

STATE GOVERNMENT OF OSUN, NIGERIA.

REPORT OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

ON THE ACCOUNTS OF
IFE CENTRAL LOCAL GOVERNMENT

AJEBAMIDELE

FOR THE YEAR ENDED

31ST DECEMBER, 2021.

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LIST OF ABBREVIATIONS

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

STATEMENT OF RESPONSIBILITY FOR THE PREPARATION AND
PRESENTATION OF FINANCIAL STATEMENTS

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

Consequently, the General Purpose Financial Statement of:

Ife Central and Ife Central 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: *Ife Central Government.*

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


Hon. ELUGBAYI OLALERI

Chairman
Ife Central


ONI RACHAEL-O

Head of Finance & supplies,



Chairman
Ife Central


Hon (BARR) OLUBISI OLADOSUN

Chairman
Ife Central West L.C.D.A


AINODIRANI

Head of Finance & supplies



Chairman
Ife Central West L.C.D.A

AUDIT CERTIFICATE

I have audited the accounts of Ife Central Local Government, Ajebamidele 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 the General Purpose Financial Statement comprising of Consolidated Statement of Financial Position, Consolidated Statement of Financial Performance, Consolidated Statement 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 Ife Central Local Government, Ajebamidele for the accounting year ended 31st December, 2021 subject to the observations and comments, and resulting reservations, and disallowance as contained in this report.



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

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 Ife Central Local Govt) as stipulated by the Laws of Osun State and the Financial Memoranda; and to form an independent opinion on the Financial Statements and accompany notes submitted by the Head of Finance and Supply of Ife Central Local Government.

STATEMENT OF FINANCIAL RESPONSIBILITY

The preparation and fair presentation of Financial Statements of Local Governments is the direct of responsibility of the Head of Finance and Supply in the Local Government in compliance with the provisions of Finance Control and Management Act 1958 (as amended), the Model Financial Memoranda (1991 as amended), the Laws of Osun State 2002 (as amended) and with the provisions of the Constitution of the Federal Republic of Nigeria, 1999.

The Heads of Finance of Ife Central Local Governments are responsible for the consolidated of Financial Statements with the subsidiary Ife Central West LCDA,

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

The acknowledgment of responsibility for the preparation of Financial Statements signed by Heads of Finance and Chairmen the Local Governments is attached.

BASIS OF AUDIT OPINION

In the course of auditing the accounts of Ife-Central Local Governments Ajebamidele 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 Ife-Central 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 Ife-Central Local Government are constituents.

The accounts of Ife-Central 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 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.
- 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 Head of Finance of Ife Central Local Government and Ife Central 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 was Ife Central West which GPFS has been consolidated with that Ife Central Local Government. by the Heads of Finance of the main Local Government.

The duty of the Auditor-General for Local Governments is not to prepare or consolidate Local Governments' accounts, but to Audit 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 recognized 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 COMMENT

I have audited the accounts of Ife Central Local Government, 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 Ife Central 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, LGSC, SUBEB in collaboration with Office of the Auditor-General for Local Governments, with the approval of Mr. Governor, for upgrades and re-training in 2021 have collectively enhanced the proficiency of operators of Local Government accounts in the State

SCOPE OF AUDIT COVERAGE: The Audit scope has 100% coverage on all aspects of Revenue and Expenditure, as well as verification of Assets and Liabilities including JAAC Accounts. Revenue covered included all Allocations and VAT from the Federation Accounts and other dependent and Independent Revenue sources of the Local Governments while Expenditure covered included all Capital and Recurrent Expenditure Items in all Local Governments, and LCDAs, all centrally executed Projects and programmes of Local Governments, and Statutory remittances to Traditional Councils.

BUDGET PREPARATION / EXECUTION

The Budget for 2021 for Ife Central 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. The Audit observed that the office needs to be strengthened to further assist in promoting sound and transparent procurement practices in the Local Governments.

VALUATION AND REVALUATION OF ASSETS

The Office of the Auditor-General for Local Governments was able to embark on verification exercise on valuation and Revaluation of Assets during the year. This involved multi-disciplinary team comprising seasoned and qualified professionals in the fields of valuation, engineering, town planning, medicine, etc. and others as were necessary. The verification exercise is continuous and value of the Local Governments non-current Assets is being updated yearly.

INTERNALLY REVENUE GENERATION AND FINANCIAL VIABILITY

The Total Internally Revenue generated by the Local Government for 2021 was ₦54,992,218.61 representing 2.97% 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, 22 nos of Audit Queries were issued in respect of 2021 Accounts, involving a total sum of ₦9,123,500.00.

Queries were issued in respect of irregularities observed in fund management by beneficiary agencies of transfers from Local Governments fund and this had been forwarded to the respective Accounting Officers for response.

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

COMMENTS ON FINANCIAL STATEMENTS

A. STATEMENT OF FINANCIAL PERFORMANCE

Share of FAAC and VAT: The total sum of ₦1,107,096,129.88 was Share of FAAC and VAT amounted to ₦686,872,207.92

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
Ife Central	1,038,582,618.43	517,677,036.28	33,603,161.69	28,145,181.20	852,887.99	15,030,000.79	23,356,591.34	1,737,009.05	14,602,783.98	1,673,587,270.75

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. #54,992,218.61

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 - ₦11,413,754.59

The Aggregate closing cash and cash equivalents amounted to ₦11,413,754.59 for the Local Governments. The Bank Statements and Bank Reconciliation Statements of all Local Governments and Local Government Development Areas as at 31st December, 2021 were verified/examined to ascertain the bank balances. This balance does not include the balance in JAAC account which essentially should be a zero-balance account. Moreover any undistributed amount in the JAAC Account is treated as Receivable to the Local Governments.

RECEIVABLES - ₦83,971,066.92

A total sum of #83,971,066.92 was standing as Receivables as at 31st December, 2021. The Receivables include, Revenue Recognised in December 2020 but received in January, 2020 from Joint Allocation Account Committee (JAAC).

INVENTORIES - ₦12,419,500.00

The sum of ₦12,419,500.00 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 - ₦51,257,085.33

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

PROPERTY, PLANT AND EQUIPMENT(PPE)

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 - ₦606,749,610.62

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 - ₦34,645,392.88

The carrying amount of Investment Properties of the Local Governments and Area Councils stood at ₦34,645,392.88 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 - ₦1,646,354,407.91

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

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

UNREMITTED DEDUCTIONS - ₦49,574,089.57

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 ₦79,090,174.11 was made to the Local Council Development Areas and Area Offices in the period under review and was set off in the Consolidated Account.

IFE CENTRAL LOCAL GOVERNMENT, AJEBAMIDELE
AGGREGATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2021

PARTICULAR	NOTE	IFE CENTRAL CONSOLIDATED
ASSETS		
Current Assets		
Cash & Cash Equipments	1	11,413,754.59
Receivables	2	25,471,066.92
Prepayment/Advance	3	1,250,000.00
Inventories	4	12,419,500.00
Total Current Asset		50,554,321.51
Non-current Asset		-
Long Term Loan Granted		-
Investments	5	51,257,085.33
Property, Plant & Equipment	6	7,090,318,523.35
Investment Property	7	34,645,392.88
Biological Asset	8	-
Assets Under Construction (wip)	9	-
Total Non-Current Asset		7,176,221,001.56
Total Asset		7,226,775,323.07
LIABILITIES		
Current Liabilities		
Deposit		
Short Term Loan & Debts	10	
Unremitted Deduction	11	49,574,089.57
Payables	12	548,249,610.62
Short Terms Provisions		-
Total Current Liability		597,823,700.19
Non-Current Liabilities		-
Long Term Borrowing	13	1,646,354,407.91
Total Liabilities		2,244,178,108.10
Net Assets		4,982,597,214.97
Financed by		-
Reserve	14	6,171,337,877.64
Net Surplus/Deficit	15	(1,118,740,662.67)
Total		4,982,597,214.97

IFE CENTRAL LOCAL GOVERNMENT, AJEBAMIDELE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2021

PARTICULAR	NOTE	IFE CENTRAL	IFE CENTRAL LCDA	IFE CENTRAL CONSOLIDATED
ASSETS				
Current Assets				
Cash & Cash Equipments	1	8,721,840.27	2,691,914.32	11,413,754.59
Receivables	2	25,471,066.92		25,471,066.92
Prepayment/Advance	3	1,250,000.00		1,250,000.00
Inventories	4	8,574,000.00	3,845,500.00	12,419,500.00
Total Current Asset		44,016,907.19	6,537,414.32	50,554,321.51
Non-current Asset				-
Long Term Loan Granted				-
Investments	5	38,507,085.33	12,750,000.00	51,257,085.33
Property, Plant & Equipment	6	6,527,927,115.31	562,391,408.04	7,090,318,523.35
Investment Property	7	9,787,552.35	24,857,840.53	34,645,392.88
Biological Asset	8			-
Assets Under Construction (wip)	9			-
Total Non-Current Asset		6,526,221,752.94	599,999,248.57	7,176,221,001.56
Total Asset		6,620,238,660.18	606,536,662.89	7,226,775,323.07
LIABILITIES				-
Current Liabilities				-
Deposit				-
Short Term Loan & Debts	10			-
Unremitted Deduction	11	38,169,780.81	11,404,308.76	49,574,089.57
Payables	12	460,218,824.94	88,030,785.68	548,249,610.62
Short Terms Provisions				-
Total Current Liability		498,388,605.75	99,435,094.44	597,823,700.19
Non-Current Liabilities				-
Long Term Borrowing	13	946,674,429.66	699,679,978.25	1,646,354,407.91
Total Liabilities		1,445,063,035.41	799,115,072.69	2,244,178,108.10
Net Assets		5,175,175,624	(192,578,409.80)	3,913,415,998.84
Financed by				-
Reserve	14	6,179,780,493.40	(8,442,615.76)	6,171,337,877.64
Net Surplus/Deficit	15	(1,004,604,868.63)	(184,135,794.04)	(1,188,740,662.67)
Total		5,175,175,624.77	(192,578,409.80)	4,982,597,214.97

IFE CENTRAL LOCAL GOVERNMENT, AJEBAMIDELE
AGGREGATED STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2021

PERFORMANCE		
PARTICULAR	NOTE	IFE CENTRAL CONSOLIDATED
DEPENDENT REVENUE		
Government share of FAAC (Statutory Revenue)	16	1,107,096,129.88
Government Share of VAT	17	686,872,207.92
Sub-Total Dependent Revenue	18	1,793,968,337.80
INDEPENDENT REVENUE		-
Grant & Aids	19	13,595,593.13
Transfer from main Council	20	
Tax Revenue	21	897,400.00
Non-Tax Revenue	22	40,499,225.48
Overpayment Recovery		-
Sub-Total Independent Revenue		54,992,218.61
Total Revenue		1,848,960,556.41
EXPENDITURE		-
JOINTLY EXPENDED		-
Salaries & Wages	23	855,868,781.13
Social Benefits	24	100,000.00
Overhead Cost	25	40,610,209.74
Grants & Social Contribution	26	26,723,214.67
Transfer to other Agencies	27	513,049,566.64
L/GOVERNMENT EXPENDITURE		-
Social Benefits	28	11,740,500.00
Overhead Cost	29	79,629,692.67
Grants & Social Contribution	30	174,405,962.77
Depreciation	31	288,770,851.36
Allowances	32	57,388,954.84
Transfer to LCDA	33	-
Impairment	34	-
Revenue Refunded	35	-
Public Debt Charges		-
Stabilization Fund		-
Refund to main Council		-
Stationeries		-
Severance Gratuity		-
Total Expenditures		2,098,287,733.82
Net Surplus/Deficit	36	(199,327,177.41)
Net Surplus/Deficit 01/01/2021	37	(989,413,485.26)
Net Surplus/Deficit 31/12/2021	38	(1,188,740,662.67)
Gain on property (Building)		781,824,312.87
Surplus/Deficit from non-operating activities for the period		-406,916,349.80

IFE CENTRAL LOCAL GOVERNMENT, AJEBAMIDELE
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER,
2021

PERFORMANCE				
PARTICULAR	NOTE	IFE CENTRAL	IFE CENTRAL LCDA	IFE CENTRAL CONSOLIDATED
DEPENDENT REVENUE				
Government share of FAAC (Statutory Revenue)	16	1,107,096,129.88		1,107,096,129.88
Government Share of VAT	17	686,872,207.92		686,872,207.92
Sub-Total Dependent Revenue	18	1,793,968,337.80	-	1,793,968,337.80
INDEPENDENT REVENUE				-
Grant & Aids	19	13,595,593.13		13,595,593.13
Transfer from main Council	20		79,090,174.11	
Tax Revenue	21	840,400.00	57,000.00	897,400.00
Non-Tax Revenue	22	19,683,358.80	20,815,866.68	40,499,225.48
Overpayment Recovery				-
Sub-Total Independent Revenue		34,119,351.93	99,963,040.79	54,992,218.61
Total Revenue		1,828,087,689.73	99,963,040.79	1,848,960,556.41
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	40,610,209.74		40,610,209.74
Grants & Social Contribution	26	26,723,214.67		26,723,214.67
Transfer to other Agencies	27	513,049,566.64		513,049,566.64
L/GOVERNMENT EXPENDITURE				-
Social Benefits	28	10,210,500.00	1,530,000.00	11,740,500.00
Overhead Cost	29	41,896,692.67	37,733,000.00	79,629,692.67
Grants & Social Contribution	30	148,125,962.77	26,280,000.00	174,405,962.77
Depreciation	31	248,811,153.65	39,959,697.71	288,770,851.36
Allowances	32	31,465,806.32	25,923,148.52	57,388,954.84
Transfer to LCDA	33	79,090,174.11		
Impairment	34			-
Revenue Refunded	35			-
Public Debt Charges				
Stabilization Fund				
Refund to main Council				-
Stationeries				-
Severance Gratuity				-
Total Expenditures		1,995,952,061.70	131,425,846.23	2,048,287,733.82
Net Surplus/Deficit	36	(167,864,371.97)	(31,462,805.44)	(199,327,177.41)
Net Surplus/Deficit 01/01/2021	37	(836,740,496.66)	(152,672,988.60)	(989,413,485.26)
Net Surplus/Deficit 31/12/2021	38	(1,004,604,868.63)	(184,135,794.04)	(1,188,740,662.67)
Gain on property (building)		781,824,312.87		781,824,312.87
Surplus/deficit from non-operating activities for the period		-222,780,555.76	-184,135,794.04	-406,916,349.82

IFE CENTRAL LOCAL GOVERNMENT, AJEBAMIDELE
AGGREGATED STATEMENT OF CASHFLOW AS AT 31ST DECEMBER, 2021

CASHFLOW

OPERATING ACTIVITIES	NOTE	IFE CENTRAL CONSOLIDATED
INFLOW		
Statutory Revenue (JAAC)	39	1,176,400,898.70
Value Added Tax	40	743,854,024.68
Receivable		-
Sub Total Dependent Revenue	41	1,920,254,923.38
Aids and Grants	42	13,595,593.13
Transfer from Main Council	43	
Tax Revenue	44	897,400.00
Non Tax Revenue	45	23,233,824.80
Other Income		17,265,400.68
Overpayment Recovery		-
Sub Total Independent Revenue	46	54,992,218.61
Total Inflow Operating Activities	47	1,975,247,141.99
OUTFLOW		-
Salaries & Wages	48	933,074,286.21
Social Benefits	49	11,840,500.00
Overhead Cost	50	86,611,907.70
Social Contributions	51	243,618,416.61
Allowances	52	55,360,859.53
Modulated Salary Arrears	53	13,333,333.28
Inventories	54	10,322,000.00
Fund Conserved for Salary		-
Transfer to LCDA	55	
Transfer to other Govt. Agencies	56	557,549,102.52
Refund to Main Councils		-
Revenue Refunded		
Stabilization Fund		
Tax Expenses	57	-
Severance Gratuity		-
Total Outflow from Operating Activities	58	1,911,710,407.85
Net Cashflow from Operating Activities	59	63,536,734.14
INVESTING ACTIVITIES		-
Proceed from Disposal of Asset		-

Total Inflow from Investing Activities		-
Cashflow from Investing Activities		-
Administrative Sector	60	55,237,300.00
Economic Sector		-
Total Outflow from Investing Activities	61	55,237,300.00
Net Cashflow from Investing Activities		(55,237,300.00)
Inflow from Financing Activities		-
Bank Overdraft		
Soft Loan(Bank)		
Deduction Received	62	116,136,110.41
Total Inflow from Financing Activities	63	116,136,110.41
OUFLOW (PAYMENT)		-
Bail Out Repayment		-
10km Road	64	17,504,873.35
Water Project	65	-
Environmental Sanitation Loan	66	2,428,804.20
Loan Repayment (Inherited)	67	-
Bank Loan	68	-
Intervention Loan	69	12,966,248.85
Other Loan Repayment		
Deduction Paid	70	92,238,111.38
Total Outflow From Financing Activities	71	125,138,037.78
Net Cashflow from financing Activities	72	(9,001,927.37)
Cash and Cash Equivalent for the year	73	(702,493.23)
Cash and Cash Equivalent 01/01/2021	74	12,116,247.82
Cash and Cash Equivalent 31/12/2021	75	11,413,754.59

IFE CENTRAL LOCAL GOVERNMENT, AJEBAMIDELE
CONSOLIDATED STATEMENT OF CASHFLOW AS AT 31ST DECEMBER, 2021

OPERATING ACTIVITIES	NOTE	IFE CENTRAL	IFE CENTRAL LCDA	IFE CENTRAL CONSOLIDATED
INFLOW				
Statutory Revenue (JAAC)	39	1,176,400,898.70		1,176,400,898.70
Value Added Tax	40	743,854,024.68		743,854,024.68
Receivable				-
Sub Total Dependent Revenue	41	1,920,254,923.38	-	1,920,254,923.38
Aids and Grants	42	13,595,593.13		13,595,593.13
Transfer from Main Council	43		79,090,174.11	
Tax Revenue	44	840,400.00	57,000.00	897,400.00
Non Tax Revenue	45	19,683,358.80	3,550,466.00	23,233,824.80
Other Income			17,265,400.68	17,265,400.68
Overpayment Recovery				-
Sub Total Independent Revenue	46	34,119,351.93	99,963,040.79	54,992,218.61
Total Inflow Operating Activities	47	1,954,374,275.31	99,963,040.79	1,975,247,141.99
OUTFLOW				
Salaries & Wages	48	931,023,581.21	2,050,705.00	933,074,286.21
Social Benefits	49	10,310,500.00	1,530,000.00	11,840,500.00
Overhead Cost	50	48,878,909.70	37,733,000.00	8,611,909.70
Social Contributions	51	217,338,416.61	26,280,000.00	243,618,416.61
Allowances	52	31,488,426.01	23,872,433.52	55,360,859.53
Modulated Salary Arrears	53	13,333,333.28		13,333,333.28
Inventories	54	7,772,000.00	2,550,000.00	10,322,000.00
Fund Conserved for Salary				-
Transfer to LCDA	55	79,090,174.11		
Transfer to other Govt. Agencies	56	557,549,102.52		557,549,102.52
Refund to Main Councils				-
Revenue Refunded				-

Stabilization Fund				-
Tax Expenses	57			-
Severance Gratuity				-
Total Outflow from Operating Activities	58	1,896,784,443.44	94,016,138.52	1,911,710,407.85
Net Cashflow from Operating Activities	59	57,589,831.87	5,946,902.27	63,536,734.14
INVESTING ACTIVITIES				
Proceed from Disposal of Asset		-	-	-
Total Inflow from Investing Activities		-	-	-
Cashflow from Investing Activities		-	-	-
Administrative Sector	60	46,737,300.00	8,500,000.00	55,237,300.00
Economic Sector				-
Total Outflow from Investing Activities	61	46,737,300.00	8,500,000.00	55,237,300.00
Net Cashflow from Investing Activities		(46,737,300.00)	(8,500,000.00)	(55,237,300.00)
Inflow from Financing Activities				-
Bank Overdraft				
Soft Loan(Bank)				
Deduction Received	62	80,997,357.05	35,138,753.36	116,136,110.41
Total Inflow from Financing Activities	63	80,997,357.05	35,138,753.36	116,136,110.41
OUFLOW (PAYMENT)				-
Bail Out Repayment				-
10km Road	64	17,504,873.35		17,504,873.35
Water Project	65			-
Environmental Sanitation Loan	66	2,428,804.20		2,428,804.20
Loan Repayment (Inherited)	67			-
Bank Loan	68			-
Intervention Loan	69	12,966,248.85		12,966,248.85
Other Loan Repayment				
Deduction Paid	70	57,534,620.00	34,703,491.38	92,238,111.38
Total Outflow From Financing Activities	71	90,434,546.40	34,703,491.38	125,138,037.78
Net Cashflow from financing Activities	72	(9,437,189.35)	435,261.98	(9,001,927.37)
Cash and Cash Equivalent for the year	73	1,415,342.52	(2,117,835.75)	(702,493.23)
Cash and Cash Equivalent 01/01/2021	74	7,306,497.75	4,809,750.07	12,116,247.82
Cash and Cash Equivalent 31/12/2021	75	8,721,840.27	2,691,914.32	11,413,754.59

IFE CENTRAL LOCAL GOVERNMENT, AJEBAMIDELE
CONSOLIDATED STATEMENT OF COMPARISM AS AT 31ST DECEMBER, 2021

		IFE CENTRAL CONSOLIDATED		
PARTICULAR	NOTE	FINAL BUDGET	ACTUAL	VARIANCE
DEPENDENT REVENUE				
Government Share of FAAC (Statutory Revenue)	16	1,478,181,120.00	1,107,096,129.88	745,986,475.77
Government Share of VAT	17	195,755,627.80	686,872,207.92	692,775,780.12
Sub-Total Dependent Revenue	18	1,673,936,747.80	1,793,968,337.80	1,438,762,255.89
INDEPENDENT REVENUE				
Grants & Aids	19	14,009,900.00	13,595,593.13	27,605,493.13
Transfer from Main Council	20	-	-	-
Tax Revenue	21	4,540,000.00	897,400.00	3,642,600.00
Non-Tax Revenue	22	47,040,000.00	23,233,824.80	23,806,175.20
Other Income		-	17,265,400.68	17,265,400.68
Sub-Total Independent Revenue		65,589,900.00	54,992,218.61	72,319,669.01
Total Revenue		1,739,526,647.80	1,848,960,556.41	1,511,081,924.90
EXPENDITURE				
Salaries & Wages	23	962,717,840.00	855,868,781.13	106,849,058.87
Social Benefits	24	11,000,000.00	11,840,500.00	- 840,500.00
Overhead Cost	25	182,900,000.00	120,239,902.41	62,660,097.59
Grants & Social Contribution	26	265,995,867.80	201,129,177.44	64,866,690.36
Transfer to Other Agencies	27	-	513,049,566.64	-513,049,566.64
Depreciation	31	-	288,770,851.36	576,127,754.62
Allowances	32	70,812,940.00	57,388,954.84	13,423,985.16
Transfer to LCDA	33	-	79,090,174.11	-79,090,174.11
Impairment	34	-	-	-
Revenue Refunded	35	-	-	-
Stationaries		-	-	-
				-
Total Expenditures		1,493,426,647.80	2,048,287,733.82	921,308,163.39
Net Surplus/Deficit	36	246,100,000.00	(199,327,177.41)	2,432,390,088.29
Net Surplus/Deficit 31/12/2020	37	-	-989,413,485.26	-
			-	
Net Surplus/Deficit 31/12/2021	38	246,100,000.00	(1,188,740,662.67)	2,432,390,088.29

IFE CENTRAL LOCAL GOVERNMENT, AJEBAMIDELE
CONSOLIDATED STATEMENT OF COMPARISM BUDGET AND ACTUAL AS AT 31ST DECEMBER, 2021

		IFE CENTRAL			IFE CENTRAL WEST			IFE CENTRAL CONSOLIDATED		
PARTICULAR	NOTE	FINAL BUDGET	ACTUAL	VARIANCE	FINAL BUDGET	ACTUAL	VARIANCE	FINAL BUDGET	ACTUAL	VARIANCE
DEPENDENT REVENUE										
Government Share of FAAC(Statutory Revenue)	16	880,100,300.00	1,107,096,129.88	226,995,829.88	598,080,820.00		598,080,820.00	1,478,181,120.00	1,107,096,129.88	745,986,475.77
Government Share of VAT	17	94,926,027.80	686,872,207.92	591,946,180.12	100,829,600.00		100,829,600.00	195,755,627.80	686,872,207.92	692,775,780.12
Sub-Total Dependent Revenue	18	975,026,327.80	1,793,968,337.80	818,942,010.00	698,910,420.00		698,910,420.00	1,673,936,747.80	1,793,968,337.80	1,438,762,255.89
INDEPENDENT REVENUE							-	-	-	-
Grants & Aids	19		13,595,593.13	13,595,593.13	14,009,900.00		14,009,900.00	14,009,900.00	13,595,593.13	27,605,493.13
Transfer from Main Council	20					79,090,174.11	(79,090,174.11)	-	-	-
Tax Revenue	21	3,540,000.00	840,400.00	2,699,600.00	1,000,000.00		943,000.00	4,540,000.00	897,400.00	3,642,600.00
Non-Tax Revenue	22	24,470,000.00	19,683,358.80	4,786,641.20	22,570,000.00	3,550,466.00	19,019,534.00	47,040,000.00	23,233,824.80	23,806,175.20
Other Income						17,265,400.68	17,265,400.68	-	17,265,400.68	17,265,400.68
Sub-Total Independent Revenue		28,010,000.00	34,119,351.93	21,081,834.33	37,579,900.00	20,872,866.68	51,237,834.68	65,589,900.00	54,992,218.61	72,319,669.01
Total Revenue		1,003,036,327.80	1,828,087,689.73	840,023,844.33	736,490,320.00	99,963,040.79	671,058,080.57	1,739,526,647.80	1,848,960,556.41	1,511,081,924.90
EXPENDITURE								-	-	-
Salaries & Wages	23	557,054,230.00	855,868,781.13	(298,814,551.13)	405,663,610.00		405,663,610.00	962,717,840.00	855,868,781.13	106,849,058.87
Social Benefits	24	6,000,000.00	10,310,500.00	(4,310,500.00)	5,000,000.00	1,530,000.00	3,470,000.00	11,000,000.00	11,840,500.00	(840,500.00)
Overhead Cost	25	144,000,000.00	82,506,902.41	61,493,097.59	38,900,000.00	37,733,000.00	1,167,000.00	182,900,000.00	120,239,902.41	62,660,097.59
Grants & Social Contribution	26	106,995,867.80	174,849,177.44	(67,853,309.64)	159,000,000.00	26,280,000.00	132,720,000.00	265,995,867.80	201,129,177.44	64,866,690.36
Transfer to Other Agencies	27		513,049,566.64	(513,049,566.64)			-	-	513,049,566.64	(513,049,566.64)
Depreciation	31		536,168,056.91	(536,168,056.91)		39,959,697.71	(39,959,697.71)	-	576,127,754.62	(576,127,754.62)
Allowances	32	39,986,230.00	31,465,806.32	8,520,423.68	30,826,710.00	25,923,148.52	4,903,561.48	70,812,940.00	57,388,954.84	13,423,985.16
Transfer to LCDA	33		79,090,174.11	(79,090,174.11)			-	-		
Impairment	34							-	-	-

Revenue Refunded	35						-	-	-	-
Stationaries							-	-	-	-
Total Expenditures		854,036,327.80	2,283,308,964.96	(1,429,272,637.16)	639,390,320.00	131,425,846.23	507,964,473.77	1,493,426,647.80	2,335,644,637.08	(921,308,163.39)
Net Surplus/Deficit	36	149,000,000.00	(455,221,275.23)	2,269,296,481.49	97,100,000.00	(31,462,805.44)	163,093,606.80	246,100,000.00	(486,684,080.67)	2,432,390,088.29
Net Surplus/Deficit 31/12/2020	37		(836,740,496.66)			(152,672,988.60)		-	(989,413,485.26)	-
Net Surplus/Deficit 31/12/2021	38	149,000,000.00	(1,291,961,771.89)	2,269,296,481.49	97,100,000.00	(184,135,794.04)	163,093,606.80	246,100,000.00	(1,476,097,565.93)	2,432,390,088.29

IFE CENTRAL LOCAL GOVERNMENT, AJEBAMIDELE

NET ASSE AND EQUITY		IFE CENTRAL CONSOLIDATED	
DETAILS	RESERVES	Accumulated Surplus/Deficit	TOTAL
Opening Balance 1/1/2021	5,389,513,564.77	(989,413,485.26)	4,400,100,079.51
Adjusted Reserve	-	-	-
Adjusted Balance	5,389,513,564.77	(989,413,485.26)	4,400,100,079.51
Net Surplus Deficit for the year	-	(199,327,177.41)	(199,327,177.41)
Total comprehensive income	781,824,312.87	-	781,824,312.87
Closing Balance as at 31/12/2021	6,171,337,877.64	(1,188,740,662.67)	4,982,597,241.97

IFE CENTRAL LOCAL GOVERNMENT, AJEBAMIDELE
CONSOLIDATED STATEMENT OF NET ASSET/EQUITY AS AT 31ST DECEMBER, 2021

DETAILS	IFE CENTRAL			IFE CENTRAL WEST			IFE CENTRAL CONSOLIDATED		
	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL
Opening Balance 1/1/2021	5,397,956,180.53	(836,740,496.66)	4,561,215,683.87	(8,442,615.76)	(152,672,988.60)	(161,115,604.36)	5,389,513,564.77	(989,413,485.26)	4,400,100,079.51
Adjusted Reserve			-			-	-	-	-
Adjusted Balance	5,397,956,180.53	(836,740,496.66)	4,561,215,683.87	(8,442,615.76)	(152,672,988.60)	(161,115,604.36)	5,389,513,564.77	(989,413,485.26)	4,400,100,079.51
Net Surplus Deficit for the year		(167,864,371.97)	(167,864,371.97)		(31,462,805.44)	(31,462,805.44)	-	(199,227,177.41)	(199,227,177.41)
Total comprehensive income	781,824,312.87		781,824,312.87				781,824,312.87		781,824,312.87
Closing Balance as at 31/12/2021	6,179,780,493.40	(1,004,604,868.63)	45,175,175,624.77	(8,442,615.76)	(184,135,794.04)	(192,578,409.80)	6,171,337,877.64	(1,188,740,662.67)	4,982,597,214.97

	IFE CENTRAL WEST LCDA	
	Consolidated Notes to the Account for the year Ended 31st December, 2021	
Notes		
		IFE CENTRAL
1 Cash and Cash Equivalent		N
Balance b/f 01/01/2020		12,116,247.82
Add Receipt		2,170,473,426.51
Total Receipt		2,182,589,674.33
Deduction Payment		2,171,175,919.74
		11,413,754.59
2 Receivable		
VAT		15,282,640.15
Exchange Rate		10,188,426.77
		25,471,066.92
3 Prepayment/Advances		N
Balance b/forward		1,250,000.00
		1,250,000.00
4 Inventory		N
Office Consumables		11,175,500.00
Finance materials		1,244,000.00
Unissued equipment		
		12,419,500.00
5 Investment		N
OSICOL		23,750,000.00
Preference Shares		27,507,085.33
Others		
Total		51,257,085.33
6 PPE		
Building		2,236,754,509.10
Infrastructural facilities		4,748,396,997.87
Plant and machinery		9,536,307.01
Office Equipment		8,527,533.59
Motor Vehicle		75,931,979.34
Furniture & Fitting		11,171,196.44
Total		7,090,318,523.35
7 Investment property		
Open market		

	Lock up stall	
	Shopping complex	34,645,392.88
		34,645,392.88
8	Biological Asset	N
		Nil
9	Asset under construction	
		Nil
10	Short Term Loan & Debts	
		Nil
11	Unremitted Deduction	N
	Balance as at 1st of Jan, 2021	25,676,090.54
	Deduction Received	116,136,110.41
		141,812,200.95
	Deduction Paid	92,238,111.38
		49,574,089.57
12	Payable	
	Modulated Salary Arrears	1,666,666.66
	Arrears of Unpaid Salary	287,733,558.54
	Unpaid Vouchers	130,848,687.35
	Transfer to Other Agencies (Dec 2021)	49,682,607.57
	Employee Benefits	73,701,792.19
	Overhead	1,949,631.64
	Social Contribution	666,666.67
	Others	2,000,000.00
		548,249,610.62
13	Loan Term Loan	N
	Balance b/f	1,679,254,334.31
	10km Road	(17,504,873.35)
	Intervention	(12,966,248.85)
	Environmental	(2,428,804.20)
		1,646,354,407.91
14	Reserve	N
	Balance b/f	5,389,513,564.77

		5,389,513,564.77
15	Accumulated Surplus/(Deficit)	N
	Balance b/forward 01/01/2021	(989,413,485.26)
	Surplus during the year	(486,684,080.67)
	Balance C/forward 31/12/2021	(1,476,097,565.93)
16	Statutory Allocation	N
	Statutory allowance	1,046,460,463.84
	Non-Oil Revenue	33,136,136.96
	Forex Equalization	1,640,524.80
	Exchange Rate Gain	6,160,782.62
	Eco Fund	4,595,927.24
	Solid Minerals	1,506,701.29
	O'Meal	386,786.00
	Augmentation	5,000,000.00
	Fund Conserved	8,208,807.13
		1,107,096,129.88
18	Dependent Revenue	N
	JAAC	1,107,096,129.88
	VAT	686,872,207.92
		1,793,968,337.80
19	Other Dependent Revenue (Augmentation)	N
	Added From O'Meal	386,786.00
	Added From Augmentation	5,000,000.00
	Fund Conserved	8,208,807.13
		13,595,593.13
23	Salaries & Wages	N
	Salary TNT (Elementary)	257,112,710.42
	SUBEB (Admin& Mon)	407,867.49
	Salary TNT (Middle)	98,411,854.38
	Salary PHC	182,227,151.33
	Salary LG	315,273,044.50
	Loan's Board Staff Salary	1,003,950.06
	Pension Board Salary	1,432,202.95
		855,868,781.13
24	Social Benefits	
	Training of staff	100,000.00

25	Overhead	N
	Running Cost to JAAC Sec.	1,200,000.00
	ALGON Imprest	10,200,000.00
	Bank Charge	14,766,005.54
	Consultancy Fees	6,001,319.28
	Magnum Trust	3,979,218.25
	SUBEB Stipends	66,666.70
	School Matching Grant	2,996,999.97
	Year 2021 Budget fee	1,400,000.00
		40,610,209.74
26	Grant & Social Contribution	N
	SUBEB Special Need Sch	1,983,214.66
	2021 Xmas & New Year Gift	11,340,000.00
	Olojo Festival	2,666,666.68
	Grading & others	10,733,333.33
		26,723,214.67
27	Transfer to Other Agencies	N
	1 % Training Fund	10,090,859.22
	5% Traditional Council	54,287,659.91
	5% Stabilization Fund	48,698,707.76
	Audit Fees	22,157,416.39
	SUBEB Contract Staff	271,120.78
	Gratuity	46,666,666.64
	Monthly Pension	153,473,510.88
	Contributory Pension (TNT)	34,384,305.72
	Contributory Pension (LG)	58,027,975.44
	O'Meal	23,867,860.00
	RAMP Refund	7,386,282.06
	O'His	14,931,031.66
	SUBEB Matching Grant	38,806,170.18
		513,049,566.64
28	Social Benefits	N
	<u>Local Govt Expenditure</u>	
	Financial Assistance to Local Govt Staff	11,195,500.00
	Others	545,000.00
		11,740,500.00
29	Overhead	N
	<u>Local Govt Expenditure</u>	

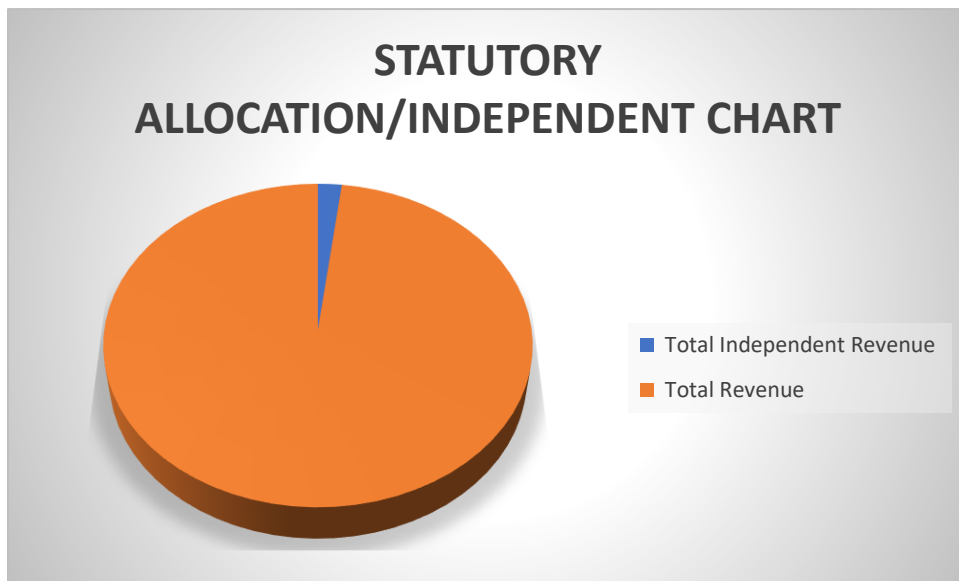
	Repair and Maintenance of Vehicle	2,379,000.00
	Hospitality and entertainment	18,981,500.00
	Printing and General Expenses	8,235,500.00
	Electricity bill	889,000.00
	Publicity and advert	23,078,500.00
	Bank Charges	2,128,339.30
	Others	23,937,853.37
		79,629,692.67
30	Grants and Social Contribution	N
	<u>Local Govt Expenditure</u>	
	Sinking of borcholk	6,329,000.00
	Distilling of Culvets	1,980,000.00
	Cleaning of Dumpsite	29,449,000.00
	Sensitization & Workshop	30,580,500.00
	Training and Entertainment	10,594,762.77
	Ileya	17,910,000.00
	Xmas Celebration	65,862,700.00
	Olojo Festival	6,000,000.00
	Gift	5,700,000.00
		174,405,962.77
31	<u>DEPRECIATION</u>	288,770,851.36
32	Allowance	N
	Allowance to Various Committee	39,961,433.50
	NYSC Allowance	2,055,000.00
	O' Tech Allowance	4,560,000.00
	Personal assistant to political	2,435,715.02
	Functionaries allowance	2,058,806.32
	Severance Allowance	6,318,000.00
		57,388,954.84
		N
36	Total Revenue	1,848,960,556.41
	Total Expenditure	(2,048,287,733.82)
		(199,327,177.41)
	Net Surplus/Deficit 01/01/2021	(989,413,485.26)
	Net Surplus/Deficit 31/12/2021	(1,188,740,662.67)

IFE CENTRAL LOCAL GOVERNMENT FISCAL OPERATION REPORT

STATEMENT OF CASHFLOW RATIOS

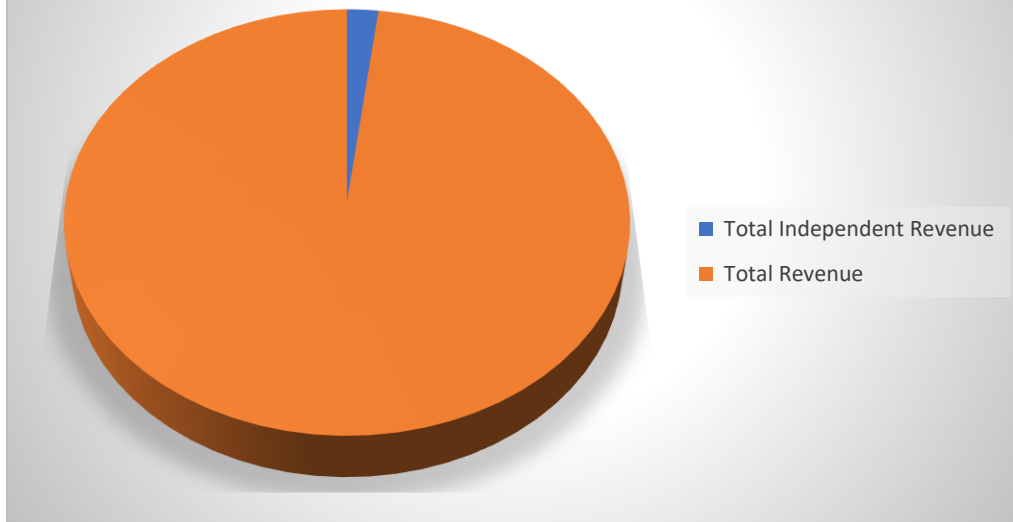
$$\begin{aligned}
 1. \quad & \text{DEPENDENT REVENUE/TOTAL REVENUE} \times 100 \\
 & = \frac{1,920,254,923.38}{1,975,247,141.99} = 97.22\%
 \end{aligned}$$

This indicated that Statutory Allocation took 97.22% of the Total Revenue of the Local Government and LCDA leaving 2.78% as Independence Revenue



$$\begin{aligned}
 2. \quad & \frac{\text{TOTAL INDEPENDENT REVENUE}}{\text{TOTAL REVENUE}} \times 100 \\
 & = \frac{54,992,218.61}{1,975,247,141.99} \times 100 = 2.78\%
 \end{aligned}$$

STATUTORY ALLOCATION/INDEPENDENT CHART



3. SALARY & WAGES : TOTAL RECURRENT EXPENDITURE

$$\frac{933,074,286.21}{1,911,710,407.85} \times 100 = 48.80\%$$

Therefore, the Salaries and Wages took about 47.94% out of the Recurrent Expenditure in the Local Government while the remaining 52.06% was expended on other expenditure.

4 INVENTORIES : TOTAL RECURRENT EXPENDITURE

$$\frac{10,322,000.00}{1,911,710,407.85} \times 100 = 0.53\%$$

5 TRANSFER TO OTHER AGENCIES : TOTAL RECURRENT EXPENDITURE

$$\frac{557,549,102.52}{1,911,710,407.85} \times 100 = 29.16\%$$

It means that Transfer to Other Agencies took about 29.16% out of the recurrent expenditure.

STATEMENT OF FINANCIAL POSITION RATIOS

6 CURRENT ASSET : CURRENT LIABILITIES

$$\frac{50,554,321.51}{597,823,700.19} = 0.08 : 1$$

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

$$\frac{7,226,775,323.07}{2,244,178,108.10} = 3.22 : 1$$

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

8. EQUITY : TOTAL ASSET

$$\frac{4,982,597,214.97}{7,226,775,323.07} = 0.68 : 1$$

STATEMENT OF FINANCIAL PERFORMANCE RATIO

9. DEPENDENT REVENUE : TOTAL REVENUE

$$\frac{1,793,968,337.80}{1,848,960,556.41} \times 100 = 97.03\%$$

This indicated that the Dependent Revenue accounted for 97.03% of the Total Revenue of all the Local Government of the State leaving 2.97% as Independent Revenue.

10. INDEPENDENT REVENUE : TOTAL REVENUE

$$\frac{54,992,218.61}{1,848,960,556.41} \times 100 = 2.98\%$$

MANAGEMENT LETTER
OBSERVATION AND INTERNAL CONTROL REVIEW FOR THE FINANCIAL YEAR ENDED
31ST DECEMBER, 2021.
IFE CENTRAL LOCAL GOVERNMENT, AJEBAMIDELE, ILE-IFE

1. UNRETIRED IMPREST TOTALING (N240,000.00): It was observed that payment to the tune Two Thousand Hundred and Forty Thousand naira for the payment of monthly imprest was not supported with official receipt nor invoice to authenticate that the money was used for the purpose stated in payment vouchers contrary to Financial Memoranda 14:27 which states that, Imprests 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 use for official purpose*

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

RECOMMENDATION: *The head of Finance and Internal Auditor should ensure proper recording of petty cash and also hold the effected officers responsible for proper accountability for all expenditure incurred. Imprest should not be released without the retirement of previous ones*

2. DOUBTFUL EXPENDITURE #500,000.00: The expenditure incurred by the Local Government on payment for financial assistance to Iyaloja for the repair of vehicle No LG ILFEE appeared doubtful because tangible evidence that would justified the payment such as sub receipts could not be produced for audit scrutiny to authenticate the genuineness of the payment.

RISK: *Non production of obsolete parts could imply non-execution of all or part of the services/purchases or conceal inflation of prices.*

MANAGEMENT RESPONSE: *As at the time of Audit Inspection, the obsolete parts were not on ground, it was kept at works department store. However, the Audit Inspection team had been notified to come for re-inspection.*

RECOMMENDATION: *The head of works department should ensure proper safe keeping of obsolete parts in works store with proper recording in the store ledger to avoid pilfering.*

2. VALUATION AND REVALUATION OF NON

The office of Auditor General for Local Government embarked on verification of all Non-Current Asset of the Local Government to ensure their existences, completeness and valuation.

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

RISK: *Non availability of comprehensive and reliable inventory/fixed asset register could made the Local Government Asset prone to theft, misappropriation of assets, pilfering, falsification of asset values in GPFS, etc.*

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

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

4. FINAL ACCOUNT: The General purpose financial statement presented in the year under review had some errors, most especially in the classification of expenditure, balancing of ledgers and in the cash flow statement.

Asides discrepancies were observed in the approved budgeted figures and the final budget in the statement of comparism of budget and actual. These lapses exposed the ineptitude and negligence of the Head of Finance and Supply and he had been asked to effect necessary corrections.

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.*

RECOMMENDATION: *The Director of Finance and Supplies should make sure the statement are well prepared in order to avoid sanction.*

MANAGEMENT LETTER
OBSERVATION AND INTERNAL CONTROL REVIEW FOR THE FINANCIAL YEAR ENDED
31ST DECEMBER, 2021.
IFE CENTRAL WEST LOCAL COUNCIL DEVELOPMENT AREA, ILE-IFE

1. EXPENDITURE NOT CHECKED AND PASSED BY THE INTERNAL AUDITOR (N6,358,500.00): It was observed during the Audit Inspection that the payment vouchers amounting to the tune of Six million, three hundred and fifty-eight thousand, five hundred naira only the purchase of Vehicle for the Chairman of Ife Central west and monthly Imprest were not checked and passed by the Internal Auditor. Also, It was not supported with proper records or accounts like bills or receipts to justify the authenticity of the payment contrary to the provision of Financial Memoranda No. 40:10 which states that, "Before any payment is made, a prepayments audit of vouchers and supporting documents shall be made by the Internal Auditor on all payment vouchers to verify that the provision of these financial memoranda have been followed in all respects, 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 vouchers were not checked and passed by the Internal Auditor due to exigency of the expenditure as at the time the Payment Vouchers were raised. The approval for the expenditure had been sought in file before payment was effected. However, the Payment Voucher had now been processed with necessary attachment and submitted to the office of the Auditor General for Local Government for further scrutiny.*

RECOMMENDATION: *The Internal Auditor should ensure that the prepayment and post payment Audit were carried out on all transactions of the Local Government*

2. UNRETIRED IMPREST TOTALING (N25,000.00): It was observed that payment to the tune of Twenty-five thousand naira only for monthly imprests were not supported with official receipts nor invoice to authenticate that the money was used for the purpose stated in payment vouchers contrary to Financial Memoranda 14:27 which states that, Imprests 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 the receipt had been obtained and attached to the Payment Vouchers which would be presented for further Audit Verification.*

RECOMMENDATION: *The head of Finance and Internal Auditor should ensure proper recording of petty cash and also hold the effected officers responsible for proper accountability for all expenditure incurred. Imprest should not be released without the retirement of previous ones*

3. DOUBTFUL EXPENDITURE ₦2,000,000.00: The expenditure incurred by the Local Government in respect of Evacuation and final disposal of accumulated illegal dumped Site, and amount incurred on the entertainment and 2 days sensitization programme on disaster management during and after disaster within the Ife Central West Local Government Ilare ; appeared doubtful because tangible evidence that would justify the payments such as sub receipts; video clips could not be produced for audit scrutiny to authenticate the genuineness of the payments.

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

MANAGEMENT RESPONSE: *The effect of work done had been eroded with passage of time before Audit inspection was carried out, the supporting evidences such as photographs and sub-receipt of dump site cleared will be available for Audit Verification.*

RECOMMENDATION: *A duly signed sub receipt and other supporting evidences must be obtained and attached to the payment voucher as this proved the authenticity that the expenditure was actually carried out*

4. VALUATION AND REVALUATION OF NON CURRENT ASSETS: It should be noted that the office of Auditor General for Local Government embarked on verification/combination of all Non-Current Asset of the Local Government to ensure their existences completeness of the list of the Assets and the correctness in the Financial Statements.

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

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

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

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

5. FINAL ACCOUNT: The General purpose financial statement presented in the year under review was full of errors, most especially in the classification of expenditure, balancing of ledgers and in the cash flow statement.

Asides discrepancies were observed in the approved budgeted figures and the final budget in the statement of comparism of budget and actual. These lapses exposed the ineptitude and negligence of the Head of Finance and Supply and he had been asked to effect necessary corrections.

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 General Purpose Financial Statement for audit verification*

RECOMMENDATION: *The Director of Finance and Supplies should make sure the statement are well prepared henceforth.*

REPORT ON INTERNAL AUDITOR'S REPORT

- i. The Internal Auditor is not very effective on the job. The activities of the Audit were not channeled towards improving the IGR of the Local Government while other department contribution on IGR were observed to be very low due to the non-supportive attitude of the senior officers management.
- ii. The Internal control unit is not effective on the operations of the Local Government. The council is solely depends on the state monthly allocations despite various revenue items available to it but not tapped adequately.

IFE CENTRAL LOCAL GOVERNMENT, AJEBAMIDELE

S/N	SUBJECT	QUERIES	NO OF OFFICE QUERIED	AMOUNT	REMARKS
1	Unreceipted Expenditure	LQ/AUD/IFE/O1/2021	4	230,000	
2	Doubtful Expenditure	LQ/AUD/IFE/O2/2021	2	500,000	
3	Unretired Imprest	LQ/AUD/IFE/O3/2021	1	10,000	

IFE CENTRAL WEST LOCAL COUNCIL DEVELOPMENT AREA, ROAD 7, ILE-IFE.

S/N	SUBJECT	QUERIES NO	NO OF OFFICER QUERIED	AMOUNT	REMARKS
1	Payment Voucher not checked and passed by the Internal Auditor	LQ/AUD/IFCWLCDA/O1/2021	2	69,000	
2	Payment Voucher not checked and passed by the Internal Auditor	LQ/AUD/IFCWLCDA/O2/2021	2	12,500	
3	Payment Voucher not checked and passed by the Internal Auditor	LQ/AUD/IFCWLCDA/O3/2021	6	6,277,000	
4	Unretired Imprest	LQ/AUD/IFCWLCDA/O4/2021	3	25,000	
5	Doubtful Expenditure	LQ/AUD/IFCWLCDA/O5/2021	2	2,000,000	