

STATE GOVERNMENT OF OSUN, NIGERIA.

REPORT OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

ON THE ACCOUNTS OF
EDE SOUTH LOCAL GOVERNMENT

OKE-IRESI

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 FOR THE PREPARATION AND
PRESENTATION OF FINANCIAL STATEMENTS**

The Preparation and Presentation of the Financial Statements are responsibilities of the Head of Finance and Supplies and the Chairman of a Local Government in compliance with the provisions of the Financial Control and Management Act 1958 (as amended) and the Model Financial Memoranda.

Consequently, the General Purpose Financial Statement of:

Ede South Local Government and Ede East L.C.D.A. have been prepared by the respective Heads of Finance and Supplies and subsequently Consolidated by the Head of Finance and Supplies of: ***Ede South Local Government.***

We hereby claim responsibility for the contents and correctness of the Financial Statement of the under listed LG/LCDA, for the Accounting period ended ***31st December, 2021***


.....
Chairman
Ede South


.....
Head of Finance & Supplies,
Ede South




.....
Chairman
Ede East L.C.D.A.


.....
Head of Finance & Supplies,
Ede East L.C.D.A.




.....
Chairman
Ede South


.....
Chairman
Ede East L.C.D.A.

AUDIT CERTIFICATE

I have audited the accounts of Ede South Local Government, Oke - Iresi for the year ended 31st December, 2021.

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

Having regard to the basis of Audit opinion as stated below, I certify that General Purpose Financial Statements comprising of Consolidated Statement of Financial Position, Consolidated Statement of Financial Performance, Consolidated Statements of Cash Flow, Consolidated Statement of Net Assets and Equity of the Local Governments and Notes to the Account, give a true and fair view of the state of affairs of Ede South Local Government, Oke - Iresi for the accounting year ended 31st December, 2021 subject to the observations and comments, and resulting reservations, and disallowances as contained in this report.



Emmanuel Oluseun Kolapo FCA, CISA
Auditor General for Local Governments,
State of Osun

STATEMENT OF FINANCIAL RESPONSIBILITY

The preparation and fair presentation of Financial Statements of Local Governments, is the direct responsibility of the Head of Finance and Supply in the Local Governments, 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 Head of Finance of Ede South Local Governments is responsible for the consolidation of the Financial Statements with the subsidiary Ede East 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 Statement signed by Heads of Finance and Chairmen of Local Governments is attached.

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 Ede South Local Government, Ede East LCDA.

BASIS OF AUDIT OPINION

In the course of auditing the accounts of Ede South Local Governments and Ede East LCDA 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 Ede South 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 Ede South Local Government are constituents.

The accounts of Ede South 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.

2. Accounting Period

The accounting year (fiscal year) to which the report relates is 1st January to 31st December, 2021.

3. Reporting Currency

The General Purposes Financial Statements are prepared in the Nigerian Naira (NGN).

4. Principal Statements in the General Purposes Financial Statements

- a. Statements of Financial Performance. (Aggregate and Consolidated)
- b. Statements of Financial Position. (Aggregate and Consolidated)
- c. Statements of Cash flow (Aggregate and Consolidated)
- d. Statements of Comparison of Budgeted and Actual Amounts (Aggregate and Consolidated)
- e. Statements of Changes in Net Asset/Equity. (Aggregate and Consolidated)
- f. Notes to the GPFS.
- g. Financial Statement of Joint Accounts Allocation Committee (JAAC)

5. Consolidation Policy- IPSAS 6

The Heads of Finance of Ede South Local Governments and Ede East 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 is Ede East LCDA which GPFS has been consolidated with that of Ede South main Local Government, by the Head of Finance of the 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.

6. **Statement of Cash Flow** was prepared using the direct method (IPSAS 2) and it consists of Operating, Investing and Financing activities.

7. **Inventories (IPSAS 12)** - Inventories were measured initially at cost, and subsequently measured using the FIFO method.

8. PROPERTY, PLANT & EQUIPMENT (PPE) – IPSAS 17

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

9. 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:

- | | | |
|-------------------------|---|-----|
| a. Furniture & Fittings | - | 20% |
| b. Motor Vehicle | - | 20% |
| c. Plant & Equipment | - | 20% |

d. Infrastructural Asset	-	10%
e. Building	-	2%
f. Office Equipment	-	20%

10. REVALUATION

- a. The Assets' residual values and useful lives are reviewed at the end of the year.

11. IMPAIRMENT

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

12. 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.

13. INDEPENDENT REVENUE FROM NON-EXCHANGE TRANSACTION (IPSAS 23)

1. Fees; taxes and fines: The Local Government recognised revenue from fees, taxes, and fines when the event occurred, and the asset recognition criteria are met.

14. 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.

15. 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. CONTINGENT LIABILITY IPSAS 19

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

GENERAL COMMENTS

I have audited the accounts of Ede South Local Government, Oke-Iresi 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 Ede South Local Government and other Chairmen, all of whom were members of the Joint Account Allocation Committee.

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 2021 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, by Ede South Local Governments and Ede East LCDA.

BUDGET PREPARATION / EXECUTION

The Budget for 2021 for Oriade Local Government was prepared in compliance with new National Chart of Accounts. The 2021 Budget was an improvement on the previous Budgets 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

The office of the Auditor-General for Local Governments embarked 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

The Total Internally Revenue generated by the Local Government for 2021 was ₦25,012,257.24 representing 1.6% 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, 16 Nos. of Audit Queries were issued in respect of 2021 Accounts, involving a total sum of ₦2,432,000.00.

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:

It was observed that Ede North Local Government collaborated with other Local Government to embark on some jointly executed projects and programmes. Reports on the joint project are contained in the Registered Statutory Report of the Auditor General. It was claimed that the joint programmes/Projects were done to avail the Local Governments of the advantage of economies of large scale operations as they were able to secure the services of experts and incur lesser unit costs due to bulk purchases. Performance Audit was initiated on some joints projects and programmes during the year.

COMMENTS ON FINANCIAL STATEMENTS

A. 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 Ede South 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 ₦926,723,819.32 was Share of FAAC and VAT amounted to ₦554,886,584.14 Total Allocation.

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
Ede South	876,327,568.72	396,358,024.58	28,424,046.79	23,807,282.02	721,435.94	12,713,489.58	19,756,737.51	1,469,291.01	12,352,117.90	1,371,929,994.05

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. #25,012,257.24 as Fees, Taxes and Fines.

SALARIES AND WAGES – ₦855,868,781.13

Salaries and Wages which amounted to ₦855,868,781.13 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 – #12,795,454.53

The Cash and Cash equivalents amounted to ₦12,795,454.53 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.

RECEIVABLES - ₦38,112,484.47

A total sum of ₦38,112,484.47 was standing as Receivables as at 31st December, 2021. The Receivables include, Revenue Recognised in December 2021 but received in January, 2021 from Joint Allocation Account Committee (JAAC).

INVENTORIES - ₦1,021,450.00

The sum of ₦1,021,450.00 represents 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 - ₦75,145,184.33

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) #8,783,153.89

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 - ₦873,446,983.04

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 31st December 2021.

INVESTMENT PROPERTY - ₦982,867,872.00

The carrying amount of Investment Properties of the Local Governments stood at ₦982,867,872.00 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 - ₦1,252,628,989.14

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

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

UNREMITTED DEDUCTIONS - ₦190,892,964.87

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 AREAS:

Transfer from main councils to the tune of ₦97,625,505.70 was made to the Local Council Development Areas and Area Offices in the period under review and was set off in the Consolidated Account.

EDE SOUTH LOCAL GOVERNMENT, OKE-IRESI
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2021

PARTICULAR	NOTE	EDE SOUTH CONSOLIDATED
ASSETS		
Current Assets		
Cash & Cash Equipments	1	12,795,454.53
Receivables	2	38,112,484.47
Prepayment/Advance	3	4,150,000.00
Inventories	4	1,021,450.00
Total Current Asset		56,079,384.00
Non-current Asset		-
Long Term Loan Granted		-
Investments	5	75,145,184.33
Property, Plant & Equipment	6	8,783,153,351.89
Investment Property	7	982,867,872.00
Biological Asset	8	-
Assets Under Construction (wip)	9	29,531,052.00
Total Non-Current Asset		9,870,697,460.22
Total Asset		9,926,776,849.22
LIABILITIES		-
Current Liabilities		-
Deposit		-
Short Term Loan & Debts	10	-
Unremitted Deduction	11	190,892,964.87
Payables	12	873,446,983.04
Short Terms Provisions		-
Total Current Liability		1,064,339,947.91
Non-Current Liabilities		-
Long Term Borrowing	13	2,316,968,937.05
Total Liabilities		7,609,807,912.17
Net Assets		6,760,524,560.67
Financed by		-
Reserve	14	9,197,143,809.65
Net Surplus/Deficit	15	(1,587,335,897.48)
Total		7,609,807,912.17

EDE SOUTH LOCAL GOVERNMENT, OKE-IRESI
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2021

PARTICULAR	NOTE	EDE SOUTH	EDE EAST LCDA	EDE SOUTH CONSOLIDATED
ASSETS				
Current Assets				
Cash & Cash Equipments	1	7,045,805.70	5,749,648.83	12,795,454.53
Receivables	2	25,471,066.92	12,641,417.55	38,412,484.47
Prepayment/Advance	3	4,150,000.00		4,150,000.00
Inventories	4	204,550.00	816,900.00	1,021,450.00
Total Current Asset		36,871,422.62	19,207,966.38	56,079,389.00
Non-current Asset				-
Long Term Loan Granted				-
Investments	5	8,714,018,068.84	12,750,000.00	8,783,153,351.89
Property, Plant & Equipment	6	7,864,734,717.34	69,135,283.05	7,933,870,000.39
Investment Property	7	977,268,230.40	5,599,641.60	982,867,872.00
Biological Asset	8			-
Assets Under Construction (wip)	9	29,531,052.00		29,531,052.00
Total Non-Current Asset		9,783,212,535.57	87,484,924.65	9,870,697,460.22
Total Asset		9,820,083,958.19	106,692,891.03	9,926,776,849.22
LIABILITIES				-
Current Liabilities				-
Deposit				-
Short Term Loan & Debts	10			-
Unremitted Deduction	11	183,600,262.07	7,292,702.80	190,892,964.87
Payables	12	795,545,986.51	77,900,996.53	873,446,983.04
Short Terms Provisions				-
Total Current Liability		979,146,248.58	85,193,699.33	1,064,339,947.91
Non-Current Liabilities				-
Long Term Borrowing	13	1,125,835,646.32	126,793,342.82	1,252,628,989.14
Total Liabilities		2,104,981,894.90	211,987,042.15	2,316,968,937.05
Net Assets		7,715,102,063.29	(105,294,151.12)	7,609,807,912.17
Financed by				-
Reserve	14	9,539,873,937.08	(342,730,127.43)	9,197,143,809.65
Net Surplus/Deficit	15	(1,824,771,873.79)	237,435,976.31	(1,587,335,897.48)
Total		7,715,102,063.29	(105,294,151.12)	7,609,807,912.17

EDE SOUTH LOCAL GOVERNMENT, OKE-IRESI
AGGREGATED STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2021

PERFORMANCE		
PARTICULAR	NOTE	EDE SOUTH CONSOLIDATED
DEPENDENT REVENUE		
Government share of FAAC (Statutory Revenue)	16	926,723,819.32
Government Share of VAT	17	554,886,584.14
Sub-Total Dependent Revenue	18	1,481,610,403.46
INDEPENDENT REVENUE		-
Grant & Aids	19	13,595,593.13
Transfer from main Council	20	
Tax Revenue	21	133,200.00
Non-Tax Revenue	22	11,283,464.11
Other Income		-
Overpayment Recovery		-
Sub-Total Independent Revenue		25,012,257.24
Total Revenue		1,506,622,660.70
EXPENDITURE		
JOINTLY EXPENDED		
Salaries & Wages	23	855,868,781.13
Social Benefits	24	100,000.00
Overhead Cost	25	32,347,232.39
Grants & Social Contribution	26	29,946,574.99
Transfer to other Agencies	27	454,371,220.42
L/GOVERNMENT EXPENDITURE		
Social Benefits	28	6,884,500.00
Overhead Cost	29	43,187,841.03
Grants & Social Contribution	30	42,862,410.44
Depreciation	31	253,792,793.12
Allowances	32	57,575,872.04
Transfer to LCDA	33	
Impairment	34	-
Revenue Refunded	35	-
Public Debt Charges		-
Stabilization Fund		-
Refund to main Council		-
Stationeries		-
Severance Gratuity		-
Total Expenditures		1,776,937,225.56
Net Surplus/Deficit	36	(270,314,564.86)
Net Surplus/Deficit 01/01/2021	37	(1,317,021,332.62)
Net Surplus/Deficit 31/12/2021	38	(1,587,335,897.48)

EDE SOUTH LOCAL GOVERNMENT, OKE-IRESI
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER,
2021

PERFORMANCE				
PARTICULAR	NOTE	EDE SOUTH	EDE EAST LCDA	EDE SOUTH CONSOLIDATED
STATUTORY ALLOCATION				
Government share of FAAC (Statutory Revenue)	16	926,723,819.32		926,723,819.32
Government Share of VAT	17	554,886,584.14		554,886,584.14
Sub-Total Statutory Allocation	18	1,481,610,403.46	-	1,481,610,403.46
INDEPENDENT REVENUE				-
Grant & Aids	19	13,595,593.13		13,595,593.13
Transfer from main Council	20		97,625,505.70	
Tax Revenue	21	79,600.00	53,600.00	133,200.00
Non-Tax Revenue	22	7,136,604.11	4,146,860.00	11,283,464.11
Other Income				-
Overpayment Recovery				-
Sub-Total Independent Revenue		20,811,797.24	101,825,965.70	25,012,257.24
Total Revenue		1,502,422,200.70	101,825,965.70	1,506,622,660.70
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	32,347,232.39		32,347,232.39
Grants & Social Contribution	26	29,946,574.99		29,946,574.99
Transfer to other Agencies	27	454,371,220.42		454,371,220.42
L/GOVERNMENT EXPENDITURE				-
Social Benefits	28	3,133,000.00	3,751,500.00	6,884,500.00
Overhead Cost	29	15,391,513.15	27,796,327.88	43,187,841.03
Grants & Social Contribution	30	8,217,226.00	34,645,184.44	42,862,410.44
Depreciation	31	243,894,231.40	9,898,561.72	253,792,793.12
Allowances	32	28,601,333.40	28,974,538.64	57,575,872.04
Transfer to LCDA	33	97,625,505.70		
Impairment	34			-
Revenue Refunded	35			-
Public Debt Charges				
Stabilization Fund				
Refund to main Council				-
Stationeries				-
Severance Gratuity				-
Total Expenditures		1,769,496,618.58	105,066,112.68	1,776,937,225.56
Net Surplus/Deficit	36	(267,074,417.88)	(3,240,146.98)	(270,314,564.86)
Net Surplus/Deficit 01/01/2021	37	(1,557,697,455.91)	240,676,123.29	(1,317,021,332.62)
Net Surplus/Deficit 31/12/2021	38	(1,824,771,873.79)	237,435,976.31	(1,587,335,897.48)

EDE SOUTH LOCAL GOVERNMENT, OKE-IRESI
AGGREGATED STATEMENT OF CASHFLOW AS AT 31ST DECEMBER, 2021

OPERATING ACTIVITIES	NOTE	EDE SOUTH CONSOLIDATED
INFLOW		
Statutory Revenue (JAAC)	39	1,029,328,575.48
Value Added Tax	40	554,886,584.14
Receivable		-
Sub Total Dependent Revenue	41	1,584,215,159.62
Aids and Grants	42	13,595,593.13
Transfer from Main Council	43	
Tax Revenue	44	133,200.00
Non Tax Revenue	45	11,283,464.11
Other Income		-
Overpayment Recovery		-
Sub Total Independent Revenue	46	25,012,257.24
Total Inflow Operating Activities	47	1,609,227,416.86
OUTFLOW		-
Salaries & Wages	48	855,868,781.13
Social Benefits	49	6,884,500.00
Overhead Cost	50	45,249,924.29
Social Contributions	51	69,688,215.38
Allowances	52	57,575,872.04
Modulated Salary Arrears	53	13,333,333.28
Inventories	54	861,000.00
Fund Conserved for Salary		-
Transfer to LCDA	55	
Transfer to other Govt. Agencies	56	459,395,370.46
Refund to Main Councils		-
Revenue Refunded		
Stabilization Fund		
Tax Expenses	57	-
Severance Gratuity		-
Total Outflow from Operating Activities	58	1,508,856,996.58
Net Cashflow from Operating Activities	59	100,370,420.28
INVESTING ACTIVITIES		-
Proceed from Disposal of Asset		-
Total Inflow from Investing Activities		-
Cashflow from Investing Activities		-
Administrative Sector	60	77,923,552.00

Economic Sector		-
Total Outflow from Investing Activities	61	77,923,552.00
Net Cashflow from Investing Activities		(77,923,552.00)
Inflow from Financing Activities		-
Bank Overdraft		
Soft Loan(Bank)		
Deduction Received	62	101,364,844.71
Total Inflow from Financing Activities	63	101,364,844.71
OUFLOW (PAYMENT)		-
Bail Out Repayment		-
10km Road	64	16,939,930.25
Water Project	65	-
Environmental Sanitation Loan	66	2,428,804.20
Loan Repayment (Inherited)	67	-
Bank Loan	68	-
Intervention Loan	69	6,341,932.24
Other Loan Repayment		
Deduction Paid	70	102,425,937.45
Total Outflow From Financing Activities	71	128,136,604.14
Net Cashflow from financing Activities	72	(26,771,759.43)
Cash and Cash Equivalent for the year	73	(4,324,891.15)
Cash and Cash Equivalent 01/01/2021	74	17,120,345.68
Cash and Cash Equivalent 31/12/2021	75	12,795,454.53

EDE SOUTH LOCAL GOVERNMENT, OKE-IRESI
CONSOLIDATED STATEMENT OF CASHFLOW AS AT 31ST DECEMBER, 2021

OPERATING ACTIVITIES	NOTE	EDE SOUTH	EDE EAST LCDA	EDE SOUTH CONSOLIDATED
INFLOW				
Statutory Revenue (JAAC)	39	1,029,328,575.48		1,029,328,575.48
Value Added Tax	40	554,886,584.14		554,886,584.14
Receivable				-
Sub Total Dependent Revenue	41	1,584,215,159.62	-	1,584,215,159.62
Aids and Grants	42	13,595,593.13		13,595,593.13
Transfer from Main Council	43		97,625,505.70	
Tax Revenue	44	79,600.00	53,600.00	133,200.00
Non Tax Revenue	45	7,136,604.11	4,146,860.00	11,283,464.11
Other Income				-
Overpayment Recovery				-
Sub Total Independent Revenue	46	20,811,797.24	101,825,965.70	25,012,257.24
Total Inflow Operating Activities	47	1,605,026,956.86	101,825,965.70	1,609,227,416.86
OUTFLOW				-
Salaries & Wages	48	855,868,781.13		855,868,781.13
Social Benefits	49	3,133,000.00	3,751,500.00	6,884,500.00
Overhead Cost	50	18,314,596.41	26,935,327.88	45,249,924.29
Social Contributions	51	37,323,030.94	32,365,184.44	69,688,215.38
Allowances	52	28,601,333.40	28,974,538.64	57,575,872.04
Modulated Salary Arrears	53	13,333,333.28		13,333,333.28
Inventories	54		861,000.00	861,000.00
Fund Conserved for Salary				-
Transfer to LCDA	55	97,625,505.70		
Transfer to other Govt. Agencies	56	459,395,370.46		459,395,370.46
Refund to Main Councils				-
Revenue Refunded				
Stabilization Fund				
Tax Expenses	57			-
Severance Gratuity				-

Total Outflow from Operating Activities	58	1,513,594,951.32	92,887,550.96	1,508,856,996.58
Net Cashflow from Operating Activities	59	91,432,005.54	8,938,414.74	100,370,420.28
INVESTING ACTIVITIES				
Proceed from Disposal of Asset				
Total Inflow from Investing Activities				
Cashflow from Investing Activities				
Administrative Sector	60	67,923,552.00	10,000,000.00	77,923,552.00
Economic Sector				-
Total Outflow from Investing Activities	61	67,923,552.00	10,000,000.00	77,923,552.00
Net Cashflow from Investing Activities		(67,923,552.00)	(10,000,000.00)	(77,923,552.00)
Inflow from Financing Activities				-
Bank Overdraft				
Soft Loan(Bank)				
Deduction Received	62	65,524,597.42	35,840,247.29	101,364,844.71
Total Inflow from Financing Activities	63	65,524,597.42	35,840,247.29	101,364,844.71
OUFLOW (PAYMENT)				
Bail Out Repayment				-
10km Road	64	16,939,930.25		16,939,930.25
Water Project	65			-
Environmental Sanitation Loan	66	2,428,804.20		2,428,804.20
Loan Repayment (Inherited)	67			-
Bank Loan	68			-
Intervention Loan	69	6,341,932.24		6,341,932.24
Other Loan Repayment				
Deduction Paid	70	70,884,514.80	31,541,422.65	102,425,937.45
Total Outflow From Financing Activities	71	96,595,181.49	31,541,422.65	128,136,604.14
Net Cashflow from financing Activities	72	(31,070,584.07)	4,298,824.64	(26,771,759.43)
Cash and Cash Equivalent for the year	73	(7,562,130.53)	3,237,239.38	(4,324,891.15)
Cash and Cash Equivalent 01/01/2021	74	14,607,936.23	2,512,409.45	17,120,345.68
Cash and Cash Equivalent 31/12/2021	75	7,045,805.70	5,749,648.83	12,795,454.53

EDE SOUTH LOCAL GOVERNMENT, OKE-IRESI
CONSOLIDATED STATEMENT OF COMPARISM AS AT 31ST DECEMBER, 2021

		EDE SOUTH CONSOLIDATED		
PARTICULAR	NOTE	FINAL BUDGET	ACTUAL	VARIANCE
DEPENDENT REVENUE				
Government Share of FAAC(Statutory Revenue)	16	1,392,355,665.79	1,024,349,325.02	504,187,359.41
Government Share of VAT	17	508,460,493.70	554,886,584.14	400,678,357.84
Sub-Total Dependent Revenue	18	1,900,816,159.49	1,579,235,909.16	904,865,717.25
INDEPENDENT REVENUE				
Grants & Aids	19	35,569,263.00	13,595,593.13	28,493,716.13
Transfer from Main Council	20	-	-	-
Tax Revenue	21	800,000.00	133,200.00	666,800.00
Non-Tax Revenue	22	747,750,489.49	11,283,464.11	736,467,025.38
Other Income		-	-	-
Sub-Total Independent Revenue		784,119,752.49	25,012,257.24	765,627,541.51
Total Revenue		2,684,935,911.98	1,604,248,166.40	1,670,493,258.76
EXPENDITURE				
Salaries & Wages	23	1,128,686,600.00	855,868,781.13	272,817,818.87
Social Benefits	24	41,351,640.00	6,984,500.00	34,367,140.00
Overhead Cost	25	75,038,270.00	75,535,073.42	- 496,803.42
Grants & Social Contribution	26	312,919,159.00	72,808,985.43	240,110,173.57
Transfer to Other Agencies	27	57,982,353.49	454,371,220.42	- 396,388,866.93
Depreciation	31	-	542,447,195.73	-542,447,195.73
Allowances	32	111,109,400.00	57,575,872.04	53,533,527.96
Transfer to LCDA	33	-	97,625,505.70	- 97,625,505.70
Impairment	34	-	-	-
Revenue Refunded	35	-	-	-
Stationaries		-	-	-
Total Expenditures		1,727,087,422.49	2,163,217,133.87	436,129,711.38
Net Surplus/Deficit	36	957,848,489.49	558,968,967.47	2,106,622,970.14
Net Surplus/Deficit 31/12/2020	37	-	- 1,317,021,332.62	-
Net Surplus/Deficit 31/12/2021	38	957,848,489.49	1,875,990,300.09	2,106,622,970.14

EDE SOUTH LOCAL GOVERNMENT, OKE-IRESI
CONSOLIDATED STATEMENT OF COMPARISM BUDGET AND ACTUAL AS AT 31ST DECEMBER, 2021

		EDE SOUTH			EDE EAST LCDA			EDE SOUTH CONSOLIDATED		
PARTICULAR	NOTE	FINAL BUDGET	ACTUAL	VARIANCE	FINAL BUDGET	ACTUAL	VARIANCE	FINAL BUDGET	ACTUAL	VARIANCE
DEPENDENT REVENUE										
Government Share of FAAC(Statutory Revenue)	16	858,633,310.00	926,723,819.32	68,090,509.32	533,722,355.79		436,096,850.09	1,392,355,665.79	936,723,819.32	504,187,359.41
Government Share of VAT	17	331,334,360.00	554,886,584.14	223,552,224.14	177,126,133.70		177,126,133.70	508,460,493.70	554,886,584.14	400,678,357.84
Sub-Total Dependent Revenue	18	1,189,967,670.00	1,481,610,403.46	291,642,733.46	710,848,489.49		613,222,983.79	1,900,816,159.49	1,481,610,403.46	904,865,717.25
INDEPENDENT REVENUE								-	-	-
Grants & Aids	19	10,335,570.00	13,595,593.13	3,260,023.13	25,233,693.00		25,233,693.00	35,569,263.00	13,595,593.13	28,493,716.13
Transfer from Main Council	20					97,625,505.70		-	-	-
Tax Revenue	21	400,000.00	79,600.00	320,400.00	400,000.00	53,600.00	346,400.00	800,000.00	133,200.00	666,800.00
Non-Tax Revenue	22	32,950,000.00	7,136,604.11	25,813,395.89	714,800,489.49	4,146,860.00	710,653,629.49	747,750,489.49	11,283,464.11	736,467,025.38
Other Income								-	-	-
Sub-Total Independent Revenue		43,685,570.00	20,811,797.24	29,393,819.02	740,434,182.49	101,825,965.70	736,233,722.49	784,119,752.49	25,012,257.24	765,627,541.51
Total Revenue		1,233,653,240.00	1,502,422,200.70	321,036,552.48	1,451,282,671.98	101,825,965.70	1,349,456,706.28	2,684,935,911.98	1,506,622,660.70	1,670,493,258.76
EXPENDITURE								-	-	-
Salaries & Wages	23	713,802,990.00	855,868,781.13	(142,065,791.13)	414,883,610.00		414,883,610.00	1,128,686,600.00	855,868,781.13	272,817,818.87
Social Benefits	24	15,051,640.00	100,000.00	11,818,640.00	26,300,000.00		22,548,500.00	41,351,640.00	100,000	34,367,140.00
Overhead Cost	25	51,138,270.00	32,347,232.39	3,399,524.46	23,900,000.00		(3,896,327.88)	75,038,270.00	32,347,232.39	(496,803.42)
Grants & Social Contribution	26	180,719,159.00	29,946,574.99	142,555,358.01	132,200,000.00		97,554,815.56	312,919,159.00	29,946,574.99	240,110,173.57
Transfer to Other Agencies	27	54,393,761.00	454,371,220.42	(399,977,459.42)	3,588,592.49		3,588,592.49	57,982,353.49	454,371,220.42	(396,388,866.93)
Depreciation	31		243,894,231.40	(532,548,634.01)		9,898,561.72	(9,898,561.72)	-	253,792,793.12	(542,447,195.73)
Allowances	32	85,547,420.00	28,601,333.40	56,946,086.60	25,561,980.00	28,974,538.64	(3,412,558.64)	111,109,400.00	57,575,872.04	53,533,527.96
Transfer to LCDA	33		97,625,505.70	(97,625,505.70)				-		(97,625,505.70)
Impairment	34							-	-	-
Revenue Refunded	35							-	-	-

Stationaries								-	-	-
Total Expenditures		1,100,653,240.00	1,769,496,618.58	(957,497,781.19)	626,434,182.49	105,066,112.68	521,368,069.81	1,727,087,422.49	1,775,937,225.56	(436,129,711.38)
Net Surplus/Deficit	36	133,000,000.00	(267,074,417.88)	1,278,534,333.67	824,848,489.49	(3,240,146.98)	828,088,636.47	957,848,489.49	(270,314,564.86)	2,106,622,970.14
Net Surplus/Deficit 31/12/2020	37		(1,557,697,455.91)			240,676,123.29		-	(1,317,021,332.62)	-
Net Surplus/Deficit 31/12/2021	38	133,000,000.00	(1,824,771,873.79)	1,278,534,333.67	824,848,489.49	237,435,976.31	828,088,636.47	957,848,489.49	(1,875,990,300.09)	2,106,622,970.14

EDE SOUTH LOCAL GOVERNMENT, OKE-IRESI

NET ASSE AND EQUITY	EDE SOUTH CONSOLIDATED		
DETAILS	RESERVES	Accumulated Surplus/Deficit	TOTAL
Opening Balance 1/1/2021	8,636,514,860.76	(1,317,021,332.62)	7,319,493,528.14
Adjusted Reserve	-	-	-
Adjusted Balance	8,636,514,860.76	(1,317,021,332.62)	7,319,493,528.14
Net Surplus Deficit for the year	-	(558,968,967.47)	(558,968,967.47)
Closing Balance as at 31/12/2021	8,636,514,860.76	(1,875,990,300.09)	6,760,524,560.67

EDE SOUTH LOCAL GOVERNMENT, OKE-IRESI
CONSOLIDATED STATEMENT OF NET ASSET/EQUITY AS AT 31ST DECEMBER, 2021

EDE SOUTH				EDE EAST LCDA			EDE SOUTH CONSOLIDATED		
DETAILS	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL
Opening Balance 1/1/2021	8,979,244,988.19	(1,557,697,455.91)	7,421,547,532.28	(342,730,127.43)	240,676,123.29	(102,054,004.14)	8,636,514,860.76	(1,317,021,332.62)	7,319,493,528.14
Adjusted Reserve			-			-	-	-	-
Adjusted Balance	8,979,244,988.19	(1,557,697,455.91)	7,421,547,532.28	(342,730,127.43)	240,676,123.29	(102,054,004.14)	8,636,514,860.76	(1,317,021,332.62)	7,319,493,528.14
Net Surplus Deficit for the year		(267,074,417.88)	(267,074,417.88)		(3,240,146.98)	(3,240,146.98)	-	(270,214,564.86)	(270,214,564.86)
Total Comprehensive Income		560,628,948.89					560,628,948.89		560,628,948.89
Closing Balance as at 31/12/2021	8,979,244,988.19	(1,824,771,873.79)	715,102,063.29	(342,730,127.43)	237,435,976.31	(105,294,151.12)	9,197,143,809.65	(587,335,897.48)	7,609,807,912.17

	EDE SOUTH LOCAL GOVERNMENT, OKE IRESI EDE.			
	CONSOLIDATED NOTES TO THE ACCOUNT			
		NOTE 1		
	Balance b/f 01/01/21	17,120,345.78		
	Add Receipt	1,808,217,767.27		
	Total Receipt	1,825,338,113.05		
	Deduct Payments	-1,812,542,658.52		
	Balance C/Forward 31/12/21	12,795,454.53		
		NOTE 2		
		RECEIVABLES		
	Allocation	13,537,228.67		
	Vat	23,713,362.30		
	Exchange Rate	861,893.50		
		38,112,484.47		
		NOTE 3		
		PREPAYMENT		
	Housing Loan	3,450,000.00		
	Vehicle Loan	700,000.00		
		4,150,000.00		
		NOTE 4		
		INVENTORIES		
	Office Consumables			
	Office Materials	1,021,450.00		
	Unissued Equipment			

		NOTE 5		
		INVESTMENT		
	Omoluabi Holding	14,182,942.00		
	Kajola Intergraded	11,523,810.00		
	OSICOL	4,424,700.41		
	Preference Share	30,333,393.33		
	Others	14,680,338.59		
		75,145,184.33		
		NOTE 6		
		PROPERTY, PLANT AND EQUIPMENT		
	Building	5,116,567,888.23		
	Insfractural Facilities	3,616,123,951.56		
	Plants & Machinery	5,369,472.00		
	Motor vehicle	28,371,280.00		
	Equipments	13,661,967.27		
	Furniture & Fittings	3,058,792.83		
		8,783,153,351.89		
		NOTE 7		
		INVESTMENT PROPERTIES		
	Open Market	95,658,806.40		
	Shopping Complex	366,848,716.80		
	Lock Up Stall	520,360,348.80		
		982,867,872.00		
		NOTE 8		
		BIOLOGICAL ASSET		

		NOTE 9		
		ASSET UNDER CONSTRUCTION		
	Building	29,531,052.00		
	Shopping Complex			
	Offices			
	Others			
		NOTE 10		
		SHORT TERM LOAN & DEBT		
	Bank Overdraft	NIL		
	Loan Payable within 12 Month			
		NOTE 11		
		UNREMITTED DEDUCTION		
	Balance Brought Forward	191,954,057.61		
	Additional Deduction Received	101,364,844.71		
	Deduction Paid	-102,425,937.45		
		190,892,964.87		
		NOTE 12		
		PAYABLE SCHEDULE		
	Unpaid Salaries Arrears	368,434,675.45		
	unpaid vouchers	294,699,796.09		
	modulated Salaries Arrears	1,666,666.66		
	Transfer to other Agencies (Dec 2021)	45,029,718.36		
	Social Benefit (Dec 2021)	8,500,000.00		
	Employee Benefit (Dec 2021)	73,724,354.38		
	Overhead (Dec 2021)	1,949,631.64		
	Social Contribution (Dec 2021)			
	Others (Dec 2021)	10,733,333.33		
	Conserved Fund	68,708,807.13		
		873,446,983.04		

		NOTE 13		
		LONG TERM BORROWING		
	Balance b/forward	1,283,798,885.78		
	10km Road	-19,399,160.20		
	Bail Out			
	Environment	-3,928,804.20		
	Intervention	-7,841,932.24		
		1,252,628,989.14		
		NOTE 14		
		RESERVE SCHEDULE		
	Balance b/Forward	9,197,143,809.65		
	Revaluation Surplus - PPE			
	Revaluation Surplus - Inv. Property			
		NOTE 15		
		ACCUMULATED SURPLUS		
	Accumulated b/forward	-1,317,021,332.62		
	Surplus During the year	-270,314,564.86		
	Balance c/forward 31/12 /21	-1,587,335,897.48		
		NOTE 16		
		STATUTORY REVENUE		
	JAAC	886,933,828.64		
	Non - Oil Revenue	28,029,002.63		
	Forex Equalization	1,387,677.57		
	Exchange Rate Gain	5,211,254.58		
	Eco Fund	3,887,576.19		
	Solid Minerals	1,274,479.71		
		926,723,819.32		

		NOTE 17		
	GOVERNMENT SHARE OF VAT			
	VAT	554,886,584.14		
		NOTE 18		
		DEPENDENT REVENUE		
	Statutory Allocation	926,723,819.32		
	VAT	554,886,584.14		
		1,481,610,403.46		
		NOTE 19		
		GRANT AND AID		
	Grant and Aid	13,595,593.13		
		NOTE 20		
	TRANSFER FROM MAIN COUNCIL			
	Transfer from Main Council	97,625,505.70		
		NOTE 21		
		TAX REVENUE		
	Community Tax	133,200.00		
	Other Tax Revenue			
		NOTE 22		
		NON - TAX REVENUE		
	Fees	4,977,640.00		
	Rental Income	4,275,540.00		
	Fines & Penalties	250,000.00		
	Sales of Goods	700,000.00		
	Other	1,080,284.11		
		11,283,464.11		

		NOTE 23		
		CENTRALLY EXPENDED		
		EMPLOYEE BENEFIT		
		(Staff Salaries & Wages)		
	Teaching & Non - Teaching Staff {SUBEB}	355,932,432.29		
	Local Govt, Staff Salary	315,273,044.50		
	Pension Board Salary	1,432,202.95		
	PHC Staff Salary	182,227,151.33		
	Loan Board Salary	1,003,950.06		
		855,868,781.13		
		NOTE 24		
		SOCIAL BENEFIT		
	Trainning of all Drivers	100,000.00		
		NOTE 25		
		OVERHEAD		
	Running Cost (JAAC)	1,200,000.00		
	Algon Imprest	10,200,000.00		
	Bank Charges	1,475,879.05		
	Consultancy Services	6,001,319.28		
	Magnum Trust	3,979,218.25		
	Subeb Stipend	66,666.70		
	School Running Grant	2,999,999.97		
	Budget Fees	1,400,000.00		
	Pension Bureau			
	Others	5,024,149.14		
		32,347,232.39		
		NOTE 26		
	GRANT & SOCIAL CONTRIBUTION			
	Subeb Special needs	1,983,241.66		

	2021 Xmas and New Year	10,930,000.00		
	Grading (Algon)	10,733,333.33		
	Others	6,300,000.00		
		29,946,574.99		
		NOTE 27		
	TRANSFER TO OTHER AGENCIES			
	1% Trainning Fund	9,434,887.62		
	5% Traditional	50,758,607.46		
	5% Stabilization	48,698,707.76		
	Audit Fees	18,507,134.37		
	Subeb Contract Staff	271,120.78		
	Monthly Pension	141,313,781.04		
	OHIS	13,765,453.58		
	O Meal	19,094,288.00		
	O Ramp Refund	8,617,329.07		
	Subeb Matching Grant	38,806,170.18		
	grantuity	46,666,666.64		
	contributory Pension (TNT)	31,660,031.88		
	contributory Pension (LG)	26,777,042.04		
		454,371,220.42		
		NOTE 28		
	SOCIAL BENEFIT			
	LOCAL GOVERNMENT EXPENDITURE			
	Financial Assistance to Local Govt., Staff	6,884,500.00		
		NOTE 29		
	OVERHEAD			
	LOCAL GOVERNMENT EXPENDITURE			
	Repairs and Maintenance of Vehicles	7,298,482.65		
	Publications and Adverts	1,020,000.00		

	Printing & General Expenses	7,590,000.00		
	Electricity Bills			
	Hospitality and Entertainment	6,579,358.38		
	Bank Charges	371,131.56		
	Tax Expenses			
	Imprest	20,328,868.44		
		43,187,841.03		
		NOTE 30		
	GRANTS AND SOCIAL CONTRIBUTION			
	LOCAL GOVERNMENT EXPENDITURE			
	Sensitization & Workshop	11,242,792.41		
	Training and Entertainment (Special needs)	2,966,483.32		
	Ileya Celebration	9,143,134.71		
	Xmas Celebration	10,930,000.00		
	Grants (Motor Vehicle)	8,580,000.00		
		42,862,410.44		
		NOTE 31		
	DEPRECIATION CHARGES			
	Building	87,087,439.53		
	Insfractural Asset	113,137,147.56		
	Plant and Machinery	1,342,368.00		
	Motor Vehicle	7,092,820.00		
	Equipment	3,415,491.82		
	Furniture & Fixttings	764,698.21		
	Investment Property	40,952,828.00		
		253,792,793.12		

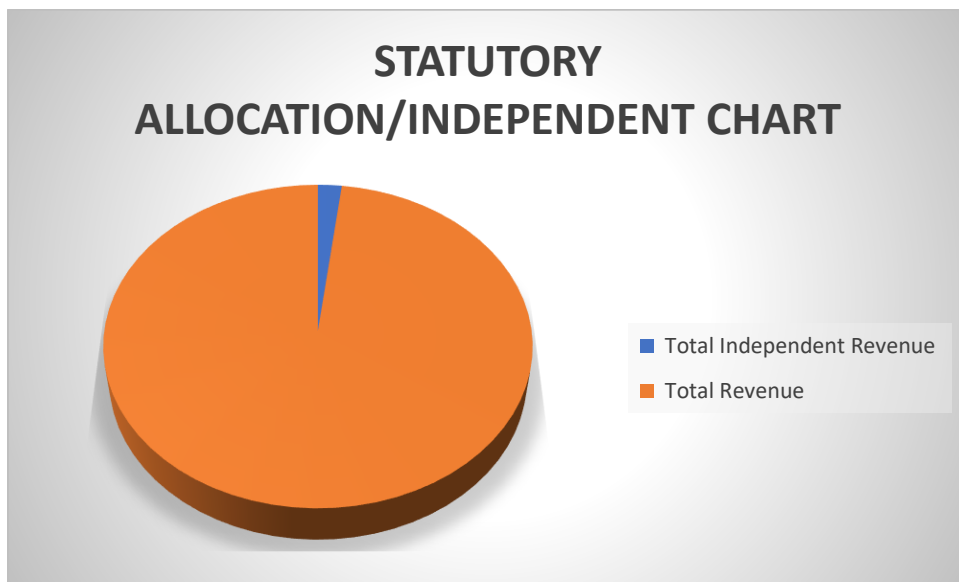
	NOTE 32			
	ALLOWANCES			
	LOCAL GOVERNMENT EXPENDITURE			
	Allowances to Various Committee	37,381,703.12		
	NYSC Allowances	15,112,463.60		
	O' Tech Allowances	4,560,000.00		
	Personal Assistant to Political Allowance	521,705.32		
		57,575,872.04		
		NOTE 33		
		TRANSFER TO LCDA		
	Transfer to LCDA	97,625,505.70		
		NOTE 34		
		IMPAIRMENT		
		NIL		
		NOTE 35		
		REVENUE REFUNDED		
		NIL		
		NOTE 36		
		CONSOLIDATED		
	Bal B/F	-1,317,021,332.62		
	Net Surplus	-270,314,564.86		
	Net Surplus /Deficit 31/12/2021	-1,587,335,897.48		

EDE SOUTH LOCAL GOVERNMENT FISCAL OPERATION REPORT

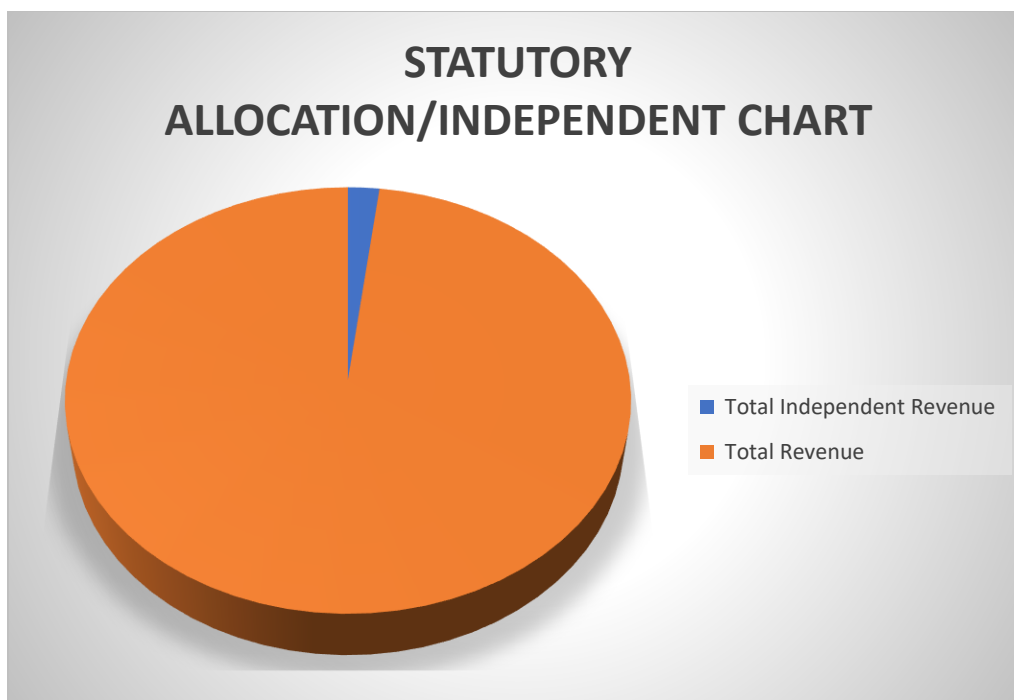
STATEMENT OF CASHFLOW RATIOS

$$\begin{aligned}
 1. \quad & \text{DEPENDENT REVENUE/TOTAL REVENUE} \times 100 \\
 & = \frac{1,584,215,159.62}{1,609,227,416.86} \\
 & = 98.44\%
 \end{aligned}$$

This indicated that Statutory Allocation took 98.44% of the Total Revenue of the Local Government and LCDA leaving 1.56% as Independence Revenue



$$\begin{aligned}
 2. \quad & \frac{\text{TOTAL INDEPENDENT REVENUE}}{\text{TOTAL REVENUE}} \times 100 \\
 & = \frac{25,012,257.24}{1,609,227,416.86} \times 100 \\
 & = 1.56\%
 \end{aligned}$$



3. SALARY & WAGES : TOTAL RECURRENT EXPENDITURE

$$\frac{855,868,781.13}{1,508,856,996.58} \times 100 = 56.72\%$$

Therefore, the Salaries and Wages took about 56.72% out of the Recurrent Expenditure in the Local Government while the remaining 43.28% was expended on other expenditure.

4. INVENTORY : TOTAL RECURRENT EXPENDITURE

$$\frac{861,000.00}{1,508,856,996.58} \times 100 = 0.06\%$$

5 TRANSFER TO OTHER AGENCIES : TOTAL RECURRENT EXPENDITURE

$$\frac{459,395,370.46}{1,508,856,996.58} \times 100 = 30.45\%$$

It means that Transfer to Other Agencies took about 30.45% out of the recurrent expenditure.

STATEMENT OF FINANCIAL POSITION RATIOS

6 CURRENT ASSET : CURRENT LIABILITIES

$$\frac{56,079,389.00}{1,064,339,947.91} = 0.01 : 1$$

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

7. TOTAL ASSET : TOTAL LIABILITIES

$$\frac{9,926,776,849.72}{2,316,968,937.05}$$

$$= 4.28 : 1$$

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

8. EQUITY : TOTAL ASSET

$$\frac{7,609,807,912.17}{9,926,776,849.22}$$

$$= 0.77 : 1$$

STATEMENT OF FINANCIAL PERFORMANCE RATIO

9. DEPENDENT REVENUE : TOTAL REVENUE

$$\frac{1,481,610,403.46}{1,506,622,660.70} \times 100 = 98.34\%$$

This indicated that the Dependent Revenue accounted for 98.34% of the Total Revenue of all the Local Government of the State leaving 1.66% as Independent Revenue.

10. INDEPENDENT REVENUE : TOTAL REVENUE

$$\frac{25,012,257.24}{1,506,622,660.70} \times 100 = 1.66\%$$

MANAGEMENT LETTER

EDE SOUTH LOCAL GOVERNMENT, OKE-IRESI OBSERVATIONS AND INTERNAL CONTROL REVIEW FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2021

1. **EXPENDITURE NEITHER CHECKED AND PASSED BY THE INTERNAL AUDITOR OFFICER NOR CONTROLLED BY OFFICER WITH AUTHORITY TO INCURE EXPENDITURE WITH ACCOUNT AMOUNTING TO (N200,000.00):-** It was observed that the payment vouchers of two hundred thousand naira expended on a psychiatric patient from Zaria, Kaduna State who was coming back to Ede, Osun State was not checked and passed by the Internal Auditor before effecting the payment contrary to the Financial Memoranda 40:10 which states that, "Before any payment is made, a pre-payment audit of vouchers and supporting document shall be made by the Internal Auditor on all payment vouchers to verify that the provisions of this Financial Memoranda has been followed in all respect, the payment is one properly authorized and correctly charged to the Sub-Head or accounts and that sufficient funds are available to meet it". The head of Finance should put in place a proper Internal Control Mechanism to ensure accountability and probity.

RISK:

Not subjecting payment vouchers to Internal Audit check before payment was an indication of weak Internal Control System which could result to misappropriation of public fund.

Management Response

The Internal Auditor was indisposed and was on admission in hospital when the payment was made. However, the vouchers had been audited and attached to the reply to audit query.

RECOMMENDATION:

The signatories to the cheque should explain the rationale behind making payment without Internal Auditor's involvement, or make refund of money collected.

2. **UNRETIRED IMPREST AMOUNTING TO (N137,500.00):-** It was observed that the sum of One hundred and thirty seven thousand five hundred naira (N137,500.00) as monthly imprest incurred in the month of August and November, 2021 were not retired with necessary receipt and document contrary to 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 invoice had been attached to the reply to audit query and submitted to the Office of the Auditor General for further audit verifications.

RECOMMENDATION-

The Head of finance and the Internal Auditor should ensure proper recording of petty cash and also hold the affected officers responsible for proper accountability for all expenditure incurred. New imprest should not be released without the retirement of previous ones.

3. EXPENDITURE NOT SUPPORTED BY PROPER RECORDS OR ACCOUNTS AMOUNTING (N50,000.00):-

It was observed that the payment voucher raised for entertainment of heads of Budget forum meeting in Ede South Local Government, Oke-Iresi was not receipted to authenticate that the expenditure was actually incurred by the officer 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 the other vouchers”.

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

The said voucher was retired as at the time of payment but the receipts might have been detached during filling and sorting of the vouchers. However, the receipt had been found and attached to the reply of audit query and submitted to the office of the Auditor-General for Local Government for further audit verification.

RECOMMENDATION:

The recipient/authorising Officers should present Official and verifiable receipts and other necessary documents to prove the authenticity of the expenditure, or should make a refund.

4. **ITEM-NOT-TAKEN-ON-CHARGE AMOUNTING TO (N350,000.00):-** It was observed that a sum of Three hundred and fifty thousand naira (N350,000.00) expended on the procurement of dispensing envelopes to various health centres in Ede South Local Government, Oke-Iresi for the month of May, 2021 could not be verified to store ledger and the payment voucher was not supported with the evidence such as store receipt voucher, store issued voucher, invoice and receipt contrary to Financial Memoranda 34:17 (1-2) which states that, "All stores should be examined immediately they are received by the storekeeper or other officer responsible for the stores. The stores must be checked for quantities, weights etc. against the local purchase order, invoice or 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 was an indication that the purported items might not have been purchased thereby resulting to loss of Local Government fund.

Management Response

The Store Ledgers had been exhausted as at the time of audit inspection, however the ledgers had been updated. Store receipt voucher had been raised which would be presented for further audit verification.

RECOMMENDATION

The storekeeper must ensure that all relevant vouchers are updated and all necessary supporting documents such as store receipt voucher and store issued vouchers should be attached to the payment vouchers before put into use.

5. ASSET REVALUATION/EXCEPTIONAL REPORT:

(a) **MISAPPROPRIATION OF TRACTOR IMPLEMENTS:RIDGER AND PLOUGH MISSING:-** The Local Government has four tractors and were evaluated accordingly. The officer on ground could not account for the whereabouts/ missing of RIDER and PLOUGH allocated to the Local Government.

(b) **POULTRY PEN:-** The Local Government has a dilapidated poultry pen within the Local Government on a four plot of land and fenced, worth N4,000,000.00.

6. **LATE PAYMENT N30,000.00:-** It was observed during the period under review that a total sum of N30,000.00 for the year 2020 and 2021 that stood as late payment, the director of Finance of Ede South Local Government, Oke - Iresi was hereby advice to be up

and doing to his responsibility and ensure that the revenue generated in the Local Government were paid to the coffer of the Local Government at the appropriate time.

RISK:

It signifies loose monitories of revenue collection and could lead to loss in the Internally Generated Revenue of the Local Government. It provided opportunity for perpetration on fraud by the concerned revenue collectors.

MANAGEMENT RESPONSE:

The revenue collectors concerned had been issued queries and sanctioned accordingly

RECOMMENDATION:

Both head of Finance and Internal Auditor should be alive to their responsibilities of proper monitoring of revenue collectors and auditing of Receipt, book register and revenue cashbook on weekly basis. Sanction should be issued to any officer that failed to remit money in their custody after seven days of receipt.

**EDE EAST LOCAL COUNCIL DEVELOPMENT AREA, SEKONA
OBSERVATIONS AND INTERNAL CONTROL REVIEW FOR THE FINANCIAL YEAR
ENDED 31ST DECEMBER, 2021**

1. **EXPENDITURE NOT SUPPORTED WITH PROPER RECORDS OR ACCOUNTS AMOUNTING TO (N1,284,500.00):-** It was observed that the total sum of One million, Two hundred and eighty four thousand five hundred naira expended on a three day sensitization programme on “the ways to eradicate kidnapping in the society” and monthly imprest to Hon. Yinusa Musefiu of Ede East Local Council Development Area, Sekona for the month of September and December, 2021 were neither receipted nor supported with necessary document such as sub-receipt 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 a commercial firm, if the printed receipt covers more than one payment vouchers, reference to the number”.

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

The said voucher was retired as at the time of payment but the receipts might have been detached during filling and sorting of the vouchers. However, the receipt had been found and attached to the reply of audit query and submitted to the office of the Auditor-General for Local Government for further audit verification.

RECOMMENDATION:

The recipient/authorising Officers should present Official and verifiable receipts and other necessary documents to prove the authenticity of the expenditure, or should make a refund.

2. **UNRETIRED IMPREST AMOUNTING TO (N10,000.00):-**It was observed that the payment voucher of ten thousand naira (N10,000.00) paid as monthly imprest to the Department of Procurement was not retired with necessary receipts and documents which is contrary to 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 invoice had been attached to the reply to audit query and submitted to the Office of the Auditor General for further audit verifications.

RECOMMENDATION-

The Head of finance and the Internal Auditor should ensure proper recording of petty cash and also hold the affected officers responsible for proper accountability for all expenditure incurred. New imprest should not be released without the retirement of previous ones.

3. **STORE ITEM-NOT-TAKEN-ON-CHARGE AMOUNTING TO (N400,000.00):-** It was observed that a sum of Four hundred thousand naira (N400,000.00) expended on the preparation of year 2022 draft estimate of Ede East Local Council Development Area, Sekona could not be verified to store ledger and the payment voucher was not supported with the evidence such as store receipt voucher, store issued voucher, invoice and receipt contrary to Financial Memoranda 34:17 (1-2) which states that, "All stores should be examined immediately they are received by the storekeeper or other officer responsible for the stores. The stores must be checked for quantities, weights etc. against the local purchase order, invoice or 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 was an indication that the purported items might not have been purchased thereby resulting to loss of Local Government fund.

Management Response

The Store Ledgers had been exhausted as at the time of audit inspection, however the ledgers had been updated. Store receipt voucher had been raised which would be presented for further audit scrutiny.

RECOMMENDATION

The storekeeper must ensure that all relevant vouchers are updated and all necessary supporting documents such as store receipt voucher and store issued vouchers should be attached to the payment vouchers before put into use.

4. **ASSET VERIFICATION EXERCISE:-** Capital appreciation of assets were greatly noted in the course of asset verification exercise conducted by seasoned professionals in the field of engineering, medicine, Agriculture and Estate management on the Non – current assets owned by your council.

Tractor 038 valued was 750,000.00 observed by the team to be unserviceable and recommended for public auctioning to avoid further deterioration. Please, ensure that new assets register generated by the team is updated and physical assets are safeguard accordingly.

5. **FINAL ACCOUNT/GPFS :-** Despite the fact that there was late in the preparation and submission of the Financial Statement, it was also observed that the discrepancy was detected in the approved budgeted figures and the final budget also in statement of comparisim of budget and actual, but being corrected at the instance of audit inspecting officer.

RISK: It can lead to hoarding of some important information needed in the preparation of Financial 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.

6 **LATE PAYMENT ₦10,000.00:-** It was observed during the period under review that a total sum of ₦10,000.00 for the year 2020 and 2021 that stood as late payment, the Director of Finance of Ede East LCDA, Sekona was hereby advice to be up and doing to his responsibility and ensure that the revenue generated in the Local Government were paid to the coffer of the Local Government at the appropriate time.

RISK:

It signifies loose monitories of revenue collection and could lead to loss in the Internally Generated Revenue of the Local Government. It provided opportunity for perpetration of fraud by the concerned revenue collectors.

MANAGEMENT RESPONSE:

The revenue collectors concerned had been issued queries and sanctioned accordingly

RECOMMENDATION:

Both head of Finance and Internal Auditor should be alive to their responsibilities of proper monitoring of revenue collectors and auditing of Receipt, book register and revenue cashbook on weekly basis. Sanction should be issued to any officer that failed to remit money in their custody after seven days of receipt.

INTERNAL AUDITOR'S REPORT

1. The Internal Control Unit is very effective, but the Local Government did not equip the rate section to improve the IGR of the Council during the second quarter while WES, TPL should be monitored.

EDE SOUTH LOCAL GOVERNMENT, OKE-IRESI

S/N	SUBJECT	QUERIES NO	NO OF OFFICERS QUERIED	AMOUNT (#)
1.	Unretired Imprest	LQ/AUD/EDS/01/2021	3	137,500.00
2	Expenditure not supported by proper records	LQ/AUD/EDS/02/2021	1	50,000.00
3.	Store Items not Taken on Charge	LQ/AUD/EDS/03/2021	1	350,000.00
4.	Expenditure not checked and passed	LQ/AUD/EDS/04/2021	1	200,000.00
			6	737,500.00

EDE EAST LCDA, SEKONA

S/N	SUBJECT	QUERIES NO	NO OF OFFICERS QUERIED	AMOUNT (#)
1.	Expenditure not supported by proper records	LQ/AUD/EDEE/LCDA/01/2021	6	1,284,500.00
2	Non Preparation of Bank Reconciliation Statement	LQ/AUD/EDEE/LCDA/02/2021	2	-
3.	Unretired Imprest	LQ/AUD/EDEE/LCDA/03/2021	1	10,000.00
4.	Items not taken on Charge	LQ/AUD/EDEE/LCDA/04/2021	1	400,000.00
			10	1,694,500.00

LIST OF PROJECT EXECUTED FOR YEAR 2021 IN EDE EAST LCDA, SEKONA – EDE

S/N	NAME OF PROJECT	LOCATION	COST OF PROJECT (₦)	AMOUNT RELEASED (₦)	BALANCE (₦)	REMARK
1.	Purchase of office furniture and interior items for the office of chairman Ede East LCDA	Secretariat	580,000.00	580,000.00	-	Completed
2.	Cutting and clearing of verges along roads within Ede East LCDA	Akoda, Sekona and Olodoo wards	710,000.00	710,000.00	-	Completed
3.	Cutting and clearing of verges along roads within Ede East LCDA	Loogun, Sekona and Olodoo wards	740,000.00	740,000.00	-	Completed
4.	Clearing of blocked drains at Alajue area in Ede East LCDA	Alajue II	550,000.00	550,000.00	-	Completed
5.	Grading of rural roads within Ede East LCDA	Olodon and Alajue II wards	1,010,000.00	1,010,000.00	-	Completed
6.	Grading of rural roads within Ede East LCDA	Olodon and Sekona wards	990,000.00	990,000.00	-	Completed
7.	Grading of rural roads within Ede East LCDA	Sekona, Alajue II and Olodan wards	1,615,000.00	1,615,000.00	-	Completed
8.	Grading of rural roads within Ede East LCDA	Loogun ward	1,000,000.00	1,000,000.00	-	Completed