

# STATE GOVERNMENT OF OSUN, NIGERIA.

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## THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

ON THE ACCOUNTS OF  
IFE-SOUTH LOCAL GOVERNMENT

IFETEDO

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 South Local Government and Ife South 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 South 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***



Chairman  
*Ife South L/Govt.*



Chairman  
*Ife South L.C.D.A*



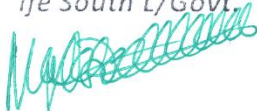
Head of Finance & supplies,  
*Ife South L/Govt.*



Head of Finance & supplies  
*Ife South L.C.D.A*



Chairman  
*Ife South L/Govt.*



Chairman  
*Ife South L.C.D.A*



## **AUDIT CERTIFICATE**

**I have audited the accounts of Ife South Local Government, Ifetedo 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 South Local Government, Ifetedo 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-South 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-South Local Government in the state inclusive of Ife South Local Government and Ife South West 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 South Local Governments is responsible for the consolidated of Financial Statements with the subsidiary Ife South 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-South Local Governments Ifetedo 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 South Local Government in the year under review. These have been prepared on the basis of Historical Cost and in accordance with IPSAS Accruals and other applicable standards. The Cash Flow Statement was prepared using the Direct Method. The basis of measurement is Naira and kobo which is the functional and reporting currency of the Federal Republic of Nigeria of which Osun State and Ife-South Local Governments are constituents.

The accounts of Ife-South Local Governments have been audited and reported upon.

Audit noted some instances of non-compliance in the Local Governments, with the due process in revenue collection and payment procedure contrary to the provision of Financial Memoranda and relevant Guidelines. The associated internal control weaknesses have been addressed. The inspection reports (letters of Internal Control weaknesses) for the year 2021 have been issued and forwarded to the appropriate quarters for responses and compliance as required.

The queries were replied and appropriate recommendations were made as contained in the Management letter included herewith..



## STATEMENT OF ACCOUNTING POLICIES

### 1. Basis of Preparation (IPSAS 1)

The General Purposes Financial Statements were prepared under the historical cost convention and in accordance with IPSAS Accrual Basis and other applicable standards and conventions as may be defined by relevant Statutes.

### 2. Accounting Period

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

### 3. Reporting Currency

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

### 4. Principal Statements in the General Purposes Financial Statements

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

### 5. Consolidation Policy- IPSAS 6

The Head of Finance of Ife South Local Government and Ife South 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 South West LCDA which GPFS has been consolidated with that Ife South 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.***

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 South Local Government, Ifetedo (including elements of Local Government fund in various Agencies and Institutions of Government, comprising Traditional Councils, LGSPB, LGSC, SUBEB, O'Meals and other Jointly executed programmes and projects of Local Governments) 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 South Local Government and other Chairmen, all of whom were members of the Joint Account Allocation Committee inclusive of the Chairman of Ife South West Local Council Development Area.

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

The previous accounting training on conversion to IPSAS Accruals, severally sponsored by the EU/SLOGOR and the LGSC/SUBEB in collaboration with Office of the Auditor-General for Local Governments, with the approval of Mr. Governor, for upgrades and re-training in 2020 have collectively enhanced the proficiency of operators of Local Government accounts in the State

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

### **BUDGET PREPARATION / EXECUTION**

The Budget for 2021 for Ife South Local Government 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 Procurement Officers need to be strengthened to further assist in promoting sound and transparent procurement practices in the Local Governments.

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

The office of the Auditor-General for Local Governments was able to embark on verification exercise on valuation and Revaluation of Assets during the year involving Constitution of a standing multi-disciplinary 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 ₦10,578,096.00. representing 0.60% 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, 18. nos of Audit Queries were issued in respect of 2021 Accounts, involving a total sum of ₦565,000.00

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.

Similarly, the office sought to enhance the performance of internal audit functions in the Local Government by ensuring adequately wide coverage and prompt rendition of Internal Audit Reports in line with the FM cap 39. Reports on Internal Audit Rendition is included.

### **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 access 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 joints projects and programmes during the year.

# COMMENTS ON FINANCIAL STATEMENTS

## A. STATEMENT OF FINANCIAL PERFORMANCE

**Share of FAAC and VAT:** The total sum of ₦1,035,837,289.62 was Share of FAAC and VAT amounted to ₦640,692,649.51.

**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 South	974,635,614.77	475,229,546.42	31,557,073.29	26,431,427.90	800,955.86	14,114,827.68	21,934,414.13	1,631,242.99	13,713,623.99	1,560,048,727.03

## **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. #10,578,096.00

## **SALARIES AND WAGES – ₦855,686,781.13**

Salaries and Wages which amounted to ₦855,686,781.13 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 – ₦9,898,768.26**

The Aggregate closing cash and cash equivalents amounted to **₦9,898,768.26** 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 - ₦723,050.00.**

The sum of ₦723,050.00 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 - ₦54,007,083.33**

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:

<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 - ₦369,609,562.05**

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 - ₦81,968,740.56**

The carrying amount of Investment Properties of the Local Governments stood at ₦81,968,740.56 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 - ₦1,375,704,444.72**

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 - ₦138,614,099.52**

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 #103,108,144.65 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 SOUTH LOCAL GOVERNMENT, IFETEDO**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31<sup>ST</sup> DECEMBER, 2021**

POSITION

<b>PARTICULAR</b>	<b>NOTE</b>	<b>IFE SOUTH CONSOLIDATED</b>
ASSETS		
Current Assets		
Cash & Cash Equipments	1	9,898,768.26
Receivables	2	17,262,259.79
Prepayment/Advance	3	1,200,000.00
Inventories	4	723,050.00
<b>Total Current Asset</b>		<b>29,084,078.05</b>
Non-current Asset		-
Long Term Loan Granted		-
Investments	5	54,007,083.33
Property, Plant & Equipment	6	6,024,347,647.56
Investment Property	7	81,968,740.56
Biological Asset	8	2,475,000.00
Assets Under Construction (wip)	9	40,000,000.00
Total Non-Current Asset		6,202,798,498.45
Total Asset		6,231,882,576.50
LIABILITIES		-
Current Liabilities		-
Deposit		-
Short Term Loan & Debts	10	-
Unremitted Deduction	11	138,614,099.52
Payables	12	311,109,562.05
Short Terms Provisions		-
Total Current Liability		449,723,661.57
Non-Current Liabilities		-
Long Term Borrowing	13	1,375,704,444.72
Total Liabilities		1,825,428,106.29
Net Assets		4,406,451,470.21
Financed by		-
Reserve	14	4,939,454,657.76
Net Surplus/Deficit	15	(533,000,187.55)
Total		4,406,454,470.21

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

<b>PARTICULAR</b>	<b>NOTE</b>	<b>IFE SOUTH</b>	<b>IFE SOUTH WEST</b>	<b>IFE SOUTH CONSOLIDATED</b>
ASSETS				
Current Assets				
Cash & Cash Equipments	1	5,109,897.12	4,788,871.14	9,898,768.26
Receivables	2	75,762,259.79		17,262,259.79
Prepayment/Advance	3	1,200,000.00		1,200,000.00
Inventories	4	389,150.00	333,900.00	723,050.00
<b>Total Current Asset</b>		<b>23,961,306.91</b>	<b>5,122,771.14</b>	<b>29,084,078.05</b>
Non-current Asset				-
Long Term Loan Granted				-
Investments	5	41,257,083.33	12,750,000.00	54,007,083.33
Property, Plant & Equipment	6	5,233,099,9636.11	791,247,711.45	6,024,347,674.55
Investment Property	7	45,922,854.10	36,045,886.46	81,968,740.56
Biological Asset	8	2,475,000.00		2,475,000.00
Assets Under Construction (wip)	9	40,000,000.00		40,000,000.00
<b>Total Non-Current Asset</b>		<b>5,362,754,900.53</b>	<b>840,043,597.92</b>	<b>6,202,798,498.45</b>
<b>Total Asset</b>		<b>5,386,716,207.44</b>	<b>845,166,369.06</b>	<b>6,231,882,576.50</b>
LIABILITIES				-
Current Liabilities				-
Deposit				-
Short Term Loan & Debts	10			-
Unremitted Deduction	11	136,173,059.43	2,441,040.09	138,614,099.52
Payables	12	217,130,141.79	93,979,420.26	311,109,562.05
Short Terms Provisions				-
<b>Total Current Liability</b>		<b>353,303,201.22</b>	<b>96,420,460.35</b>	<b>449,723,661.57</b>
Non-Current Liabilities				-
Long Term Borrowing	13	1,259,598,739.80	116,105,704.92	1,375,704,444.72
<b>Total Liabilities</b>		<b>1,612,901,941.02</b>	<b>212,526,165.27</b>	<b>1,825,428,106.29</b>
<b>Net Assets</b>		<b>3,773,814,266.42</b>	<b>632,640,203.79</b>	<b>4,406,454,407.21</b>
Financed by				-
Reserve	14	4,128,459,088.60	810,995,569.16	4,939,454,657.76
Net Surplus/Deficit	15	(354,644,822.18)	(178,355,365.37)	(533,000,187.55)
<b>Total</b>		<b>3,773,814,266.42</b>	<b>632,640,203.79</b>	<b>4,406,454,470.21</b>

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

PERFORMANCE		
PARTICULAR	NOTE	IFE SOUTH CONSOLIDATED
<b>STATUTORY ALLOCATION</b>		
Government share of FAAC (Statutory Revenue)	16	1,035,837,289.62
Government Share of VAT	17	640,692,649.51
<b>Sub-Total Dependent Revenue</b>	18	1,676,529,939.13
<b>INDEPENDENT REVENUE</b>		
Grant & Aids	19	5,386,786.00
Transfer from main Council	20	
Tax Revenue	21	209,000.00
Non-Tax Revenue	22	4,982,310.00
Other Income		615,000.00
Overpayment Recovery		-
<b>Sub-Total Independent Revenue</b>		10,578,096.00
<b>Total Revenue</b>		1,687,108,035.13
<b>EXPENDITURE</b>		
<b>JOINTLY EXPENDED</b>		
Salaries & Wages	23	855,868,781.13
Social Benefits	24	100,000.00
Overhead Cost	25	27,323,083.21
Grants & Social Contribution	26	27,389,881.32
Transfer to other Agencies	27	475,778,954.22
<b>L/GOVERNMENT EXPENDITURE</b>		
Social Benefits	28	11,999,000.00
Overhead Cost	29	76,562,757.71
Grants & Social Contribution	30	89,177,600.00
Depreciation	31	272,825,660.12
Allowances	32	64,129,031.18
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>		1,901,154,748.91
<b>Net Surplus/Deficit</b>	36	(214,046,713.78)
<b>Net Surplus/Deficit 01/01/2021</b>	37	(318,953,473.73)
<b>Net Surplus/Deficit 31/12/2021</b>	38	(533,000,187.55)

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

PERFORMANCE				
PARTICULAR	NOTE	IFE SOUTH	IFE SOUTH WEST	IFE SOUTH CONSOLIDATED
<b>STATUTORY ALLOCATION</b>				
Government share of FAAC (Statutory Revenue)	16	1,035,837,289.62		1,035,837,289.62
Government Share of VAT	17	640,692,649.51		640,692,649.51
<b>Sub-Total Dependent Revenue</b>	18	<b>1,676,529,939.13</b>	<b>-</b>	<b>1,676,529,939.13</b>
<b>INDEPENDENT REVENUE</b>				<b>-</b>
Grant & Aids	19	5,386,786.00		5,386,786.00
Transfer from main Council	20		103,108,144.65	
Tax Revenue	21	134,200.00	74,800.00	209,000.00
Non-Tax Revenue	22	1,178,890.00	3,803,420.00	4,982,310.00
Other Income			615,000.00	615,000.00
Overpayment Recovery				-
<b>Sub-Total Independent Revenue</b>		<b>6,699,876.00</b>	<b>106,986,364.65</b>	<b>10,578,096.00</b>
<b>Total Revenue</b>		<b>1,683,229,815.13</b>	<b>106,986,364.65</b>	<b>1,687,108,035.13</b>
<b>EXPENDITURE</b>				<b>-</b>
<b>JOINTLY EXPENDED</b>				<b>-</b>
Salaries & Wages	23	855,868,781.13	-	855,868,781.13
Social Benefits	24	100,000.00	-	100,000.00
Overhead Cost	25	27,323,083.21	-	27,323,083.21
Grants & Social Contribution	26	27,389,881.32	-	27,389,881.32
Transfer to other Agencies	27	475,778,954.22	-	475,778,954.22
<b>L/GOVERNMENT EXPENDITURE</b>				<b>-</b>
Social Benefits	28	11,224,000.00	775,000.00	11,999,000.00
Overhead Cost	29	49,273,705.50	27,289,052.21	76,562,757.71
Grants & Social Contribution	30	63,007,600.00	26,170,000.00	89,177,600.00
Depreciation	31	193,367,778.80	79,457,881.36	272,825,660.16
Allowances	32	28,668,745.22	35,460,285.96	64,129,031.18
Transfer to LCDA	33	103,108,144.65		
Impairment	34			-
Revenue Refunded	35			-
Public Debt Charges				
Stabilization Fund				

Refund to main Council				-
Stationeries				-
Severance Gratuity				-
<b>Total Expenditures</b>		<b>1,835,110,674.05</b>	<b>169,152,219.53</b>	<b>1,901,154,948.93</b>
<b>Net Surplus/Deficit</b>	36	<b>(151,880,858.92)</b>	<b>(62,165,854.88)</b>	<b>(214,046,713.80)</b>
<b>Net Surplus/Deficit 01/01/2021</b>	37	<b>(202,763,963.26)</b>	<b>(116,189,510.49)</b>	<b>(318,953,473.75)</b>
<b>Net Surplus/Deficit 31/12/2021</b>	38	<b>(354,644,822.18)</b>	<b>(178,355,365.37)</b>	<b>(533,000,187.55)</b>
<b>Gain on property (Building)</b>		<b>748,425,343.01</b>		<b>748,425,343.01</b>
<b>Surplus/Deficit from non- operating activities for the period</b>		<b>393,780,520.83</b>	<b>(178,355,365.37)</b>	<b>215,425,155.46</b>

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

**CASHFLOW**

<b>OPERATING ACTIVITIES</b>	<b>NOTE</b>	<b>IFE SOUTH CONSOLIDATED</b>
<b>INFLOW</b>		
Statutory Revenue (JAAC)	39	1,100,094,282.91
Value Added Tax	40	693,859,076.98
Receivable		-
<b>Sub Total Dependent Revenue</b>	41	1,793,953,359.89
Aids and Grants	42	5,386,786.00
Transfer from Main Council	43	
Tax Revenue	44	209,000.00
Non Tax Revenue	45	4,367,310.00
Other Income		-
Overpayment Recovery		615,000.00
<b>Sub Total Independent Revenue</b>	46	10,578,096.00
<b>Total Inflow Operating Activities</b>	47	1,804,531,455.89
<b>OUTFLOW</b>		-
Salaries & Wages	48	904,768,094.91
Social Benefits	49	12,099,000.00
Overhead Cost	50	70,616,901.21
Social Contributions	51	110,600,814.65
Allowances	52	64,151,646.87
Modulated Salary Arrears	53	13,333,333.28
Inventories	54	409,150.00
Fund Conserved for Salary		-
Transfer to LCDA	55	
Transfer to other Govt. Agencies	56	523,922,370.99
Refund to Main Councils		-
Revenue Refunded		
Stabilization Fund		
Tax Expenses	57	-
Severance Gratuity		-
<b>Total Outflow from Operating Activities</b>	58	1,699,901,311.91
<b>Net Cashflow from Operating Activities</b>	59	104,630,143.98
<b>INVESTING ACTIVITIES</b>		-
Proceed from Disposal of Asset		-
<b>Total Inflow from Investing Activities</b>		-
Cashflow from Investing Activities		-

Administrative Sector	60	54,700,000.00
Economic Sector		-
<b>Total Outflow from Investing Activities</b>	61	54,700,000.00
<b>Net Cashflow from Investing Activities</b>		(54,700,000.00)
Inflow from Financing Activities		-
Bank Overdraft		
Soft Loan(Bank)		
Deduction Received	62	54,072,740.45
<b>Total Inflow from Financing Activities</b>	63	54,072,740.45
<b>OUFLOW (PAYMENT)</b>		-
Bail Out Repayment		-
10km Road	64	13,190,602.05
Water Project	65	-
Environmental Sanitation Loan	66	2,914,565.04
Loan Repayment (Inherited)	67	-
Bank Loan	68	-
Intervention Loan	69	10,559,216.25
Other Loan Repayment		
Deduction Paid	70	79,247,181.30
<b>Total Outflow From Financing Activities</b>	71	105,911,564.64
<b>Net Cashflow from financing Activities</b>	72	(51,838,824.19)
<b>Cash and Cash Equivalent for the year</b>	73	(1,908,680.21)
<b>Cash and Cash Equivalent 01/01/2021</b>	74	11,807,448.47
<b>Cash and Cash Equivalent 31/12/2021</b>	75	9,898,768.26



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

<b>OPERATING ACTIVITIES</b>	<b>NOTE</b>	<b>IFE SOUTH</b>	<b>IFE SOUTH WEST</b>	<b>IFE SOUTH CONSOLIDATED</b>
<b>INFLOW</b>				
Statutory Revenue (JAAC)	39	1,100,094,282.91		1,100,094,282.91
Value Added Tax	40	693,859,076.98		693,859,076.98
Receivable				-
<b>Sub Total Dependent Revenue</b>	<b>41</b>	<b>1,793,953,359.89</b>	<b>-</b>	<b>1,793,953,359.89</b>
Aids and Grants	42	5,386,786.00		5,386,786.00
Transfer from Main Council	43		103,108,144.65	
Tax Revenue	44	134,200.00	74,800.00	209,000.00
Non Tax Revenue	45	1,178,890.00	3,188,420.00	4,367,310.00
Other Income				-
Overpayment Recovery			615,000.00	615,000.00
<b>Sub Total Independent Revenue</b>	<b>46</b>	<b>6,699,876.00</b>	<b>106,986,364.65</b>	<b>10,578,096.00</b>
<b>Total Inflow Operating Activities</b>	<b>47</b>	<b>1,800,653,235.89</b>	<b>106,986,364.65</b>	<b>1,804,531,455.89</b>
<b>OUTFLOW</b>				-
Salaries & Wages	48	904,768,094.91		904,768,094.91
Social Benefits	49	11,324,000.00	775,000.00	12,099,000.00
Overhead Cost	50	43,327,849.00	27,289,052.21	706,169,901.21
Social Contributions	51	87,270,814.65	23,330,000.00	110,600,814.65
Allowances	52	28,691,360.91	35,460,285.96	64,151,646.87
Modulated Salary Arrears	53	13,333,333.28		13,333,333.28
Inventories	54	409,150.00		409,150.00
Fund Conserved for Salary				-
Transfer to LCDA	55	103,108,144.65		
Transfer to other Govt. Agencies	56	523,922,370.99		523,922,370.99
Refund to Main Councils				-
Revenue Refunded				
Stabilization Fund				
Tax Expenses	57			-

Severance Gratuity				-
Total Outflow from Operating Activities	58	1,716,155,118.39	86,854,338.17	1,699,901,311.91
Net Cashflow from Operating Activities	59	84,498,117.50	20,132,026.48	104,630,143.98
<b>INVESTING ACTIVITIES</b>				
Proceed from Disposal of Asset				-
<b>Total Inflow from Investing Activities</b>		-	-	-
Cashflow from Investing Activities				-
Administrative Sector	60	44,500,000.00	10,200,000.00	54,700,000.00
Economic Sector				-
<b>Total Outflow from Investing Activities</b>	61	44,500,000.00	10,200,000.00	54,700,000.00
<b>Net Cashflow from Investing Activities</b>		(44,500,000.00)	(10,200,000.00)	(54,700,000.00)
Inflow from Financing Activities				-
Bank Overdraft				
Soft Loan(Bank)				
Deduction Received	62	38,726,038.29	15,346,702.16	54,072,740.45
<b>Total Inflow from Financing Activities</b>	63	38,726,038.29	15,346,702.16	54,072,740.45
<b>OUFLOW (PAYMENT)</b>				-
Bail Out Repayment				-
10km Road	64	13,190,602.05		13,190,602.05
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	10,559,216.25		10,559,216.25
Other Loan Repayment				
Deduction Paid	70	53,515,695.66	25,731,485.64	79,247,181.30
<b>Total Outflow From Financing Activities</b>	71	80,180,079.00	25,731,485.64	105,911,564.64
<b>Net Cashflow from financing Activities</b>	72	(41,454,040.71)	(10,384,783.48)	(51,838,824.19)
<b>Cash and Cash Equivalent for the year</b>	73	(1,455,923.21)	(452,757.00)	(1,908,680.21)
<b>Cash and Cash Equivalent 01/01/2021</b>	74	6,565,820.33	5,241,628.14	11,807,448.47
<b>Cash and Cash Equivalent 31/12/2021</b>	75	5,109,897.12	4,788,871.14	9,898,768.26

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

		IFE SOUTH CONSOLIDATED		
PARTICULAR	NOTE	FINAL BUDGET	ACTUAL	VARIANCE
DEPENDENT REVENUE				
Government Share of FAAC(Statutory Revenue)	16	1,814,045,261.47	1,035,837,289.62	778,207,971.85
Government Share of VAT	17	569,633,808.53	640,692,649.51	71,058,840.98
<b>Sub-Total Dependent Revenue</b>	<b>18</b>	<b>2,383,679,070.00</b>	<b>1,676,529,939.13</b>	<b>849,266,812.83</b>
INDEPENDENT REVENUE		-	-	-
Grants & Aids	19	10,000,000.00	5,386,786.00	4,613,214.00
Transfer from Main Council	20	-	103,108,144.65	-
Tax Revenue	21	11,490,000.00	209,000.00	11,281,000.00
Non-Tax Revenue	22	13,650,000.00	4,982,310.00	9,282,690.00
Other Income		-	-	-
<b>Sub-Total Independent Revenue</b>		<b>35,140,000.00</b>	<b>10,578,096.00</b>	<b>25,176,904.00</b>
<b>Total Revenue</b>		<b>2,418,819,070.00</b>	<b>1,687,108,035.13</b>	<b>874,443,716.83</b>
EXPENDITURE		-	-	-
Salaries & Wages	23	1,170,389,580.00	855,868,781.13	314,520,798.87
Social Benefits	24	76,000,000.00	12,099,000.00	63,901,000.00
Overhead Cost	25	171,250,000.00	103,885,840.92	67,364,159.08
Grants & Social Contribution	26	203,681,690.00	116,567,481.32	87,114,208.68
Transfer to Other Agencies	27	-	475,778,954.22	- 475,778,954.22
Depreciation	31	-	272,825,660.16	- 539,039,024.14
Allowances	32	80,497,700.00	64,129,031.18	16,368,668.82
Transfer to LCDA	33	-	103,108,144.65	- 103,108,144.65
Impairment	34	-	-	-
Revenue Refunded	35	-	-	-
Stationaries		-	-	-
<b>Total Expenditures</b>		<b>1,701,818,970.00</b>	<b>1,901,154,748.93</b>	<b>- 568,657,287.56</b>
<b>Net Surplus/Deficit</b>	<b>36</b>	<b>717,000,100.00</b>	<b>- 214,046,713.80</b>	<b>- 1,451,835,373.99</b>
<b>Net Surplus/Deficit 31/12/2020</b>	<b>37</b>	<b>-</b>	<b>- 318,953,473.75</b>	<b>-</b>
<b>Net Surplus/Deficit 31/12/2021</b>	<b>38</b>	<b>717,000,100.00</b>	<b>- 533,000,187.55</b>	<b>- 1,451,835,373.99</b>

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

		IFE SOUTH			IFE SOUTH WEST			IFE SOUTH CONSOLIDATED		
PARTICULAR	NOTE	FINAL BUDGET	ACTUAL	VARIANCE	FINAL BUDGET	ACTUAL	VARIANCE	FINAL BUDGET	ACTUAL	VARIANCE
DEPENDENT REVENUE										
Government Share of FAAC(Statutory Revenue)	16	1,223,878,316.00	1,035,837,289.62	188,041,026.38	590,166,945.47		590,166,945.47	1,814,045,261.47	1,035,837,289.62	778,207,971.85
Government Share of VAT	17	350,780,424.00	640,692,649.51	289,912,225.51	218,853,384.53		(218,853,384.53)	569,633,808.53	640,692,649.51	71,058,840.98
<b>Sub-Total Dependent Revenue</b>	<b>18</b>	<b>1,574,658,740.00</b>	<b>1,676,529,939.13</b>	<b>477,953,251.89</b>	<b>809,020,330.00</b>	<b>-</b>	<b>371,313,560.94</b>	<b>2,383,679,070.00</b>	<b>1,676,529,939.13</b>	<b>849,266,812.83</b>
INDEPENDENT REVENUE								-	-	-
Grants & Aids	19	10,000,000.00	5,386,786.00	4,613,214.00			-	10,000,000.00	5,386,786.00	4,613,214.00
Transfer from Main Council	20					103,108,144.65		-	103,108,144.65	-
Tax Revenue	21	3,920,000.00	134,200.00	3,785,800.00	7,570,000.00	74,800.00	7,495,200.00	11,490,000.00	209,000.00	11,281,000.00
Non-Tax Revenue	22	9,850,000.00	1,178,890.00	8,671,110.00	3,800,000.00	3,188,420.00	611,580.00	13,650,000.00	4,367,310.00	9,282,690.00
Other Income						615,000.00		-	615,000.00	-
<b>Sub-Total Independent Revenue</b>		<b>23,770,000.00</b>	<b>6,699,876.00</b>	<b>17,070,124.00</b>	<b>11,370,000.00</b>	<b>106,986,364.65</b>	<b>8,106,780.00</b>	<b>35,140,000.00</b>	<b>10,578,096.00</b>	<b>25,176,904.00</b>
<b>Total Revenue</b>		<b>1,598,428,740.00</b>	<b>1,683,229,815.13</b>	<b>495,023,375.89</b>	<b>820,390,330.00</b>	<b>106,986,364.65</b>	<b>379,420,340.94</b>	<b>2,418,819,070.00</b>	<b>1,687,108,035.13</b>	<b>874,443,716.83</b>
EXPENDITURE								-	-	-
Salaries & Wages	23	676,539,640.00	855,868,781.13	(179,329,141.13)	493,849,940.00		493,849,940.00	1,170,389,580.00	855,868,781.13	314,520,798.87
Social Benefits	24	76,000,000.00	11,324,000.00	64,676,000.00		775,000.00	(775,000.00)	76,000,000.00	12,099,000.00	63,901,000.00
Overhead Cost	25	104,700,000.00	76,596,788.71	28,103,211.29	66,550,000.00	27,289,052.21	39,260,947.79	171,250,000.00	103,885,840.92	67,364,159.08
Grants & Social Contribution	26	135,550,000.00	90,397,481.32	45,152,518.68	68,131,690.00	26,170,000.00	41,961,690.00	203,681,690.00	116,567,481.32	87,114,208.68
Transfer to Other Agencies	27		475,778,954.22	(475,778,954.22)			-	-	475,778,954.22	(475,778,954.22)
Depreciation	31		459,581,142.78	(459,581,142.78)		79,457,881.36	(79,457,881.36)	-	539,039,024.14	(539,039,024.14)
Allowances	32	67,739,000.00	28,668,745.22	39,070,254.78	12,758,700.00	35,460,285.96	(22,701,585.96)	80,497,700.00	64,129,031.18	16,368,668.82
Transfer to LCDA	33		103,108,144.65	(103,108,144.65)			-	-		(103,108,144.65)

Impairment	34			-			-	-	-	-
Revenue Refunded	35			-			-	-	-	-
Stationaries				-			-	-	-	-
<b>Total Expenditures</b>		<b>1,060,528,640.00</b>	<b>2,101,324,038.03</b>	<b>(1,040,795,398.03)</b>	<b>641,290,330.00</b>	<b>169,152,219.53</b>	<b>472,138,110.47</b>	<b>1,701,818,970.00</b>	<b>2,167,368,112.91</b>	<b>(568,657,287.56)</b>
<b>Net Surplus/Deficit</b>	<b>36</b>	<b>537,900,100.00</b>	<b>(418,094,222.90)</b>	<b>(1,902,261,654.93)</b>	<b>179,100,000.00</b>	<b>(62,165,854.88)</b>	<b>450,426,280.94</b>	<b>717,000,100.00</b>	<b>(480,260,077.78)</b>	<b>(1,451,835,373.99)</b>
<b>Net Surplus/Deficit 31/12/2020</b>	<b>37</b>		<b>(202,763,963.26)</b>			<b>(116,189,510.49)</b>		-	<b>(318,953,473.75)</b>	-
<b>Net Surplus/Deficit 31/12/2021</b>	<b>38</b>	<b>537,900,100.00</b>	<b>(620,858,186.16)</b>	<b>(1,902,261,654.93)</b>	<b>179,100,000.00</b>	<b>(178,355,365.37)</b>	<b>450,426,280.94</b>	<b>717,000,100.00</b>	<b>(799,213,551.53)</b>	<b>(1,451,835,373.99)</b>

## IFE SOUTH LOCAL GOVERNMENT, IFETEDO

NET ASSE AND EQUITY		IFE SOUTH CONSOLIDATED	
DETAILS	RESERVES	Accumulated Surplus/Deficit	TOTAL
<b>Opening Balance 1/1/2021</b>	4,191,029,314.75	(318,953,473.75)	3,872,075,841.00
<b>Adjusted Reserve</b>	-	-	-
<b>Adjusted Balance</b>	4,191,029,314.75	(318,953,473.75)	3,872,075,841.00
<b>Net Surplus Deficit for the year</b>	-	(214,046,713.80)	(214,046,713.80)
<b>Total comprehensive income</b>	748,425,343.01		748,425,343.01
<b>Closing Balance as at 31/12/2021</b>	4,939,454,657.56	(533,000,187.55)	4,406,454,470.21

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

IFE SOUTH				IFE SOUTH WEST			IFE SOUTH CONSOLIDATED		
DETAILS	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL
Opening Balance 1/1/2021	3,380,033,745.59	(202,763,963.26)	3,177,269,782.33	810,995,569.16	(116,189,510.49)	694,806,058.67	4,191,029,314.75	(318,953,473.75)	3,872,075,841.00
Adjusted Reserve			-			-	-	-	-
Adjusted Balance	3,380,033,745.59	(202,763,963.26)	3,177,269,782.33	810,995,569.16	(116,189,510.49)	694,806,058.67	4,191,029,314.75	(318,953,473.75)	3,872,075,841.00
Net Surplus Deficit for the year		(151,800,858.92)	(151,800,858.92)		(62,165,854.88)	(62,165,854.88)	-	(214,046,713.00)	(214,046,713.00)
Total Comprehensive Income	748,425,343.01		748,425,343.01				748,425,343.01		748,425,343.01
Closing Balance as at 31/12/2021	4,128,459,088.60	(620,858,186.16)	2,759,175,559.43	810,995,569.16	(178,355,365.37)	632,640,203.79	4,939,454,657.76	(799,213,551.53)	3,391,815,763.22

NOTES TO THE ACCOUNT

	IFE SOUTH LOCAL GOVERNMENT	
	Consolidated Notes to the Account for the year Ended 31st December, 2021	
Notes		
		CONSOLIDATED
1	Cash and Cash Equivalent	
	Balance b/f 01/01/2020	11,807,448.47
	Add Receipt	1,961,712,340.99
	Total Receipt	1,973,519,789.46
	Total Payment	1,963,621,021.20
		<b>9,898,768.26</b>
2	Receivables	
	Statutory Allocation	10,357,355.87
	VAT	6,904,903.92
		<b>17,262,259.79</b>
3	Prepayment/Advances	
	Balance b/forward	1,200,000.00
	Additional Prepayment	-
		1,200,000.00
	Amount Utilized	-
		1,200,000.00
4	Inventory	
	Office Material	813,900.00
	Finance material	409,150.00
		1,223,050.00
	Issued Materials	500,000.00
	Unissued	723,050.00
5	Investment	
	Omoluabi	13,132,942.00
	Kajola Integrated	9,523,810.00
	OSICOL	267,000.00
	Preference Shares	28,333,333.33
	Others	2,749,998.00
	<b>Total</b>	<b>54,007,083.33</b>
6	<b>Property, plant &amp; equipment</b>	
	Building	1,302,228,686.61



	Plant and machinery	11,622,400.00
	Infrastructural asset	4,660,118,322.57
	Motor Vehicle	28,285,120.00
	Office Equipment	18,803,942.18
	Furniture & Fitting	3,289,203.20
		<b>6,024,347,647.56</b>
<b>7</b>	<b>Investment Property</b>	
	Open Market	54,415,028.10
	Lockup stall	27,553,712.46
		<b>81,968,740.56</b>
<b>8</b>	<b>Biological Asset</b>	
	Others	2,475,000.00
<b>9</b>	<b>Asset Under Construction (WIP)</b>	
		40,000,000.00
<b>10</b>	<b>Short term Loan &amp; Debt</b>	<b>NIL</b>
<b>11</b>	<b>Unremitted Deduction</b>	
	Balance as at 1st of Jan, 2021	163,788,540.37
	Deduction Received	54,072,740.45
		217,861,280.82
	Deduction Paid	79,247,181.30
		138,614,099.52
<b>12</b>	<b>Payable</b>	
	Balance b/f	
	Salary Arrears	154,158,167.96
	Unpaid Vouchers	145,015,382.76
	Overhead Cost Dec, 2021	1,949,631.64
	Employee Benefit Dec, 2021	73,701,792.19
	Transfer to Other Agencies Dec, 2021	46,580,993.98
	Modulated Salary Arrears	1,666,666.66
	Social Contribution	666,666.67
		<b>425,739,301.86</b>
	Less: Modulated Salary Arrears	13,333,333.28
	Allowance Dec, 2020	22,615.69
	Overhead Cost Dec, 2020	1,731,060.29

	Employee Benefit Dec, 2020	48,899,313.78
	Transfer to Other Agencies Dec, 2020	45,409,128.59
	Social Contribution	5,234,288.18
		<b>114,629,739.81</b>
		311,109,562.05
<b>13</b>	<b>Loan Term Loan</b>	
	Balance b/f	1,402,368,828.06
	10km Road	(13,190,602.05)
	Intervention	(10,559,216.25)
	Environmental	(2,914,565.04)
		<b>1,375,704,444.72</b>
<b>14</b>	<b>Reserve</b>	
	Balance b/f	4,191,029,314.75
	Revaluation Surplus-PPE	748,425,343.01
	Revaluation Surplus-Inv. Property	-
		4,939,454,657.76
<b>15</b>	<b>Accumulated Surplus/(Deficit)</b>	
	Balance b/forward 01/01/2021	(318,953,473.75)
	Surplus during the year	(214,046,713.80)
	Balance C/forward 31/12/2021	(533,000,187.55)
<b>16</b>	<b>Statutory Allocation</b>	
	JAAC	978,065,883.31
	Non-Oil Revenue	31,118,476.03
	Forex Equalization	1,540,633.64
	Exchange Rate Gain	5,785,662.55
	Eco Fund	4,316,082.35
	Solid Minerals	1,414,958.61
	O'Meal	386,786.00
	Argumentation	5,000,000.00
	Fund conserved forsal	8,208,807.13
		<b>1,035,837,289.62</b>
<b>17</b>	<b>VAT</b>	
	Cash	640,692,649.51
		<b>640,692,649.51</b>
<b>18</b>	<b>Dependent Revenue</b>	
	JAAC	1,035,837,289.62
	VAT	640,692,649.51

	Total	<b>1,676,529,939.13</b>
19	Other Dependent Revenue (Augumentation)	
		<b>5,386,786.00</b>
20	Transfer from Main Council	
		103,108,144.65
21	Tax Revenue	
	Community Tax	209,000.00
22	Non-Tax Revenue	
	Fees	4,982,310.00
	CENTRALLY EXPENDED	
23	Employee Benefit (Staff Salaries & Wages	
	Teaching & Non teaching Staff	257,112,710.42
	SUBEB (Admin& Mon)	407,867.49
	TNT Middle	98,411,854.38
	PHC	182,227,151.33
	Local Government Staff Salary	315,273,044.50
	Loan's Board Staff Salary	1,003,950.06
	Pension Board Salary	1,432,202.95
		855,868,781.13
24	Social Benefits	
	Training of Staff (Drivers)	100,000.00
		100,000.00
25	Overhead	
	Year 2021 Budget	1,400,000.00
	Running Cost to JAAC Sec.	1,200,000.00
	ALGON Imprest	10,200,000.00
	Bank Charge	1,475,879.05
	Consultancy Fees	6,001,319.28
	Magnum Trust	3,979,218.25
	SUBEB Stipends	66,666.70
	School Running Grant	2,999,999.97
		27,323,083.25
26	Grant & Social Contribution	N
	SUBEB Special Need Sch	1,983,214.66

	2021 Xmas & New Year Gift	11,340,000.00
	Olojo Festiva	3,333,333.33
	Other Expenditure	10,733,333.33
		27,389,881.32
27	Transfer to Other Agencies	N
	1 % Training Fund	10,331,187.34
	5% Traditional Council	55,580,597.14
	5% Stabilization Fund	48,698,707.76
	Audit Fees	20,897,096.98
	SUBEB Contract Staff	291,120.78
	Gratuity	46,666,666.64
	Monthly Pension	143,187,435.48
	Contributory Pension(TNT)	32,079,806.64
	Contributory Pension(LG)	35,306,750.76
	O'HIS	12,699,272.46
	O'Meal	23,867,860.00
	RAMP Refund	7,386,282.06
	SUBEB Matching Grant	38,806,170.18
		475,798,954.22
28	Social Benefits	
	Local Govt Expenditure	
	Financial Assistance to Local Govt Staff	11,999,000.00
		11,999,000.00
29	Overhead	
	Local Govt Expenditure	
	Repair and Maintenance of Vehicle	42,369,617.97
	Publication & Advert	27,339,629.50
	Printing and General Expenses	5,940,694.87
	Bank Charges	741,659.62
	Tax Expenses	171,155.76
		76,562,757.71
30	Grants and Social Contribution	
	Local Govt Expenditure	

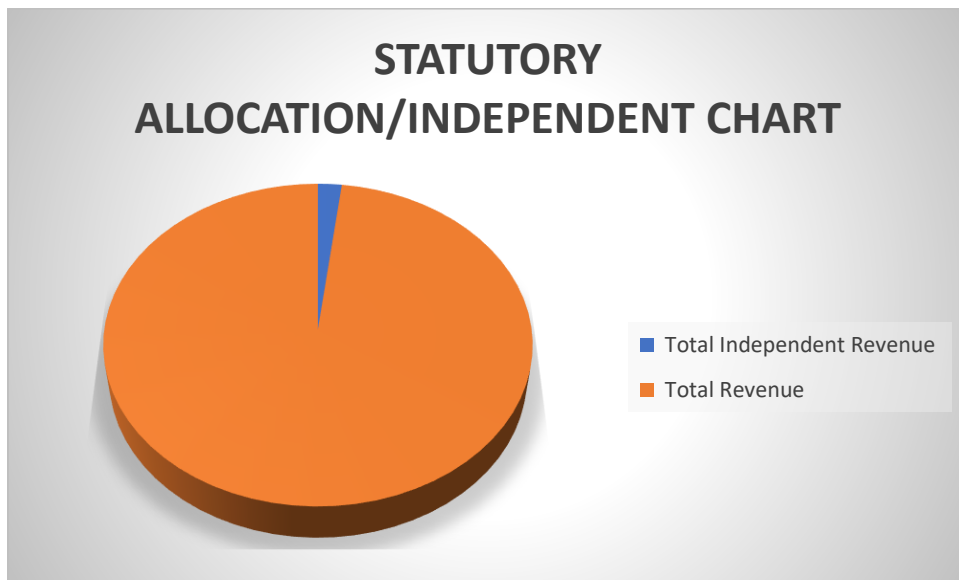
	Distilling of Culverts	24,413,280.00
	Cleaning of Dumpsite	9,765,312.00
	Sensitization & Workshop	12,206,640.00
	Training and Entertainment	11,392,864.00
	Ileya	10,579,088.00
	Xmas Celebretion	13,020,416.00
	PPE	7,800,000.00
		89,177,600.00
31	Depreciation Charge	
	Building	5,865,101.62
	Plants & Machineries	2,905,600.00
	Infrastrual Assets	251,577,560.75
	Motor Vehicle	5,281,280.00
	Office Equipment	4,700,985.55
	Furniture & Fittings	822,300.80
	Investment Property	1,672,831.44
		272,825,660.16
32	Allowance	
	Allowance to Various Committee	51,303,224.94
	O' Tech Allowance	12,825,806.24
		64,129,031.18
33	Transfer to LCDA	103,108,144.65
34	Impairment	NIL
36	Total Revenue	1,687,108,035.13
	Total Expenditure	1,901,154,748.93
		214,046,713.80

# IFE SOUTH LOCAL GOVERNMENT FISCAL OPERATION REPORT

## STATEMENT OF CASHFLOW RATIOS

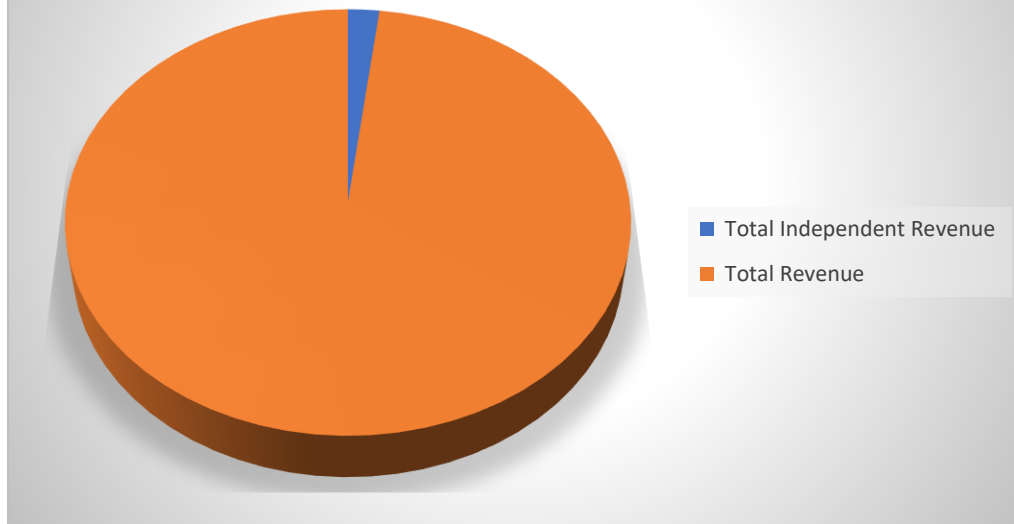
$$\begin{aligned}
 1. \quad & \text{DEPENDENT REVENUE/TOTAL REVENUE} \times 100 \\
 & = \frac{1,793,953,359.89}{1,804,531,455.89} = 99.41\%
 \end{aligned}$$

This indicated that Statutory Allocation took 99.41% of the Total Revenue of the Local Government and LCDA leaving 0.59% as Independence Revenue



$$\begin{aligned}
 2. \quad & \frac{\text{TOTAL INDEPENDENT REVENUE}}{\text{TOTAL REVENUE}} \times 100 \\
 & = \frac{10,578,096.00}{1,804,531,455.89} = 0.59\%
 \end{aligned}$$

### STATUTORY ALLOCATION/INDEPENDENT CHART



3. SALARY & WAGES : TOTAL RECURRENT EXPENDITURE

$$\frac{904,768,094.91}{1,734,401,311.91} \times 100 = 52.17\%$$

Therefore, the Salaries and Wages took about 52.17% out of the Recurrent Expenditure in the Local Government while the remaining 47.83% was expended on other expenditure.

4 TRANSFER TO OTHER AGENCIES : TOTAL RECURRENT EXPENDITURE

$$\frac{523,922,370.99}{1,734,401,311.91} \times 100 = 30.21\%$$

It means that Transfer to Other Agencies took about 30.21% out of the recurrent expenditure.

#### STATEMENT OF FINANCIAL POSITION RATIOS

6 CURRENT ASSET : CURRENT LIABILITIES

$$\frac{87,584,078.05}{508,223,661.57} = 0.17 : 1$$

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

$$\frac{5,275,743,869.51}{1,883,928,106.29} = 2.80 : 1$$

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

8. EQUITY : TOTAL ASSET

$$\frac{3,391,815,763.22}{5,275,743,869.51} = 0.64 : 1$$

**STATEMENT OF FINANCIAL PERFORMANCE RATIO**

9. DEPENDENT REVENUE : TOTAL REVENUE

$$\frac{1,676,529,939.13}{1,687,108,035.13} \times 100 = 99.38\%$$

**This indicated that the Dependent Revenue accounted for 99.38% of the Total Revenue of all the Local Government of the State leaving 0.62% as Independent Revenue.**

10. INDEPENDENT REVENUE : TOTAL REVENUE

$$\frac{10,578,096.00}{1,687,108,035.13} \times 100 = 0.62\%$$



# MANAGEMENT LETTER

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

## IFE SOUTH LOCAL GOVERNMENT, IFETEDO

**1. UNRETIRED IMPREST TOTALING TOTALLING (#305,000.00):** It was observed that payment to the tune of three hundred and five thousand naira only made for the payments 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 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. UNPRODUCED REVENUE EARNING RECEIPT BOOKLETS AMOUNTING TO N210,000.00:** 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 coffer 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 or the amount involved be recovered.*

**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, 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*

**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:** *An excel based program will be used in the preparation of the future General Purpose Financial Statement before presented 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**  
**OBSERVATION AND INTERNAL CONTROL REVIEW FOR THE FINANCIAL YEAR ENDED**  
**31<sup>ST</sup> DECEMBER, 2021.**  
**IFE SOUTH WEST LOCAL COUNCIL DEVELOPMENT AREA**

**1. UNRETIRED IMPREST TOTALING TOTALLING (₦180,000.00):** It was observed that payment to the tune of one hundred and eighty thousand naira for the payment of Monthly imprest was not supported with official receipts nor invoice to authenticate that the money was used for the purpose stated in payment voucher 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. 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

**3. 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.*

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

- i. The Internal Control unit is effective. The IGR of the Council is very low due to the lack of contributions of other Departments of the IGR operations and generation e.g Town Planning, WES, works. Marriage and Unit.
- ii. The Internal Control Unit is functioning well, but the management of the Council could not provide the necessary supports needed to improve the IGR despite favourable economic environment the Council is enjoying at the seat of the council i.e commercial town

**IFE SOUTH LOCAL GOVERNMENT, IFETEDO**

<b>S/N</b>	<b>SUBJECT</b>	<b>QUERIES NOS</b>	<b>NO OF OFFICER QUERIED</b>	<b>AMOUNT</b>	<b>REMARKS</b>
1	Unretired Imprest	LQ/AUD/IFS/O1/2021	5	97,500	
2	Unretired Imprest	LQ/AUD/IFS/O2/2021	7	207,500	
3	Unproduced Revenue Earning Receipt	LQ/AUD/IFS/O3/2021	5	80,000	

**IFE SOUTH WEST LOCAL COUNCIL DEVELOPMENT AREA, AWOLowo**

<b>S/N</b>	<b>SUBJECT</b>	<b>QUERIES NO</b>	<b>NO OF OFFICER QUERIED</b>	<b>AMOUNT</b>	<b>REMARKS</b>
1	Unretired Imprest	LQ/AUD/IFSWLCDA/ O1/2021	2	60,000	
2	Unretired Imprest	LQ/AUD/ IFSWLCDA /O2/2021	1	120,000	