

# STATE GOVERNMENT OF OSUN, NIGERIA.

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

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## **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


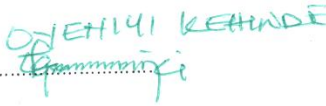
**STATEMENT OF RESPONSIBILITY FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS**

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:

*Ife North, Ife North West L.C.D.A. and Ife North Area Council* have been prepared by the respective Heads of Finance and Supplies and subsequently Consolidated by the Head of Finance and Supplies of: ***Ife North 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**

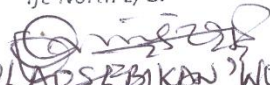
**ATUOLA-F. ADEYEBA** **OJEHUYI KEHINDE**  
 

Chairman  
Ife North L/G.

Chairman  
Ife N/West LCDA.

**Oyadiso Isaac**


Chairman  
Ife North Area Council

**OLADSEBIKAN WOLE**  
  
 H of Fin. & supplies,

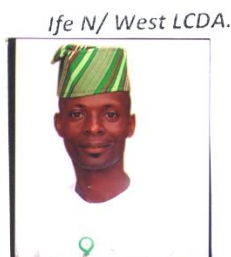
**ADEBAYO SANYA B.**  
  
 H of Fin. & Supplies

**OLAMITAYI D. ADEMIOLA**  
  
 H of Fin. & supplies





Chairman  
Ife North L/G.





Chairman  
Ife N/ West LCDA.





Chairman  
Ife North Area Council

## **AUDIT CERTIFICATE**

**I have audited the accounts of Ife North Local Government, Ipetumodu 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 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 North Local Government, Ipetumodu for the accounting year ended 31<sup>st</sup> 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-North 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 Ife North Local Government in the state inclusive of Ife North Local Government, Ife North West LCDA and Ife East LCDA.

## **STATEMENT OF FINANCIAL RESPONSIBILITY**

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

The Head of Finance of Ife North Local Governments is responsible for the consolidated of Financial Statements with the subsidiary Ife North West and Ife East LCDA,

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

The acknowledgment of responsibility for the preparation of Financial 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 North Local Governments Ipetumodu 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 North 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 North Local Governments are constituents.

The accounts of Ife North 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. Consolidated Statements of Financial Performance.
- b. Consolidated Statements of Financial Position.
- c. Consolidated Statements of Cash flow.
- d. Consolidated Statements of Comparison of Budgeted and Actual Amounts
- e. Consolidated Statements of Changes in Net Asset/Equity.
- f. Notes to the GPFS.

### **5. Consolidation Policy- IPSAS 6**

The Heads of Finance of the each Local Governments, LCDAs, and A/Cs and A/Os 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, there are subsidiary entity was Ife North West which GPFS has been consolidated with that of Ife North Local Government by the Head of Finance of the main Local Government.

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

**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.

### **PROPERTY, PLANT & EQUIPMENT (PPE) – IPSAS 17**

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

### **6. 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%

### **7. REVALUATION**

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

### **8. IMPAIRMENT**

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

### **9. 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.

### **10. 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.

### **11. 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.

## **12. 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 Ife North Local Government, Ipetumodu 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 Ife North 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 North 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**

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

### **VALUATION AND REVALUATION OF ASSETS**

The office of the Auditor-General for Local Governments embarked on verification exercise on valuation and Revaluation of Assets during the year involving a team qualified professionals in the fields of valuation, engineering, town planning, medicine, etc. and others as were necessary. Consequently, the realism of the values of non-current asset is enhanced for the year under review. The verification exercise is continuous and value of the Local Governments non-current Assets is being updated yearly.

## **INTERNALLY REVENUE GENERATION AND FINANCIAL VIABILITY**

The total Internally Generated Revenue by the Local Government for 2021 was ₦20,734,914.11 representing 1.09% the Total Revenue. More efforts at blocking leakages coupled with adequate research by the relevant unit of the Auditor-General for Local Government on comparative revenue advantages of individual Local Government's office will assist in improving on the poor revenue profile

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

At the conclusion of the Audit, 33 nos of Audit Queries were issued in respect of 2021 Accounts, involving a total sum of ₦2,847,300.00.

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.

## **JOINTLY EXECUTED AND INDIVIDUAL PROJECTS AND PROGRAMMES:**

In line with the best practices, the Audit has verified the jointly executed projects at the JAAC level, in collaboration with reputable experts cut across disciplines, within the service at both State and Local Governments. 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 joint projects and programmes during the year.

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

# COMMENTS ON FINANCIAL STATEMENTS

## A. STATEMENT OF FINANCIAL PERFORMANCE

**Share of FAAC and VAT:** The total sum of ₦1,197,611,177.39 was Share of FAAC and VAT amounted to ₦667,252,117.59

**THE CONCEPT OF DEPENDENT REVENUE.** The term Independent Revenue or synonymous with Internally Generated Revenue in the IPSAS. However, the term Dependent Revenue is used in proportion in the Report as it depicts the items of Revenue other than Internally Generated Revenue (IGR), i.e. the revenue over which the reporting entirely has no control on its generation or collection.

Essentially the proportion of Dependent Revenue is a measure of the extent of its vulnerability or dependently of the Local Government on finances from sources over which it has no control.

**EXPENDITURE:** As part of the disclosure requirements, expenditures that were Jointly incurred at JAAC level were separately disclosed from those expended at each Local Government Level.

## SUMMARY OF REVENUE FROM JAAC

LOCAL GOVERNMENT	STATUTORY ALLOCATION	VAT	EX RATE GAIN	FEDERAL GOVT INTERVENTION	EXCESS BANK	FOREX EQUALISATION	ECO	ADD FUND FRM SOLID MIN	NON-OIL EXCESS REVENUE	TOTAL
Ife North	1,117,779,519.70	499,642,571.98	36,202,162.38	30,322,040.20	918,853.71	16,192,480.18	25,163,081.97	1,871,356.16	15,732,220.73	1,743,824,287.01

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

Fees; taxes and fines: The Local Government recognised revenue from fees, taxes, and fines when the event occurs, and the asset recognition criteria are met. The Local Government earned and recognised. #20,734,914.11

### **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 – #20,469,297.10**

The Aggregate closing cash and cash equivalents amounted to **₦20,469,297.10** 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. 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 - ₦75,762,259.79**

A total sum of ₦75,762,259.79 was standing as Receivables as at 31<sup>st</sup> December, 2021. The Receivables include, Revenue Recognised in December 2021 but received in January, 2021 from Joint Allocation Account Committee (JAAC).

#### **INVENTORIES - ₦16,703,590.00**

The sum of ₦16,703,590.00 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 - ₦51,257,085.54**

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:

<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 - ₦259,442,619.05**

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 - ₦51,341,980.80**

The carrying amount of Investment Properties of the Local Governments stood at ₦51,341,980.80 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 - ₦1,748,646,552.26**

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 - ₦173,618,094.68**

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 #181,093,543.44 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 NORTH LOCAL GOVERNMENT, IPETUMODU**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31<sup>ST</sup> DECEMBER, 2021**

PARTICULAR	NOTE	IFE NORTH CONSOLIDATED
ASSETS		
Current Assets		
Cash & Cash Equipments	1	20,469,297.10
Receivables	2	17,262,259.79
Prepayment/Advance	3	5,700,000.00
Inventories	4	16,703,590.00
<b>Total Current Asset</b>		<b>60,135,146.89</b>
Non-current Asset		-
Long Term Loan Granted		-
Investments	5	51,257,085.54
Property, Plant & Equipment	6	2,503,860,309.41
Investment Property	7	51,341,980.80
Biological Asset	8	164,419.20
Assets Under Construction (wip)	9	-
Total Non-Current Asset		2,606,623,794.95
Total Asset		2,666,758,941.84
LIABILITIES		
Current Liabilities		-
Deposit		-
Short Term Loan & Debts	10	-
Unremitted Deduction	11	173,618,094.68
Payables	12	200,942,619.05
Short Terms Provisions		-
Total Current Liability		374,580,713.73
Non-Current Liabilities		-
Long Term Borrowing	13	1,748,646,552.26
Total Liabilities		2,123,207,265.99
Net Assets		543,551,675.85
Financed by		-
Reserve	14	790,035,715.84
Net Surplus/Deficit	15	(246,484,039.99)
Total		543,551,675.85

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

PARTICULAR	NOTE	IFE NORTH	IFE NORTH WEST	AREA OFFICE	IFE NORTH CONSOLIDATED
<b>ASSETS</b>					
Current Assets					
Cash & Cash Equipments	1	10,818,544.64	3,930,445.91	5,720,306.55	20,469,297.10
Receivables	2	17,262,259.79			17,262,259.79
Prepayment/Advance	3	5,700,000.00			5,700,000.00
Inventories	4	12,383,500.00	3,490,790.00	829,300.00	16,703,590.00
<b>Total Current Asset</b>		<b>46,164,304.43</b>	<b>7,421,235.91</b>	<b>6,549,606.55</b>	<b>46,164,304.43</b>
Non-current Asset					-
Long Term Loan Granted					-
Investments	5	35,673,452.20	9,916,666.67	5,666,966.67	51,257,085.54
Property, Plant & Equipment	6	1,435,055,667.07	835,520,833.11	233,283,809.23	2,503,860,309.41
Investment Property	7	27,895,188.48	23,446,792.32		51,341,980.80
Biological Asset	8		164,419.20		164,419.20
Assets Under Construction (wip)	9				-
<b>Total Non-Current Asset</b>		<b>1,498,624,307.75</b>	<b>869,048,711.30</b>	<b>238,950,775.90</b>	<b>2,606,623,794.95</b>
<b>Total Asset</b>		<b>1,544,788,612.18</b>	<b>876,469,947.21</b>	<b>245,500,382.45</b>	<b>2,666,758,941.84</b>
<b>LIABILITIES</b>					-
Current Liabilities					-
Deposit					-
Short Term Loan & Debts	10				-
Unremitted Deduction	11	88,963,260.99	66,303,633.17	18,351,200.52	173,618,094.68
Payables	12	95,784,178.43	81,217,619.70	23,940,820.92	200,942,619.05
Short Terms Provisions					-
<b>Total Current Liability</b>		<b>184,747,439.92</b>	<b>147,521,252.87</b>	<b>42,292,021.44</b>	<b>374,560,713.73</b>
Non-Current Liabilities					-
Long Term Borrowing	13	870,223,991.15	656,748,670.88	221,673,890.23	1,748,646,552.26
<b>Total Liabilities</b>		<b>1,054,971,430.57</b>	<b>804,269,923.75</b>	<b>263,965,911.67</b>	<b>2,123,207,265.99</b>
<b>Net Assets</b>		<b>489,817,181.61</b>	<b>72,200,023.46</b>	<b>(18,465,529.22)</b>	<b>543,551,675.85</b>
Financed by					-
Reserve	14	658,087,548.44	133,788,000.00	(1,839,832.60)	790,035,715.84
Net Surplus/Deficit	15	(168,270,366.83)	(61,587,976.54)	(16,625,696.62)	(246,484,039.99)
<b>Total</b>		<b>489,817,181.61</b>	<b>72,200,023.46</b>	<b>(18,465,529.22)</b>	<b>543,551,675.85</b>

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

PERFORMANCE

PERFORMANCE		
PARTICULAR	NOTE	IFE NORTH CONSOLIDATED
<b>DEPENDENT REVENUE</b>		
Government share of FAAC (Statutory Revenue)	16	1,197,611,177.39
Government Share of VAT	17	667,252,117.59
<b>Sub-Total Dependent Revenue</b>	18	1,864,863,294.98
<b>INDEPENDENT REVENUE</b>		-
Grant & Aids	19	5,386,786.00
Transfer from main Council	20	
Tax Revenue	21	777,600.00
Non-Tax Revenue	22	14,570,528.11
Other Income		910,200.00
Overpayment Recovery		-
<b>Sub-Total Independent Revenue</b>		20,734,914.11
<b>Total Revenue</b>		1,885,598,209.09
<b>EXPENDITURE</b>		-
<b>JOINTLY EXPENDED</b>		-
Salaries & Wages	23	855,868,781.13
Social Benefits	24	100,000.00
Overhead Cost	25	27,973,083.18
Grants & Social Contribution	26	31,156,547.99
Transfer to other Agencies	27	524,301,553.16
<b>L/GOVERNMENT EXPENDITURE</b>		-
Social Benefits	28	7,206,200.00
Overhead Cost	29	97,242,281.52
Grants & Social Contribution	30	185,408,810.64
Depreciation	31	159,775,246.72
Allowances	32	93,351,394.78
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>		1,982,383,899.12
<b>Net Surplus/Deficit</b>	36	(96,785,690.03)
<b>Net Surplus/Deficit 01/01/2021</b>	37	(149,698,349.96)
<b>Net Surplus/Deficit 31/12/2021</b>	38	(246,484,039.99)

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

<b>PERFORMANCE</b>					
<b>PARTICULAR</b>	<b>NOTE</b>	<b>IFE NORTH</b>	<b>IFE NORTH WEST</b>	<b>IFE NORTH AREA OFFICE</b>	<b>IFE NORTH CONSOLIDATED</b>
<b>DEPENDENT REVENUE</b>					
Government share of FAAC (Statutory Revenue)	16	1,197,611,177.39			1,197,611,177.39
Government Share of VAT	17	667,252,117.59			667,252,117.59
<b>Sub-Total Dependent Revenue</b>	<b>18</b>	<b>1,864,863,294.98</b>	<b>-</b>	<b>-</b>	<b>1,864,863,294.98</b>
<b>INDEPENDENT REVENUE</b>					
Grant & Aids	19	5,386,786.00			5,386,786.00
Transfer from main Council	20		97,548,571.60	83,544,971.84	
Tax Revenue	21	490,300.00	252,700.00	34,600.00	777,600.00
Non-Tax Revenue	22	9,667,570.00	4,275,758.11	627,200.00	14,570,528.11
Other Income		-			-
Overpayment Recovery					-
<b>Sub-Total Independent Revenue</b>		<b>15,544,656.00</b>	<b>102,077,029.71</b>	<b>84,206,771.84</b>	<b>20,734,914.11</b>
<b>Total Revenue</b>		<b>1,880,407,950.98</b>	<b>102,077,029.71</b>	<b>84,206,771.84</b>	<b>1,885,598,209.09</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	27,973,083.18			27,973,083.18
Grants & Social Contribution	26	31,156,547.99			31,156,547.99
Transfer to other Agencies	27	524,301,553.16			524,301,553.16
<b>L/GOVERNMENT EXPENDITURE</b>					
Social Benefits	28	1,283,500.00	5,057,700.00	865,000.00	7,206,200.00
Overhead Cost	29	66,849,739.88	21,662,683.17	8,729,858.47	97,242,281.52
Grants & Social Contribution	30	89,391,945.42	41,696,680.22	54,320,185.00	185,408,810.64
Depreciation	31	96,053,897.39	41,226,949.53	22,494,399.80	159,775,246.72
Allowances	32	52,256,534.01	24,374,185.33	16,720,675.44	93,351,394.78
Transfer to LCDA	33	181,093,543.44			
Impairment	34				-
Revenue Refunded	35				-

Public Debt Charges					
Stabilization Fund					
Refund to main Council					-
Stationeries					-
Severance Gratuity					-
<b>Total Expenditures</b>		<b>1,926,329,125.60</b>	<b>134,018,198.25</b>	<b>103,130,118.71</b>	<b>1,982,383,899.12</b>
<b>Net Surplus/Deficit</b>	36	<b>(45,921,174.62)</b>	<b>(31,941,168.54)</b>	<b>(18,923,346.87)</b>	<b>(96,785,690.03)</b>
<b>Net Surplus/Deficit 01/01/2021</b>	37	<b>(122,349,192.21)</b>	<b>(29,646,808.00)</b>	<b>2,297,650.25</b>	<b>(149,698,349.96)</b>
<b>Net Surplus/Deficit 31/12/2021</b>	38	<b>(168,270,366.83)</b>	<b>(61,587,976.54)</b>	<b>(16,625,696.62)</b>	<b>(246,484,039.99)</b>

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

**CASHFLOW**

OPERATING ACTIVITIES	NOTE	IFE NORTH CONSOLIDATED
<b>INFLOW</b>		
Statutory Revenue (JAAC)	39	1,328,688,585.48
Value Added Tax	40	667,252,117.59
Receivable		
<b>Sub Total Dependent Revenue</b>	41	1,995,940,703.07
Aids and Grants	42	5,386,786.00
Transfer from Main Council	43	
Tax Revenue	44	777,600.00
Non Tax Revenue	45	13,660,328.11
Other Income		910,200.00
Overpayment Recovery		
<b>Sub Total Independent Revenue</b>	46	20,734,914.11
<b>Total Inflow Operating Activities</b>	47	2,016,675,617.18
<b>OUTFLOW</b>		-
Salaries & Wages	48	928,868,781.67
Social Benefits	49	7,306,200.00
Overhead Cost	50	90,715,365.04
Social Contributions	51	200,545,358.63
Allowances	52	125,318,562.71
Modulated Salary Arrears	53	13,333,333.28
Inventories	54	3,312,600.00
Fund Conserved for Salary		-
Transfer to LCDA	55	
Transfer to other Govt. Agencies	56	524,301,553.09
Refund to Main Councils		-
Revenue Refunded		
Stabilization Fund		
Tax Expenses	57	-
Severance Gratuity		-
<b>Total Outflow from Operating Activities</b>	58	1,893,701,754.42
<b>Net Cashflow from Operating Activities</b>	59	122,973,862.76
<b>INVESTING ACTIVITIES</b>		-
Proceed from Disposal of Asset		-
<b>Total Inflow from Investing Activities</b>		-
Cashflow from Investing Activities		-

Administrative Sector	60	74,300,000.00
Economic Sector		4,850,000.00
<b>Total Outflow from Investing Activities</b>	61	79,150,000.00
<b>Net Cashflow from Investing Activities</b>		(79,150,000.00)
Inflow from Financing Activities		-
Bank Overdraft		
Soft Loan(Bank)		
Deduction Received	62	112,848,762.44
<b>Total Inflow from Financing Activities</b>	63	112,848,762.44
<b>OUFLOW (PAYMENT)</b>		-
Bail Out Repayment		-
10km Road	64	13,588,355.55
Water Project	65	-
Environmental Sanitation Loan	66	2,914,565.04
Loan Repayment (Inherited)	67	-
Bank Loan	68	-
Intervention Loan	69	15,691,402.95
Other Loan Repayment		
Deduction Paid	70	122,748,336.17
<b>Total Outflow From Financing Activities</b>	71	154,942,659.71
<b>Net Cashflow from financing Activities</b>	72	(42,093,897.27)
<b>Cash and Cash Equivalent for the year</b>	73	1,729,965.49
<b>Cash and Cash Equivalent 01/01/2021</b>	74	18,739,331.61
<b>Cash and Cash Equivalent 31/12/2021</b>	75	20,469,297.10



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

<b>OPERATING ACTIVITIES</b>	<b>NOTE</b>	<b>IFE NORTH</b>	<b>IFE NORTH WEST</b>	<b>IFE NORTH AREA OFFICE</b>	<b>IFE NORTH CONSOLIDATED</b>
<b>INFLOW</b>					
Statutory Revenue (JAAC)	39	1,328,688,585.48			1,328,688,585.48
Value Added Tax	40	667,252,117.59			667,252,117.59
Receivable					
<b>Sub Total Dependent Revenue</b>	41	<b>1,995,940,703.07</b>	-	-	<b>1,995,940,703.07</b>
Aids and Grants	42	5,386,786.00			5,386,786.00
Transfer from Main Council	43		97,548,571.60	83,544,971.84	
Tax Revenue	44	490,300.00	252,700.00	34,600.00	777,600.00
Non Tax Revenue	45	8,757,370.00	4,275,758.11	627,200.00	13,660,328.11
Other Income		910,200.00			910,200.00
Overpayment Recovery					
<b>Sub Total Independent Revenue</b>	46	<b>15,544,656.00</b>	<b>102,077,029.71</b>	<b>84,206,771.84</b>	<b>20,734,914.11</b>
<b>Total Inflow Operating Activities</b>	47	<b>2,011,485,359.07</b>	<b>102,077,029.71</b>	<b>84,206,771.84</b>	<b>2,016,675,617.18</b>
<b>OUTFLOW</b>					-
Salaries & Wages	48	928,868,781.67			928,868,781.67
Social Benefits	49	1,383,500.00	5,057,700.00	865,000.00	7,306,200.00
Overhead Cost	50	60,322,823.40	21,662,683.17	8,729,858.47	90,715,365.04
Social Contributions	51	120,828,493.41	35,096,680.22	44,620,185.00	200,545,358.63
Allowances	52	84,223,701.94	24,374,185.33	16,720,675.44	125,318,562.71
Modulated Salary Arrears	53	13,333,333.28			13,333,333.28
Inventories	54	375,000.00	2,937,600.00		3,312,600.00
Fund Conserved for Salary					-
Transfer to LCDA	55	181,093,543.44			
Transfer to other Govt. Agencies	56	524,301,553.09			524,301,553.09
Refund to Main Councils					-
Revenue Refunded					
Stabilization Fund					
Tax Expenses	57				-
Severance Gratuity					-
<b>Total Outflow from Operating Activities</b>	58	<b>1,914,730,730.23</b>	<b>89,128,848.72</b>	<b>70,935,718.91</b>	<b>1,893,701,754.42</b>

Net Cashflow from Operating Activities	59	96,754,628.84	12,948,180.99	13,271,052.93	122,973,862.76
<b>INVESTING ACTIVITIES</b>					
Proceed from Disposal of Asset		-	-	-	-
<b>Total Inflow from Investing Activities</b>					
Cashflow from Investing Activities		-	-	-	-
Administrative Sector	60	55,600,000.00	8,700,000.00	10,000,000.00	74,300,000.00
Economic Sector			4,850,000.00		4,850,000.00
<b>Total Outflow from Investing Activities</b>	61	55,600,000.00	13,550,000.00	10,000,000.00	79,150,000.00
<b>Net Cashflow from Investing Activities</b>		(55,600,000.00)	(13,550,000.00)	(10,000,000.00)	(79,150,000.00)
Inflow from Financing Activities					-
Bank Overdraft					
Soft Loan(Bank)					
Deduction Received	62	53,264,045.90	41,976,396.91	17,608,319.63	112,848,762.44
<b>Total Inflow from Financing Activities</b>	63	53,264,045.90	41,976,396.91	17,608,319.63	112,848,762.44
<b>OUFLOW (PAYMENT)</b>					
Bail Out Repayment					-
10km Road	64	13,588,355.55			13,588,355.55
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	15,691,402.95			15,691,402.95
Other Loan Repayment					
Deduction Paid	70	62,785,725.00	42,334,618.00	17,627,993.17	122,748,336.17
<b>Total Outflow From Financing Activities</b>	71	94,980,048.54	42,334,618.00	17,627,993.17	154,942,659.71
<b>Net Cashflow from financing Activities</b>	72	(41,716,002.64)	(358,221.09)	(19,673.54)	(42,093,897.27)
<b>Cash and Cash Equivalent for the year</b>	73	(561,373.80)	(960,040.10)	3,251,379.39	1,729,965.49
<b>Cash and Cash Equivalent 01/01/2021</b>	74	11,379,918.44	4,890,486.01	2,468,927.16	18,739,331.61
<b>Cash and Cash Equivalent 31/12/2021</b>	75	10,818,544.64	3,930,445.91	5,720,306.55	20,469,297.10

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

		IFE NORTH CONSOLIDATED		
PARTICULAR	NOTE	FINAL BUDGET	ACTUAL	VARIANCE
<b>DEPENDENT REVENUE</b>				
Government Share of FAAC (Statutory Revenue)	16	1,671,989,130.14	1,197,611,177.39	1,032,533,546.67
Government Share of VAT	17	632,737,581.29	667,252,117.59	813,147,536.30
<b>Sub-Total Dependent Revenue</b>	<b>18</b>	<b>2,304,726,711.43</b>	<b>1,864,863,294.98</b>	<b>1,845,681,082.97</b>
<b>INDEPENDENT REVENUE</b>				
Grants & Aids	19	34,748,810.00	5,386,786.00	29,362,024.00
Transfer from Main Council	20	-	-	-
Tax Revenue	21	17,000,600.00	777,600.00	16,223,000.00
Non-Tax Revenue	22	19,120,000.00	14,570,528.11	9,934,411.89
Other Income		-	-	910,200.00
<b>Sub-Total Independent Revenue</b>		<b>70,869,410.00</b>	<b>20,734,914.11</b>	<b>56,429,635.89</b>
<b>Total Revenue</b>		<b>2,375,596,121.43</b>	<b>1,885,598,209.04</b>	<b>1,902,110,718.86</b>
<b>EXPENDITURE</b>				
Salaries & Wages	23	1,370,273,540.00	855,868,781.13	514,404,758.87
Social Benefits	24	-	7,306,200.00	7,306,200.00
Overhead Cost	25	267,510,000.00	125,215,364.77	142,294,635.23
Grants & Social Contribution	26	223,299,451.43	216,565,358.63	6,734,092.80
Transfer to Other Agencies	27	-	524,301,553.09	524,301,553.09
Depreciation	31	-	159,775,246.72	159,775,246.72
Allowances	32	126,848,130.00	93,351,394.78	33,496,735.22
Transfer to LCDA	33	-		181,093,543.44
Impairment	34	-	-	-
Revenue Refunded	35	-	-	-
Stationaries		-	-	-
<b>Total Expenditures</b>		<b>1,987,931,121.43</b>	<b>1,982,383,899.12</b>	<b>175,546,321.13</b>
<b>Net Surplus/Deficit</b>	<b>36</b>	<b>387,665,000.00</b>	<b>96,785,690.03</b>	<b>2,077,657,039.99</b>
<b>Net Surplus/Deficit 31/12/2020</b>	<b>37</b>	<b>-</b>	<b>149,698,349.96</b>	<b>-</b>
<b>Net Surplus/Deficit 31/12/2021</b>	<b>38</b>	<b>387,665,000.00</b>	<b>246,484,039.99</b>	<b>2,077,657,039.99</b>

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

		IFE NORTH LG			IFE NORTH WEST			IFE NORTH AREA COUNCIL			IFE NORTH CONSOLIDATED		
PARTICULAR	NOTE	Final Budget	Actual (N)	Variance	FINAL BUDGET	ACTUAL	VARIANCE	FINAL BUDGET	ACTUAL	VARIANCE	FINAL BUDGET	ACTUAL	VARIANCE
DEPENDENT REVENUE													
Government Share of FAAC(Statutory Revenue)	16	827,986,608.71	1,197,611,177.39	369,624,568.68	415,490,771.43		415,490,771.43	428,511,750.00		344,966,778.16	1,671,989,130.14	1,281,156,149.23	1,032,533,546.67
Government Share of VAT	17	243,421,081.29	667,252,117.59	423,831,036.30	300,000,000.00		300,000,000.00	89,316,500.00		89,316,500.00	632,737,581.29	667,252,117.59	813,147,536.30
<b>Sub-Total Dependent Revenue</b>	<b>18</b>	<b>1,071,407,690.00</b>	<b>1,864,863,294.98</b>	<b>793,455,604.98</b>	<b>715,490,771.43</b>		<b>715,490,771.43</b>	<b>517,828,250.00</b>		<b>434,283,278.16</b>	<b>2,304,726,711.43</b>	<b>1,864,863,294.98</b>	<b>1,845,681,082.97</b>
INDEPENDENT REVENUE											-	-	-
Grants & Aids	19	22,063,000.00	5,386,786.00	16,676,214.00	10,000,000.00		10,000,000.00	2,685,810.00		2,685,810.00	34,748,810.00	5,386,786.00	29,362,024.00
Transfer from Main Council	20					97,548,571.60			83,544,971.84		-	-	-
Tax Revenue	21	15,700,400.00	490,300.00	15,210,100.00	300,200.00	252,700.00	47,500.00	1,000,000.00	34,600.00	965,400.00	17,000,600.00	777,600.00	16,223,000.00
Non-Tax Revenue	22	6,520,000.00	8,757,370.00	2,237,370.00	7,200,000.00	4,275,758.11	2,924,241.89	5,400,000.00	627,200.00	4,772,800.00	19,120,000.00	13,660,328.11	9,934,411.89
Other Income			910,200.00	910,200.00							-	910,200.00	910,200.00
<b>Sub-Total Independent Revenue</b>		<b>44,283,400.00</b>	<b>15,544,656.00</b>	<b>35,033,884.00</b>	<b>17,500,200.00</b>	<b>102,077,029.71</b>	<b>12,971,741.89</b>	<b>9,085,810.00</b>	<b>84,206,771.84</b>	<b>8,424,010.00</b>	<b>70,869,410.00</b>	<b>20,734,914.11</b>	<b>56,429,635.89</b>
<b>Total Revenue</b>		<b>1,115,691,090.00</b>	<b>1,880,407,950.98</b>	<b>828,489,488.98</b>	<b>732,990,971.43</b>	<b>102,077,029.71</b>	<b>630,913,941.72</b>	<b>526,914,060.00</b>	<b>84,206,771.84</b>	<b>442,707,288.16</b>	<b>2,375,596,121.43</b>	<b>1,885,598,209.09</b>	<b>1,902,110,718.86</b>
EXPENDITURE											-	-	-
Salaries & Wages	23	634,584,860.00	855,868,781.13	(221,283,921.13)	497,950,590.00		497,950,590.00	237,738,090.00		237,738,090.00	1,370,273,540.00	855,868,781.13	514,404,758.87
Social Benefits	24		1,383,500.00	(1,383,500.00)		5,057,700.00	(5,057,700.00)		865,000.00	(865,000.00)	-	7,306,200.00	(7,306,200.00)
Overhead Cost	25	94,560,000.00	94,822,823.13	(262,823.13)	72,950,000.00	21,662,683.17	51,287,316.83	100,000,000.00	8,729,858.47	91,270,141.53	267,510,000.00	125,215,364.70	142,294,635.23
Grants & Social Contribution	26	121,068,750.00	120,548,493.41	520,256.59	31,905,471.43	41,696,680.22	(9,791,208.79)	70,325,230.00	54,320,185.00	16,005,045.00	223,299,451.43	216,565,358.63	6,734,092.80
Transfer to Other Agencies	27		524,301,553.09	(524,301,553.09)							-	524,301,553.16	(524,301,553.09)
Depreciation	31		96,053,897.39	(96,053,897.39)		41,226,949.53	(41,226,949.53)		22,494,399.80	(22,494,399.80)	-	159,775,246.72	(159,775,246.72)
Allowances	32	73,812,480.00	52,256,534.01	21,555,945.99	16,184,910.00	24,374,185.33	(8,189,275.33)	36,850,740.00	16,720,675.44	20,130,064.56	126,848,130.00	93,351,394.78	33,496,735.22
Transfer to LCDA	33		181,093,543.44	(181,093,543.44)							-		(181,093,543.44)
Impairment Revenue Refunded	34										-	-	-
	35										-	-	-

Stationaries												-	-	-
<b>Total Expenditures</b>		<b>924,026,090.00</b>	<b>1,926,329,125.60</b>	<b>(1,002,303,035.60)</b>	<b>618,990,971.43</b>	<b>134,018,198.25</b>	<b>484,972,773.18</b>	<b>444,914,060.00</b>	<b>103,130,118.71</b>	<b>341,783,941.29</b>	<b>1,987,931,121.43</b>	<b>1,982,383,899.12</b>	<b>(175,546,321.13)</b>	
<b>Net Surplus/Deficit</b>	<b>36</b>	<b>191,665,000.00</b>	<b>(45,921,174.62)</b>	<b>1,830,792,524.58</b>	<b>114,000,000.00</b>	<b>(31,941,168.54)</b>	<b>145,941,168.54</b>	<b>82,000,000.00</b>	<b>(18,923,346.87)</b>	<b>100,923,346.87</b>	<b>387,665,000.00</b>	<b>(96,785,690.03)</b>	<b>2,077,657,039.99</b>	
<b>Net Surplus/Deficit 31/12/2020</b>	<b>37</b>		<b>(122,349,192.21)</b>			<b>(29,646,808.00)</b>			<b>2,297,650.25</b>		<b>-</b>	<b>(149,698,349.96)</b>	<b>-</b>	
<b>Net Surplus/Deficit 31/12/2021</b>	<b>38</b>	<b>191,665,000.00</b>	<b>(168,270,366.83)</b>	<b>1,830,792,524.58</b>	<b>114,000,000.00</b>	<b>(61,587,976.54)</b>	<b>145,941,168.54</b>	<b>82,000,000.00</b>	<b>(16,625,696.62)</b>	<b>100,923,346.87</b>	<b>387,665,000.00</b>	<b>(246,484,039.99)</b>	<b>2,077,657,039.99</b>	

**IFE NORTH LOCAL GOVERNMENT, IPETUMODU**

<b>NET ASSET AND EQUITY</b>	<b>IFE NORTH CONSOLIDATED</b>		
<b>DETAILS</b>	RESERVES	Accumulated Surplus/Deficit	TOTAL
<b>Opening Balance 1/1/2021</b>	790,035,715.84	(149,698,349.96)	640,337,365.88
<b>Adjusted Reserve</b>	-	-	-
<b>Adjusted Balance</b>	790,035,715.84	(149,698,349.96)	640,337,365.88
<b>Net Surplus Deficit for the year</b>	-	(96,785,690.03)	(96,785,690.03)
<b>Closing Balance as at 31/12/2021</b>	790,035,715.84	(246,484,039.99)	543,551,675.85

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

DETAILS	IFE NORTH			IFE NORTH WEST			IFE NORTH AREA OFFICE			IFE NORTH CONSOLIDATED		
	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL
Opening Balance 1/1/2021	658,087,548.44	(122,349,192.21)	535,738,356.23	133,788,000.00	(29,646,808.00)	104,141,192.00	(1,839,832.60)	2,297,650.25	457,817.65	790,035,715.84	(149,698,349.96)	640,337,365.88
Adjusted Reserve			-			-			-			
Adjusted Balance	658,087,548.44	(122,349,192.21)	535,738,356.23	133,788,000.00	(29,646,808.00)	104,141,192.00	(1,839,832.60)	2,297,650.25	457,817.65	790,035,715.84	(149,698,349.96)	640,337,365.88
Net Surplus Deficit for the year		(45,921,174.62)	(45,921,174.62)		(31,941,168.54)	(31,941,168.54)		(18,923,346.87)	(18,923,346.87)		(96,785,690.03)	(96,785,690.03)
Closing Balance as at 31/12/2021	658,087,548.44	(168,270,366.83)	489,817,181.61	133,788,000.00	(61,587,976.54)	72,200,023.46	(1,839,832.60)	(16,625,696.62)	(18,465,529.22)	790,035,715.84	(246,484,039.99)	543,551,675.85

<b>IFE NORTH LOCAL GOVERNMENT, IPETUMODU</b>		
<b>Consolidated Notes to the Account for the year Ended 31st December, 2021</b>		
<b>Notes</b>		<b>CONSOLIDATED</b>
<b>1</b>	<b>Cash and Cash Equivalent</b>	
	Balance b/f 01/01/2020	12,633,969.01
	Add Receipt	2,171,423,328.49
	Total Receipt	2,184,057,297.50
	Total Payment	2,163,588,000.40
		<b>20,469,297.10</b>
<b>2</b>	<b>Receivables</b>	
	Statutory Revenue	<b>23,120,922.57</b>
	VAT	<b>15,366,923.69</b>
	Exchange Rate Gain	<b>1,895,336.10</b>
	Modulated Salary	<b>1,666,666.66</b>
	Conserved Fund	<b>34,500,000.00</b>
		<b>17,262,259.79</b>
<b>3</b>	<b>Prepayment/Advances</b>	
	Balance b/forward	5,700,000.00
	Additional Prepayment	
		<b>5,700,000.00</b>
<b>4</b>	<b>Inventory</b>	
	Work Material	4,008,000.00
	Finance material	12,320,590.00
		16,328,590.00
	Unissued	375,000.00
		<b>16,703,590.00</b>
<b>5</b>	<b>Investment</b>	
	Omoluabi	13,132,942.00
	Kajola Integrated	9,523,810.00
	OSICOL	267,000.00
	Preference Shares	26,122,133.34
		2,211,200.20
	<b>Total</b>	<b>51,257,085.54</b>



<b>6</b>	<b>PPE</b>	
	Building	1,275,838,019.39
	Infrastructure	1,072,782,961.93
	Plant & Maintenance	36,589,866.49
	MV	78,893,295.63
	Equipment	31,532,325.81
	F/F	8,223,840.16
		<b>2,503,860,309.41</b>
<b>7</b>	<b>Investment Property</b>	
	Open Market	23,446,792.32
	Lock up stall	27,895,188.48
		<b>51,341,980.80</b>
<b>8</b>	<b>Biological Asset</b>	
		<b>164,419.20</b>
<b>9</b>	<b>Asset Under Construction (WIP)</b>	
		<b>Nil</b>
<b>11</b>	<b>Unremitted Deduction</b>	
	Balance as at 1st of Jan, 2021	183,779,698.44
	Deduction Received	112,586,732.41
		296,366,430.85
	Deduction Paid	122,748,336.17
		<b>173,618,094.68</b>
<b>12</b>	<b>Payable</b>	
	<b>Unpaid Salary Arears</b>	78,350,282.86
	<b>Unpaid vouchers</b>	61,413,968.76
	<b>Modulated salary (Dec 2021)</b>	1,666,666.66
	<b>O HIS</b>	1,949,631.64
	<b>Salary &amp; wages</b>	73,701,792.19
	<b>Social contribution</b>	1,000,000.00
	<b>Transfer to other agencies</b>	50,660,778.20
	<b>Conserved fund</b>	60,500,000.00
		<b>329,243,120.31</b>

	<b>Less:</b>	
	Transfer to other agencies	(38,908,744.87)
	Modulated salary (Dec 2020)	(13,333,333.33)
	Allowance Dec 2020	(22,615.69)
	Overhead 2020	(881,060.29)
	Salary & wages 2020	(75,154,747.08)
		<b>(128,300,501.26)</b>
		<b>200,942,619.05</b>
<b>13</b>	<b>Loan Term Loan</b>	
	Balance b/f	1,780,840,875.80
	10km Road	13,588,355.55
	Intervention	15,691,402.95
	Environmental	2,914,565.04
		<b>32,194,323.54</b>
		<b>1,748,646,552.26</b>
<b>14</b>	<b>Reserve</b>	
		<b>790,035,715.84</b>
<b>15</b>	<b>Accumulated Surplus/(Deficit)</b>	
	Balance b/forward 01/01/2021	(149,698,349.96)
	Surplus during the year	(96,785,690.03)
	Balance C/forward 31/12/2021	<b>(246,484,039.99)</b>
<b>16</b>	<b>Statutory Allocation</b>	
	JAAC	1,133,337,237.32
	Non-Oil Revenue	35,699,016.16
	Forex Equalization	1,767,409.44
	Exchange Rate Gain	6,637,291.52
	Eco Fund	4,951,394.33
	Solid Minerals	1,623,235.49
	Grants	13,595,593.13
		<b>1,197,611,177.39</b>

<b>17</b>	<b>VAT</b>	
		<b>667,252,117.59</b>
<b>18</b>	<b>Dependent Revenue</b>	
	JAAC	1,197,611,177.39
	VAT	667,252,117.59
	<b>Total</b>	<b>1,864,863,294.98</b>
<b>19</b>	<b>Other Dependent Revenue (Grants &amp; Aids)</b>	
		<b>5,386,986.00</b>
<b>21</b>	<b>Tax Revenue</b>	
	Community Tax	777,600.00
	Other tax revenue	
		<b>777,600.00</b>
<b>22</b>	<b>Non-Tax Revenue</b>	
	Fees	13,943,328.11
	Fine	627,200.00
		<b>14,570,528.11</b>
	<b>CENTRALLY EXPENDED</b>	
<b>23</b>	<b>Employee Benefit (Staff Salaries &amp; Wages</b>	
	Teaching TNT (Elementary)	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</b>	<b>Social Benefits</b>	
	Training of Staff (Drivers)	100,000.00
		<b>100,000.00</b>

<b>25</b>	<b>Overhead</b>	
	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
	School Running Grant	2,999,999.90
	Year 2021 budget fee	2,050,000.00
	Subeb stipend for 10 temp	66,666.70
		<b>27,973,083.18</b>
<b>26</b>	<b>Grant &amp; Social Contribution</b>	
	SUBEB Special Need Sch	1,983,214.66
	Xmas & New Year Gift	14,440,000.00
	Olojo festival	4,000,000.00
	Grading & others expenditure (Algon)	10,733,333.33
		<b>31,156,547.99</b>
<b>27</b>	<b>Transfer to Other Agencies</b>	
	1 % Training Fund	11,196,806.89
	5% Traditional Council	60,237,530.73
	Audit Fees	23,566,310.12
	5% Stabilization Fund	48,698,707.76
	Gratuity	46,666,666.64
	Monthly Pension	171,639,881.64
	Contributory Pension(LG)	37,298,607.48
	Contributory Pension(TNT)	38,454,311.28
	O'HIS	14,980,250.59
	O'Meal	23,867,860.00
	RAMP Refund	8,617,329.07
	SUBEB Contract staff	271,120.78
	SUBEB Matching Grant	38,806,170.18
		<b>524,301,553.16</b>

<b>28</b>	<b>Social Benefits</b>	
	<b><u>Local Govt Expenditure</u></b>	
	Financial Assistance to Local Govt Staff	1,283,500.00
	Training workshop	5,922,700.00
		<b>7,206,200.00</b>
<b>29</b>	<b>Overhead</b>	
	<b><u>Local Govt Expenditure</u></b>	
	Monthly imprest	28,729,858.47
	Repair and Maintenance of Vehicle	35,393,001.72
	Publication & Advert	9,370,360.48
	Printing and General Expenses	23,338,261.06
	Bank Charges	410,799.79
		<b>97,242,281.52</b>
<b>30</b>	<b>Grants and Social Contribution</b>	
	<b><u>Local Govt Expenditure</u></b>	
	Distilling of Culverts	19,774,059.40
	Cleaning of Dumpsite	10,909,623.76
	Sensitization & Workshop	11,641,863.71
	Ileya	24,101,343.17
	Xmas Celebration	14,546,165.01
	Easter celebration	7,019,336.04
	Gift	16,320,000.00
	Gradings	71,868,525.11
	Training and entertainment	9,227,894.38
		<b>185,408,810.58</b>
<b>31</b>	<b>Depreciation Charge</b>	
	Building	9,406,723.51
	Plants & Machineries	2,543,680.56
	Infrastructural Assets	131,479,175.48
	Motor Vehicle	10,666,699.51
	Office Equipment	4,289,941.39
	Furniture & Fittings	1,002,648.90
	Investment Property	379,526.57
	Biological Asset	6,850.80
		<b>159,775,246.72</b>

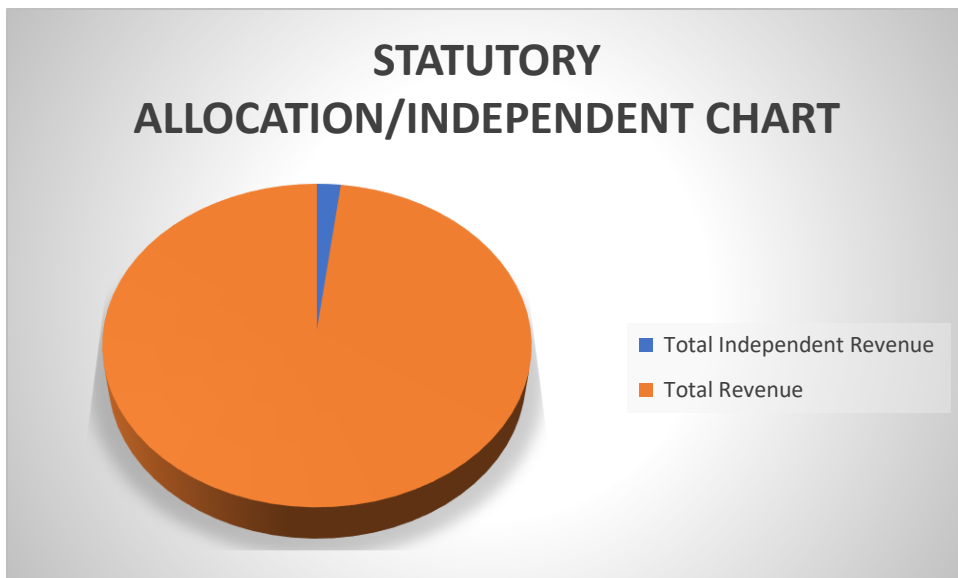
<b>32</b>	<b>Allowance</b>	
	<b>Casual staff</b>	256,000.00
	Allowance to Various Committee	62,130,557.71
	O' Tech Allowance	10,000,000.00
	O'Clean Allowance	4,874,837.07
	NYSC Allowance	834,000.00
	Severance Gratuity	15,256,000.00
		<b>93,351,394.78</b>
	<b>Transfer to LCDA</b>	
	Transfer to LCDA	97,548,571.60
	Transfer to Area Council	83,544,971.84
		<b>181,093,543.44</b>
<b>36</b>	<b>Total Revenue</b>	1,885,598,209.09
	<b>Total Expenditure</b>	1,982,383,899.12
		<b>(96,785,690.03)</b>
<b>37</b>	<b>Net Surplus/Deficit 01/01/2021</b>	<b>(149,698,349.96)</b>
<b>38</b>	<b>Accumulated Surplus/Deficit</b>	
	<b>Net Surplus/Deficit 01/01/2021</b>	<b>(149,698,349.96)</b>
	<b>Net Surplus/Deficit for the year</b>	<b>(96,785,690.03)</b>
		<b>(246,484,039.99)</b>

# IFE NORTH LOCAL GOVERNMENT FISCAL OPERATION REPORT

## STATEMENT OF CASHFLOW RATIOS

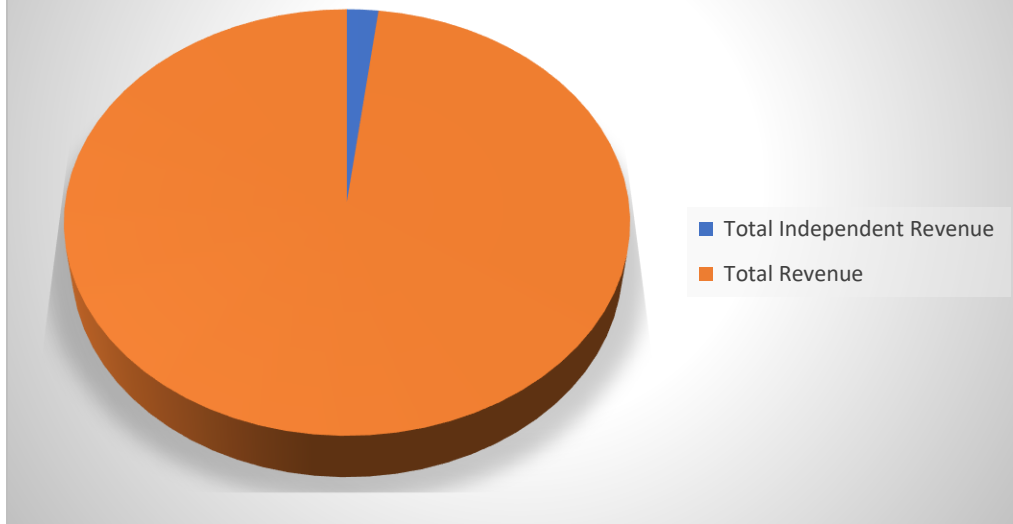
1. 
$$\frac{\text{DEPENDENT REVENUE/TOTAL REVENUE} \times 100}{= \frac{1,995,940,703.07}{2,016,675,617.18} = 98.97\%$$

This indicated that Statutory Allocation took 98.97% of the Total Revenue of the Local Government and LCDA leaving 1.03% as Independence Revenue



2. 
$$\frac{\text{TOTAL INDEPENDENT REVENUE}}{\text{TOTAL REVENUE}} \times 100 = \frac{20,734,941.11}{2,016,675,617.18} \times 100 = 1.03\%$$

## STATUTORY ALLOCATION/INDEPENDENT CHART



3. SALARY & WAGES: TOTAL RECURRENT EXPENDITURE

$$\frac{928,868,781.67}{1,928,201,754.62} \times 100 = 48.17\%$$

Therefore, the Salaries and Wages took about 48.17% out of the Recurrent Expenditure in the Local Government while the remaining 51.83% was expended on other expenditure.

4 INVENTORIES: TOTAL RECURRENT EXPENDITURE

$$\frac{3,312,600.00}{1,928,201,754.62} \times 100 = 0.17\%$$

5 TRANSFER TO OTHER AGENCIES : TOTAL RECURRENT EXPENDITURE

$$\frac{524,301,553.09}{1,928,201,754.62} \times 100 = 27.19\%$$

It means that Transfer to Other Agencies took about 27.19% out of the recurrent expenditure.

### STATEMENT OF FINANCIAL POSITION RATIOS

6 CURRENT ASSET : CURRENT LIABILITIES

$$\frac{118,635,146.89}{433,060,713.73} = 0.27 : 1$$

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**  

$$\frac{2,725,258,941.84}{2,181,707,265.99} = 1.25 : 1$$
**To every liability there was more than 1 Asset to cover.**

8. **EQUITY : TOTAL ASSET**  

$$\frac{543,551,675.85}{2,725,258,941.84} = 0.20:1$$

**STATEMENT OF FINANCIAL PERFORMANCE RATIO**

9. **DEPENDENT REVENUE : TOTAL REVENUE**  

$$\frac{1,864,863,294.98}{1,885,598,209.09} \times 100 = 98.90\%$$

**This indicated that the Dependent Revenue accounted for 98.90% of the Total Revenue of all the Local Government of the State leaving 1.10% as Independent Revenue.**

10. **INDEPENDENT REVENUE : TOTAL REVENUE**  

$$\frac{20,734,914.11}{1,885,598,209.09} \times 100 = 1.10\%$$

# MANAGEMENT LETTER

OBSERVATION AND INTERNAL CONTROL REVIEW FOR THE FINANCIAL YEAR ENDED  
31<sup>ST</sup> DECEMBER, 2021.

## IFE NORTH LOCAL GOVERNMENT, IPETUMODU

**1. EXPENDITURE NOT CHECKED AND PASSED BY THE INTERNAL AUDITOR (#72,000.00):** It was observed that during the Audit Inspection that the payment made to the tune of Seventy-two thousand naira only (₦72,000.00) was not checked and passed by the Internal Auditor. Also, the payment voucher was not supported with proper record or accounts like bill or receipt 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 voucher and supporting documents shall be made by the Internal Auditor on all payment voucher to verify that the provisions 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 TOTALLING (₦260,000.00):** It was observed that payments to the tune of Two hundred and sixty thousand naira only for the payments of monthly imprest 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 #760,000.:** The expenditure incurred by the Local Government in respect of O' Clean Market Sanitation and Evacuation of refuse in public places of Ife North Local Government Ipetumodu appeared doubtful because tangible evidence that would justified the payments such as sub receipts; video clips, photographs etc 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 would be made 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 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 (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 comparison 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 in order to avoid sanction from Auditor.*

**6. 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 period of 1<sup>st</sup> – 4<sup>th</sup> quarters 2021 despite several efforts made 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.*

**MANAGEMENT LETTER**  
**OBSERVATION AND INTERNAL CONTROL REVIEW FOR THE FINANCIAL YEAR ENDED**  
**31<sup>ST</sup> DECEMBER, 2021.**  
**IFE NORTH WEST LOCAL COUNCIL DEVELOPMENT AREA, EDUNABON**

**1. UNRETIRED IMPREST TOTALING TOTALLING (₦275,000.00):** It was observed that the payment of 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*

**2. UNRECEIPTED EXPENDITURE TOTALLING (₦200,000.00):** It was observed that payment to the tune of Two hundred thousand naira only stood as payment to an Officer for the Clearing of accumulated refuse at RCC Area and Moro in Ife North West LCDA were not supported with official receipts, invoices and Video clips to authenticate that the money was used for the purpose stated in payment voucher contrary to Financial Memoranda 14:17 which states that, “An official printed receipt must be obtained and attached to the payment voucher in respect of a payment to Government, another Local Government or a Commercial firm”.

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

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

**RECOMMENDATION:** *The Recipient or Authorizing officer should ensure that all supporting document were collected while incurring the expenditure.*

**3. DOUBTFUL EXPENDITURE TOTALLING (650,000.00):** The expenditure incurred by the Local Government on entertainment of the members of the Executive Committee of Ife Central West Local Council Development Area, Ile-Ife; for the entertainment of the Executive Committee appeared doubtful because tangible evidence that would justify the payment such as sub receipts, certificate of attendance could not be produced for audit scrutiny to authenticate the genuineness of the payment.

**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:** *Receipts, sub-receipts, list of beneficiaries, photographs and sitting allowance were not readily available before the arrival of the Audit team. However, supporting evidences such as sub-receipts, photographs, video tapes had been obtained and would be presented for further Audit Scrutiny.*

**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. surcharge will be made if fund is not well accountable for.*

**4. UNPRODUCED REVENUE EARNING RECEIPT BOOKLETS AMOUNTING TO N25,000.00:** It was observed during the Audit Inspection that some Revenue Collectors did not produce Revenue Earning Receipt in their custody for Audit Checking. The Head of Finance and Supplies is hereby advised to make sure that guarantors of the Revenue Collectors are held liable and made to produce all Receipt Booklets in their custody.

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

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

**RECOMMENDATION:** *All the receipt booklets should be produced for audit check and verification. The unproduced amount would be surcharged*

**5. VALUATION AND REVALUATION OF NON CURRENT ASSETS:** 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 (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*

**6. 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 in order to avoid sanction from Auditor.*

**MANAGEMENT LETTER**  
**IFE NORTH AREA COUNCIL OYERE ABORISADE**

Observation and internal control review for the financial year ended 31<sup>st</sup> December, 2021.

**1. UNRETIRED IMPREST TOTALING TOTALLING (#162,500.00):** It was observed that payment to the tune of one hundred and sixty two thousand, five hundred naira for the payment of Monthly imprest for Head of Departments of Ife North Area Council not supported with official receipt or invoice to authenticate that the money was used for the purpose stated in payment vouchers 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 the receipt had been obtained and attached to the Payment Vouchers.

***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. UNRECEIPTED EXPENDITURE TOTALLING (#467,800.00):** It was observed that payment to the tune of four hundred and sixty-Seven thousand, Eight hundred naira only being the payment in respect of the Peace and Enlightenment Committee and Formulating and production of year 2021 Draft Estimate, and radio program about women development were neither supported with official receipt or invoice to authenticate that the money was used for the purpose stated in payment vouchers contrary to Financial Memoranda 14:17 which states that, “An official printed receipt must be obtained and attached to the payment voucher in respect of a payment to Government, another Local Government or a Commercial firm”.

***RISK:*** This was an indication that the purported items/program might not have been purchased or carried out thereby resulting to loss of Local Government fund.



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

**RECOMMENDATION:** The Recipient or Authorizing officer should ensure that all supporting document were collected while incurring the expenditure.

**3. VALUATION AND REVALUATION OF NON CURRENT ASSETS:** 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 (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

**4. 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 in order to avoid sanction from Auditor.*

**5. 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 4<sup>th</sup> quarter 2021 despite several effort made 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.*

## **REPORT ON INTERNAL AUDITOR'S REPORT**

- i. The Internal unit is functioning well. The IGR of the Local Government seems to be going down due to the inability of the council to renovate the existing market and tap all the potential revenue items
- ii. The Internal control unit is performing well, but the management gives little or not recognition to the observations of the Internal Auditor. All the revenue leakages should be blocked to improve the IGR of the council particularly from WES, mandate unit and Town Planning department.
- iii. The Internal Control unit is very weak. There is no political will to drive the IGR of the Local Government despite the Location of the council in the far forest.

**IFE NORTH LOCAL GOVERNMENT, IPETUMODU**

S/N	SUBJECT	QUERIES	NO OF OFFICE QUERIED	AMOUNT	REMARKS
1	Unreceipted Expenditure	LQ/AUD/IFN/01/2021	1	100,000	
2	Unretired Imprest	LQ/AUD/ IFN /02/2021	2	12,500	
3	Unretired Imprest	LQ/AUD/ IFN /03/2021	3	110,000	
4	Doubtful Expenditure	LQ/AUD/IFN/04/2021	1	760,000	
5	Payment voucher no checked and passed	LQ/AUD/IFN/05/2021	1	72,000	

**IFE NORTH WEST LOCAL COUNCIL DEVELOPMENT AREA, EDUNABON**

S/N	SUBJECT	QUERIES	NO OF OFFICE QUERIED	AMOUNT	REMARKS
1	Unretired Imprest	LQ/AUD/IFNWLCDA/01/2021	7	167,500	
2	Doubtful Expenditure	LQ/AUD/IFNWLCDA/02/2021	2	650,000	
3	Unretired Imprest	LQ/AUD/IFNWLCDA/03/2021	1	107,500	
4	Unreceipted Expenditure	LQ/AUD/IFNWLCDA/04/2021	2	200,000	
5	Unproduced Earning Revenue Receipt	LQ/AUD/IFNWLCDA/05/2021	2	25,000	

**IFE NORTH AREA COUNCIL, OYERE ABORISADE**

S/N	SUBJECT	QUERIES NOS	NO OF OFFICER QUERIED	AMOUNT	REMARKS
1	Unretired Imprest	LQ/AUD/IFNAC/01/2021	5	132,500	
2	Unretired Imprest	LQ/AUD/IFNAC/02/2021	1	30,000	
3	Unreceipted Expenditure	LQ/AUD/ IFNAC/03/2021	4	467,800	

**IFE NORTH LOCAL GOVERNMENT IPETUMODU.  
LIST OF PROJECT EXECUTED FOR THE YEAR 2021**

S/N	NAME OF PROJECT	LOCATION	YEAR OF EXECUTION	PROJECT COST	AMOUNT RELEASED	BALANCE	REMARK
1	Purchase of utility Vehicle Toyotal Camry (SE) 2014 model	Ife North Secretariat Ipetumodu	2021	5,000,000.00	5,000,000.00	Nil	Completed
2	Repair of Local Government CAT 120G Grader	Ife North Secretariat Ipetumodu	2021	2,000,000.00	2,000,000.00	Nil	Completed
3	Purchase of Vehicle Toyotal Camry (Muscle) 2010 model	Ife North Secretariat Ipetumodu	2021	4,000,000.00	4,000,000.00	Nil	Completed
4	Cutting of Verges at eleso Ajebamidele	Asinpa/ Akinlalu Ward	2021	400,000.00	400,000.00		
5	Desilting of Blocked lined drain (Kofo Junction/ Magistrate Court junction)	Ipetumodu	2021	300,000.00	300,000.00	Nil	Completed
6	Grading of Jagun Rogborogbo 1.5Km	Asinpa/ Akinlalu Ward	2021	700,000.00	700,000.00	Nil	Completed
7	Grading of Opa Alapa Junction 2.5Km	Asinpa/ Akinlalu Ward	2021	600,000.00	600,000.00	Nil	Completed
8	Purchases of Toyotal Cororlla 2007 Model	Ife North Secretariat Ipetumodu	2021	3,000,000.00	3,000,000.00	Nil	Completed
9	Grading and Latenting of asipa Odeomu	Asinpa/ Akinlalu Ward	2021	1,000,000.00	1,000,000.00	Nil	Completed
10	Purchases of Toyotal Cororlla 2003 Model	Ife North Secretariat Ipetumodu	2021	3,000,000.00	3,000,000.00	Nil	Completed
11	Replacement of Hydraulic Gear Pump and Circle Housing of CAT120G Grader	Ife North Secretariat Ipetumodu	2021	1,500,000.00	1,500,000.00	Nil	Completed
12	Hiring of Hiab for the removal of CAT Grader(120G) Engine preparation for the repair	Ife North Secretariat Ipetumodu	2021	200,000.00	200,000.00	Nil	Completed
13	Cutting of Verges at Bale Sango (1.6km)	Akinlalu/Asipa ward	2021	700,000.00	700,000.00	Nil	Completed
14	Cutting of Verges at Ode Omu Road Shasa river (1.55km)	Akinlalu/Asipa ward	2021	650,000.00	650,000.00	Nil	Completed
15	Desilting of Blocked lined Drain Koso Junction – Soko Junction	Ipetumodu	2021	650,000.00	650,000.00	Nil	Completed

**IFE NORTH WEST LOCAL COUNCIL DEVELOPMENT AREA EDUNABON.  
LIST OF PROJECT EXECUTED FOR THE YEAR 2021**

S/N	NAME OF PROJECT	LOCATION	YEAR OF EXECUTION	PROJECT COST	AMOUNT RELEASED	BALANCE	REMARK
1	Repair of the Celing of Offices of Ex-Vice Chairman , Budget department, Works and Drivers Office with the Corridors	Ife North West LCDA Secretariat Eduanbon	April,2021	269,500.00	269,500.00	Nil	Completed
2	Removal of Debris from lined drains and Culverts along Asun/Ayepe road Moro	Moro	April,2021	502,500.00	502,500.00	Nil	Completed
3	Purchase of Office Chairs and Tables for the Chairmans Office use in Ife North West LCDA Eduanabon	Ife North West LCDA Secretariat Eduanbon	Sept,2021	870,000.00	800,000.00	70,000.00	On-Going
4	Maintenance and Servicing of 10KVA Constant Elepaq Generating set	Ife North West LCDA Secretariat Eduanbon	Sept,2021	20,000.00	20,000.00	Nil	Completed
5	Removal of Debris from lined drains and Culverts along Adeyemi road Eduanabon	Eduanabon	Sept,2021	790,000.00	790,000.00	Nil	Completed
6	Removal of Debris from lined drains and Culverts along Okeola/ Alamo road Eduanabon	Eduanabon	Sept,2021	707,500.00	707,500.00	Nil	Completed
7	Procurement of Toyota Muzzle 2009 model for the Office of the Chairman Ife North West Eduanbon	Eduanbon	Sept,2021	4,000,000.00	4,000,000.00	Nil	Completed
8	Procurement of Toyota Muzzle 2010 model for the Office of the Chairman Ife North West Eduanbon	Eduanabon	AUG,2021	4,000,000.00	2,700,000.00	1,300,000.00	On-Going
9	Purchase of Toyota Corolla for the Office of the Vice Chairman Ife North West Local Government Area Eduanbon	Ife North west LCDA Secretariat Eduanbon	OCT,2021	3,000,000.00	3,000,000.00	Nil	Completed
10	Supply Of Laterite and Spreading for Filling of Potholes of C A C Grammar School Bolo Area Eduanbon, Ife North West Local Government Area Eduanbon	Eduanbon	Oct,2021	500,000.00	400,000.00	100,000.00	On-Going
11	Clearing of Grass or plant from the road verges along Tonkere road Eduanbon in Ife North West Local Government Area Eduanbon	Eduanbon	OCT,2021	1,000,000.00	1,000,000.00	Nil	Completed
12	Clearing of grass or plant from the road verges along Olubo Afon road Eduanbon in Ife North West Local Government Area Eduanbon	Eduanbon	Nov,2021	1,000,000.00	1,000,000.00	Nil	Completed
13	Purchase of Corolla for the Office of the Secretary, in Ife North West Local Government Area Eduanbon	Ife North West Local Government Area Eduanbon	Dec,2021	3,000,000.00	3,000,000.00	Nil	Completed
14	Part of the remaining balance paid for the Construction of civil Hall at Moro, in Ife North West Local Government Moro	Moro	Dec,2021	2,149,365.30	300,000.00	1,849,365.30	ON-Going
15	Purchase of materials and Cost of labour for Installation of (500/33KVa/415) Transfomer at Bolo Community Eduanabon in Ife North West Local Government Area Eduanbon	Eduanabon	Oct,2021	1,200,000.00	1,200,000.00	Nil	Completed
16	Motorize Boreholes	Eduanbon	Aug/Dec	1,550,000.00	1,000,000.00	550,000.00	ON-Going
17	Motorize Boreholes	Ayepe Moro	Sept,2021	1,550,000.00	500,000.00	1,050,000.00	ON-Going