75,000:00:** It was observed that the sum of seventy-five thousand naira was not acknowledge as being received by the beneficiaries/ recipients which suggests that the amount involved was neither paid to the beneficiaries nor remitted to the Government coffers.

***RISK:*** *This was an indication that purported recipient might not have been paid thereby resulting to loss of Local Government fund.*

***MANAGEMENT RESPONSE:*** *Action had been taken, the sub-receipt attached to the Payment Voucher had been signed by the recipients and would be presented for further audit verification.*

***RECOMMENDATION:*** *The sub-receipt must be obtained and attached to the payment voucher as this proved the authenticity that the expenditure was carried out.*

**3. UNRETIRED IMPREST AMOUNTING TO ~~N~~60,000.00:** Payment vouchers for imprest totalling sixty thousand naira only were not supported with necessary receipts to authenticate the genuineness of the expenditure contrary to the Financial Memoranda 14:27 which states that, “Imprest shall be retired when the purpose for which the imprest was granted is completed or at such intervals as are prescribed when the imprest is approved. However, all imprests shall be automatically be retired at the end of each financial year”.

***RISK:*** *Government fund might not have been used for official purpose*

***MANAGEMENT RESPONSE:*** *It was an oversight, and the receipt had been obtained and attached to the Payment Vouchers which would be presented for further audit verification.*

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

**4. STORE ITEMS NOT TAKEN ON CHARGE (N50,000.00):** It was observed that store items amounting to N50,000 were not charged to the store before usage which is contrary to the 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 qualities, weights etc against the local purchase order, invoice of government store issue voucher; if the stores delivered are found to be correct and in good condition, they will be taken on charge and entered as a receipt in the appropriate store ledger”.

***RISK:*** *This is an indication that purported items might not have been purchased, thereby resulting to loss of Local Government fund*

***MANAGEMENT RESPONSE:*** *It was an oversight and items procured had been taken to the store for record purpose and the store receipts vouchers had been issued and attached to the payment vouchers and would be presented for further audit scrutiny.*

***RECOMMENDATION:*** *Necessary supporting document such as store receipt vouchers and store issued voucher should be raised attached to the payment voucher before put into use*

**5. UNPRODUCED REVENUE EARNING RECEIPT BOOKLETS AMOUNT TO N226,400.00:** It was observed that during the Audit Inspection that some Revenue Collectors did not produce Revenue Earning Receipts in their possession for Auditing.

***RISK:*** *It can lead to loss in the Internally Generated Revenue of the Local Government and opportunity for perpetration of fraud by the concerned Revenue Collectors.*

***MANAGEMENT RESPONSE:*** *The concerned Revenue Collectors had been called upon to immediately produce all the receipt booklets under their coffers and duly account for them to be presented for further audit verification.*

***RECOMMENDATION:*** *All the receipt booklets should be produced for audit check and verification.*

**6. VALUATION AND REVALUATION OF NON CURRENT ASSETS:** It should be noted that the office of Auditor General for Local Government has embarked on verification/combination of all Non-Current Asset of the Local Government to ensure their existences completeness of the list of the Assets and the correctness in the Financial Statements. It was observed that the Local Government did not have comprehensive and reliable inventory and fixed Assets Register.

Furthermore, the Internal Auditor should be alive to his/her duties.

***RISK:*** *Non availability of comprehensive and reliable inventory/fixed asset register could made the Local Government Asset prone to theft, expropriation of assets (i.e use of Local Government property without authorisation, pilfering, falsification of asset values in GPFS, duplication of service in term of repairs and obsolete parts replacements*

***MANAGEMENT RESPONSE:*** *A comprehensive asset register would be opened to capture all Assets of Local Government and would be updated on monthly basis by the Internal Audit unit of the Local Government*

***RECOMMENDATION:*** *The Internal Auditor must ensure that all assets are captured in the register by taking into cognisance the ownership, existence valuation and authorisation in order to give accurate reliable financial data of the assets*

**7. FINAL ACCOUNT:** The General Purpose Financial stated was submitted in 25th April, 2022 contrary to the 31st March deadline given for its submission.

The Head of Finance is charged to be alive to his/her responsibility by ensuring adequate supervision of its subordinate towards ensuring timely preparation and presentation of their financial statement henceforth.

***MANAGEMENT RESPONSE:*** *The General Purpose Financial Statement was submitted late due to delay in checking and corrections of the accounts.*

***RECOMMENDATION:*** *The Director of Finance and Supplies should make sure that the General Purpose Financial Statement are submitted before the speculated time to avoid sanction by the Auditor General*

**8. SUBMISSION OF REVENUE RETURNS:** It was observed that the Finance Department and Adetipe F (Rate officer) have failed to remit to the Auditor-General the correct Internally Generated Revenue profile for the period of 1st to 4th quarter inspite of all the effort made by the Director on Revenue for the Auditor-General for Local Governments.

***RISK:*** *It can imply an attempt to conceal loss in the Internally Generated Revenue of the Local Government and opportunity for perpetration of fraud by the concerned Revenue Collectors.*

***MANAGEMENT RESPONSE:*** *The preparation was in progress as at the time of Audit exercise and it had been prepared accordingly for further Audit verification.*

***RECOMMENDATION:*** *All the receipt booklets should be produced for audit check and verification.*

**REPORT ON INTERNAL AUDITOR’S REPORT**

i. The Internal Auditor seems to be very ineffective and submitted his quarterly report very lately. The contents of the quarterly report did not reflect the Financial activities of the Local Government fully during the year.

**ATAKUNMOSA WEST LOCAL GOVERNMENT, OSU**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **S/N** | **SUBJECT** | **QUERIES NO** | **NO OF OFFICER QUERIED** | **AMOUNT** | **REMARKS** |
| 1 | Irregular signature | LQ/AUD/ATW/O1/2021 | 1 | 300,000 |  |
| 2 | Expenditure not accounted for | LQ/AUD/ATW/O2/2021 | 1 | 100,000 |  |
| 3 | Unreceipted voucher | LQ/AUD/ATW/O3/2021 | 2 | 30,000 |  |
| 4 | Expenditure nit taken on charge | LQ/AUD/ATW/O4/2021 | 2 | 50,000 |  |
| 5 | Non preparation of Bank Reconciliation | LQ/AUD/ATW/O5/2021 | 1 |  |  |
| 6 | Expenditure not supported with proper records or accounts | LQ/AUD/ATW/O6/2021 | 6 | 675,000 |  |
| 7 | Store items not taken on charge | LQ/AUD/ATW/O7/2021 | 4 | 168,000 |  |
| 8 | Unretired Imprest | LQ/AUD/ATW/O8/2021 | 7 | 460,000 |  |
| 9 | Unproduced Revenue Earning Receipt | LQ/AUD/ATW/O9/2021 | 2 | 400,000 |  |

**ATAKUNMOSA WEST CENTRAL LOCAL COUNCIL DEVELOPMENT AREA, IFEWARA**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **S/N** | **SUBJECT** | **QUERIES NO** | **NO OF OFFICER QUERIED** | **AMOUNT** | **REMARKS** |
| 1 | Expenditure not supported with proper records or accounts | LQ/AUD/ATW/LCDA/O1/2021 | 2 | 175,000 |  |
| 2 | Expenditure not supported with proper records or accounts  accounts | LQ/AUD/ATW/LCDA/02/2021 | 4 | 2,182,500 |  |
| 3 | Non preparation of Bank Reconciliation Statement | LQ/AUD/ATW/LCDA/O3/2021 | 1 |  |  |
| 4 | Unclaimed Allowance | LQ/AUD/ATW/LCDA/O4/2021 | 2 | 75,000 |  |
| 5 | Unretired Imprest | LQ/AUD/ATW/LCDA/O5/2021 | 2 | 60,000 |  |
| 6 | Expenditure not supported with proper records or accounts | LQ/AUD/ATW/LCDA/O6/2021 | 2 | 100,000 |  |
| 7 | Store items not taken on charge | LQ/AUD/ATW/LCDA/O7/2021 | 2 | 50,000 |  |

**ATAKUNMOSA WEST LOCAL GOVERNMENT, OSU**

**LIST OF PROJECTS EXECUTED DURING THE PERIOD UNDER REVIEW**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **S/N** | **MONTHS** | **DESCRIPTION** | **PROJECT COST** | **AMOUNT RELEASED** | **BALANCE** | **REMARKS** |
| 1 | Jan – Mar | Nil | Nil | Nil | Nil | Nil |
| 2 | April – June | Nil | Nil | Nil | Nil | Nil |
| 3 | September, 2021 | Lowering of verges along Iwaro Arike community | 1,200,000 | 1,200,000 | ------ | Completed |
| 4 | September, 2021 | Desitting of drainage and clearing of culvert of Akunkan road and oke-anu road in osu | 800,000 | 800,000 | ------ | Completed |
| 5 | September, 2021 | Purchase of Toyota Camry Muscle (2010 model) | 4,000,000 | 4,000,000 | ------ |  |
| 6 | September, 2021 | Filling and grading of road at ilako, oke-osin Atakunmosa West, Osu | 1,000,000 | 1,000,000 | ------ | Completed |
| 7 | September, 2021 | Earth impayment of road in Isaobi community | 1,000,000 | 1,000,000 | ------ | Completed |
| 8 | October, 2021 | Lowering of road verges along Muroko road in the local government area | 1,405,000 | 1,405,000 | ------ | Completed |
| 9 | October, 2021 | Clearing of suited culverts at township | 595,000 | 595,000 | ------ | Completed |
| 10 | November, 2021 | Earth improvement of road at Iloro, Oke-Ibode road | 1,000,000 | 1,000,000 | ------ | Completed |
| 11 | November, 2021 | Purchased of Toyota | 3,000,000 | 3,000,000 | ------ | Completed |
| 12 | December, 2021 | Earth improvement of rural road at Ibodi Eji oro road | 1,000,000 | 1,000,000 | ------ | Completed |

**ATAKUNMOSA WEST CENTRAL, LCDA, IFEWARA**

**LIST OF PROJECT EXECUTED DURING THE PERIOD OF JANUARY – DECEMBER, 2021**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **S/N** | **MONTHS** | **DESCRIPTION** | **MODE OF EXECUTION** | **PROJECT COST** | **REMARKS** |
| 1. | Jan-June, 2021 | Nil | Nil | Nil | Nil |
| 2 | September, 2021 | Purchase of official vehicles to the chairman | Chairman office | 4,000,000 | Completed |
| 3 | September, 2021 | Clearing of road verges from Ifewara market | Ifewara market | 886.000 | Completed |
| 4 | August, 2021 | Clearing of road verge from Iwara boundary to Ifewara | Iwara boundary to Ifewara | 82,000 | Completed |
| 5 | July, 2021 | Clearing of raod verges from Fasemorokun (Ifewara) road to Itaapa village | Fasemookun road to Itaapa villages | 233,000 | Completed |
| 6 | 45/Oct/2021 | Construction of temporary culvert at the entrance of secretariat | Ifewara secretariat | 20,000 | Completed |
| 7 | 44/Oct/2021 | Provosion of additional low tension line for iyere-itagunmodi | Iyere-itagunmodi | 1,300,000 | Completed |
| 8 | 43/Oct/2021 | Purchase of official vehicle to the vice chairman of Atakunmosa West central LCDA | Vice chairman office | 1,000,000 | Completed |
| 9 | 56/Oct/2021 | Construction of temporary culvert entrance of secretariat | Ifewara LCDA | 140,000 | Completed |
| 10 | 42/Nov/2021 | Provision of additional low tension line for iyere-itagunmodi | Iyere-itagunmodi | 700,000 | Completed |
| 11 | 70/Nov/2021 | Clearing of the road verges from iyere junction to itagunmodi | itagunmodi | 1,000,000 | Completed |
| 12 | 30/Dec/2021 | Grading and rehabilitation of rural road in Atakunmosa West LCDA | Ifewara LCDA | 605,000 | Completed |
| 13 | 64/Dec/2021 | Grading and rehabilitation of rural roads across the wards | Ifewara LCDA | 200,000 | Not Completed |