

STATE GOVERNMENT OF OSUN, NIGERIA.

REPORT OF
THE
AUDITOR-GENERAL
FOR
LOCAL GOVERNMENTS
ON THE ACCOUNTS OF
EGBEDORE LOCAL GOVERNMENT

AWO

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 (an amended) and the Model Financial Memoranda.

Consequently, the General Purpose Financial Statement of Egbedore Local Government, Egbedore South LCDA and Egbedore Administration Office have been prepared by the respective Heads of Finance and Supplies and subsequently Consolidated by the Head of Finance and Supplies of Egbedore Local Government.

We hereby claim responsibility for the contents and correctness of the Financial Statements of the underlisted LG/LCDA/AO, for the Accounting period ended 31st December, 2020.



Chairman,
Egbedore Local Govt.
Date: 23/06/2022



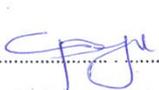
Chairman,
Egbedore South LCDA,
Date: 23/06/22



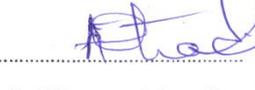
Chairman,
Egbedore Admin Office,
Date: 23/06/2022



Head of Finance & Supplies,
Egbedore Local Govt.
Date: 23/06/2022



Head of Finance & Supplies,
Egbedore South LCDA,
Date: 23/06/2022



Head of Finance & Supplies,
Egbedore Admin Office,
Date: 23/06/2022



Name: ADEJUMO A. O.
Chairman,
Egbedore Local Govt



Name: AJIKO ADEKOLA A.
Chairman,
Egbedore South LCDA,



Name: USAMAT AZGEEZ A.
Chairman,
Egbedore Admin Office,

AUDIT CERTIFICATE

I have audited the accounts of Egbedore Local Government, Awo 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 Egbedore Local Government, Awo 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 Egbedore Local Governments is responsible for the consolidation of the Financial Statements with the subsidiary Egbedore South LCDA and Egbedored Administrative Office.

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 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 Egbedore Local Government, Egbedore South LCDA and Egbedore Area Office.

BASIS OF AUDIT OPINION

In the course of auditing the accounts of Egedore Local Governments and Egbedore South LCDA and Egbedore Area Office.

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 Egbedore 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 Egbedore Local Government are constituents.

The accounts of Egbedore 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 Egbedore Local Government, Egbedore South LCDA and Egbedore Area Office 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 Egbedore South LCDA and Egbedore Area Office, which GPFS has been consolidated with that of Egbedore Local Government.

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 Egbedore Local Government, Awo 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 Egbedore Local Government and other Chairmen, all of whom were members of the Joint Account Allocation Committee.

FULL ADOPTION OF IPSAS ACCRUALS: 2021 GPFS reports were prepared in compliance with IPSAS Accrual which was fully adopted by Local Governments in the State of Osun in 2017.

The previous accounting training on conversion to IPSAS Accruals, severally sponsored by the EU/SLOGOR 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 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 Egbedore Local Government, Egbedore South LCDA and Egbedore Area Office.

BUDGET PREPARATION / EXECUTION

The Budget for 2021 for Egbedore 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 was able to embark on verification exercise on valuation and Revaluation of Assets during the year. This involved Constitution of a standing multi-disciplinary team comprising seasoned and qualified professionals in the fields of valuation, engineering, town planning, medicine, etc. and others as were necessary. Consequently, the realism of the values of non-current asset is enhanced for the year under review. The verification exercise is continuous and value of the Local Governments non-current Assets is being updated monthly.

INTERNALLY REVENUE GENERATION AND FINANCIAL VIABILITY

The Total Internally Revenue generated by the Local Government for 2021 was ₦29,283,698.55 representing 1.96% 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, 10 nos of Audit Queries were issued in respect of 2021 Accounts, involving a total sum of ₦1,673,620.00.

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 Egbedore 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 ₦910,439,261.95 was Share of FAAC and VAT amounted to ₦552,571,529.17 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
Egbedore	861,926,739.21	394,230,064.16	27,956,460.40	23,415,643.16	709,568.04	12,504,347.83	19,431,731.65	1,445,120.70	12,148,920.86	1,353,768,596.01

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. #29,283,698.55 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 – #19,153,586.32

The Cash and Cash equivalents amounted to ₦19,153,586.32 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 - ₦17,890,441.10

A total sum of ₦76,390,441.10 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 - ₦2,678,701.00

The sum of ₦2,678,701.00 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 - ₦74,662,628.33

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)-#3,325,714,663.90

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 - ₦643,235,403.67

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 2021.

INVESTMENT PROPERTY - ₦158,758,097.18

The carrying amount of Investment Properties of the Local Governments stood at ₦158,758,097.18 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 - ₦2,118,228,005.75

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, chlorinization, etc aimed at preserving lives and environments
- c. Intervention Projects including Grading, access to rural areas, etc..
- d. Repayment of Bail Out

UNREMITTED DEDUCTIONS - ₦158,494,440.70

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 #88,205,658.71 was made to the Local Council Development Areas and Area Offices in the period under review and was set off in the Consolidated Account.

EGBEDORE LOCAL GOVERNMENT, AWO
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2021

POSITION

PARTICULAR	NOTE	EGBEDORE CONSOLIDATED
ASSETS		
Current Assets		
Cash & Cash Equipments	1	19,153,586.32
Receivables	2	17,890,441.10
Prepayment/Advance	3	7,700,000.00
Inventories	4	2,678,701.00
Total Current Asset		105,922,728.42
Non-current Asset		-
Long Term Loan Granted		-
Investments	5	74,662,628.33
Property, Plant & Equipment	6	3,325,714,633.90
Investment Property	7	158,758,097.18
Biological Asset	8	3,614,982.75
Assets Under Construction (wip)	9	-
Total Non-Current Asset		3,284,702,659.50
Total Asset		3,390,625,387.92
LIABILITIES		
Current Liabilities		-
Deposit		-
Short Term Loan & Debts	10	-
Unremitted Deduction	11	158,494,440.70
Payables	12	643,235,403.67
Short Terms Provisions		-
Total Current Liability		860,229,844.37
Non-Current Liabilities		-
Long Term Borrowing	13	2,118,228,005.75
Total Liabilities		2,978,457,850.12
Net Assets		412,167,537.80
Financed by		-
Reserve	14	1,110,544,432.30
Net Surplus/Deficit	15	(420,329,211.84)
Total		690,215,220.46

EGBEDORE LOCAL GOVERNMENT, AWO
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2021

PARTICULAR	NOTE	EGBEDORE	EGBEDORE SOUTH	EGBEDORE ADMIN	EGBEDORE CONSOLIDATED
ASSETS					
Current Assets					
Cash & Cash Equipments	1	7,621,889.78	7,153,726.61	4,377,969.93	19,153,586.32
Receivables	2	17,262,259.79	628,181.31	-	17,890,441.10
Prepayment/Advance	3	7,700,000.00	-	-	7,700,000.00
Inventories	4	452,100.00	1,144,301.00	1,082,300.00	2,678,701.00
Total Current Asset		33,036,249.57	8,926,208.92	5,460,269.93	47,422,728.42
Non-current Asset					-
Long Term Loan Granted					-
Investments	5	60,495,961.67	11,333,333.33	2,833,333.33	74,662,628.33
Property, Plant & Equipment	6	2,286,495,502.77	922,903,648.80	116,315,482.33	3,325,714,633.90
Investment Property	7	46,692,490.38	106,044,486.80	6,021,120.00	158,758,097.18
Biological Asset	8	3,614,982.75	-	-	3,614,982.75
Assets Under Construction (wip)	9				-
Total Non-Current Asset		2,398,937.57	1,040,281,468.93	125,169,935.66	3,562,750,342.16
Total Asset		2,430,335,187.14	1,049,207,677.85	130,630,205.59	3,610,173,070.58
LIABILITIES					-
Current Liabilities					-
Deposit					-
Short Term Loan & Debts	10				-
Unremitted Deduction	11	152,705,135.51	6,027,812.45	(238,507.26)	158,494,440.70
Payables	12	618,337,418.71	24,824,710.07	73,274.89	643,235,403.67
Short Terms Provisions					-
Total Current Liability		771,042,554.00	30,852,522.52	(165,232.37)	801,729,844.37
Non-Current Liabilities					-
Long Term Borrowing	13	2,030,190,620.46	71,582,679.65	16,454,705.64	2,118,228,005.75
Total Liabilities		2,801,233,174.68	102,435,202.17	16,289,473.27	2,919,957,850.12
Net Assets		(370,897,987.54)	946,772,475.68	114,340,732.32	690,215,220.46
Financed by					-
Reserve	14	280,942,469.40	767,927,979.54	61,673,983.36	1,110,544,432.30
Net Surplus/Deficit	15	(651,840,456.94)	178,844,496.14	52,666,748.96	(420,329,221.84)
Total		(370,897,987.54)	946,772,475.68	114,340,732.32	690,215,220.46

EGBEDORE LOCAL GOVERNMENT, AWO
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2021
PERFORMANCE

PERFORMANCE		
PARTICULAR	NOTE	EGBEDORE CONSOLIDATED
DEPENDENT REVENUE		
Government share of FAAC (Statutory Revenue)	16	910,439,261.95
Government Share of VAT	17	552,571,529.17
Sub-Total Dependent Revenue	18	1,463,010,791.12
INDEPENDENT REVENUE		
Grant & Aids	19	5,386,786.00
Transfer from main Council	20	
Tax Revenue	21	6,065,430.25
Non-Tax Revenue	22	17,831,482.30
Other Income		
Overpayment Recovery		
Sub-Total Independent Revenue		29,283,698.55
Total Revenue		1,492,294,489.67
EXPENDITURE		
JOINTLY EXPENDED		
Salaries & Wages	23	855,868,781.13
Social Benefits	24	100,000.00
Overhead Cost	25	30,930,914.56
Grants & Social Contribution	26	27,106,547.99
Transfer to other Agencies	27	449,496,602.58
L/GOVERNMENT EXPENDITURE		
Social Benefits	28	17,458,322.77
Overhead Cost	29	52,204,591.89
Grants & Social Contribution	30	60,131,799.70
Depreciation	31	147,271,271.36
Allowances	32	33,030,635.11
Transfer to LCDA	33	
Impairment	34	
Revenue Refunded	35	
Public Debt Charges		
Stabilization Fund		
Refund to main Council		
Stationeries		
Severance Gratuity		-
Total Expenditures		1,673,599,467.09
Net Surplus/Deficit	36	(181,304,977.42)
Net Surplus/Deficit 01/01/2021	37	(239,024,234.42)
Net Surplus/Deficit 31/12/2021	38	(420,329,211.84)

EGBEDORE LOCAL GOVERNMENT, AWO
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER,
2021

PERFORMANCE					
PARTICULAR	NOTE	EGBEDORE	EGBEDORE SOUTH	EGBEDORE ADMIN	EGBEDORE CONSOLIDATED
DEPENDENT REVENUE					
Government share of FAAC (Statutory Revenue)	16	910,439,261.95			910,439,261.95
Government Share of VAT	17	552,571,529.17			552,571,529.17
Sub-Total Dependent Revenue	18	1,463,010,791.12			1,463,010,791.12
INDEPENDENT REVENUE					
Grant & Aids	19	5,386,786.00			5,386,786.00
Transfer from main Council	20		67,543,567.36	20,662,091.35	
Tax Revenue	21	5,977,530.25	56,800.00	31,100.00	6,065,430.25
Non-Tax Revenue	22	11,221,856.30	2,334,576.00	4,275,050.00	17,831,482.30
Other Income					
Overpayment Recovery					-
Sub-Total Independent Revenue		22,586,172.55	69,934,943.36	24,968,241.35	29,283,698.55
Total Revenue		1,485,596,963.67	69,934,943.36	24,968,241.35	1,492,294,489.67
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	30,930,914.56			30,930,914.56
Grants & Social Contribution	26	27,106,547.99			27,106,547.99
Transfer to other Agencies	27	449,496,602.58			449,496,602.58
L/GOVERNMENT EXPENDITURE					
Social Benefits	28	10,920,350.00	5,307,972.77	1,230,000.00	17,458,322.77
Overhead Cost	29	26,682,950.00	19,648,594.19	5,873,047.70	52,204,591.89
Grants & Social Contribution	30	28,433,331.93	25,628,100.00	6,070,367.77	60,131,799.70
Depreciation	31	60,702,586.82	72,379,838.32	14,188,846.22	147,271,271.36
Allowances	32	18,065,867.85	9,965,267.26	4,999,500.00	33,030,635.11
Transfer to LCDA	33	88,205,658.71	-	-	
Impairment	34				-
Revenue Refunded	35				-
Public Debt Charges					
Stabilization Fund					
Refund to main Council					-
Stationeries					-

Severance Gratuity					-
Total Expenditures		1,596,513,591.57	132,929,772.54	32,361,761.69	1,673,599,467.09
Net Surplus/Deficit	36	(110,916,627.90)	(62,994,829.18)	(7,393,520.34)	(181,304,977.42)
Net Surplus/Deficit 01/01/2021	37	(540,923,829.04)	241,839,325.32	60,060,269.30	(239,024,234.42)
Net Surplus/Deficit 31/12/2021	38	(651,840,456.94)	178,844,496.14	52,666,748.96	(420,329,211.84)

EGBEDORE LOCAL GOVERNMENT, AWO
CONSOLIDATED STATEMENT OF CASHFLOW AS AT 31ST DECEMBER, 2021

CASHFLOW

OPERATING ACTIVITIES	NOTE	EGBEDORE CONSOLIDATED
INFLOW		
Statutory Revenue (JAAC)	39	965,813,396.44
Value Added Tax	40	598,457,324.53
Receivable		-
Sub Total Dependent Revenue	41	1,564,270,720.97
Aids and Grants	42	5,386,786.00
Transfer from Main Council	43	
Tax Revenue	44	6,065,430.25
Non Tax Revenue	45	17,683,482.30
Other Income		148,000.00
Overpayment Recovery		-
Sub Total Independent Revenue	46	29,283,698.55
Total Inflow Operating Activities	47	1,593,554,419.52
OUTFLOW		-
Salaries & Wages	48	855,868,781.13
Social Benefits	49	17,558,322.77
Overhead Cost	50	42,649,675.78
Social Contributions	51	74,588,347.69
Allowances	52	33,030,635.11
Modulated Salary Arrears	53	13,333,333.28
Inventories	54	2,330,365.00
Fund Conserved for Salary		-
Transfer to LCDA	55	
Transfer to other Govt. Agencies	56	449,496,602.60
Refund to Main Councils		-
Revenue Refunded		
Stabilization Fund		
Tax Expenses	57	-
Severance Gratuity		-
Total Outflow from Operating Activities	58	1,488,856,063.36
Net Cashflow from Operating Activities	59	104,698,356.16
INVESTING ACTIVITIES		-
Proceed from Disposal of Asset		-
Total Inflow from Investing Activities		-
Cashflow from Investing Activities		-

Administrative Sector	60	72,797,848.00
Economic Sector		-
Total Outflow from Investing Activities	61	72,794,848.00
Net Cashflow from Investing Activities		(72,794,848.00)
Inflow from Financing Activities		-
Bank Overdraft		
Soft Loan(Bank)		
Deduction Received	62	62,844,290.05
Total Inflow from Financing Activities	63	62,844,290.05
OUFLOW (PAYMENT)		-
Bail Out Repayment		-
10km Road	64	16,148,964.00
Water Project	65	-
Environmental Sanitation Loan	66	2,914,565.04
Loan Repayment (Inherited)	67	-
Bank Loan	68	-
Intervention Loan	69	18,010,154.20
Other Loan Repayment		
Deduction Paid	70	54,506,081.54
Total Outflow From Financing Activities	71	91,579,764.78
Net Cashflow from financing Activities	72	(28,735,474.73)
Cash and Cash Equivalent for the year	73	3,168,033.43
Cash and Cash Equivalent 01/01/2021	74	15,985,552.89
Cash and Cash Equivalent 31/12/2021	75	19,153,586.32

EGBEDORE LOCAL GOVERNMENT, AWO
CONSOLIDATED STATEMENT OF CASHFLOW AS AT 31ST DECEMBER, 2021

OPERATING ACTIVITIES	NOTE	EGBEDORE	EGBEDORE SOUTH	EGBEDORE ADMIN	EGBEDORE CONSOLIDATED
INFLOW					
Statutory Revenue (JAAC)	39	965,813,396.44			965,813,396.44
Value Added Tax	40	598,457,324.53			598,457,324.53
Receivable					-
Sub Total Dependent Revenue	41	1,564,270,720.97	-	-	1,564,270,720.97
Aids and Grants	42	5,386,786.00			5,386,786.00
Transfer from Main Council	43		67,543,567.36	20,662,091.35	
Tax Revenue	44	5,977,530.25	56,800.00	31,100.00	6,065,430.25
Non Tax Revenue	45	11,073,856.30	2,334,576.00	4,275,050.00	17,683,482.30
Other Income		148,000.00			148,000.00
Overpayment Recovery					-
Sub Total Independent Revenue	46	22,586,172.55	69,934,943.36	24,968,241.35	29,283,698.55
Total Inflow Operating Activities	47	1,586,856,893.52	69,934,943.36	24,968,241.35	1,593,554,419.52
OUTFLOW					-
Salaries & Wages	48	855,868,781.13			855,868,781.13
Social Benefits	49	11,020,350.00	5,307,972.77	1,230,000.00	17,558,322.77
Overhead Cost	50	18,828,033.89	19,148,594.19	4,673,047.70	42,649,675.78
Social Contributions	51	50,139,879.92	19,778,100.00	4,670,367.77	74,588,347.69
Allowances	52	18,065,867.85	9,965,267.26	4,999,500.00	33,030,635.11
Modulated Salary Arrears	53	13,333,333.28			13,333,333.28
Inventories	54	435,000.00	1,193,065.00	702,300.00	2,330,365.00
Fund Conserved for Salary					-
Transfer to LCDA	55	88,205,658.71			
Transfer to other Govt. Agencies	56	449,496,602.60			449,496,602.60
Refund to Main Councils					-
Revenue Refunded					
Stabilization Fund					
Tax Expenses	57				-
Severance Gratuity					-

Total Outflow from Operating Activities	58	1,505,393,507.38	55,392,999.22	16,275,215.47	1,488,856,063.36
Net Cashflow from Operating Activities	59	81,463,386.14	14,541,944.14	8,693,025.88	104,698,356.16
INVESTING ACTIVITIES					-
Proceed from Disposal of Asset					-
Total Inflow from Investing Activities		-	-	-	-
Cashflow from Investing Activities					-
Administrative Sector	60	51,818,848.00	10,601,000.00	10,375,000.00	72,797,848.00
Economic Sector					-
Total Outflow from Investing Activities	61	17,318,848.00	10,601,000.00	10,375,000.00	72,794,848.00
Net Cashflow from Investing Activities		(51,818,848.00)	(10,601,000.00)	(10,375,000.00)	(72,794,848.00)
Inflow from Financing Activities					-
Bank Overdraft					
Soft Loan(Bank)					
Deduction Received	62	38,893,395.81	10,664,144.80	13,286,749.44	62,844,290.05
Total Inflow from Financing Activities	63	38,893,395.81	10,664,144.80	13,286,749.44	62,844,290.05
OUFLOW (PAYMENT)					-
Bail Out Repayment					-
10km Road	64	16,148,964.00			16,148,964.00
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	18,010,154.20			18,010,154.20
Other Loan Repayment					
Deduction Paid	70	34,726,408.52	10,658,567.12	9,121,105.90	54,506,081.54
Total Outflow From Financing Activities	71	71,800,091.76	10,658,567.12	9,121,105.90	91,579,764.78
Net Cashflow from financing Activities	72	(32,906,695.95)	5,577.68	4,165,643.54	(28,735,474.73)
Cash and Cash Equivalent for the year	73	(3,262,157.81)	3,946,521.82	2,483,669.42	3,168,033.43
Cash and Cash Equivalent 01/01/2021	74	10,884,047.59	3,207,204.79	1,894,300.51	15,985,552.89
Cash and Cash Equivalent 31/12/2021	75	7,621,889.78	7,153,726.61	4,377,969.93	19,153,586.32

EGBEDORE LOCAL GOVERNMENT, AWO
CONSOLIDATED STATEMENT OF COMPARISM AS AT 31ST DECEMBER, 2021

PARTICULAR	NOTE	EGBEDORE CONSOLIDATED		
		FINAL BUDGET	ACTUAL	VARIANCE
DEPENDENT REVENUE				
Government Share of FAAC(Statutory Revenue)	16	1,840,641,040.13	998,644,920.66	941,203,879.11
Government Share of VAT	17	492,375,710.00	552,571,529.17	644,947,239.17
Sub-Total Dependent Revenue	18	2,333,016,750.13	1,551,216,449.83	1,586,151,118.28
INDEPENDENT REVENUE				
Grants & Aids	19	14,000,000.00	5,386,786.00	8,613,214.00
Transfer from Main Council	20	-	-	-
Tax Revenue	21	15,116,400.00	6,065,430.25	9,050,969.75
Non-Tax Revenue	22	23,324,500.00	17,683,482.30	6,870,169.70
Other Income			148,000.00	-
Sub-Total Independent Revenue		52,440,900.00	29,283,698.55	24,534,353.45
Total Revenue		2,385,457,650.13	1,580,500,148.38	1,610,685,471.73
EXPENDITURE				
Salaries & Wages	23	1,301,955,200.00	855,868,781.13	446,086,418.87
Social Benefits	24	-	17,558,322.77	(17,558,322.77)
Overhead Cost	25	159,770,000.00	56,452,556.45	76,634,493.55
Grants & Social Contribution	26	249,191,332.13	59,405,015.76	161,952,984.44
Transfer to Other Agencies	27	-	449,496,602.58	(449,496,602.58)
Depreciation	31	-	147,271,271.06	(291,801,130.85)
Allowances	32	110,612,618.00	33,030,635.11	77,581,982.89
Transfer to LCDA	33	-	88,205,658.71	(88,205,658.71)
Impairment	34	-	-	-
Revenue Refunded	35	-	-	-
Stationaries		-	-	-
Total Expenditures		1,821,529,150.13	1,761,805,125.80	(84,805,835.16)
Net Surplus/Deficit	36	563,928,500.00	(181,304,977.42)	1,695,491,306.89
Net Surplus/Deficit 31/12/2020	37	-	(420,329,211.84)	-
Net Surplus/Deficit 31/12/2021	38	563,928,500.00	(564,859,071.33)	1,695,491,306.89

EGBEDORE LOCAL GOVERNMENT, AWO
CONSOLIDATED STATEMENT OF COMPARISM BUDGET AND ACTUAL AS AT 31ST DECEMBER, 2021

		EGBEDORE			EGBEDORE SOUTH			EGBEDORE ADMIN			EGBEDORE CONSOLIDATED		
PARTICULAR	NOTE	FINAL BUDGET	ACTUAL	VARIANCE	FINAL BUDGET	ACTUAL	VARIANCE	FINAL BUDGET	ACTUAL	VARIANCE	FINAL BUDGET	ACTUAL	VARIANCE
DEPENDENT REVENUE													
Government Share of FAAC(Statutory Revenue)	16	860,835,382.13	910,439,261.95	49,603,879.82	573,586,638.00	67,543,567.36	506,043,070.64	406,219,020.00	20,662,091.35	385,556,928.65	1,840,641,040.13	998,644,920.66	941,203,879.11
Government Share of VAT	17	200,000,000.00	552,571,529.17	352,571,529.17	240,000,000.00		240,000,000.00	52,375,710.00		52,375,710.00	492,375,710.00	552,571,529.17	644,947,239.17
Sub-Total Dependent Revenue	18	1,060,835,382.13	1,463,010,791.12	402,175,408.99	813,586,638.00	67,543,567.36	746,043,070.64	458,594,730.00	20,662,091.35	437,932,638.65	2,333,016,750.13	1,551,216,449.83	1,586,151,118.28
INDEPENDENT REVENUE													
Grants & Aids	19	14,000,000.00	5,386,786.00	8,613,214.00			-			-	14,000,000.00	5,386,786.00	8,613,214.00
Transfer from Main Council	20										-	-	-
Tax Revenue	21	13,331,000.00	5,977,530.25	7,353,469.75	500,000.00	56,800.00	443,200.00	1,285,400.00	31,100.00	1,254,300.00	15,116,400.00	6,065,430.25	9,050,969.75
Non-Tax Revenue	22	14,050,000.00	11,073,856.30	2,976,143.70	1,720,000.00	2,334,576.00	614,576.00	7,554,500.00	4,275,050.00	3,279,450.00	23,324,500.00	17,683,482.30	6,870,169.70
Other Income			148,000.00				-			-		148,000.00	-
Sub-Total Independent Revenue		41,381,000.00	22,586,172.55	18,942,827.45	2,220,000.00	2,391,376.00	1,057,776.00	8,839,900.00	4,306,150.00	4,533,750.00	52,440,900.00	29,283,698.55	24,534,353.45
Total Revenue		1,102,216,382.13	1,485,596,963.67	421,118,236.44	815,806,638.00	69,934,943.36	747,100,846.64	467,434,630.00	24,968,241.35	442,466,388.65	2,385,457,650.13	1,580,500,148.38	1,610,685,471.73
EXPENDITURE													
Salaries & Wages	23	636,992,150.00	855,868,781.13	(218,876,631.13)	474,606,470.00		474,606,470.00	190,356,580.00		190,356,580.00	1,301,955,200.00	855,868,781.13	446,086,418.87
Social Benefits	24		11,020,350.00	(11,020,350.00)	-	5,307,972.77	(5,307,972.77)		1,230,000.00	(1,230,000.00)	-	17,558,322.77	(17,558,322.77)
Overhead Cost	25	95,300,000.00	30,930,914.56	37,686,135.44	-	19,648,594.19	(19,648,594.19)	64,470,000.00	5,873,047.70	58,596,952.30	159,770,000.00	56,452,556.45	76,634,493.55
Grants & Social Contribution	26	127,713,282.13	27,106,547.99	72,173,402.21	100,000,000.00	25,628,100.00	74,371,900.00	21,478,050.00	6,070,367.77	15,407,682.23	249,191,332.13	59,405,015.76	161,952,984.44
Transfer to Other Agencies	27		449,496,602.58	(449,496,602.58)	-		-			-	-	449,496,602.58	(449,496,602.58)
Depreciation	31		60,702,586.82	(205,232,446.31)	-	72,379,838.32	(72,379,838.32)		14,188,846.22	(14,188,846.22)	-	147,271,271.06	(291,801,130.85)
Allowances	32	21,710,950.00	18,065,867.85	3,645,082.15	63,941,668.00	9,965,267.26	53,976,400.74	24,960,000.00	4,999,500.00	19,960,500.00	110,612,618.00	33,030,635.11	77,581,982.89
Transfer to LCDA	33		88,205,658.71	(88,205,658.71)						-	-	88,205,658.71	(88,205,658.71)
Impairment Revenue Refunded	34			-							-	-	-
	35			-							-	-	-

Stationaries				-						-	-	-	-
Total Expenditures		881,716,382.13	1,596,513,591.57	(859,327,068.93)	638,548,138.00	132,929,772.54	505,618,365.46	301,264,630.00	32,361,761.69	268,902,868.31	1,821,529,150.13	1,761,805,125.80	(84,805,835.16)
Net Surplus/Deficit	36	220,500,000.00	(110,916,627.90)	1,280,445,305.37	177,258,500.00	(62,994,829.18)	241,482,481.18	166,170,000.00	(7,393,520.34)	173,563,520.34	563,928,500.00	(181,304,977.42)	1,695,491,306.89
Net Surplus/Deficit 31/12/2020	37		(540,923,829.04)			241,839,325.32			60,060,269.30		-	(239,024,234.42)	-
Net Surplus/Deficit 31/12/2021	38	220,500,000.00	(651,840,456.94)	1,280,445,305.37	177,258,500.00	178,844,496.14	241,482,481.18	166,170,000.00	52,666,748.96	173,563,520.34	563,928,500.00	(420,329,211.84)	1,695,491,306.89

EGBEDORE LOCAL GOVERNMENT, AWO

NET ASSET AND EQUITY	EGBEDORE CONSOLIDATED		
DETAILS	RESERVES	Accumulated Surplus/Deficit	TOTAL
Opening Balance 1/1/2021	977,026,609.13	(239,024,234.42)	738,002,374.71
Adjusted Reserve	-	-	-
Adjusted Balance	977,026,609.13	(239,024,234.42)	738,002,374.71
Net Surplus Deficit for the year	-	(181,304,977.42)	(181,304,977.42)
Total Comprehensive Income	133,517,823.17		133,517,823.17
Closing Balance as at 31/12/2021	1,110,544,432.30	(420,329,211.84)	690,215,220.46

EGBEDORE LOCAL GOVERNMENT, AWO
CONSOLIDATED STATEMENT OF NET ASSET/EQUITY AS AT 31ST DECEMBER, 2021

DETAILS	EGBEDORE			EGBEDORE SOUTH			EGBEDORE ADMIN			EGBEDORE CONSOLIDATED		
	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL
Opening Balance 1/1/2021	147,424,646.23	(540,923,829.04)	(393,499,182.81)	767,927,979.54	241,839,325.32	1,009,767,304.86	61,673,983.36	60,060,269.30	121,734,252.66	977,026,609.13	(239,024,234.42)	738,002,374.71
Adjusted Reserve			-			-			-		-	-
Adjusted Balance	147,424,646.23	(540,923,829.04)	(393,499,182.81)	767,927,979.54	241,839,325.32	1,009,767,304.86	61,673,983.36	60,060,269.30	121,734,252.66	977,026,609.13	(239,024,234.42)	738,002,374.71
Net Surplus Deficit for the year		(255,446,487.39)	(110,916,627.90)		(62,994,829.18)	(62,994,829.18)		(7,393,520.34)	(7,393,520.34)	-	(181,304,977.42)	(181,304,977.42)
Total Comprehensive Income	133,517,823.17									133,517,823.17		
Closing Balance as at 31/12/2021	280,942,462,469.40	(796,370,316.43)	651,840,456.94	767,927,979.54	178,844,496.14	946,772,475.68	61,673,983.36	52,666,748.96	114,340,732.32	1,110,544,432.30	(420,329,211.84)	690,215,220.46

EGBEDORE LOCAL GOVERNMENT

Consolidated Notes to the Account for the year Ended 31st December, 2021

Notes

	EGBEDORE CONSOLIDATED
1 Cash and Cash Equivalent	N
Balance b/f 01/01/2020	15,985,552.89
Add Receipt	1,744,604,368.28
Total Receipt	<u>1,760,589,921.17</u>
Total Payment	<u>1,741,436,334.85</u>
	<u><u>19,153,586.32</u></u>
2 Receivables	N
JAAC	13,597,006.03
VAT	3,445,720.04
Exchange Rate Gain	847,715.03
Others (Conserved Fund)	26,166,666.66
	<u>17,890,441.10</u>
	<u><u>17,890,441.10</u></u>
3 Prepayment/Advances	N
Balance b/forward	7,700,000.00
Additional Prepayment	-
	<u>7,700,000.00</u>
Amount Utilized	-
	<u>7,700,000.00</u>
	<u><u>7,700,000.00</u></u>
4 Inventory	N
Work Material	468,336.00
Finance material	3,910,365.00
	<u>4,378,701.00</u>
Amount Issued	1,700,000.00
Unissued	<u>2,678,701.00</u>
	<u><u>2,678,701.00</u></u>
5 Investment	N
Omoluabi	13,132,942.00
Kajola Integrated	9,523,810.00
Osicol	267,000.00
Preference Shares	32,499,999.99
Others	19,238,876.34
Total	<u>74,662,628.33</u>
	<u><u>74,662,628.33</u></u>

7	open market stall	158,758,097.18
8	Biological Asset	N
	Teak Plantation	1,614,982.75
	Cashew Plantation	2,000,000.00
		<u>3,614,982.75</u>
9	Asset Under Construction (WIP)	N
	Market Stall	-
10	Short term Loan & Debt	NIL
11	Unremitted Deduction	N
	Balance as at 1st of Jan, 2021	150,156,232.19
	Deduction Received	62,844,290.05
		<u>213,000,522.24</u>
	Deduction Paid	54,506,081.54
		<u>158,494,440.70</u>
12	Payable	N
	Bal B/f	
	Unpaid Salaries Arrears	358,121,361.43
	Unpaid Vouchers	167,690,883.85
	Transfer to Other Agencies (Dec, 2021)	44,778,401.18
	Employee Benefit (Dec, 2021)	73,701,792.19
	Overhead (Dec, 2021)	8,609,631.64
	Conserved Fund	2,000,000.00
	Modulated Salary Arrears	1,666,666.66
	Less: Modulated Salary	(13,333,333.28)
		<u>643,235,403.67</u>
13	Loan Term Loan	N
	Balance b/f	2,155,301,688.99
	10km Road	16,148,964.00
	Intervention	18,010,154.20
	Environmental	2,914,565.04
		<u>2,118,228,005.75</u>
14	Reserve	N
	Balance b/f	1,110,544,432.30
	Revaluation Surplus-PPE	-

Revaluation Surplus-Inv. Property	-
	<u>1,110,554,432.30</u>
15 Accumulated Surplus/(Deficit)	N
Balance b/forward 01/01/2021	(420,329,211.84)
Surplus during the year	1,110,544,432.30
Balance C/forward 31/12/2021	<u>690,215,220.46</u>
16 Statutory Allocation	N
JAAC	857,708,228.63
Non-Oil Revenue	27,567,914.90
Forex Equalization	1,364,849.74
Exchange Rate Gain	5,125,537.44
Eco Fund	3,823,624.07
Solid Minerals	1,253,514.04
Grant	13,595,593.13
	<u>910,439,261.95</u>
17 Government Share of VAT	N
VAT	552,571,529.17
	<u>552,571,529.17</u>
18 Dependent Revenue	N
JAAC	910,439,261.95
VAT	552,571,529.17
Total	<u>1,463,010,791.12</u>
19 Other Dependent Revenue (Grants & Aids)	N
Grants & Aids	<u>5,386,786.00</u>
Expenditure Recovery	
20 Transfer from Main Council	N
	<u>88,205,658.71</u>
21 Tax Revenue	N
Community Tax	<u>6,065,430.25</u>
22 Non-Tax Revenue	N
Fees	<u>17,831,482.30</u>

CENTRALLY EXPENDED		
23	Employee Benefit (Staff Salaries & Wages)	N
	Teaching & Non teaching Staff	257,112,710.42
	SUBEB (Admin& Mon)	407,867.49
	TNT Middle	98,411,854.38
	PHC	182,227,151.33
	Local Government Staff Salary	315,273,044.50
	Loan's Board Staff Salary	1,003,950.06
	Pension Board Salary	1,432,202.95
		<hr/> 855,868,781.13 <hr/>
24	Social Benefits	N
	Training of Staff (Drivers)	100,000.00
		<hr/> 100,000.00 <hr/>
25	Overhead	N
	Year 2021 Budget	2,050,000.00
	Running Cost to JAAC Sec.	1,200,000.00
	ALGON Imprest	10,200,000.00
	Bank Charge	1,475,879.05
	Consultancy Fees	8,959,150.59
	Magnum Trust	3,979,218.25
	SUBEB Stipends	66,666.70
	School Running Grant	2,999,999.97
		<hr/> 90,930,914.56 <hr/>
26	Grant & Social Contribution	N
	SUBEB Special Need Sch	1,983,214.66
	2021 Xmas & New Year Gift	14,390,000.00
	Other Expenditure (ALGON)	10,733,333.33
		<hr/> 27,106,547.99 <hr/>
27	Transfer to Other Agencies	N
	1 % Training Fund	9,558,338.83
	5% Traditional Council	51,422,761.64
	5% Stabilization Fund	48,698,707.76
	Audit Fees	18,556,142.53
	SUBEB Contract Staff	271,120.78
	Gratuity	46,666,666.64
	Monthly Pension	144,920,958.48

Contributory Pension(TNT)	32,468,186.28
Contributory Pension(LG)	17,260,469.04
O'HIS	14,386,510.36
O'Meal	19,094,288.00
RAMP Refund	7,386,282.06
SUBEB Matching Grant	38,806,170.18
	449,496,602.58
	449,496,602.58
28 Social Benefits	N
<u>Local Govt Expenditure</u>	
Financial Assistance to Local Govt Staff	17,458,322.77
	17,458,322.77
	17,458,322.77
29 Overhead	N
<u>Local Govt Expenditure</u>	
Repair and Maintenance of Vehicle	29,903,552.91
Publication & Advert	19,992,368.61
Printing and General Expenses	1,700,000.00
Bank Charges	438,092.49
Tax Expenses	170,577.88
	52,204,591.89
	52,204,591.89
30 Grants and Social Contribution	N
<u>Local Govt Expenditure</u>	
Distilling of Culverts	14,244,539.91
Cleaning of Dumpsite	5,697,815.96
Sensitization & Workshop	12,522,269.96
Training and Entertainment	6,647,451.96
Ileya	6,172,633.96
Xmas Celebration	7,597,087.95
PPE	7,250,000.00
	60,131,799.70
	60,131,799.70
31 Depreciation Charge	N
Building	13,024,590.60
Plants & Machineries	22,377,398.72
Infrastructural Assets	96,103,279.58
Motor Vehicle	9,125,603.20
Office Equipment	2,141,042.04
Furniture & Fittings	1,259,396.05
Investment Property	3,239,961.17

	<u><u>147,271,271.36</u></u>
32 Allowance	N
Allowance to Various Committee	26,424,508.09
O' Tech Allowance	6,606,127.02
	<u><u>33,030,635.11</u></u>
33 Transfer to LCDA	N
	<u><u>88,205,658.71</u></u>
34 Impairment	NIL
	N
36 Total Revenue	1,492,294,489.67
Total Expenditure	(1,673,599,467.09)
	<u><u>(181,304,977.42)</u></u>

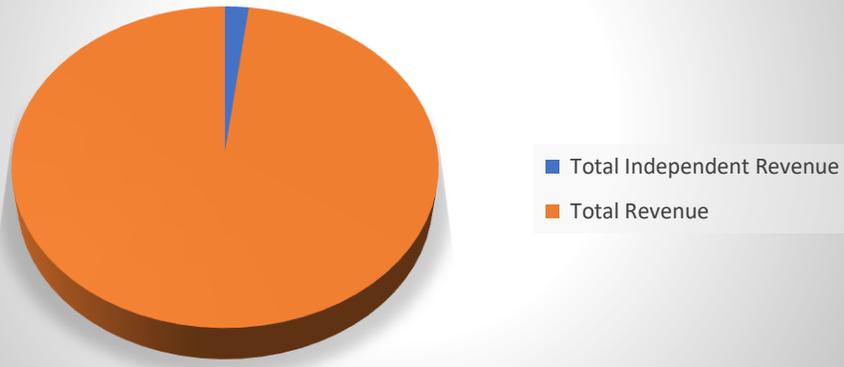
**EGBEDORE LOCAL GOVERNMENT
FISCAL OPERATION REPORT
STATEMENT OF CASHFLOW RATIOS**

1. DEPENDENT REVENUE/TOTAL REVENUE x 100

$$= \frac{1,564,270,720.97}{1,593,554,419.52} = 98.16\%$$

This indicated that Statutory Allocation took 98.16% of the Total Revenue of the Local Government and LCDA leaving 1.84% as Independence Revenue

STATUTORY ALLOCATION/INDEPENDENT CHART

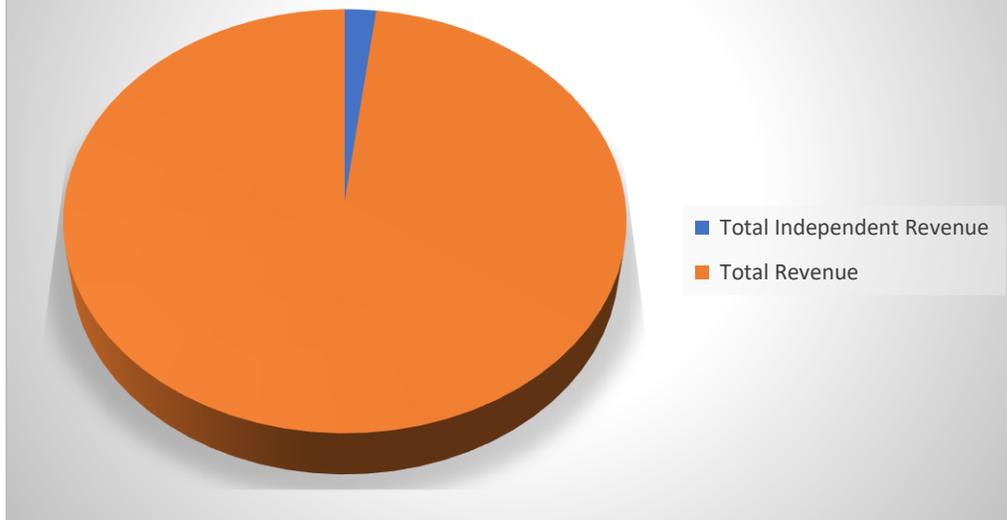


2. TOTAL INDEPENDENT REVENUE
TOTAL REVENUE

$$\frac{29,283,698.55}{1,593,554,419.52} \times 100$$

1.84%

STATUTORY ALLOCATION/INDEPENDENT CHART



3. SALARY & WAGES : TOTAL RECURRENT EXPENDITURE

$$\frac{855,868,781.13}{1,488,856,063.36} \times 100$$

$$= 57.49\%$$

Therefore, the Salaries and Wages took about 56.19% out of the Recurrent Expenditure in the Local Government while the remaining 43.81% was expended on other expenditure.

STATEMENT OF FINANCIAL POSITION RATIOS

6 CURRENT ASSET : CURRENT LIABILITIES

$$\frac{47,422,728.42}{801,729,844.37} = 0.06 : 1$$

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

$$\frac{3,610,173,070.58}{2,978,457,850.12} = 1.14 : 1$$

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

8. 12. EQUITY : TOTAL ASSET

$$\frac{690,215,220.46}{3,610,173,070.58} = 0.19 : 1$$

STATEMENT OF FINANCIAL PERFORMANCE RATIO

9. DEPENDENT REVENUE : TOTAL REVENUE

$$\frac{1,463,010,791.12}{1,492,294,489.67} \times 100 = 98.34\%$$

This indicated that the Dependent Revenue accounted for 98.04% of the Total Revenue of all the Local Government of the State leaving 1.96% as Independent Revenue.

10. INDEPENDENT REVENUE : TOTAL REVENUE

$$\frac{29,283,698.55}{1,492,294,489.67} \times 100 = 1.9$$

MANAGEMENT LETTER

EGBEDORE LOCAL GOVERNMENT, AWO OBSERVATIONS AND INTERNAL CONTROL REVIEW FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2021

1. **EXPENDITURE NOT SUPPORTED WITH PROPER RECORDS OR ACCOUNTS AMOUNTING TO (N40,000.00):-** It was observed that the payment vouchers of Forty thousand naira made as monthly imprest and replacement of battery & Laptop charger attached to the office of pension desk officer were not acknowledged with official receipt to authenticate that the expenditure were actually incurred 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 voucher, reference to the number of the payment voucher to which the receipt is attached, shall be entered on 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.

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. **EXPENDITURE NEITHER CHECKED AND PASSED NOR CONTROLLED AMOUNTING TO (N30,000.00):-** It was observed that the sum of Thirty thousand naira expended on the entertainment of monthly Exco for the month of September, 2021 was neither checked and passed by the Internal Auditor nor controlled by officer that had authority to incur expenditure before effecting the payment contrary to 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 receipt, 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.

3. **UNRETIRED IMPREST AMOUNTING TO (₦10,000.00):-** It was observed that the sum of Ten thousand naira (₦10,000.00) as monthly imprest incurred in the month of October, 2021 was not retired with necessary receipt and document 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.

4. **EXPENDITURE NOT-TAKEN-ON-CHARGE AMOUNTING TO (₦295,000.00):-** It was observed that the total sum of two hundred and ninety five thousand naira (₦295,000.00) were expended on the purchase of Laptop (HP), Printer for the use of Administrative Department and Expenses incurred on the submission of Soft Copies of Local Government

Budgets from 2017 to 2021 respectively in Egbedore Local Government, Awo in the month of June, 2021. It was observed that the items bought and expenses incurred could not be verified to store ledger and the payment vouchers were not supported with the evidence such as store receipt voucher, store issued voucher, invoice and receipt which was 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 Ledger in use had been exhausted, however another ledger had been procured and updated. Also store receipt and issue vouchers had been issued accordingly to be presented for further audit verification.

RECOMMENDATION

The storekeeper must ensure that all relevant ledgers 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 VERIFICATION/ REVALUATION EXERCISE:- *Seasoned professional in the field of Engineering, estate valuation, agriculture and medicine were engaged on the verification and evaluation of the Noncurrent assets of details report and the resultant valuation of assets of updated asset register have been forwarded to the Local Government.*

The management should ensure prompt updating of your new assets register and as well safe guarded the asset in conformity with Financial Memoranda No. 38:1 which state "A Local Government shall keep permanent inventories showing all its physical assets which although Normally purchased from recurrent expenditure votes, Nevertheless are intended or likely to be employed on the business of the Local Government. Over a period of served years such assets include Motor vehicles, office furniture (desks chairs, table e.t.c) specialized plant and equipment used by various departments of the Local Government and generally any physical assets which have a life of several years.

OTHER COMMENTS:- *Of Assets Tractor plough missing:- Verification team confirmed that out of six tractors and 6 ploughs owned by old Egbedore Local Government, four were retained by old council. The Team could only sighted four tractors and three ploughs. Audit team investigation revealed the outstanding plough has been with undisclosed outsider (Not on rentage Nor received rentage proceed) for the past five years. The management is advised to retrieve the government assets: Illegally took – away by undisclosed identify.*

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 Auditor 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.*

6. **FINAL ACCOUNT/GPFS :-** *It was observed that the preparation/ presentation and submission of the Local Government Financial Statement was late, which affect the prompt auditing and checking of the account. The Director of finance should ensure that the officer in charge is alive to his/her responsibilities in order to meet the set standard expected from the (GPFS) Accounts.*

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.*

7. **LATE PAYMENT ₦4,000.00:-** *It was observed during the period under review that a total sum of ₦4,000.00 for the year 2020 and 2021 that stood as late payment, the Director of Finance of Egbedore Local Government, Awo 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.

8. **NON SUBMISSION OF REVENUE RETURNS:** It was observed that your Local Government failed to remit quarterly returns on Internal Generated Revenue profile for the period of the 1st to 4th quarter 2021 despite several efforts move by the direction of Revenue of 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.*

**EGBEDORE SOUTH LOCAL COUNCIL DEVELOPMENT AREA, IDO-OSUN
OBSERVATIONS AND INTERNAL CONTROL REVIEW FOR THE FINANCIAL YEAR
ENDED 31ST DECEMBER, 2021**

1. **DOUBTFUL EXPENDITURE AMOUNTING TO (₦250,000.00):-**It was observed that the payment voucher raised for the Civic Engagement programme tagged “Family Meeting” between the government and the people of grassroots held at Egbedore Local Government, Awo appeared doubtful because tangible evidence that would have justified the payment such as the evidence of documentation could not be produced for audit scrutiny.

RISK:

The implication of this expenditure was that the programme might not have been performed, thus the public fund might have been diverted for personal purposes.

Management Response

Receipts, pictorial evidence like video & photographs that were not ready s at the time of audit exercise had been collected from vendor and attached to reply to audit query and submitted to the Office of the Auditor General for Local Government verifications.

RECOMMENDATION:

The recipients must attach all necessary supporting evidence such as sub-receipts, evidence of participation, or video coverage to prove genuiness of the expenditure or refund payment.

2. **EXPENDITURE NOT SUPPORTED WITH PROPER RECORDS OR ACCOUNTS AMOUNTING TO (₦115,000.00):-** It was observed that the payment vouchers raised as monthly imprest for the NYSC (Zonal Coordinator) and expenses incurred during the passing-out ceremony of newly recruited Amotekun Corps members at Ejigbo in the month of September, 2021 were neither authorized 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 such services and therefore constitute a loss of Local Government fund.

MANAGEMENT RESPONSE: *The relevant receipts were attached but probably was detached in the course of filing and sorting in the cashier's office. The receipt had however been found and attached to the reply of the audit query and submitted to the office of the Auditor General for Local Government for further Audit verification.*

RECOMMENDATION:

The recipient/authorizing officer should present official receipt and other necessary documents to prove the authenticity of the expenditure, or should make a refund.

3. EXPENDITURE NEITHER CHECKED AND PASSED BY THE INTERNAL AUDITOR NOR CONTROLLED BY OFFICER WITH AUTHORITY TO INCURE EXPENDITURE AMOUNTING TO (N10,000.00):-

It was observed that the sum of Ten thousand naira expended on Electricity Bill of the main secretariat of Egbedore South Local Council Development Area, Ido-Osun for the month of October, 2021 was not checked and passed by the Internal Auditor nor controlled by officer that had authority to incur expenditure before effecting the payment contrary to the provision of 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.

4. **ITEM-NOT-TAKEN-ON-CHARGE AMOUNTING TO (N1,300,000.00):-** It was observed that a sum of one million three hundred thousand naira (N1,300,000.00) 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 ledgers had been raised.

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 VERIFICATION/REVALUATION:-** *Seasoned professionals in the field of valuations, engineering, town planning and medicine embarked on evaluation on the non- current assets of your council in order to substantiate the existence, completeness and correctness of the provisional values of the assets stated in your previous year GPFs. Please, see the appendix “A” attached and ensure prompt updating of your new register and as well safeguard the assets in conformity with Financial Memoranda No. 38.1 which state “A Local Government shall keep permanent inventories showing all its physical assets which although Normally purchased from recurrent expenditure votes, Nevertheless are intended or likely to be employed on the business of the Local Government. Over a period of served years such assets include Motor vehicles, office furniture (desks chairs, table e.t.c) specialized plant and equipment used*

by various departments of the Local Government and generally any physical assets which have a life of several years.

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 Auditor 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.

6. **FINAL ACCOUNT/GPFS :-** It was observed that the preparation/ presentation and submission of the Local Government Financial Statement was late, which affect the prompt auditing and checking of the account. The Director of finance should ensure that the officer in charge is alive to his/her responsibilities in order to meet the set standard expected from the (GPFS) Accounts.

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.

7. **LATE PAYMENT ₦23,650.00:-** It was observed during the period under review that a total sum of ₦23,650.00 for the year 2020 and 2021 that stood as late payment, the Director of Finance of Egbedore South LCDA, Ido Osun 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.

8. **NON SUBMISSION OF REVENUE RETURNS:** It was observed that your Local Government failed to remit quarterly returns on Internal Generated Revenue profile for the period of the 1st to 4th quarter 2021 despite several efforts move by the direction of Revenue of 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.*

EGBEDORE AREA COUNCIL, OKINNI
OBSERVATIONS AND INTERNAL CONTROL REVIEW FOR THE FINANCIAL YEAR
ENDED 31ST DECEMBER, 2021

1. **EXPENDITURE NOT-TAKEN-ON-CHARGE AMOUNTING TO (₦345,000.00):-** It was observed that the sum of Two hundred and seventy thousand naira was expended on the purchase of executive table and chair for the office of the chairman in Egbedore Area Council, Okinni in the month of August, 2021. Examination revealed that items bought could not be verified 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 Ledger in use had been exhausted, however another ledger had been procured and updated. Also store receipt and issue vouchers had been issued accordingly to be presented for further audit verification.

RECOMMENDATION

The storekeeper must ensure that all relevant ledgers 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.

2. **UNRETIRED IMPREST AMOUNTING TO (₦20,000.00):-**It was observed that the payment vouchers of twenty thousand naira (₦20,000.00) for Typesetting, photocopies, transportation to State Operation Coordinating Unit and payment of half imprest for the month of January, 2021 of Egbedore Area Council in the month of April and May, 2021 respectively were not properly retired with necessary receipt 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. EXPENDITURE NOT SUPPORTED WITH PROPER RECORDS OR ACCOUNTS

AMOUNTING (N305,000.00):- It was observed that the payment vouchers raised for the sensitization on education programme, hosting of various groups such as Artisans, NURTW, Religious leaders, leaders of communities, in Egbedore Area Council, Okinni were not receipted with any evidence nor supported with document to authenticate that the expenditure were actually incurred. 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 such services and therefore constitute a loss of Local Government fund.

MANAGEMENT RESPONSE: *The relevant receipts were attached but probably was detached in the course of filing and sorting in the cashier’s office. The receipt had however been found and attached to the reply of the audit query and submitted to the office of the Auditor General for Local Government for further Audit verification.*

RECOMMENDATION:

The recipient/authorizing officer should present official receipt and other necessary documents to prove the authenticity of the expenditure, or should make a refund.

4. **ASSET VERIFICATION/REVALUATION:-**

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 authorization, pilfering, falsification of asset values in GPFS, duplication of services in terms 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 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 taken in to cognisance of the ownership, existence valuation and authorization in order to give accurate reliable financial data of the assets.

5. **FINAL ACCOUNT/GPFS :-** *It was observed that the preparation/ presentation and submission of the Local Government Financial Statement was late, which affect the prompt auditing and checking of the account. The Director of finance should ensure that the officer in charge is alive to his/her responsibilities in order to meet the set standard expected from the (GPFS) Accounts.*

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 ₦122,600.00:-** *It was observed during the period under review that a total sum of ₦122,600.00 for the year 2020 and 2021 that stood as late payment, the Director of Finance of Egbedore Area Council, Okinni 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.

THE INTERNAL AUDITORS REPORT

1. The Internal Control is very effective. The Local Government did not give enough recognition to the activities of the Unit on the pre and post audit observations of the Internal Auditor during the period covered by the report.
2. The Internal Control Unit is very weak. The Internal Auditor Submitted his second quarterly report very late. The IGR of the Council dropped during the second quarter and other revenue generating units were not well reported upon.

EGBEDORE LOCAL GOVERNMENT, AWO

S/N	SUBJECT	QUERIES NO	NO OF OFFICERS QUERIED	AMOUNT (#)
1.	Expenditure not supported by proper records or accounts	LQ/AUD/EGB/01/2021	3	40,000.00
2.	Expenditure not taken on charge	LQ/AUD/EGB/02/2021	3	295,000.00

3.	Expenditure not checked and passed	LQ/AUD/EGB/03/2021	1	30,000.00
4.	Unretired Imprest	LQ/AUD/EGB/04/2021	1	10,000.00
			8	375,000.00

EGBEDORE SOUTH LCDA, IDO-OSUN

S/N	SUBJECT	QUERIES NO	NO OF OFFICERS QUERIED	AMOUNT (#)
1.	Doubtful Expenditure	LQ/AUD/EGBS/LCDA/01/2021	2	250,000.00
2.	Items not taken on charge	LQ/AUD/EGBS/LCDA/02/2021	1	253,620.00
3.	Expenditure not supported by proper records	LQ/AUD/EGBS/LCDA/03/2021	2	115,000.00
4.	Expenditure not checked and passed	LQ/AUD/EGBS/LCDA/04/2021	1	10,000.00
			6	628,620.00

EGBEDORE AREA COUNCIL, OKINNI

S/N	SUBJECT	QUERIES NO	NO OF OFFICERS QUERIED	AMOUNT (#)
1.	Expenditure not taken on charge	LQ/AUD/EGBA/01/2021	2	345,000.00
2.	Unretired Imprest	LQ/AUD/EGBA/02/2021	2	20,000.00
3.	Expenditure not supported by proper records or accounts	LQ/AUD/EGBA/03/2021	2	305,000.00
			6	670,000.00

EGBEDORE LOCAL GOVERNMENT AREA, AWO

LIST OF PROJECT EXECUTED BETWEEN JULY, 2021 TILL DATE

S/N	DESCRIPTION OF PROJECT	LOCATION	AMOUNT(₦)	REMARKS
1.	Construction of a maternity center	Iragberi	4,900,000.00	Completed
2.	Pole Extension of Electricity	Ara	1,041,850.00	Completed
3.	Purchase of foreign used Toyota corolla 2009 model for chairman's office as approved by ministry of local government	Awo	3,150,000.00	Completed
4.	Purchase of foreign used Toyota camry 2010 model for chairman's office as approved by ministry of local government	Awo	4,000,000.00	Completed
5.	Purchase of foreign used Toyota corolla 2006 model (As Approved by Ministry of Local Government) for vice chairman's office	Awo	3,000,000.00	Completed
6.	Purchase of Toyota corolla 2004 model for office of secretary (as approved by Ministry of Local Government)	Awo	3,000,000.00	Completed
7.	Grading of iwoye / ekuro road and aro township road	Iwoye and Aro	450,000.00	Completed

EGBEDORE SOUTH LOCAL COUNCIL DEVELOPMENT AREA, IDO - OSUN

LIST OF CAPITAL PROJECT EXECUTED IN THE YEAR OF 2021.

S/N	NAME OF PROJECT	LOCATION	PROJECT COST	AMOUNT RELEASED	BALANCE	REMARK
1.	Muscle Camry for executive Chairman	Chairman Office	4,000,000.00	4,000,000.00	-	Purchased
2.	Toyota Corrolla 2007 Model for vice Chairman	Vice Chairman Office	3,000,000.00	3,000,000.00	-	Purchased
3.	Toyota Corolla 2007 Model for Secretary	Secretary Office	3,000,000.00	3,000,000.00	-	Purchased

EGBEDORE AREA COUNCIL, OKINNI

LIST OF CAPITAL PROJECT EXECUTED IN THE YEAR OF 2021.

S/N	NAME OF PROJECT	LOCATION	PROJECT COST	AMOUNT RELEASED	BALANCE	REMARK
1.	Isaiah okinola kolapo Road	Okinni	590,000.00	590,000.00	NIL	
2.	Ifesowapo community	Woru Okinni	710,000.00	710,000.00	NIL	
3.	Apala, Ife Oluwa Road Community	Okinni	710,000.00	710,000.00	NIL	
4.	Purchase of Toyota Camry muscle	Chairman office	4,000,000.00	4,000,000.00	NIL	
5.	Purchase of Toyota corolla car	Hon, collucillor	3,000,000.00	3,000,000.00	NIL	
6.	Purchase of Toyota corolla car	Utility	3,000,000.00	3,000,000.00	NIL	
7.	Purchase of office furniture for the chairman office	Office of chairman	270,000.00	270,000.00	NIL	
8.	Purchase of office furniture for Hon Councilor office	Office of the councilor	90,000.00	90,000.00	NIL	
9.	Purchase of ceiling fan for various office's	Okinni office	180,290.00	180,290.00	NIL	