

# STATE GOVERNMENT OF OSUN, NIGERIA.

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REPORT OF  
  
THE  
AUDITOR-GENERAL  
FOR  
LOCAL GOVERNMENTS  
  
ON THE ACCOUNTS OF  
  
EJIGBO LOCAL GOVERNMENT  
  
EJIGBO  
  
FOR THE YEAR ENDED  
  
31<sup>ST</sup> DECEMBER, 2021.

## TABLE OF CONTENTS

	<b>DETAILS</b>	<b>PAGE</b>
1	TITLE PAGE	<b>1</b>
2	TABLE OF CONTENTS	<b>2</b>
3	LIST OF ABBREVIATIONS	<b>3</b>
4	STATEMENT OF RESPONSIBILITY FOR THE PREPARATION OF FINANCIAL STATEMENTS	<b>4</b>
5	AUDIT CERTIFICATE	<b>5</b>
6	STATEMENT OF RESPONSIBILITY OF THE AUDITOR-GENERAL	<b>6</b>
7	BASIS OF AUDIT OPINION	<b>7</b>
8	STATEMENT OF COMPLIANCE	<b>8</b>
9	STATEMENT OF ACCOUNTING POLICIES	<b>9-10</b>
10	GENERAL COMMENTS	<b>11-13</b>
11	<b>COMMENTS ON FINANCIAL STATEMENTS</b> a. STATEMENT OF FINANCIAL PERFORMANCE b. STATEMENT OF FINANCIAL POSITION	<b>14-15</b>
12	<b>AGGREGATE GENERAL PURPOSE FINANCIAL STATEMENTS</b> i. CONSOLIDATED STATEMENT OF FINANCIAL POSITION. ii. CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE. iii. CONSOLIDATED STATEMENT OF CASH FLOW. iv. CONSOLIDATED STATEMENT OF COMPARISON OF FINANCIAL OPERATIONS. v. CONSOLIDATED STATEMENT OF NET ASSETS AND EQUITY vi. NOTES TO THE ACCOUNT	<b>16-36</b>
13	<b>FISCAL OPERATION REPORT</b> i STATISTICAL AND ACCOUNTING RATIOS ii NON-FINANCIAL DISCLOSURE	<b>37-39</b>
14	MANAGEMENT LETTER	<b>40-52</b>
15	LIST OF PROJECTS EXECUTED IN THE LOCAL GOVERNMENT	<b>53-56</b>

## **LIST OF ABBREVIATIONS**

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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:

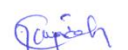
***Ejigbo Local Government, Ejigbo South L.C.D.A. and Ejigbo West L.C.D.A.*** have been prepared by the respective Heads of Finance and Supplies and subsequently Consolidated by the Head of Finance and Supplies of: ***Ejigbo Local Government.***


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

  
***Hon. Ayegbayo Gbaldan***  
Chairman  
Ejigbo L/Govt.

  
***YUSUF BASHIR AKINTUNDE***  
Chairman  
Ejigbo South L.C.D.A.


  
***Hon. Kolapo Olayangun***  
Chairman  
Ejigbo West L.C.D.A.

  
***AJALA AYOKUNLE J.***  
Head of Finance & supplies,  
Ejigbo L/Govt.

  
***ADEBAYO SURASU ADENIYI***  
Head of Finance & supplies  
Ejigbo South L.C.D.A.

  
***SARUSI RASAKI BAMIDELE***  
Head of Finance & supplies  
Ejigbo West L.C.D.A.

  
***Hon. Ayegbayo Gbaldan***  
Chairman  
Ejigbo L/Govt.

  
***YUSUF BASHIR AKINTUNDE***  
Chairman  
Ejigbo South L.C.D.A.

  
***Hon. Kolapo Olayangun***  
Chairman  
Ejigbo West L.C.D.A.

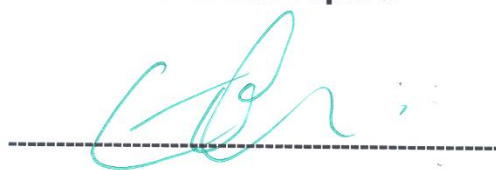


### **AUDIT CERTIFICATE**

**I have audited the accounts of Ejigbo Local Government, Ejigbo for the year ended 31<sup>st</sup> 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 Ejigbo Local Government, Ejigbo for the accounting year ended 31<sup>st</sup> 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 Ejigbo Local Governments is responsible for the consolidation of the Financial Statements with the subsidiary Ejigbo South LCDA and Ejigbo West LCDA.

However, both the Head of Finance and Chairman of a Local Government, (the Accounting Officer) are responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions and Financial Statements give a fair presentation of the financial operations of the Local Government.

The acknowledgment of responsibility for the preparation of Financial 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 (inclusive of Ejigbo Local Govt) as stipulated by the Laws of Osun State and the Financial Memoranda; and to form an independent opinion based on the Audit of the Financial Statements and accompany notes submitted by the Head of Finance and Supply of Ejigbo Local Government, Ejigbo South LCDA and Ejigbo West LCDA.

## **BASIS OF AUDIT OPINION**

In the course of auditing the accounts of Ejigbo Local Governments, Ejigbo South LCDA and Ejigbo West 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 the Local Governments and Projects and Programmes were reasonably evaluated and verified on the principle of Performance Auditing. All items of Revenue and Expenditure were captured in the course of the Audit and Audit Tests were conducted on procedures, transactions and balances. Consequently 100% Substantive Test was done on all items of Revenue and Expenditure; and Assets and Liabilities, and appropriate Audit Tests of Control were conducted on procedures and transactions..

## **STATEMENT OF COMPLIANCE**

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

The accounts of Ejigbo Local Governments have been audited and reported upon.

Audit noted some instances of non-compliance in the Local Governments, with the due process in revenue collection and payment procedure contrary to the provision of Financial Memoranda and relevant Guidelines. The associated internal control weaknesses have been addressed. The inspection reports (letters of Internal Control weaknesses) for the year 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 31<sup>st</sup> 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.
- b. Statements of Financial Position.
- c. Statements of Cash flow.
- d. Statements of Comparison of Budgeted and Actual Amounts
- e. Statements of Changes in Net Asset/Equity.
- f. Notes to the GPFS.

### 5. Consolidation Policy- IPSAS 6

The Heads of Finance of Ejigbo Local Government Ejigbo South LCDA and Ejigbo West 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 Ejigbo South LCDA and Ejigbo West LCDA, which GPFS has been consolidated with that of Ejigbo Local Government.

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

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 Ejigbo Local Government, for the financial year ended 31<sup>st</sup> 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 Ejigbo 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 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 Ejigbo Local Government, Ejigbo South LCDA and Ejigbo West LCDA.

### **BUDGET PREPARATION / EXECUTION**

The Budget for 2021 for Ejigbo Local Governments was prepared in compliance with new National Chart of Accounts. The 2021 Budget was an improvement on the previous Budget of 2020 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 ₦14,986,394.00 representing 0.88% 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, 25 nos of Audit Queries were issued in respect of 2021 Accounts, involving a total sum of ₦1,233,500.00.

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 Ejigbo 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 ₦1,042,072,500.95 was Share of FAAC and VAT amounted to ₦636,790,335.17 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
Ejigbo	980,034,975.62	471,642,603.21	31,736,106.95	26,581,382.10	805,499.94	14,194,905.74	22,058,855.28	1,640,497.57	13,791,425.89	1,562,486,252.30

## **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. #544,300.00 as Fees, Taxes and Fines.

### **SALARIES AND WAGES – ₦855,868,718.13**

Salaries and Wages which amounted to ₦855,868,718.13 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 – #11,536,543.77**

The Cash and Cash equivalents amounted to ₦11,536,543.77 for the Local Governments. The Bank Statements and Bank Reconciliation Statements of all Local Governments and Local Government Development Areas as at 31<sup>st</sup> December, 2021 were verified/examined to ascertain the bank balances.

### **RECEIVABLES - ₦31,231,253.36**

A total sum of ₦31,231,253.36 was standing as Receivables as at 31<sup>st</sup> December, 2021. The Receivables include, Revenue Recognised in December 2020 but received in January, 2021 from Joint Allocation Account Committee (JAAC).

### **INVENTORIES - ₦1,798,000.00**

The sum of ₦1,798,000.00 represents inventories valued at historical cost in the Local Governments as at 31<sup>st</sup> December, 2021. These include unallocated stores both expendable and non-expendable; and consumable items.

### **INVESTMENTS - ₦60,524,198.39**

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

### **PROPERTY, PLANT AND EQUIPMENT(PPE)-₦1,932,049,381.57**

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:

<b>Particulars</b>	<b>Rate%</b>
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 - ₦435,804,625.37**

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 31<sup>st</sup> December 2021.

**INVESTMENT PROPERTY - ₦48,284,006.40**

The carrying amount of Investment Properties of the Local Governments stood at ₦48,284,006.40 in the Statement of Financial Position. However, there is no restriction on title or property pledge as securities for liabilities. Straight Line Method of depreciation was applied.

**LONG – TERM BORROWINGS - ₦1,291,181,449.25**

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 - ₦(157,194,538.65)**

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 31<sup>st</sup> 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 ₦135,502,188.58 was made to the Local Council Development Areas and Area Offices in the period under review and was set off in the Consolidated Account.



**EJIGBO LOCAL GOVERNMENT, EJIGBO**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31<sup>ST</sup> DECEMBER, 2021**

<b>PARTICULAR</b>	<b>NOTE</b>	<b>EJIGBO CONSOLIDATED</b>
<b>ASSETS</b>		
Current Assets		
Cash & Cash Equipments	1	11,536,543.77
Receivables	2	31,231,252.36
Prepayment/Advance	3	3,450,000.00
Inventories	4	1,798,000.00
<b>Total Current Asset</b>		<b>48,015,797.13</b>
Non-current Asset		-
Long Term Loan Granted		-
Investments	5	60,524,198.39
Property, Plant & Equipment	6	1,932,049,381.57
Investment Property	7	48,284,006.40
Biological Asset	8	731,808.00
Assets Under Construction (wip)	9	9,051,000.00
<b>Total Non-Current Asset</b>		<b>2,050,640,394.36</b>
<b>Total Asset</b>		<b>2,098,656,191.49</b>
<b>LIABILITIES</b>		
Current Liabilities		-
Deposit		-
Short Term Loan & Debts	10	-
Unremitted Deduction	11	-157,194,538.65
Payables	12	435,804,625.37
Short Terms Provisions		-
<b>Total Current Liability</b>		<b>278,610,086.72</b>
Non-Current Liabilities		-
Long Term Borrowing	13	1,291,181,449.25
<b>Total Liabilities</b>		<b>1,569,791,535.97</b>
<b>Net Assets</b>		<b>528,864,655.52</b>
Financed by		-
Reserve	14	741,843,543.93
Net Surplus/Deficit	15	- 212,978,888.41
<b>Total</b>		<b>528,864,655.52</b>

**EJIGBO LOCAL GOVERNMENT, EJIGBO**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31<sup>ST</sup> DECEMBER, 2021**

PARTICULAR	NOTE	EJIGBO	EJIGBO SOUTH	EJIGBO WEST	EJIGBO CONSOLIDATED
ASSETS					
Current Assets					
Cash & Cash Equipments	1	7,676,042.25	282,889.13	3,577,612.39	11,536,543.77
Receivables	2	17,262,259.79	6,024,067.50	7,944,926.07	31,,231,253.36
Prepayment/Advance	3	3,450,000.00	-	-	3,450,000.00
Inventories	4	305,000.00	973,000.00	520,000.00	1,798,000.00
<b>Total Current Asset</b>		<b>28,693,302.04</b>	<b>7,279,956.63</b>	<b>12,042,538.46</b>	<b>48,015,797.13</b>
Non-current Asset					-
Long Term Loan Granted					-
Investments	5	43,524,198.39	8,500,000.00	8,500,000.00	60,524,198.39
erty, Plant & Equipment	6	1,646,188,185.29	83,320,543.73	202,540,652.56	1,932,049,381.57
Investment Property	7	40,906,454.40	7,377,552.00		48,284,006.40
Biological Asset	8	-	408,000.00	323,808.00	731,808.00
Assets Under Construction (wip)	9	-	9,051,000.00	-	9,051,000.00
<b>Total Non-Current Asset</b>		<b>1,730,618,838.08</b>	<b>108,657,095.73</b>	<b>211,364,460.56</b>	<b>2,050,640,394.36</b>
<b>Total Asset</b>		<b>1,759,312,140.12</b>	<b>115,937,052.36</b>	<b>223,406,999.02</b>	<b>2,098,656,191.49</b>
LIABILITIES					-
Current Liabilities					-
Deposit					-
Short Term Loan & Debts	10				-
Unremitted Deduction	11	(65,649,710.54)	(39,270,513.61)	(52,274,314.50)	(157,194,538.65)
Payables	12	230,823,613.76	102,410,753.23	102,570,258.38	435,804,625.37
Short Terms Provisions					-
<b>Total Current Liability</b>		<b>165,173,903.22</b>	<b>63,140,239.62</b>	<b>50,295,943.88</b>	<b>278,10,086.72</b>
Non-Current Liabilities					-
Long Term Borrowing	13	1,029,610,989.19	130,787,750.03	130,782,710.03	1,291,181,449.25
<b>Total Liabilities</b>		<b>1,194,784,892.41</b>	<b>193,927,989.65</b>	<b>181,078,653.91</b>	<b>1,628,291,535.97</b>
<b>Net Assets</b>		<b>564,527,247.71</b>	<b>(77,990,937.29)</b>	<b>42,328,345.11</b>	<b>528,864,655.52</b>
Financed by					-
Reserve	14	1,154,338,567.66	(376,397,842.26)	(36,097,181.47)	741,843,543.93
Net Surplus/Deficit	15	(589,811,319.95)	298,406,904.97	78,425,526.58	(212,978,888.41)
<b>Total</b>		<b>564,527,247.71</b>	<b>(77,990,937.29)</b>	<b>42,328,345.11</b>	<b>528,864,655.52</b>

**EJIGBO LOCAL GOVERNMENT, EJIGBO**  
**CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AS AT 31<sup>ST</sup> DECEMBER, 2021**

PERFORMANCE		
PARTICULAR	NOTE	EJIGBO CONSOLIDATED
<b>DEPENDENT REVENUE</b>		
Government share of FAAC (Statutory Revenue)	16	1,042,072,500.95
Government Share of VAT	17	636,790,335.17
<b>Sub-Total Dependent Revenue</b>	18	1,678,862,836.12
<b>INDEPENDENT REVENUE</b>		
Grant & Aids	19	5,386,786.00
Transfer from main Council	20	
Tax Revenue	21	544,300.00
Non-Tax Revenue	22	9,055,308.00
Other Income		-
Overpayment Recovery		-
<b>Sub-Total Independent Revenue</b>		14,986,394.00
<b>Total Revenue</b>		1,693,849,230.12
<b>EXPENDITURE</b>		
<b>JOINTLY EXPENDED</b>		
Salaries & Wages	23	855,868,781.13
Social Benefits	24	100,000.00
Overhead Cost	25	28,023,083.25
Grants & Social Contribution	26	29,931,547.99
Transfer to other Agencies	27	478,791,009.70
<b>L/GOVERNMENT EXPENDITURE</b>		
Social Benefits	28	831,000.00
Overhead Cost	29	63,579,912.57
Grants & Social Contribution	30	128,615,750.38
Depreciation	31	220,146,770.93
Allowances	32	62,975,665.97
Transfer to LCDA	33	-
Impairment	34	-
Revenue Refunded	35	-
Public Debt Charges		-
Stabilization Fund		-
Refund to main Council		-
Stationeries		-
Severance Gratuity		-
<b>Total Expenditures</b>		1,868,863,521.92
<b>Net Surplus/Deficit</b>	36	(175,014,291.80)
<b>Net Surplus/Deficit 01/01/2021</b>	37	(37,964,596.61)
<b>Net Surplus/Deficit 31/12/2021</b>	38	(212,978,888.41)

**EJIGBO LOCAL GOVERNMENT, EJIGBO**  
**CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AS AT 31<sup>ST</sup> DECEMBER,**  
**2021**

PERFORMANCE					
PARTICULAR	NOTE	EJIGBO	EJIGBO SOUTH	EJIGBO WEST	EJIGBO CONSOLIDATED
<b>DEPENDENT REVENUE</b>					
Government share of FAAC (Statutory Revenue)	16	1,042,072,500.95			1,042,072,500.95
Government Share of VAT	17	636,790,335.17			636,790,335.17
<b>Sub-Total Dependent Revenue</b>	18	<b>1,678,862,836.12</b>	<b>-</b>	<b>-</b>	<b>1,678,862,836.12</b>
<b>INDEPENDENT REVENUE</b>					-
Grant & Aids	19	5,386,786.00			5,386,786.00
Transfer from main Council	20		70,302,052.76	65,200,135.82	
Tax Revenue	21	123,500.00	385,400.00	35,400.00	544,300.00
Non-Tax Revenue	22	7,222,920.00	855,560.00	976,828.00	9,055,308.00
Other Income					-
Overpayment Recovery					-
<b>Sub-Total Independent Revenue</b>		<b>12,733,206.00</b>	<b>71,543,012.76</b>	<b>66,212,363.82</b>	<b>14,986,394.00</b>
<b>Total Revenue</b>		<b>1,691,596,042.12</b>	<b>71,543,012.76</b>	<b>66,212,363.82</b>	<b>1,693,849,230.12</b>
<b>EXPENDITURE</b>					-
<b>JOINTLY EXPENDED</b>					-
Salaries & Wages	23	855,868,781.13			855,868,781.13
Social Benefits	24	100,000.00			100,000.00
Overhead Cost	25	28,023,083.25			28,023,083.25
Grants & Social Contribution	26	29,931,547.99			29,931,547.99
Transfer to other Agencies	27	478,791,009.70			478,791,009.70
<b>L/GOVERNMENT EXPENDITURE</b>					-
Social Benefits	28	641,000.00	120,000.00	70,000.00	831,000.00
Overhead Cost	29	24,175,600.44	18,179,688.80	21,224,623.33	63,579,912.57
Grants & Social Contribution	30	70,193,531.32	38,121,610.26	20,300,608.80	128,615,750.38
Depreciation	31	185,972,953.36	15,151,870.06	19,021,947.51	220,146,770.93
Allowances	32	26,449,498.82	19,950,308.27	16,575,858.88	62,975,665.97
Transfer to LCDA	33	135,502,188.58	-	-	
Impairment	34				-
Revenue Refunded	35				-
Public Debt Charges					
Stabilization Fund					

Refund to main Council					-
Stationeries					-
Severance Gratuity					-
<b>Total Expenditures</b>		<b>1,835,649,194.59</b>	<b>91,523,477.39</b>	<b>77,193,038.52</b>	<b>1,868,863,521.92</b>
<b>Net Surplus/Deficit</b>	36	<b>(144,053,152.47)</b>	<b>(19,980,464.63)</b>	<b>(10,980,674.70)</b>	<b>(175,014,291.80)</b>
<b>Net Surplus/Deficit 01/01/2021</b>	37	<b>(445,758,167.48)</b>	<b>318,387,369.60</b>	<b>89,406,201.27</b>	<b>(37,964,596.61)</b>
<b>Net Surplus/Deficit 31/12/2021</b>	38	<b>(589,811,319.95)</b>	<b>298,406,904.97</b>	<b>78,425,526.58</b>	<b>(212,978,888.41)</b>

**EJIGBO LOCAL GOVERNMENT, EJIGBO**  
**CONSOLIDATED STATEMENT OF CASHFLOW AS AT 31<sup>ST</sup> DECEMBER, 2021**

**CASHFLOW**

<b>OPERATING ACTIVITIES</b>	<b>NOTE</b>	<b>EJIGBO CONSOLIDATED</b>
<b>INFLOW</b>		
Statutory Revenue (JAAC)	39	1,118,750,021.86
Value Added Tax	40	677,655,506.27
Receivable		-
<b>Sub Total Dependent Revenue</b>	41	1,796,405,528.13
Aids and Grants	42	5,386,786.00
Transfer from Main Council	43	
Tax Revenue	44	544,300.00
Non Tax Revenue	45	9,055,308.00
Other Income		-
Overpayment Recovery		-
<b>Sub Total Independent Revenue</b>	46	14,986,394.00
<b>Total Inflow Operating Activities</b>	47	1,811,391,922.13
<b>OUTFLOW</b>		-
Salaries & Wages	48	918,618,946.09
Social Benefits	49	931,000.00
Overhead Cost	50	58,400,722.77
Social Contributions	51	147,547,298.37
Allowances	52	65,732,569.84
Modulated Salary Arrears	53	13,333,333.28
Inventories	54	1,178,000.00
Fund Conserved for Salary		-
Transfer to LCDA	55	
Transfer to other Govt. Agencies	56	519,828,433.17
Refund to Main Councils		-
Revenue Refunded		
Stabilization Fund		
Tax Expenses	57	-
Severance Gratuity		-
<b>Total Outflow from Operating Activities</b>	58	1,725,570,303.52
<b>Net Cashflow from Operating Activities</b>	59	51,321,618.61
<b>INVESTING ACTIVITIES</b>		
Proceed from Disposal of Asset		-
<b>Total Inflow from Investing Activities</b>		-
Cashflow from Investing Activities		-
Administrative Sector	60	72,723,500.00

Economic Sector		-
<b>Total Outflow from Investing Activities</b>	61	72,723,500.00
<b>Net Cashflow from Investing Activities</b>		72,723,500.00
Inflow from Financing Activities		-
Bank Overdraft		
Soft Loan(Bank)		
Deduction Received	62	66,291,987.93
<b>Total Inflow from Financing Activities</b>	63	66,291,987.93
<b>OUFLOW (PAYMENT)</b>		
Bail Out Repayment		-
10km Road	64	18,040,751.35
Water Project	65	-
Environmental Sanitation Loan	66	2,914,565.04
Loan Repayment (Inherited)	67	-
Bank Loan	68	-
Intervention Loan	69	6,437,753.96
Other Loan Repayment		
Deduction Paid	70	53,017,671.96
<b>Total Outflow From Financing Activities</b>	71	80,410,742.31
<b>Net Cashflow from financing Activities</b>	72	(14,118,754.38)
<b>Cash and Cash Equivalent for the year</b>	73	(1,020,635.77)
<b>Cash and Cash Equivalent 01/01/2021</b>	74	12,557,179.54
<b>Cash and Cash Equivalent 31/12/2021</b>	75	11,536,543.77

**EJIGBO LOCAL GOVERNMENT, EJIGBO**  
**CONSOLIDATED STATEMENT OF CASHFLOW AS AT 31<sup>ST</sup> DECEMBER, 2021**

OPERATING ACTIVITIES	NOTE	EJIGBO	EJIGBO SOUTH	EJIGBO WEST	EJIGBO CONSOLIDATED
<b>INFLOW</b>					
Statutory Revenue (JAAC)	39	1,118,750,021.86			1,118,750,021.86
Value Added Tax	40	677,655,506.27			677,655,506.27
Receivable					-
<b>Sub Total Dependent Revenue</b>	41	<b>1,796,405,528.13</b>	-	-	<b>1,796,405,528.13</b>
Aids and Grants	42	5,386,786.00			5,386,786.00
Transfer from Main Council	43		70,302,052.76	65,200,135.82	
Tax Revenue	44	123,500.00	385,400.00	35,400.00	544,300.00
Non Tax Revenue	45	7,222,920.00	855,560.00	976,828.00	9,055,308.00
Other Income					-
Overpayment Recovery					-
<b>Sub Total Independent Revenue</b>	46	<b>12,733,206.00</b>	<b>71,543,012.76</b>	<b>66,212,363.82</b>	<b>14,986,394.00</b>
<b>Total Inflow Operating Activities</b>	47	<b>1,809,138,734.13</b>	<b>71,543,012.76</b>	<b>66,212,363.82</b>	<b>1,811,391,922.13</b>
<b>OUTFLOW</b>					-
Salaries & Wages	48	918,618,946.09			918,618,946.09
Social Benefits	49	741,000.00	120,000.00	70,000.00	931,000.00
Overhead Cost	50	20,696,410.64	17,179,688.80	20,524,623.33	58,400,722.77
Social Contributions	51	95,845,079.31	34,641,610.26	17,060,608.80	147,547,298.37
Allowances	52	29,206,402.69	19,950,308.27	16,575,858.88	65,732,569.84
Modulated Salary Arrears	53	13,333,333.28			13,333,333.28
Inventories	54	205,000.00	973,000.00		1,178,000.00
Fund Conserved for Salary					-
Transfer to LCDA	55	135,502,188.58			
Transfer to other Govt. Agencies	56	519,828,433.17			519,828,433.17
Refund to Main Councils					-
Revenue Refunded					-
Stabilization Fund					-
Tax Expenses	57				-
Severance Gratuity					-
<b>Total Outflow from Operating Activities</b>	58	<b>1,733,976,793.76</b>	<b>72,864,607.33</b>	<b>54,231,091.01</b>	<b>1,725,570,303.52</b>



Net Cashflow from Operating Activities	59	75,161,940.37	,(1,321,594.57)	11,981,272.81	85,821,618.61
<b>INVESTING ACTIVITIES</b>					
Proceed from Disposal of Asset					
<b>Total Inflow from Investing Activities</b>					
Cashflow from Investing Activities					
Administrative Sector	60	48,962,500.00	13,761,000.00	10,000,000.00	72,732,500.00
Economic Sector					-
<b>Total Outflow from Investing Activities</b>	61	48,962,500.00	13,761,000.00	10,000,000.00	72,732,500.00
<b>Net Cashflow from Investing Activities</b>		(48,962,500.00)	(13,761,000.00)	(10,000,000.00)	(72,723,500.00 )
Inflow from Financing Activities					-
Bank Overdraft					
Soft Loan(Bank)					
Deduction Received	62	25,062,087.54	26,499,316.04	14,730,584.35	66,291,987.93
<b>Total Inflow from Financing Activities</b>	63	25,062,087.54	26,499,316.04	14,730,584.35	66,291,987.93
<b>OUFLOW (PAYMENT)</b>					-
Bail Out Repayment					-
10km Road	64	18,040,751.35			18,040,751.35
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	6,437,753.96			6,437,753.96
Other Loan Repayment					
Deduction Paid	70	24,632,190.00	13,654,958.96	14,730,523.00	53,017,671.96
<b>Total Outflow From Financing Activities</b>	71	52,025,260.35	13,654,958.96	14,730,523.00	80,410,742.31
<b>Net Cashflow from financing Activities</b>	72	(26,963,172.81)	12,844,357.08	61.35	(14,118,754.38)
<b>Cash and Cash Equivalent for the year</b>	73	(763,732.44)	(2,238,237.49)	1,981,334.16	(1,020,635.77)
<b>Cash and Cash Equivalent 01/01/2021</b>	74	8,439,774.69	2,521,126.62	1,596,278.23	12,557,179.54
<b>Cash and Cash Equivalent 31/12/2021</b>	75	7,676,042.25	282,889.13	3,577,612.39	11,536,543.77

**EJIGBO LOCAL GOVERNMENT, EJIGBO**  
**CONSOLIDATED STATEMENT OF COMPARISM AS AT 31<sup>ST</sup> DECEMBER, 2021**

		EJIGBO CONSOLIDATED		
<b>PARTICULAR</b>	<b>NOTE</b>	Final Budget	Actual (N)	Variance
DEPENDENT REVENUE				
Government Share of FAAC(Statutory Revenue)	16	1,707,338,605.79	1,042,072,500.25	1,089,824,076.16
Government Share of VAT	17	550,383,850.84	636,790,335.17	794,053,186.01
<b>Sub-Total Dependent Revenue</b>	<b>18</b>	2,257,722,456.63	1,678,862,836.12	1,883,877,262.17
INDEPENDENT REVENUE				
Grants & Aids	19	17,962,365.00	5,386,786.00	12,575,579.00
Transfer from Main Council	20	-	-	-
Tax Revenue	21	13,377,000.00	544,300.00	12,832,700.00
Non-Tax Revenue	22	36,575,000.00	9,055,308.00	27,519,692.00
Other Income				
<b>Sub-Total Independent Revenue</b>		67,914,365.00	14,986,394.00	52,927,971.00
<b>Total Revenue</b>		2,325,636,821.63	1,693,849,230.12	1,936,805,233.17
EXPENDITURE				
Salaries & Wages	23	1,131,560,100.00	855,868,781.13	275,691,318.87
Social Benefits	24	54,451,822.00	931,000.00	53,520,822.00
Overhead Cost	25	264,900,000.00	91,602,995.82	173,297,004.18
Grants & Social Contribution	26	261,383,840.38	158,547,298.37	102,836,542.01
Transfer to Other Agencies	27	62,289,040.00	478,791,009.70	(416,501,969.70)
Depreciation	31	-	220,146,770.93	(204,994,900.87)
Allowances	32	62,742,020.00	62,975,665.97	(233,645.97)
Transfer to LCDA	33	-	135,502,188.58	(135,502,188.58)
Impairment	34	-	-	-
Revenue Refunded	35	-	-	-
Stationaries		-	-	-
<b>Total Expenditures</b>		1,837,326,822.38	1,868,863,521.92	(151,887,018.06)
<b>Net Surplus/Deficit</b>	<b>36</b>	488,309,999.25	(175,014,291.80)	2,088,692,251.23
<b>Net Surplus/Deficit 31/12/2020</b>	<b>37</b>	-	(37,964,596.61)	-
<b>Net Surplus/Deficit 31/12/2021</b>	<b>38</b>	488,309,999.25	(212,978,888.41)	2,088,692,251.23

**EJIGBO LOCAL GOVERNMENT, AWO**  
**CONSOLIDATED STATEMENT OF COMPARISM BUDGET AND ACTUAL AS AT 31<sup>ST</sup> DECEMBER, 2021**

		EJIGBO			EJIGBO WEST LCDA			EJIGBO SOUTH LCDA			EJIGBO CONSOLIDATED		
PARTICULAR	NOTE	FINAL BUDGET	ACTUAL	VARIANCE	Final Budget	Actual (N)	Variance	Final Budget	Actual (N)	Variance	Final Budget	Actual (N)	Variance
DEPENDENT REVENUE													
Government Share of FAAC(Statutory Revenue)	16	762,042,421.00	1,042,072,500.95	280,030,079.95	399,321,924.79	65,200,135.82	334,121,788.97	545,974,260.00	70,302,052.76	475,672,207.24	1,707,338,605.79	1,042,072,500.95	1,089,824,076.16
Government Share of VAT	17	196,560,500.00	636,790,335.17	440,229,835.17	100,823,350.84		100,823,350.84	253,000,000.00		253,000,000.00	550,383,850.84	636,790,335.17	794,053,186.01
<b>Sub-Total Dependent Revenue</b>	<b>18</b>	<b>958,602,921.00</b>	<b>1,678,862,836.12</b>	<b>720,259,915.12</b>	<b>500,145,275.63</b>	<b>65,200,135.82</b>	<b>434,945,139.81</b>	<b>798,974,260.00</b>	<b>70,302,052.76</b>	<b>728,672,207.24</b>	<b>2,257,722,456.63</b>	<b>1,678,886,836.12</b>	<b>1,883,877,262.17</b>
INDEPENDENT REVENUE											-	-	-
Grants & Aids	19	10,460,480.00	5,386,786.00	5,073,694.00	7,501,885.00		7,501,885.00				17,962,365.00	5,386,786.00	12,575,579.00
Transfer from Main Council	20										-	-	-
Tax Revenue	21	2,000,000.00	123,500.00	1,876,500.00	4,970,000.00	35,400.00	4,934,600.00	6,407,000.00	385,400.00	6,021,600.00	13,377,000.00	544,300.00	12,832,700.00
Non-Tax Revenue	22	23,670,000.00	7,222,920.00	16,447,080.00	10,510,000.00	976,828.00	9,533,172.00	2,395,000.00	855,560.00	1,539,440.00	36,575,000.00	9,055,308.00	27,519,692.00
Other Income											-	-	-
<b>Sub-Total Independent Revenue</b>		<b>36,130,480.00</b>	<b>12,733,206.00</b>	<b>23,397,274.00</b>	<b>22,981,885.00</b>	<b>66,212,363.82</b>	<b>21,969,657.00</b>	<b>8,802,000.00</b>	<b>71,543,012.76</b>	<b>7,561,040.00</b>	<b>67,914,365.00</b>	<b>14,986,394.00</b>	<b>52,927,971.00</b>
<b>Total Revenue</b>		<b>994,733,401.00</b>	<b>1,691,596,042.12</b>	<b>743,657,189.12</b>	<b>523,127,160.63</b>	<b>66,212,363.82</b>	<b>456,914,796.81</b>	<b>807,776,260.00</b>	<b>71,543,012.76</b>	<b>736,233,247.24</b>	<b>2,325,636,821.63</b>	<b>1,693,849,230.12</b>	<b>1,936,805,233.17</b>
EXPENDITURE											-	-	-
Salaries & Wages	23	526,057,650.00	855,868,781.13	(329,811,131.13)	132,681,450.00		132,681,450.00	472,821,000.00		472,821,000.00	1,131,560,100.00	855,868,781.13	275,691,318.87
Social Benefits	24	12,000,000.00	100,000.00	11,900,000.00	42,451,822.00	70,000.00	42,381,822.00		120,000.00	(120,000.00)	54,451,822.00	931,000.00	53,520,822.00
Overhead Cost	25	103,500,000.00	28,023,083.25	75,476,916.75	100,000,000.00	21,224,623.33	78,775,376.67	61,400,000.00	18,179,688.80	43,220,311.20	264,900,000.00	91,602,995.82	173,297,004.18
Grants & Social Contribution	26	102,776,711.00	29,931,547.99	72,845,163.01	35,194,379.38	20,300,608.80	14,893,770.58	123,412,750.00	38,121,610.26	85,291,139.74	261,383,840.38	158,547,298.37	102,836,542.01
Transfer to Other Agencies	27	62,289,040.00	478,791,009.70	(416,501,969.70)						-	62,289,040.00	478,791,009.70	(416,501,969.70)
Depreciation	31		185,972,953.36	(185,972,953.36)		19,021,947.51	(19,021,947.51)		15,151,870.06		-	220,146,770.93	(204,994,900.87)
Allowances	32		26,449,498.82	(26,449,498.82)	31,399,510.00	16,575,858.88	14,823,651.12	31,342,510.00	19,950,308.27	11,392,201.73	62,742,020.00	62,975,665.97	(233,645.97)
Transfer to LCDA	33		135,502,188.58	(135,502,188.58)							-		(135,502,188.58)
Impairment	34										-	-	-
Revenue Refunded	35										-	-	-

Stationaries											-	-	-
<b>Total Expenditures</b>		<b>806,623,401.00</b>	<b>1,835,649,194.59</b>	<b>(1,029,025,793.59)</b>	<b>341,727,161.38</b>	<b>77,193,038.52</b>	<b>264,534,122.86</b>	<b>688,976,260.00</b>	<b>91,523,477.39</b>	<b>612,604,652.67</b>	<b>1,837,326,822.38</b>	<b>1,868,863,521.</b>	<b>(151,887,018.06)</b>
<b>Net Surplus/Deficit</b>	<b>36</b>	<b>188,110,000.00</b>	<b>(144,053,152.47)</b>	<b>1,772,682,982.71</b>	<b>181,399,999.25</b>	<b>(10,980,674.70)</b>	<b>192,380,673.95</b>	<b>118,800,000.00</b>	<b>(19,980,464.63)</b>	<b>123,628,594.57</b>	<b>488,309,999.25</b>	<b>(175,014,291.80)</b>	<b>2,088,692,251.23</b>
<b>Net Surplus/Deficit 31/12/2020</b>	<b>37</b>		<b>(445,758,167.48)</b>			<b>89,406,201.27</b>			<b>318,387,369.60</b>		<b>-</b>	<b>(37,964,596.61)</b>	<b>-</b>
<b>Net Surplus/Deficit 31/12/2021</b>	<b>38</b>	<b>188,110,000.00</b>	<b>(589,811,319.95)</b>	<b>1,772,682,982.71</b>	<b>181,399,999.25</b>	<b>78,425,526.57</b>	<b>192,380,673.95</b>	<b>118,800,000.00</b>	<b>298,406,904.97</b>	<b>123,628,594.57</b>	<b>488,309,999.25</b>	<b>(212,978,888.41)</b>	<b>2,088,692,251.23</b>

## EJIGBO LOCAL GOVERNMENT, EJIGBO

NET ASSE AND EQUITY	EJIGBO CONSOLIDATED		
DETAILS	RESERVES	Accumulated Surplus/Deficit	TOTAL
<b>Opening Balance 1/1/2021</b>	741,843,543.93	(37,964,596.61)	703,878,947.32
<b>Adjusted Reserve</b>	-	-	-
<b>Adjusted Balance</b>	741,843,543.93	(37,964,596.61)	703,878,947.32
<b>Net Surplus Deficit for the year</b>	-	(175,014,291.80)	(175,014,291.80)
<b>Closing Balance as at 31/12/2021</b>	741,843,543.93	(212,978,888.41)	528,864,655.52

**EJIGBO LOCAL GOVERNMENT, EJIGBO**  
**CONSOLIDATED STATEMENT OF NET ASSET/EQUITY AS AT 31<sup>ST</sup> DECEMBER, 2021**

EJIGBO				EJIGBO SOUTH			EJIGBO WEST			EJIGBO CONSOLIDATED		
DETAILS	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	1,154,338,567.66	(445,758,167.48)	708,580,400.18	(376,397,842.26)	318,387,369.60	(58,010,472.66)	(36,097,181.47)	89,406,201.27	53,309,019.80	741,843,543.93	(37,964,596.61)	703,878,947.32
Adjusted Reserve			-			-			-	-	-	-
Adjusted Balance	1,154,338,567.66	(445,758,167.48)	708,580,400.18	(376,397,842.26)	318,387,369.60	(58,010,472.66)	(36,097,181.47)	89,406,201.27	53,309,019.80	741,843,543.93	(37,964,596.61)	703,878,947.32
Net Surplus Deficit for the year		(144,053,152.47)	(144,053,152.47)		(19,980,464.63)	(19,980,464.63)		(10,980,674.70)	(10,980,674.70)	-	(175,014,291.80)	(175,014,291.80)
Closing Balance as at 31/12/2021	1,154,338,567.66	(589,811,319.95)	564,527,247.71	(376,397,842.26)	298,406,904.97	(77,990,937.29)	(36,097,181.47)	78,425,526.58	42,328,345.11	741,843,543.93	(212,978,888.41)	528,864,655.52

**EJIGBO LOCAL GOVERNMENT**  
**Consolidated Notes to the Account for the year Ended 31st December, 2021**

**Notes**

	<b>EJIGBO CONSOLIDATED</b>
	<b>N</b>
<b>1 Cash and Cash Equivalent</b>	
Balance b/f 01/01/2020	12,557,179.54
Add Receipt	2,013,186,098.64
Total Receipt	2,025,743,278.18
Total Payment	2,014,206,734.41
	<b>11,536,543.77</b>
<b>2 Receivables</b>	<b>N</b>
Allocation	14,981,040.16
VAT	131,621,221.47
Exchange Rate Gain	962,324.07
Others (Conserved Fund)	36,500,000.00
Less: Allocation Dec., 2020	1,666,666.66
	<b>31,231,252.36</b>
<b>3 Prepayment/Advances</b>	<b>N</b>
Balance b/forward	3,450,000.00
Additional Prepayment	-
	3,450,000.00
Amount Utilized	-
	<b>3,450,000.00</b>
<b>4 Inventory</b>	<b>N</b>
Office Materials	2,720,000.00
Finance Materials	1,178,000.00
	3,898,000.00
Amount Issued	2,100,000.00
Unissued	<b>1,798,000.00</b>
<b>5 Investment</b>	<b>N</b>
Omoluabi	13,132,942.00
Kajola Integrated	9,523,810.00
OSICOL	267,000.00
Preference Shares	24,429,690.04
Others	13,170,756.35
<b>Total</b>	<b>60,524,198.39</b>

<b>8</b>	<b>Biological Asset</b>	<b>N</b>
	Poultry	748,808.00
	Less: Depreciation	17,000.00
		<u><b>731,808.00</b></u>
<b>9</b>	<b>Asset Under Construction (WIP)</b>	<b>N</b>
	Market Stall	<u><b>9,051,000.00</b></u>
<b>10</b>	<b>Short term Loan &amp; Debt</b>	<b>NIL</b>
<b>11</b>	<b>Unremitted Deduction</b>	<b>N</b>
	Balance as at 1st of Jan, 2021	(170,468,854.62)
	Deduction Received	66,291,987.93
		<u>(104,176,866.69)</u>
	Deduction Paid	53,017,671.96
		<u><b>(157,194,538.65)</b></u>
<b>12</b>	<b>Payable</b>	<b>N</b>
	Bal B/f	
	Unpaid Salaries Arrears	265,121,361.43
	Unpaid Vouchers	167,821,488.79
	Transfer to Other Agencies (Dec, 2021)	47,152,570.53
	Employee Benefit (Dec, 2021)	73,701,792.19
	Overhead (Dec, 2021)	1,949,631.64
	Modulated Salary Arrears	1,666,666.66
	Less: Modulated Salary	(13,333,333.28)
	Allowance Dec., 2020	(22,615.69)
	Loan Dec., 2020	(2,734,288.18)
	Overhead (Dec, 2020)	(1,731,060.29)
	Employee Benefit (Dec, 2020)	(62,750,164.96)
	Transfer to Other Agencies (Dec, 2020)	(41,037,423.47)
		<u><b>435,804,625.37</b></u>
<b>13</b>	<b>Loan Term Loan</b>	<b>N</b>
	Balance b/f	1,318,574,519.60



10km Road	(18,040,751.35)
Intervention	(6,437,753.96)
Environmental	(2,914,565.04)
	<b>1,291,181,449.25</b>
<b>14 Reserve</b>	<b>N</b>
Balance b/f	741,843,543.93
Revaluation Surplus-PPE	-
Revaluation Surplus-Inv. Property	-
	<b>741,843,543.93</b>
<b>15 Accumulated Surplus/(Deficit)</b>	<b>N</b>
Balance b/forward 01/01/2021	(37,964,596.61)
Surplus during the year	(175,014,291.80)
Balance C/forward 31/12/2021	<b>(212,978,888.41)</b>
<b>16 Statutory Allocation</b>	<b>N</b>
JAAC	985,473,447.32
Non-Oil Revenue	31,295,030.98
Forex Equalization	1,549,374.16
Exchange Rate Gain	5,818,486.47
Eco Fund	4,340,568.89
Solid Minerals	13,595,593.13
	<b>1,042,072,500.95</b>
<b>17 Government Share of VAT</b>	<b>N</b>
VAT	636,790,335.17
	<b>636,790,335.17</b>
<b>18 Dependent Revenue</b>	<b>N</b>
JAAC	1,042,072,500.95
VAT	636,790,335.17
<b>Total</b>	<b>1,678,862,836.12</b>
<b>19 Other Dependent Revenue (Grants &amp; Aids)</b>	<b>N</b>
Augumentation	<b>5,386,786.00</b>
<b>20 Transfer from Main Council</b>	<b>N</b>
	<b>135,502,188.58</b>

<b>21 Tax Revenue</b>	<b>N</b>
Community Tax	<b>544,300.00</b>
<b>22 Non-Tax Revenue</b>	<b>N</b>
Fees	<b>9,055,308.00</b>
<b>CENTRALLY EXPENDED</b>	
<b>23 Employee Benefit (Staff Salaries &amp; Wages)</b>	<b>N</b>
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
	<b>855,868,781.13</b>
<b>24 Social Benefits</b>	<b>N</b>
Training of Staff (Drivers)	100,000.00
	<b>100,000.00</b>
<b>25 Overhead</b>	<b>N</b>
Year 2021 Budget	2,100,000.00
Running Cost to JAAC Sec.	1,200,000.00
ALGON Imprest	10,200,000.00
Bank Charge	1,475,879.05
Consultancy Fees	6,001,319.28
Magnum Trust	3,979,218.25
SUBEB Stipends	66,666.70
School Running Grant	2,999,999.97
	<b>28,023,083.25</b>
<b>26 Grant &amp; Social Contribution</b>	<b>N</b>
SUBEB Special Need Sch	1,983,214.66
2021 Xmas & New Year Gift	17,215,000.00
Other Expenditure	10,733,333.33
	<b>29,931,547.99</b>
<b>27 Transfer to Other Agencies</b>	<b>N</b>
1 % Training Fund	9,450,958.18

5% Traditional Council	50,845,065.25
5% Stabilization Fund	48,698,707.76
Audit Fees	20,853,604.58
SUBEB Contract Staff	271,120.78
Gratuity	46,666,666.64
Monthly Pension	146,165,451.96
Contributory Pension (TNT)	32,747,003.40
Contributory Pension (LG)	42,462,492.89
O'HIS	14,112,151.06
O'Meal	19,094,288.00
RAMP Refund	8,617,329.07
SUBEB Matching Grant	38,806,170.18
	<b>478,791,009.75</b>
<b>28 Social Benefits</b>	<b>N</b>
<b><u>Local Govt Expenditure</u></b>	
Financial Assistance to Local Govt Staff	831,000.00
	<b>831,000.00</b>
<b>29 Overhead</b>	<b>N</b>
<b><u>Local Govt Expenditure</u></b>	
Repair and Maintenance of Vehicle	36,502,520.21
Publication & Advert	24,335,013.48
Printing and General Expenses	2,100,000.00
Bank Charges	514,012.06
Tax Expenses	128,366.82
	<b>63,579,912.57</b>
<b>30 Grants and Social Contribution</b>	<b>N</b>
<b><u>Local Govt Expenditure</u></b>	
Distilling of Culverts	35,284,725.12
Cleaning of Dumpsite	14,113,890.05
Sensitization & Workshop	17,642,362.56
Training and Entertainment	16,466,205.05
Ileya	15,290,047.55
Xmas Celebration	18,818,520.06
PPE	11,000,000.00
	<b>128,615,750.39</b>
<b>31 Depreciation Charge</b>	<b>N</b>
Building	8,803,760.19

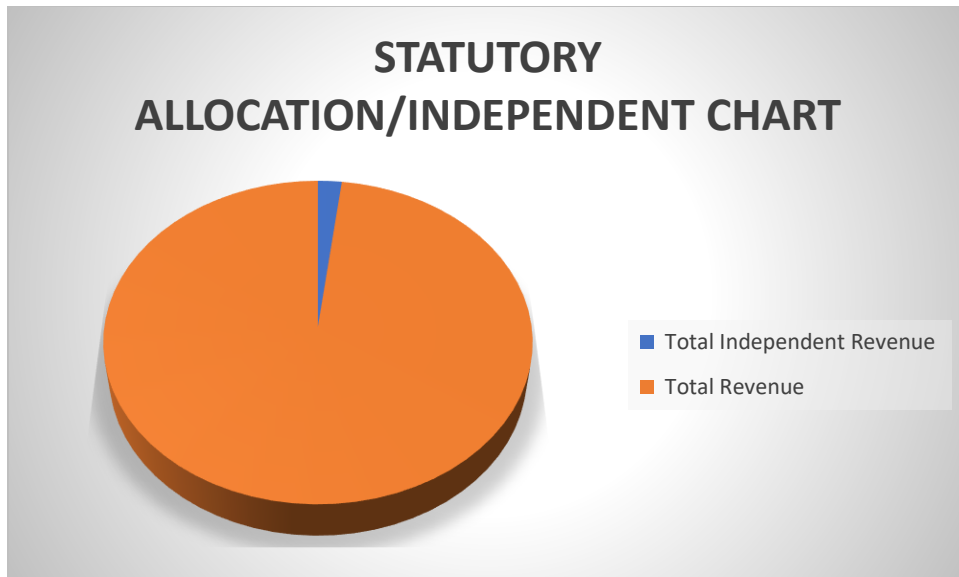
	Plants & Machineries	43,372,436.60
	Infrastructural Assets	150,577,030.53
	Motor Vehicle	13,339,073.07
	Office Equipment	1,924,711.18
	Furniture & Fittings	779,593.77
	Investment Property	1,333,165.60
	Biological Asset	17,000.00
		<b>220,146,770.93</b>
<b>32</b>	<b>Allowance</b>	<b>N</b>
	Allowance to Various Committee	50,380,532.78
	O' Tech Allowance	12,595,133.19
		<b>62,975,665.97</b>
<b>33</b>	<b>Transfer to LCDA</b>	<b>N</b>
		<b>135,502,188.58</b>
<b>34</b>	<b>Impairment</b>	<b>NIL</b>
		<b>N</b>
<b>36</b>	<b>Total Revenue</b>	1,693,849,230.12
	<b>Total Expenditure</b>	1,868,863,521.92
		<b>(175,014,291.80)</b>

## EJIGBO LOCAL GOVERNMENT FISCAL OPERATION REPORT

### STATEMENT OF CASHFLOW RATIOS

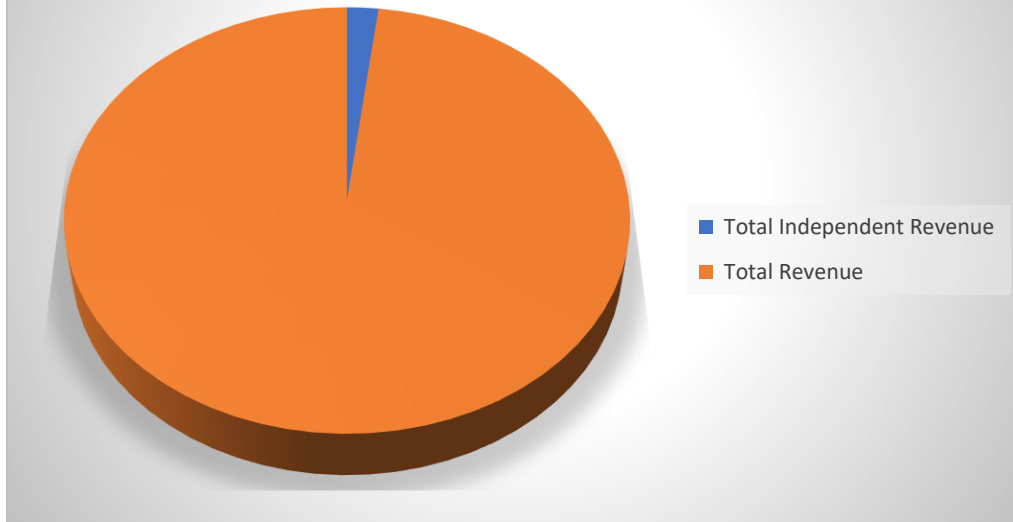
$$\begin{aligned} 1. \quad & \text{DEPENDENT REVENUE/TOTAL REVENUE} \times 100 \\ & = \frac{1,796,405,528.13}{1,811,391,922.13} = 99.17\% \end{aligned}$$

This indicated that Statutory Allocation took 99.17% of the Total Revenue of the Local Government and LCDA leaving 0.83% as Independence Revenue



$$\begin{aligned} 2. \quad & \frac{\text{TOTAL INDEPENDENT REVENUE}}{\text{TOTAL REVENUE}} \\ & \frac{14,986,394.00}{1,811,391,922.13} \times 100 = 0.83\% \end{aligned}$$

### STATUTORY ALLOCATION/INDEPENDENT CHART



#### 3. SALARY & WAGES : TOTAL RECURRENT EXPENDITURE

$$\frac{918,618,946.09}{1,725,570,303.52} \times 100 = 53.24\%$$

Therefore, the Salaries and Wages took about 52.19% out of the Recurrent Expenditure in the Local Government while the remaining 47.81% was expended on other expenditure.

#### 4 TRANSFER TO OTHER AGENCIES : TOTAL RECURRENT EXPENDITURE

$$\frac{519,828,433.17}{1,725,570,303.52} \times 100 = 30.13\%$$

It means that Transfer to Other Agencies took about 29.53% out of the recurrent expenditure.

### STATEMENT OF FINANCIAL POSITION RATIOS

#### 5 CURRENT ASSET : CURRENT LIABILITIES

$$\frac{48,015,797.13}{298,610,086.72} = 0.17 : 1$$

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

6      TOTAL ASSET : TOTAL LIABILITIES

$$\frac{2,098,656,191.49}{1,569,791,535.97} = 1.33 : 1$$

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

7.      EQUITY : TOTAL ASSET

$$\frac{528,864,655.52}{2,098,656,191.49} = 0.25 : 1$$

#### **STATEMENT OF FINANCIAL PERFORMANCE RATIO**

8.      DEPENDENT REVENUE : TOTAL REVENUE

$$\frac{1,678,862,836.12}{1,693,849,230.12} \times 100 = 99.12\%$$

This indicated that the Dependent Revenue accounted for 99.12% of the Total Revenue of all the Local Government of the State leaving 0.88% as Independent Revenue.

9.      INDEPENDENT REVENUE : TOTAL REVENUE

$$\frac{14,986,394.00}{1,693,849,230.12} \times 100 = 0.89\%$$

# MANAGEMENT LETTER

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

1. **UNRETIRED IMPREST AMOUNTING TO (N53,500.00):-** It was observed that the payment voucher of Fifty three thousand five hundred naira made to the staffer of the Local Government as monthly imprest for the month of October, 2020 was not supported with official receipts to authenticate that the expenditure was actually incurred contrary to the provision of 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 Imprest shall automatically be retired at the end of each financial year". This had been made subject of Audit Query issued.

***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 has 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 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.*

2. **UNCLAIMED ALLOWANCE AMOUNTING TO (N110,000.00):-** It was observed that the payment vouchers of One hundred and ten thousand naira which was made to staffers of Ejigbo Local Government, Ejigbo in respect of imprest paid for the month of August and October, 2021 were neither acknowledged nor claimed contrary to Financial Memoranda 14:13 which states that, "Payment shall as far as possible, be made to the person to whom it is due, payment for a third party shall only be made on production of



a written authority from the person to whom payment is due, such authority being attached to the payment voucher after payment”.

**RISK:**

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

**MANAGEMENT RESPONSE:** *The sub-receipt for the payment had not been signed by all recipients as at the time of audit exercise, upon which Auditor issued a query and due process was duly followed and necessary documents were later attached and submitted for further audit scrutiny.*

**RECOMMENDATION:**

*An official printed sub receipt duly signed by all recipients must be obtained and attached to the payment voucher as this proved the authenticity that the payment was actually made.*

**3. 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 on monthly basis by the Internal Audit Unit of the Local Government.*

**RECOMMENDATION**

*The Internal Auditor must ensure that all assets are captured in the register by taken in to cognisance of the ownership, existence valuation and authorization in order to give accurate reliable financial data of the assets.*

4. **FINAL ACCOUNT/GPFS :-** Discrepancies was observed in the cash and cash equivalent as wrong formular was used in the preparation and presentation of the Local Government Financial Statement which make the GPFS not to be in conformity with the set standard. The Head of Finance is hereby advised to ensure that the rightful formular is being used for accurate preparation of GPFS before presenting it for audit checks.

**RISK:** This can affect the reliability of the statement to the end users.

**MANAGEMENT RESPONSE:** The officer in charge of the preparation of General Purpose Financial Statement will be supervised thoroughly and checked work done before the presentation of GPFS for Audit Verification.

**RECOMMENDATION:** The Director of Finance and supply should make sure that the statements are well prepared in order to avoid sanction from Auditor.

5. **LATE PAYMENT ₦1,014,600.00:-** It was observed during the period under review that a total sum of ₦1,014,600.00 for the year 2020 and 2021 that stood as late payment, the Director of Finance of Ejigbo Local Government, Ejigbo was hereby advice to be up and doing to his responsibilities 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.

6. **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 1<sup>st</sup> to 4<sup>th</sup> quarter 2021 despite several efforts move by the director of Revenue of Auditor General for Local Government.

***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.

**EJIGBO WEST LCDA, OGURO**  
**OBSERVATIONS AND INTERNAL CONTROL REVIEW FOR THE FINANCIAL YEAR**  
**ENDED 31ST DECEMBER, 2021**

1. **EXPENDITURE NOT SUPPORTED BY PROPER RECORDS OR ACCOUNTS AMOUNTING TO (N125,000.00):-** It was observed that the payment vouchers of One hundred and twenty five thousand naira paid as running cost for the Head of Department of Town Planning and Land Services, Department of Social Development and Information of Ejigbo West Local Council Development Area, Oguro for the month of June, 2021 were not acknowledged with official receipts to authenticate that the running cost were actually incurred contrary to the provision of 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 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 has however 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/authorizing officer should present official receipt and other necessary documents to prove the authenticity of the expenditure, or should make a refund.*

2. **UNRETIRED IMPREST AMOUNTING TO (N75,000.00):-** It was observed that the sum of Seventy five thousand naira which was made to the staffer of Ejigbo West Local Council Development Area, Oguro as monthly imprest in the month of November, 2021 was not retired with necessary receipt and documents 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 Imprest shall 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 all the receipts and invoices had been attached to the reply to audit query submitted to the Office of the Auditor General for further audit verification.*

**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. **UNCLAIMED AND UNRETIRED IMPREST AMOUNTING TO (N180,000.00):-**It was observed that the total sum of one hundred and eighty thousand naira which was made to the staffers of Ejigbo West Local Council Development Area, Oguro as monthly imprest for the month of March and April, 2021 respectively were neither acknowledged nor claimed which is contrary to Financial Memoranda 14:13 which states that, "Payment shall as far as possible, be made to the person to whom it is due, payment for a third party shall only be made on production of a written authority from the person to whom payment is due, such authority being attached to the payment voucher after payment".

Also, the payment vouchers raised as monthly imprest were not retired with necessary receipt and documents 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 were prescribed when the imprest is approved. However, all imprest shall be automatically be retired at the end of each financial year.

**RISK:**

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

**MANAGEMENT RESPONSE:** *The sub-receipt for the payment had not been signed by all recipients as at the time of audit exercise, upon which Auditor issued a query and due process was duly followed appropriately and necessary documents were attached.*

**RECOMMENDATION:**

*An official printed sub-receipt duly signed by all recipients must be obtained and attached to the payment voucher as this proved the authenticity that the payment was actually made.*

3. **EXPENDITURE NEITHER CONTROLLED NOR CHECKED AND PASSED BY INTERNAL AUDITOR AMOUNTING TO (₦240,200.00):-**

It was observed that payment voucher of Two hundred and forty thousand two hundred naira (₦240,200.00) was neither controlled nor checked and passed by the officer with authority to control expenditure before effecting payment which is contrary to the provision of Financial Memoranda 40:10 which states that, "Before any payment is made, a prepayment audit of vouchers and supporting documents shall be made by the Internal Auditor on all payment vouchers to verify that the provisions of those Financial Memoranda have been followed in all respect, the payment is one properly authorized and correctly charged to the stated sub-head or account, and that sufficient funds are available to meet it.

**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.*

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 only 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.*

*The discrepancies were observed on the approved budgeted figures and the Final budget in statement of budgeted of comparison of budget and actual but corrected at 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. **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 3<sup>rd</sup> to 4<sup>th</sup> 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.*

**EJIGBO SOUTH LCDA, ILAWO**  
**OBSERVATIONS AND INTERNAL CONTROL REVIEW FOR THE FINANCIAL YEAR**  
**ENDED 31ST DECEMBER, 2021**

1. **EXPENDITURE NOT-TAKEN-ON-CHARGE AMOUNTING TO (N30,000.00):-** It was observed that a sum of Thirty thousand naira was expended on the printing of letterhead, leave approval forms and record of service of Ejigbo South Local Council Development Area, Ilawo. Audit Examination revealed that the purported printed letterhead, leave approval forms and record of service 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 Ledger in use had been exhausted, however another ledger had been procured and updated. Also store receipt and issue vouchers had been issued accordingly 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.*

2. **UNRETIRED IMPEST AMOUNTING TO (N15,000.00):-** It was observed that a sum of Fifteen Thousand Naira expended by staffer of Ejigbo South Local Council Development Area, Ilawo as monthly running imprest for the month of April, 2021 was not retired 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 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 all the receipts and invoices had been attached to the reply of the audit query submitted to the Office of the Auditor General for further audit verification.*

**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. **UNCLAIMED ALLOWANCE AMOUNTING TO (N90,000.00):-** It was observed that the payment of Ninety thousand naira (N90,000.00) which were made to staffers of Ejigbo South Local Council Development Area, Ilawo in respect of monthly running imprest for Agriculture/Food Security Department and for entertainment/hosting of indigenes of Osuntedo security personnel, members of caretaker committee and staff of Ejigbo LCDA at a peace meeting between the opposing sides from Osuntedo community for the month of June and October, 2021 respectively were neither acknowledged nor claimed contrary to Financial Memoranda 14:13 which states that, "Payment shall as far as possible, be made to the person to whom it is due, payment for a third party shall only be made on production of a written authority from the person to whom payment is due, such authority being attached to the payment voucher after payment".

**RISK:**

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

**MANAGEMENT RESPONSE:** *The sub-receipt for the payment had not been signed by all recipients as at the time of audit exercise, upon which Auditor issued a query and due process was duly followed appropriately and necessary documents were attached.*

**RECOMMENDATION:**

*An official printed sub-receipt duly signed must be obtained and attached to the payment voucher as this proved the authenticity that the payment was made.*

4. **EXPENDITURE NEITHER CHECKED AND PASSED BY THE INTERNAL AUDITOR NOR CONTROLLED BY THE OFFICER THAT HAS AUTHORITY TO INCURE EXPENDITURE AMOUNTING TO (N190,000.00):-** It was observed that the sum of One hundred and

ninety thousand naira expended on the O'Clean Technical Committee in the month of July, 2021 was neither checked and passed nor controlled by the Internal Auditor and by officer with authority to incur expenditure respectively 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 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 of the audit query.*

**RECOMMENDATION:**

*The signatories to the cheque should explain the rationale behind making payment without Internal Auditor's involvement.*

**5. 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 on monthly basis by the Internal Audit Unit of the Local Government.*

**RECOMMENDATION**

*The Internal Auditor must ensure that all assets are captured in the register by taken in to cognisance of the ownership, existence valuation and authorization in order to give accurate reliable financial data of the assets.*

6. **FINAL ACCOUNTS:** - *The Head of Finance is admonished to be alive to his responsibility by ensuring adequate supervision of his subordinate towards ensuring timely preparation and presentation of Financial Statement henceforth*

7. **LATE PAYMENT ₦100,000.00:-** *It was observed during the period under review that a total sum of ₦100,000.00 for the year 2020 and 2021 that stood as late payment, the Director of Finance of Ejigbo South LCDA, Ilawo 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 AUDITOR'S REPORT**

1. The Internal Audit Unit is very effective and majorly, the Management needs to block all the leakages and improve on other items of Revenue of the Local Government while the rate section be equipped to generate more.

**EJIGBO LOCAL GOVERNMENT, EJIGBO**

<b>S/N</b>	<b>SUBJECT</b>	<b>QUERIES NO</b>	<b>NO OF OFFICERS QUERIED</b>	<b>AMOUNT (#)</b>
1.	Unretired Imprest	LQ/AUD/EJG/01/2021	1	53,500.00
2.	Irregular Payment	LQ/AUD/EJG/02/2021	5	125,000.00
4.	Unclaimed Expenditure	LQ/AUD/EJG/04/2021	2	110,000.00
			<b>8</b>	<b>288,500.00</b>

**EJIGBO SOUTH LCDA, ILAWO**

S/N	SUBJECT	QUERIES NO	NO OF OFFICERS QUERIED	AMOUNT (#)
1.	Expenditure not taken-on-charge	LQ/AUD/EJGS/LCDA/01/2021	2	30,000.00
2.	Unretired Imprest	LQ/AUD/EJGS/LCDA/02/2021	1	15,000.00
3.	Unclaimed Imprest	LQ/AUD/EJGS/LCDA/03/2021	2	90,000.00
4.	Expenditure not checked and pass	LQ/AUD/EJGS/LCDA/04/2021	1	190,000.00
			<b>6</b>	<b>325,000.00</b>

#### **EJIGBO WEST LCDA, OGURO**

S/N	SUBJECT	QUERIES NO	NO OF OFFICERS QUERIED	AMOUNT (#)
1.	Expenditure not checked and pass by Internal Auditor	LQ/AUD/EJGW/LCDA/01/2021	3	240,200.00
2.	Expenditure not supported by proper records	LQ/AUD/EJGW/LCDA/02/2021	4	125,000.00
3.	Unclaimed and Unretired Imprest	LQ/AUD/EJGW/LCDA/03/2021	4	255,000.00
			<b>11</b>	<b>620,000.00</b>

#### **LIST OF PROJECT EXECUTED FOR YEAR 2021 IN EJIGBO WEST LCDA, OGURO**

S/N	NAME OF PROJECT	LOCATION	COST OF PROJECT (₦)	AMOUNT RELEASED (₦)	BALANCE (₦)	REMARK
1.	Muscle Camry (Muscle type)	Chairman Office	4,000,000.00	4,000,000.00	-	Good Condition
2.	Toyota Corolla	Vice Chairman Office	3,000,000.00	3,000,000.00	-	Good Condition

3.	Toyota Corolla	Secretary office	3,000,000.00	3,000,000.00	-	Good Condition
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**LIST OF PROJECT EXECUTED FOR YEAR 2021 IN EJIGBO SOUTH LCDA, ILAWO**

S/N	NAME OF PROJECT	LOCATION	COST OF PROJECT (₦)	AMOUNT RELEASED (₦)	BALANCE (₦)	REMARK
1.	Construction of phase A of LCDA Secretary	Ilawo	10,591,905.00	8,504,000.00	2,087,505.00	On-going
2.	Construction of block of three class rooms at DC primary school	Aato	5,773,005.00	1,500,000.00	4,273,005.00	On-going
3.	Grading/laterite of earth road from Ika	Ika	183,000.00	183,000.00	0.00	Completed

	main road to Ika Muslim prayer ground to odo aro					
4.	Grading/laterite of earth road	Inisa I and Ijimoba	266,250.00	266,250.00	0.00	Completed
5.	Purchase of Toyota Camry Official car for the use of the chairman	chairman office	4,000,000.00	4,000,000.00	0.00	Completed
6.	Purchase of Toyota Corola official car for the use of the vice chairman	Vice Chairman office	3,000,000.00	3,000,000.00	0.00	Completed
7.	Purchase of Toyota Corola official car for the use of the secretary	secretary office	3,000,000.00	3,000,000.00	0.00	Completed
8.	Desilting and cartaway of 400m <sup>2</sup> line drainage	Isundunrin	2,000,000.00	2,000,000.00	0.00	Completed
9.	Desilting and cartaway of 400m <sup>2</sup> line drainage	Songbe	2,000,000.00	2,000,000.00	0.00	Completed
10.	Extension of low tension network	Ilawo	1,000,000.00	1,000,000.00	0.00	Completed
11.	Servicing, engraving security and procurement of 4 tires and motor accessories to the newly purchased Toyota camry muscle attached to the chairman office	Secretariat	502,000.00	400,000.00	102,000.00	Completed
12.	Repair solar street light	Isundunrin	110,000.00	110,000.00	0.00	Completed
13.	Clearing of verges and scrubs on the road from Inisa, Edo, Ibogunde, Idi Igba to Songbe community	Inisa, Edo, Ibogunde, Idi Igba to Songbe community	350,000.00	200,000.00	150,000.00	Completed

#### **LIST OF PROJECT EXECUTED FOR YEAR 2021 IN EJIGBO LOCAL GOVERNMENT, EJIGBO**

S/N	NAME OF PROJECT	LOCATION	COST OF PROJECT (₦)	AMOUNT RELEASED (₦)	BALANCE (₦)	REMARK
1.	Clearing and desilting of Block Line Drains	Ejigbo Town	800,000.00	800,000.00		Completed
2.	Grading of strategic Roads and supply of laterite	Ejigbo	880,000.00	880,000.00		Completed

3.	Grading of Gbanko community	Ejigbo	500,000.00	500,000.00		Completed
4.	Clearing and desilting of Blocked culvert	Oke-oyo, Ejigbo	1,000,000.00	1,000,000.00		Completed
5.	Grading of Roads	Within Ejigbo	1,000,000.00	1,000,000.00		Completed
6.	Desilting of Line Drainage	Sabo Road, Ejigbo	400,000.00	400,000.00		Completed
7.	Grading of Roads	ASAB junction, Ejigbo	430,000.00	430,000.00		Completed
8.	Office Accommodation for Federal Road Safety corps	Within Local Government Secretariat	50,000.00	50,000.00		Completed
9.	Replacement of Rusting Iron Sheet in the Legislative House	Ejigbo Local Government	60,000.00	60,000.00		Completed
10.	General Clearing and Repair of Chairman's Quarters	Ejigbo Local Government	125,000.00	125,000.00		Completed
11.	Purchase of Toyota Camry (Muscle) Vehicle for Official Use	Chairman's Office	4,000,000.00	4,000,000.00		Completed
12.	Purchase of Toyota Corrolla official car for the use of vice-Chairman	Vice Chairman's Office	3,000,000.00	3,000,000.00		Completed
13.	Purchase of Toyota Corrolla official car for the use of Secretary	Secretary Office	3,000,000.00	3,000,000.00		Completed