

STATE GOVERNMENT OF OSUN, NIGERIA.

REPORT OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

ON THE ACCOUNTS OF
IFEDAYO LOCAL GOVERNMENT

OKE-ILA

FOR THE YEAR ENDED

31ST DECEMBER, 2021.

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LIST OF ABBREVIATIONS

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

STATEMENT OF RESPONSIBILITY FOR THE PREPARATION AND
PRESENTATION OF FINANCIAL STATEMENTS

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

Consequently, the General Purpose Financial Statement of:

Ifedayo Local Government and Ifedayo Area Council have been prepared by the respective Heads of Finance and Supplies and subsequently Consolidated by the Head of Finance and Supplies of **Ifedayo 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 **31st December, 2021**



Chairman
Ifedayo Local Government



Head of Finance & supplies,

Ifedayo Local Government



Chairman
Ifedayo Local Government





Chairman
Ifedayo Area Council



Head of Finance & supplies

Ifedayo Area Council



Chairman
Ifedayo Area Council

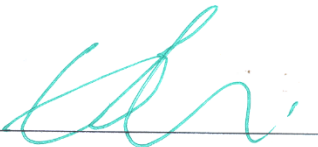


AUDIT CERTIFICATE

I have audited the accounts of Ifedayo Local Government, Oke-Ila for the Year ended 31st December, 2021.

I have obtained all necessary information and explanations required for my audit opinion except where reservations are expressed in this report.

Having regard to the basis of Audit opinion as stated below, I certify that the Financial Statements comprising of Consolidated Statement of Financial Position, Consolidated Statement of Financial Performance, Consolidated Statements of Cash Flow, Consolidated Statement of Net Assets and Equity of the Local Governments and Notes to the Account, give a true and fair view of the state of affairs of Ifedayo Local Government, Oke-Ila for the accounting year ended 31st December, 2021, subject to the observations and comments, and resulting reservations, and disallowances as contained in this report.



Emmanuel Oluseun Kolapo FCA, CISA
Auditor-General for Local Government,
State of OSun

STATEMENT OF FINANCIAL RESPONSIBILITY

The preparation and fair presentation of Financial Statements of Local Governments, is the direct responsibility of the Head of Finance and Supply in the Local 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 Ifedayo Local Governments is responsible for the consolidation of the Financial Statements with the subsidiary Ifedayo Area Council.

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 of Ifedayo Local Governments is attached.

STATEMENT OF RESPONSIBILITY OF THE AUDITOR-GENERAL.

It is my responsibility to Audit the accounts of the Local Governments, the State Joint Local Government Account, and all offices of the Local Government as stipulated by the Laws of Osun State and the Financial Memoranda; and to form an independent opinion based on the Audit of the Financial Statements and accompany notes submitted by the Head of Finance and Supply of Ifedayo Local Government

BASIS OF AUDIT OPINION

In the course of auditing the accounts of Ifedayo Local Governments and Ifedayo Area Council 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 Ifedayo 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 Ifedayo Local Government are constituents.

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

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

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

STATEMENT OF ACCOUNTING POLICIES

1. Basis of Preparation (IPSAS 1)

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

2. Accounting Period

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

3. Reporting Currency

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

4. Principal Statements in the General Purposes Financial Statements

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

5. Consolidation Policy- IPSAS 6

The Heads of Finance of Ifedayo Local Government and Ifedayo Area Council are 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 is Ifedayo Area Council, which had been consolidated with the Ifedayo main 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 the prepared Financial Statements.

6. **Statement of Cash Flow** was prepared using the direct method (IPSAS 2) and it consists of Operating, Investing and Financing activities.

7. **Inventories (IPSAS 12)** - Inventories were measured initially at cost, and subsequently measured using the FIFO method.

8. PROPERTY, PLANT & EQUIPMENT (PPE) – IPSAS 17

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

9. DEPRECIATION

The cost of PPE shall be written off, from the time they are brought into use, on a straight line basis over their expected useful lives less any estimated residual value as follows:

- | | | |
|-------------------------|---|-----|
| a. Furniture & Fittings | - | 20% |
| b. Motor Vehicle | - | 20% |
| c. Plant & Equipment | - | 20% |

d. Infrastructural Asset	-	10%
e. Building	-	2%
f. Office Equipment	-	20%

10. REVALUATION

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

11. IMPAIRMENT

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

12. INVESTMENT PROPERTIES – IPSAS 16

The Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated the same way as PPE.

13. INDEPENDENT REVENUE FROM NON-EXCHANGE TRANSACTION (IPSAS 23)

1. Fees; taxes and fines: The Local Government recognised revenue from fees, taxes, and fines when the event occurred, and the asset recognition criteria are met.

14. OTHER REVENUE

Other Revenues are proceeds that arise outside the Ordinary course of governmental business. These include:

1. Gain on disposal of Property, Plant and Equipment
 2. Disposal of Investment such as Shares, bond etc
- Gain on disposal is recognized at the date of control of the asset is passed to the buyer and is determined after deducting the carrying value of the Asset at that time.

15. UNREMITTED DEDUCTION

Unremitted deductions are monies owned to the third parties such as tax authorities, associations and other Government Agencies. These include tax deductions and other deductions at source. This amount shall be stated in GPFS at their repayment value, which shall be treated as current liabilities in the Statement of Financial Position.

16. RESERVE

Reserves shall be classified under Equity in the Statement of Financial Position which includes Accumulated Surplus/Deficit and the Additional Reserve.

17. CONTINGENT LIABILITY IPSAS 19

Contingent liabilities are only disclosed in the Notes to GPFS. Contingent liability is possible obligation arising from past events whose exigencies will be confirmed only by uncertain future event(s) or present obligation arising from the past events that are not recognized because of either an outflow of economic benefit is not probable or this amount of obligation.

GENERAL COMMENT

I have audited the accounts of Ifedayo Local Government, Oke Ila for the financial year ended 31st December 2021, as required by Cap 72, Part 10 of the Laws of Osun State 2002, (as amended).

AUTHORITY FOR DISBURSEMENTS FROM JAAC ACCOUNT: Disbursements from JAAC accounts were made in consonance with the prescriptions of the House of Assembly while monthly distributions were collectively decided by the Chairmen including the chairman of Ifedayo Local Government, and other Chairmen, all of whom were members of the Joint Account Allocation Committee.

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

The previous accounting training on conversion to IPSAS Accruals, severally sponsored by the EU/SLOGOR and the LGSC / SUBEB in collaboration with Office of the Auditor-General for Local Governments, with the approval of Mr. Governor, for upgrades and re-training in 2021 have collectively enhanced the proficiency of operators of Local Government accounts in the State

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

BUDGET PREPARATION / EXECUTION

The Budget for 2021 for Ifedayo Local Government was prepared in compliance with new National Chart of Accounts. The 2021 Budget was an improvement on the previous Budgets as some of the obvious shortcomings observed by the Audit have been addressed.

PROCUREMENT PRACTICES

Osun State Public Procurement Law 2015 has been in force in line with global best practice. Procurement Officers was posted to the Local Governments and performed his duties. The Audit observed that the Offices need to be strengthened to further assist in promoting sound and transparent procurement practices in the Local Governments.

VALUATION AND REVALUATION OF ASSETS

With the support of Governor Oyetola, the office of the Auditor-General for Local Governments was able to embark on verification exercise on valuation and Revaluation of Assets during the year. This involved Constitution of a standing multi-disciplinary team comprising seasoned and qualified professionals in the fields of valuation, engineering, town planning, medicine, etc. and others as were

necessary. Consequently, the realism of the values of non-current asset is enhanced for the year under review. The verification exercise is continuous and value of the Local Governments non-current Assets is being updated monthly.

INTERNALLY REVENUE GENERATION AND FINANCIAL VIABILITY

The Total Internally Revenue generated by the Local Government for 2021 was ₦104,503,162.99 representing 7.5% the Total Revenue. More efforts at blocking leakages coupled with adequate research by the relevant unit of the Auditor-General for Local Government on comparative revenue advantages of individual Local Government's office will assist in curbing this unwholesome situation.

INTERNAL CONTROL WEAKNESS IN THE LOCAL GOVERNMENT AND RELATED AGENCIES

At the conclusion of the Audit, 19 Nos of Audit Queries were issued in respect of 2021 Accounts, involving a total sum of ₦ 3,510,000.00

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

JOINTLY EXECUTED AND INDIVIDUAL PROJECTS AND PROGRAMMES:

It was observed that Ifedayo Local Government collaborated with other Local Government to embark on some jointly executed projects and programmes. Reports on the joint project are contained in the Aggregated Statutory Report of the Auditor-General. It was claimed that the joint programmes/Projects were done to avail the Local Governments of the advantage of economies of large scale operations as they were able to secure the services of experts and incur lesser unit costs due to bulk purchases. Performance Audit was initiated on some joints projects and programmes during the year.

COMMENTS ON FINANCIAL STATEMENTS

A. STATEMENT OF FINANCIAL PERFORMANCE

Share of FAAC and VAT: To ensure completeness of Revenue, the total Allocation received from the Federation Account in respect of Ifedayo Local Government as contained in JAAC Account was confirmed from the Accountant General of the State and further reference was made to data released by office of Accountant General of the Federation. The total sum of ₦800,447,613.46 was Share of FAAC and VAT amounted to ₦498,490,398.27.

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
Ifedayo	800,447,613.46	499,490,398.27	-	-	-	-	-	-	-	1,298,938,011.73

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. #104,503,162.99 as Fees, Taxes and Fines.

SALARIES AND WAGES ₦855,868,781.13

Salaries and Wages which amounted to ₦855,868,781.13 comprised of salaries of Staff of the Local Governments, Teaching and Non-Teaching Staff of SUBEB, staff of Local Government Loans Board and the Primary Health Care Board. Salary Payment was centralised in the State of Osun for the year 2021.

COMMENTS ON ITEMS OF FINANCIAL POSITION

CASH AND CASH EQUIVALENTS ₦8,955,001.32

The Cash and Cash equivalents amounted to ₦8,955,001.32 for the Local Governments. The Bank Statements and Bank Reconciliation Statements of all Local Governments and Local Government Development Areas as at 31st December, 2021 were verified/examined to ascertain the bank balances.

RECEIVABLES ₦99,172,859.11

A total sum of ₦99,172,859.11 was standing as Receivables as at 31st December, 2020. The Receivables include, Revenue Recognised in December 2021 but received in January, 2021 from Joint Allocation Account Committee (JAAC).

INVENTORIES ₦53,554,944.66

The sum of ₦53,554,944.66 represents inventories valued at historical cost in the Local Governments as at 31st December, 2021. These include unallocated stores both expendable and non-expendable; and consumable items.

INVESTMENTS ₦51,257,085.33

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

PROPERTY, PLANT AND EQUIPMENT(PPE)

Items of Property, Plant and Equipment or other Non -Current Assets are stated at Historical Cost Less Accumulated Depreciation. Depreciation on Non - Current Assets are calculated to write off cost on valuation in a straight-line basis over the expected useful life on the assets, as follows:

Particulars	Rate%
Fixture and fitting	20
Motor Vehicle	20
Plant and Equipment	20
Infrastructural Asset	10
Buildings	2
Office Equipment	20

There is need to make adequate provision for depreciation. Accounting for PPE is an area of Audit emphasis where there seems to be a gap in knowledge exhibited by the operators of the Account vis-à-vis expectation.

PAYABLES ~~N474,700,582.60~~

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 31st December 2021.

INVESTMENT PROPERTY ~~N20,054,249.28~~

The carrying amount of Investment Properties of the Local Governments stood at ~~N20,054,249.28~~ 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 ~~N835,958,873.97~~

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 ~~N39,007,379.53~~

These include deductions received from Joint Accounts Allocation Committee (JAAC) and deposits which ought to have been remitted to the appropriate quarters on or before 31st December, 2021. The management of the Local Councils are hereby advised to ensure that all deposits/deductions received are remitted promptly to avert the possibility of unnecessary accumulation of liabilities on Councils financial position

DISCLOSURES: In the statement of Financial Performance the amounts jointly expended by the Local Government is separated from the amount spent in individual Local Government.

TRANSFER FROM MAIN COUNCILS TO LOCAL COUNCIL DEVELOPMENT AREAS:

Transfer from main councils to the tune of #35,269,992.73 was made to the Local Council Development Areas and Area Offices in the period under review and was set off in the Consolidated Account.

IFEDAYO LOCAL GOVERNMENT, OKE-ILA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2021

POSITION

PARTICULAR	NOTE	IFEDAYO CONSOLIDATED
ASSETS		
Current Assets		
Cash & Cash Equivalents	1	8,955,001.32
Receivables	2	99,172,859.11
Prepayment/Advance	3	1,700,000.00
Inventories	4	53,554,944.66
Total Current Asset		163,382,805.09
Non-current Asset		-
Long Term Loan Granted		-
Investments	5	51,257,085.33
Property, Plant & Wquipment	6	1,305,068,005.01
Investment Property	7	20,045,249.28
Biological Asset	8	2,160,230.40
Assets Under Construction (wip)	9	-
Total Non-Current Asset		1,378,530,570.02
Total Asset		1,541,913,375.11
LIABILITIES		-
Current Liabilities		-
Deposit		-
Short Term Loan & Debts	10	-
Unremitted Deduction	11	39,007,379.53
Payables	12	474,700,582.60
Short Terms Provisions		-
Total Current Liability		513,707,962.13
Non-Current Liabilities		-
Long Term Borrowing	13	835,958,873.97
Total Liabilities		1,349,666,836.10
Net Assets		192,246,539.01
Financed by		-
Reserve	14	424,552,953.09
Net Surplus/Deficit	15	(232,306,414.08)
Total		192,246,539.01

IFEDAYO LOCAL GOVERNMENT, OKE-ILA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2021

PARTICULAR	NOTE	IFEDAYO	IFEDAYO LCDA	IFEDAYO CONSOLIDATED
ASSETS				
Current Assets				
Cash & Cash Equivalents	1	6,217,805.18	2,737,196.14	8,955,001.32
Receivables	2	99,172,859.11		99,172,859.11
Prepayment/Advance	3	1,700,000.00	-	1,700,000.00
Inventories	4	53,034,944.66	520,000.00	53,554,944.66
Total Current Asset		160,125,608.95	3,257,196.14	163,382,805.09
Non-current Asset				-
Long Term Loan Granted				-
Investments	5	51,257,085.33	-	51,257,085.33
Property, Plant & Equipment	6	1,293,794,004.95	11,274,000.06	1,305,068,005.01
Investment Property	7	20,045,249.28		20,045,249.28
Biological Asset	8	2,160,230.40		2,160,230.40
Assets Under Construction (wip)	9			-
Total Non-Current Asset		1,367,256,569.96	11,274,000.06	1,378,530,570.02
Total Asset		1,527,382,178.91	14,531,196.20	1,541,913,375.11
LIABILITIES				-
Current Liabilities				-
Deposit				-
Short Term Loan & Debts	10			-
Unremitted Deduction	11	35,758,645.10	3,248,734.43	39,007,379.53
Payables	12	474,700,582.60	-	474,700,582.60
Short Terms Provisions				-
Total Current Liability		510,459,227.70	3,248,734.43	513,707,962.13
Non-Current Liabilities				-
Long Term Borrowing	13	835,958,873.97	-	835,958,873.97
Total Liabilities		1,346,418,101.67	3,248,734.43	1,349,666,836.10
Net Assets		180,964,077.24	11,282,461.77	192,246,539.01
Financed by				-
Reserve	14	419,105,510.36	5,447,442.73	424,552,953.09
Net Surplus/Deficit	15	(238,141,433.12)	5,835,019.04	(232,306,414.08)
Total		180,964,077.24	11,282,461.77	192,246,539.01

IFEDAYO LOCAL GOVERNMENT, OKE-ILA
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2021
PERFORMANCE

PERFORMANCE		
PARTICULAR	NOTE	IFEDAYO CONSOLIDATED
DEPENDENT REVENUE		
Government share of FAAC (Statutory Revenue)	16	800,447,613.46
Government Share of VAT	17	498,490,398.27
Sub-Total Dependent Revenue	18	1,298,938,011.73
INDEPENDENT REVENUE		-
Augumentation	19	13,595,593.13
Transfer from main Council	20	
Tax Revenue	21	420,295.00
Non-Tax Revenue	22	1,244,070.00
Other Income		90,487,274.86
Overpayment Recovery		-
Sub-Total Independent Revenue		104,503,162.99
Total Revenue		1,403,441,174.72
EXPENDITURE		-
JOINTLY EXPENDED		-
Salaries & Wages	23	855,868,781.13
Social Benefits	24	100,000.00
Overhead Cost	25	27,273,083.25
Grants & Social Contribution	26	22,732,214.65
Transfer to other Agencies	27	367,173,155.85
L/GOVERNMENT EXPENDITURE		-
Social Benefits	28	1,692,261.41
Overhead Cost	29	27,692,368.95
Grants & Social Contribution	30	38,152,300.00
Depreciation	31	178,768,297.27
Allowances	32	32,157,127.09
Transfer to LCDA	33	
Impairment	34	-
Revenue Refunded	35	-
Public Debt Charges		
Stabilization Fund		
Refund to main Council		-
Stationeries		-
Severance Gratuity		-
Total Expenditures		1,551,609,589.60
Net Surplus/Deficit	36	(148,168,414.88)
Net Surplus/Deficit 01/01/2021	37	(84,137,999.20)
Net Surplus/Deficit 31/12/2021	38	(232,306,414.08)
Gain from Property (Building)		-
Surplus/(Deficit) from Non-Operating Activities for the period	-	(232,306,414.08)

IFEDAYO LOCAL GOVERNMENT, OKE-ILA
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER,
2021

PERFORMANCE				
PARTICULAR	NOTE	IFEDAYO	IFEDAYO LCDA	IFEDAYO CONSOLIDATED
DEPENDENT REVENUE				
Government share of FAAC (Statutory Revenue)	16	800,447,613.46		800,447,613.46
Government Share of VAT	17	498,490,398.27		498,490,398.27
Sub-Total Dependent Revenue	18	1,298,938,011.73	-	1,298,938,011.73
INDEPENDENT REVENUE				-
Augmentation	19	13,595,593.13		13,595,593.13
Transfer from main Council	20	-	35,269,992.73	
Tax Revenue	21	420,295.00		420,295.00
Non-Tax Revenue	22	69,076,181.05	21,411,093.81	90,487,274.86
Other Income				
Overpayment Recovery				-
Sub-Total Independent Revenue		83,092,069.18	56,681,086.54	104,503,162.99
Total Revenue		1,382,030,080.91	56,681,086.54	1,403,441,174.72
EXPENDITURE				-
JOINTLY EXPENDED				-
Salaries & Wages	23	855,868,781.13		855,868,781.13
Social Benefits	24	100,000.00		100,000.00
Overhead Cost	25	27,273,083.25		27,273,083.25
Grants & Social Contribution	26	22,732,214.65		22,732,214.65
Transfer to other Agencies	27	367,173,155.85		367,173,155.85
L/GOVERNMENT EXPENDITURE				-
Social Benefits	28	1,056,000.00	636,261.41	1,692,261.41
Overhead Cost	29	11,000,550.00	16,691,818.95	27,692,368.95
Grants & Social Contribution	30	15,557,300.00	22,595,000.00	38,152,300.00
Depreciation	31	178,682,297.27	86,000.00	178,768,297.27
Allowances	32	20,550,206.00	11,606,921.09	32,157,127.09
Transfer to LCDA	33	35,269,992.73		
Impairment	34			-
Revenue Refunded	35			-
Public Debt Charges				

Stabilization Fund				
Refund to main Council				-
Stationeries				-
Severance Gratuity				-
Total Expenditures		1,535,263,580.88	51,616,001.45	1,551,609,589.60
Net Surplus/Deficit	36	(153,233,499.97)	5,065,085.09	(148,168,414.88)
Net Surplus/Deficit 01/01/2021	37	(84,907,933.15)	769,933.95	(84,137,999.20)
Net Surplus/Deficit 31/12/2021	38	(238,141,433.12)	5,835,019.04	(232,306,414.08)
Gain on property (Building)		-	-	-
Surplus/(Deficit) from Non-Operating Activities for the period		(238,141,433.12)	5,835,019.04	(232,306,414.08)

IFEDAYO LOCAL GOVERNMENT, OKE-ILA
CONSOLIDATED STATEMENT OF CASHFLOW AS AT 31ST DECEMBER, 2021
CASHFLOW

OPERATING ACTIVITIES	NOTE	IFEDAYO CONSOLIDATED
INFLOW		
Statutory Revenue (JAAC)	39	848,030,238.55
Value Added Tax	40	539,907,970.65
Receivable		-
Sub Total Dependent Revenue	41	1,387,938,209.20
Aids and Grants	42	13,595,593.13
Transfer from Main Council	43	
Tax Revenue	44	579,095.00
Non Tax Revenue	45	22,337,563.81
Other Income		67,990,911.05
Overpayment Recovery		
Sub Total Independent Revenue	46	104,503,162.99
Total Inflow Operating Activities	47	1,492,441,372.19
OUTFLOW		
Salaries & Wages	48	900,974,655.34
Social Benefits	49	1,792,261.41
Overhead Cost	50	30,465,452.20
Social Contributions	51	53,444,514.65
Allowances	52	32,085,676.78
Modulated Salary Arrears	53	13,333,333.28
Inventories	54	1,178,000.00
Fund Conserved for Salary		-
Transfer to LCDA	55	
Transfer to other Govt. Agencies	56	396,723,498.98
Refund to Main Councils		-
Revenue Refunded		
Stabilization Fund		
Tax Expenses	57	-
Severance Gratuity		-
Total Outflow from Operating Activities	58	1,429,997,392.64
Net Cashflow from Operating Activities	59	62,443,979.55
INVESTING ACTIVITIES		
Proceed from Disposal of Asset		
Total Inflow from Investing Activities		
Cashflow from Investing Activities		

Administrative Sector	60	53,850,000.00
Economic Sector		-
Total Outflow from Investing Activities	61	53,850,000.00
Net Cashflow from Investing Activities		(53,850,000.00)
Inflow from Financing Activities		-
Bank Overdraft		
Soft Loan (Bank)		
Deduction Received	62	47,701,056.27
Total Inflow from Financing Activities	63	47,701,056.27
OUFLOW (PAYMENT)		
Bail Out Repayment		-
10km Road	64	11,618,130.76
Water Project	65	-
Environmental Sanitation Loan	66	2,914,565.04
Loan Repayment (Inherited)	67	-
Bank Loan	68	-
Intervention Loan	69	2,835,523.30
Other Loan Repayment		
Deduction Paid	70	39,607,222.00
Total Outflow From Financing Activities	71	56,975,441.10
Net Cashflow from financing Activities	72	(9,274,384.83)
Cash and Cash Equivalent for the year	73	(680,405.28)
Cash and Cash Equivalent 01/01/2021	74	9,635,406.60
Cash and Cash Equivalent 31/12/2021	75	8,955,001.32

IFEDAYO LOCAL GOVERNMENT, OKE-ILA
CONSOLIDATED STATEMENT OF CASHFLOW AS AT 31ST DECEMBER, 2021

OPERATING ACTIVITIES	NOTE	IFEDAYO	IFEDAYO LCDA	IFEDAYO CONSOLIDATED
INFLOW				
Statutory Revenue (JAAC)	39	848,030,238.55		848,030,238.55
Value Added Tax	40	539,907,970.65		539,907,970.65
Receivable				-
Sub Total Dependent Revenue	41	1,387,938,209.20	-	1,387,938,209.20
Augumentation	42	13,595,593.13		13,595,593.13
Transfer from Main Council	43		35,269,992.73	
Tax Revenue	44	420,295.00	158,800.00	579,095.00
Non Tax Revenue	45	1,085,270.00	21,252,293.81	22,337,563.81
Other Income		67,990,911.05		67,990,911.05
Overpayment Recovery				-
Sub Total Independent Revenue	46	83,092,069.18	56,681,086.54	104,503,162.99
Total Inflow Operating Activities	47	1,471,030,278.38	56,681,086.54	1,492,441,372.19
OUTFLOW				
Salaries & Wages	48	900,880,589.34	94,066.00	900,974,655.34
Social Benefits	49	1,156,000.00	636,261.41	1,792,261.41
Overhead Cost	50	13,773,633.25	16,691,818.95	30,465,452.20
Social Contributions	51	33,789,514.65	19,655,000.00	53,444,514.65
Allowances	52	20,572,821.69	11,512,855.09	32,085,676.78
Modulated Salary Arrears	53	13,333,333.28		13,333,333.28
Inventories	54	958,000.00	220,000.00	1,178,000.00
Fund Conserved for Salary				-
Transfer to LCDA	55	35,269,992.73		
Transfer to other Govt. Agencies	56	396,723,498.98		396,723,498.98
Refund to Main Councils				-
Revenue Refunded				-
Stabilization Fund				-
Tax Expenses	57			-
Severance Gratuity				-

Total Outflow from Operating Activities	58	1,416,457,383.92	48,810,001.45	1,429,997,392.64
Net Cashflow from Operating Activities	59	54,572,894.46	7,871,085.09	62,443,979.55
INVESTING ACTIVITIES				-
Proceed from Disposal of Asset				-
Total Inflow from Investing Activities				-
Cashflow from Investing Activities				-
Administrative Sector	60	43,850,000.00	10,000,000.00	53,850,000.00
Economic Sector				-
Total Outflow from Investing Activities	61	43,850,000.00	10,000,000.00	53,850,000.00
Net Cashflow from Investing Activities		(43,850,000.00)	(10,000,000.00)	(53,850,000.00)
Inflow from Financing Activities				-
Bank Overdraft				
Soft Loan(Bank)				
Deduction Received	62	35,039,029.17	12,662,027.10	47,701,056.27
Total Inflow from Financing Activities	63	35,039,029.17	12,662,027.10	47,701,056.27
OUFLOW (PAYMENT)				-
Bail Out Repayment				-
10km Road	64	11,618,130.76		11,618,130.76
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	2,835,523.30		2,835,523.30
Other Loan Repayment				
Deduction Paid	70	30,141,372.00	9,465,850.00	39,607,222.00
Total Outflow From Financing Activities	71	47,509,591.10	9,465,850.00	56,975,441.10
Net Cashflow from financing Activities	72	(12,470,561.93)	3,196,177.10	(9,274,384.83)
Cash and Cash Equivalent for the year	73	(1,747,667.47)	1,067,262.19	(680,405.28)
Cash and Cash Equivalent 01/01/2021	74	7,965,472.65	1,669,933.95	9,635,406.60
Cash and Cash Equivalent 31/12/2021	75	6,217,805.18	2,737,196.14	8,955,001.32

IFEDAYO LOCAL GOVERNMENT, OKE-ILA
CONSOLIDATED STATEMENT OF COMPARISM AS AT 31ST DECEMBER, 2021

		IFEDAYO CONSOLIDATED		
PARTICULAR	NOTE	FINAL BUDGET	ACTUAL	VARIANCE
DEPENDENT REVENUE				
Government Share of FAAC(Statutory Revenue)	16	1,145,252,807.50	800,447,613.46	537,349,628.23
Government Share of VAT	17	353,817,025.48	498,490,398.27	286,200,183.75
Sub-Total Dependent Revenue	18	1,499,069,832.98	1,298,938,011.73	823,549,811.98
INDEPENDENT REVENUE				
Augumentation	19	-	13,595,593.13	13,595,593.13
Transfer from Main Council	20	-	-	-
Tax Revenue	21	4,286,000.00	420,295.00	3,865,705.00
Non-Tax Revenue	22	7,290,000.00	90,487,274.86	6,045,930.00
Other Income		-	-	-
Sub-Total Independent Revenue		11,576,000.00	104,503,162.99	112,750,432.99
Total Revenue		1,510,645,832.98	1,403,441,174.72	936,300,244.97
EXPENDITURE				
Salaries & Wages	23	854,895,480.00	855,868,781.13	(973,301.13)
Social Benefits	24	-	1,792,261.41	(1,792,261.41)
Overhead Cost	25	250,000,000.00	54,965,452.20	195,034,547.80
Grants & Social Contribution	26	122,570,601.00	60,884,514.65	61,686,086.35
Transfer to Other Agencies	27	-	367,173,155.85	(367,173,155.85)
Depreciation	31	-	178,768,297.27	(178,768,297.27)
Allowances	32	92,070,740.00	32,157,127.09	59,913,612.91
Transfer to LCDA	33	-	35,269,992.73	(35,269,992.73)
Impairment	34	-	-	-
Revenue Refunded	35	-	-	-
Stationaries		-	-	-
Total Expenditures		1,319,536,821.00	1,551,609,589.60	(267,342,761.33)
Net Surplus/Deficit	36	191,109,011.98	(148,168,414.88)	381,782,014.48
Net Surplus/Deficit 31/12/2020	37	-	(84,137,999.20)	-
Net Surplus/Deficit 31/12/2021	38	191,109,011.98	(232,306,414.08)	381,782,014.48
Gains on Property (Building)		-	-	-
Surplus/(Deficit) from Non-Operating Activities for the period		191,109,011.98	(232,306,414.08)	381,782,014.48

IFEDAYO LOCAL GOVERNMENT, OKE-ILA
CONSOLIDATED STATEMENT OF COMPARISM BUDGET AND ACTUAL AS AT 31ST DECEMBER, 2021

		IFEDAYO LG			IFEDAYO LCDA			IFEDAYO CONSOLIDATED		
PARTICULAR	NOTE	FINAL BUDGET	ACTUAL	VARIANCE	FINAL BUDGET	ACTUAL	VARIANCE	FINAL BUDGET	ACTUAL	VARIANCE
DEPENDENT REVENUE										
Government Share of FAAC(Statutory Revenue)	16	686,540,400.00	800,447,613.46	113,907,213.46	458,712,407.50		423,442,414.77	1,145,252,807.50	800,447,613.46	537,349,628.23
Government Share of VAT	17	283,053,620.00	498,490,398.27	215,436,778.27	70,763,405.48		70,763,405.48	353,817,025.48	498,490,398.27	286,200,183.75
Sub-Total Dependent Revenue	18	969,594,020.00	1,298,938,011.73	329,343,991.73	529,475,812.98		494,205,820.25	1,499,069,832.98	1,298,938,011.73	823,549,811.98
INDEPENDENT REVENUE							-	-	-	-
Grants & Aids	19		13,595,593.13	13,595,593.13				-	13,595,593.13	13,595,593.13
Transfer from Main Council	20					35,269,992.73		-	-	-
Tax Revenue	21	1,270,000.00	420,295.00	849,705.00	3,016,000.00		3,016,000.00	4,286,000.00	420,295.00	3,865,705.00
Non-Tax Revenue	22	2,940,000.00	69,076,181.05	1,854,730.00	4,350,000.00	21,411,093.81	4,191,200.00	7,290,000.00	90,487,274.86	6,045,930.00
Other Income							21,252,293.81	-		
Sub-Total Independent Revenue		4,210,000.00	83,092,069.18	84,290,939.18	7,366,000.00	21,411,093.81	28,459,493.81	11,576,000.00	104,503,162.99	112,750,432.99
Total Revenue		973,804,020.00	1,382,030,080.91	413,634,930.91	536,841,812.98	56,681,086.54	522,665,314.06	1,510,645,832.98	1,403,441,174.72	936,300,244.97
EXPENDITURE								-	-	-
Salaries & Wages	23	605,267,100.00	855,868,781.13	(250,601,681.13)	249,628,380.00		249,628,380.00	854,895,480.00	855,868,781.13	(973,301.13)
Social Benefits	24		1,156,000.00	(1,156,000.00)		636,261.41	(636,261.41)	-	1,792,261.41	(1,792,261.41)
Overhead Cost	25	150,000,000.00	38,273,633.25	111,726,366.75	100,000,000.00	16,691,818.95	83,308,181.05	250,000,000.00	54,965,452.20	195,034,547.80
Grants & Social Contribution	26	87,879,760.00	38,289,514.65	49,590,245.35	34,690,841.00	22,595,000.00	12,095,841.00	122,570,601.00	60,884,514.65	61,686,086.35
Transfer to Other Agencies	27		367,173,155.85	(367,173,155.85)				-	367,173,155.85	(367,173,155.85)

Depreciation	31		178,682,297.27	(178,682,297.27)		86,000.00	(86,000.00)	-	178,768,297.27	(178,768,297.27)
Allowances	32	57,366,560.00	20,550,206.00	36,816,354.00	34,704,180.00	11,606,921.09	23,097,258.91	92,070,740.00	32,157,127.09	59,913,612.91
Transfer to LCDA	33		35,269,992.73	(35,269,992.73)				-	35,269,992.73	(35,269,992.73)
Impairment	34							-	-	-
Revenue Refunded	35							-	-	-
Stationaries								-	-	-
Total Expenditures		900,513,420.00	1,535,263,580.88	(634,750,160.88)	419,023,401.00	51,616,001.45	367,407,399.55	1,319,536,821.00	1,551,609,589.60	(267,342,761.33)
Net Surplus/Deficit	36	73,290,600.00	(153,233,499.97)	226,524,099.97	117,818,411.98	5,065,085.09	155,257,914.51	191,109,011.98	(148,168,414.88)	381,782,014.48
Net Surplus/Deficit 31/12/2020	37		(84,907,933.15)			769,933.95		-	(84,137,999.20)	-
Net Surplus/Deficit 31/12/2021	38	73,290,600.00	(238,141,433.12)	226,524,099.97	117,818,411.98	5,835,019.04	155,257,914.51	191,109,011.98	(232,306,414.08)	381,782,014.48
Gains on Property (Building)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) from Non-Operating Activities for the Period		73,290,600.00	-	-	117,818,411.98	-	-	-	(232,306,414.08)	

IFEDAYO LOCAL GOVERNMENT, OKE-ILA

NET ASSET AND EQUITY	IFEDAYO CONSOLIDATED		
DETAILS	RESERVES	Accumulated Surplus/Deficit	TOTAL
Opening Balance 1/1/2021	424,552,953.09	(84,137,999.20)	340,414,953.89
Adjusted Reserve	-	-	-
Adjusted Balance	424,552,953.09	(84,137,999.20)	340,414,953.89
Net Surplus Deficit for the year	-	(148,168,414.88)	(148,168,414.88)
Closing Balance as at 31/12/2021	424,552,953.09	(232,306,414.08)	192,246,539.01

IFEDAYO LOCAL GOVERNMENT, OKE-ILA
CONSOLIDATED STATEMENT OF NET ASSET/EQUITY AS AT 31ST DECEMBER, 2021

DETAILS	IFEDAYO			IFEDAYO LCDA			IFEDAYO CONSOLIDATED		
	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL
Opening Balance 1/1/2021	419,105,510.36	(84,907,933.15)	334,197,577.21	5,447,442.73	769,933.95	6,217,376.68	424,552,953.09	(84,137,999.20)	340,414,953.89
Adjusted Reserve			-			-	-	-	-
Adjusted Balance	419,105,510.36	(84,907,933.15)	334,197,577.21	5,447,442.73	769,933.95	6,217,376.68	424,552,953.09	(84,137,999.20)	340,414,953.89
Net Surplus Deficit for the year		(153,233,499.97)	(153,233,499.97)		5,065,085.09	5,065,085.09	-	(148,168,414.88)	(148,168,414.88)
Closing Balance as at 31/12/2021	419,105,510.36	(238,141,433.12)	180,964,077.24	5,447,442.73	5,835,019.04	11,282,461.77	424,552,953.09	(232,306,414.08)	192,246,539.01

IFEDAYO LOCAL GOVERNMENT				
NOTES TO THE ACCOUNT				
		IFEDAYO LG	IFEDAYO AREA COUNCIL	IFEDAYO CONSOLIDATED
NOTE 1:	CASH & CASH EQUIVALENT			
	Bal b/f			9,635,406.60
	Total receipt			<u>1,577,562,066.10</u>
				1,587,197,472.70
	less:			
	Total payment			<u>1,578,242,471.38</u>
				8,955,001.32
NOTE 2:	RECEIVABLES			
	Modulated Salary Arrears			1,666,666.66
	Statutory Allocation			58,520,397.67
	VAT			38,233,846.12
	Exchange rate gain			751,948.66
	Conserved Fund			-
				99,172,859.11
NOTE 3:	PREPAYMENT/ADVANCE			1,700,000.00
NOTE 4:	INVENTORIES			
	Bal b/f			52,376,944.66
	Add:			
	Office Consumable			1,178,000.00
	Finance Material			-
				53,554,944.66
NOTE 5:	INVESTMENTS			
	Bal b/f			
	OMOLUABI			13,132,942.00
	KAJOLA INTEGRATED			9,523,810.00
	OSICOL			267,000.00
	PREFERENCE SHARES			<u>28,333,333.33</u>
				51,257,085.33

NOTE 6:	PROPERTY, PLANT & EQUIPMENT			
	Building			46,581,751.34
	Infrastructural Facilities			949,804,899.72
	Plant & Machine			101,335,040.00
	Motor Vehicle			151,613,682.38
	Equipment			50,866,176.00
	F & F			4,866,455.57
				1,305,068,005.01
NOTE 7:	INVESTMENTS PROPERTY			
	Bal b/f			
	LOCK UP STALL			2,204,336.00
	SHOPPING COMPLEX			18,250,000.00
				20,454,336.00
	Less			
	Depreciation			<u>409,086.72</u>
				<u>20,045,249.28</u>
NOTE 8:	BIOLOGICAL ASSET			
	Bal b/f			
	TEAK PLANTATION			2,250,240.00
	Depreciation			90,009.60
				2,160,230.40
NOTE 10:	UNREMITTED DEDUCTION			
	Bal b/f			30,913,545.26
	Add:			
	Cash (deduction received)			47,701,156.27
				78,614,601.53
	Less:			
	Cash (deduction paid)			39,607,222.00
				39,007,379.53
NOTE 12	PAYABLES			
	Unpaid Vouchers			151,617,135.96
	Unpaid Salaries			283,974,500.43
	Conserved in JAAC A/C			-
	Modulated in JAAC A/C			1,666,666.66
	Overhead			1,949,631.64
	Salary & Wages			73,701,792.19
	Transfer to Other Agencies			38,975,622.70
	Social Contribution			10,733,333.33
				562,618,682.91

	Less:			
	Modulated Salary Arrears			13,333,333.28
	2020 payables			74,584,767.03
				474,700,582.60
NOTE 13:	LONGTERM BORROWING			
	Bal b/f			853,327,093.07
	Less:			
	10km Loan			11,618,130.76
	Intervention			2,835,523.30
	Environment			2,914,565.04
				835,958,873.97
NOTE 14	RESERVE			
	Bal b/f			424,552,953.09
NOTE 15	ACCUMULATED SURPLUS/DEFICIT			
	Bal b/f			- 84,137,999.20
	Additional Surplus/deficit			- 148,168,414.88
				- 232,306,414.08
NOTE 16:	STATUTORY ALLOCATION			
	STATUTORY REVENUE			765,733,312.41
	NON-OIL REVENUE			24,453,568.01
	FOREX EQUALISATION			1,210,662.66
	EXCHANGE RATE GAIN			4,546,496.58
	ECO FUND			3,391,669.25
	SOLID MINERAL			1,111,904.55
				800,447,613.46
NOTE 17:	VAT			
	Government Share of Vat	498,490,398.27		498,490,398.27
NOTE 18:	DEPENDENT REVENUE			
	Statutory Allocation			800,447,613.46
	VAT			498,490,398.27
				1,298,938,011.73
NOTE 19:	AUGUMENTATION	13,595,593.13		13,595,593.13

NOTE 20	TRANSFER FROM MAIN COUNCIL		35,269,992.73	35,269,992.73
NOTE 21:	TAX REVENUE			
	Community Tax			11,500.00
	Hackney Permit			408,795.00
				420,295.00
NOTE 22:	NON TAX REVENUE			
	Fees			30,810,800.00
	Rental Income			20,343,600.00
	Others			
	Sales of Goods			17,500,000.00
	Fine & Penalty			19,243,204.86
				90,487,274.86
	OTHER INCOME			89,243,204.86
	CENTRALLY EXPENDED			
NOTE 23	EMPLOYEE BENEFIT (SALARIES & WAGES)			
	TEACHING & NON-TEACHING STAFF			355,524,564.80
	LOCAL GOVT STAFF			315,273,044.50
	PENSION BOARD SALARY			1,432,202.95
	PHC STAFF			182,227,151.33
	LOANS BOARD STAFF			1,003,950.06
	SUBEB ADMIN & MONITORING			407,867.49
				855,868,781.13
NOTE 24:	SOCIAL BENEFIT			
	Training of Staff (Drivers)			100,000.00
NOTE 25	OVERHEAD			
	Running cost JAAC			1,200,000.00
	Algon Imprest			10,200,000.00
	Bank Charges			1,475,879.05
	Consultancy fees			6,001,319.28
	Magnium Trust (Insurance)			3,979,218.25
	SUBEB Stipend			66,666.70
	School running grant			2,999,999.97
	Budget fees			1,350,000.00

				27,273,083.25
NOTE 26:	GRANTS & SOCIAL CONTRIBUTION			
	SUBEB Special needs school			1,983,214.66
	Xmas pilgrim welfare			630,666.66
	2021 Xmas & New year gift			9,385,000.00
	Grading Algon			10,733,333.33
				22,732,214.65
NOTE 27:	TRANSFER TO OTHER AGENCIES:			
	5% Traditional Council	44,179,953.63		44,179,953.63
	1% Local Government Service Commission	8,212,063.10		8,212,063.10
	SUBEB Matching grant	25,870,780.12		25,870,780.12
	OMEAL	19,094,288.00		19,094,288.00
	OHIS	8,235,145.80		8,235,145.80
	ORAMP FUND	6,155,235.05		6,155,235.05
	MONTHLY PENSION	111,268,717.68		111,268,717.68
	AUDIT FEE	16,085,305.28		16,085,305.28
	5% Stabilisation	48,698,707.76		48,698,707.76
	Gratuity	46,666,666.64		46,666,666.64
	Contributory Pension (TNT)	24,928,716.24		24,928,716.24
	Contributory Pension (LG)	7,506,455.76		7,506,455.76
	SUBEB Contract Staff	271,120.78		271,120.78
		367,173,155.84		367,173,155.84
NOTE 28:	SOCIAL BENEFIT			
	LOCAL GOVT EXPENDITURE			
	FINANCIAL ASSISTANCE TO LOCAL GOVT STAFF			251,000.00
	TRAINING FOR STAFF			1,441,261.41
				1,692,261.41
NOTE 29:	OVERHEAD COST			
	Local Govt Expenditure:			
	Servicing & Maintenance of Vehicles	1,450,000.00	1,498,242.84	2,948,242.84
	Imprest	9,000,000.00	13,068,701.63	22,068,701.63
	General Expenses	550,000.00	2,050,000.00	2,600,550.00
	Tax Expense		74,874.48	74,874.48
		11,000,000.00	16,691,818.95	27,692,368.95

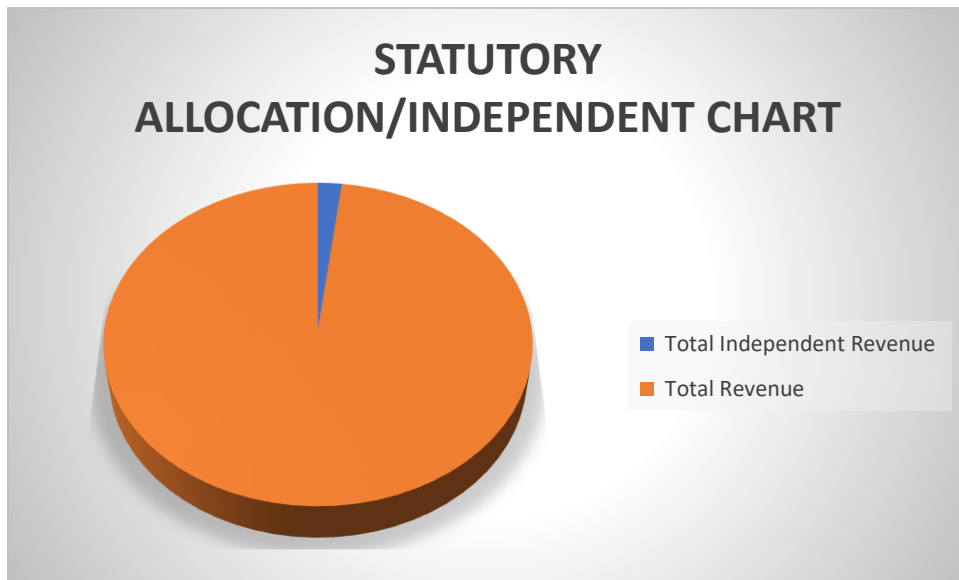
NOTE 30:	GRANTS & SOCIAL CONTRIBUTION			
	Local Govt Expenditure			
	Gift			7,440,000.00
	Clearing of Dumpsite			200,000.00
	Sensitization & Workshop			3,735,000.00
	Training & Entertainment			3,877,300.00
	Ileya Celebration			12,100,000.00
	Xmas Celebration			10,800,000.00
				38,152,300.00
NOTE 31	DEPRECIATION			
	Building			942,484.72
	infrastructural Asset			105,533,877.75
	Plant & machinery			25,333,760.00
	motor vehicle			32,525,920.59
	Equipment			12,716,544.00
	Furniture & fittings			1,216,613.89
	Investment property			409,086.72
	Biological Asset			90,009.60
				178,768,297.27
NOTE 32:	ALLOWANCE			
	Allowance to various committee			1,251,376.10
	NYSC Allowance			365,000.00
	O clean Technical Committee			18,464,917.49
	Severance gratuity			12,075,833.50
				32,157,127.09
NOTE 33:	TRANSFER TO LCDA			
	Ifedayo Area Council	35,269,992.73		35,269,992.73
NOTE 36:				
	TOTAL REVENUE			1,403,441,174.72
	TOTAL EXPENDITURE			1,551,609,589.60
				(148,168,414.88)

IFEDAYO LOCAL GOVERNMENT FISCAL OPERATION REPORT

STATEMENT OF CASHFLOW RATIOS

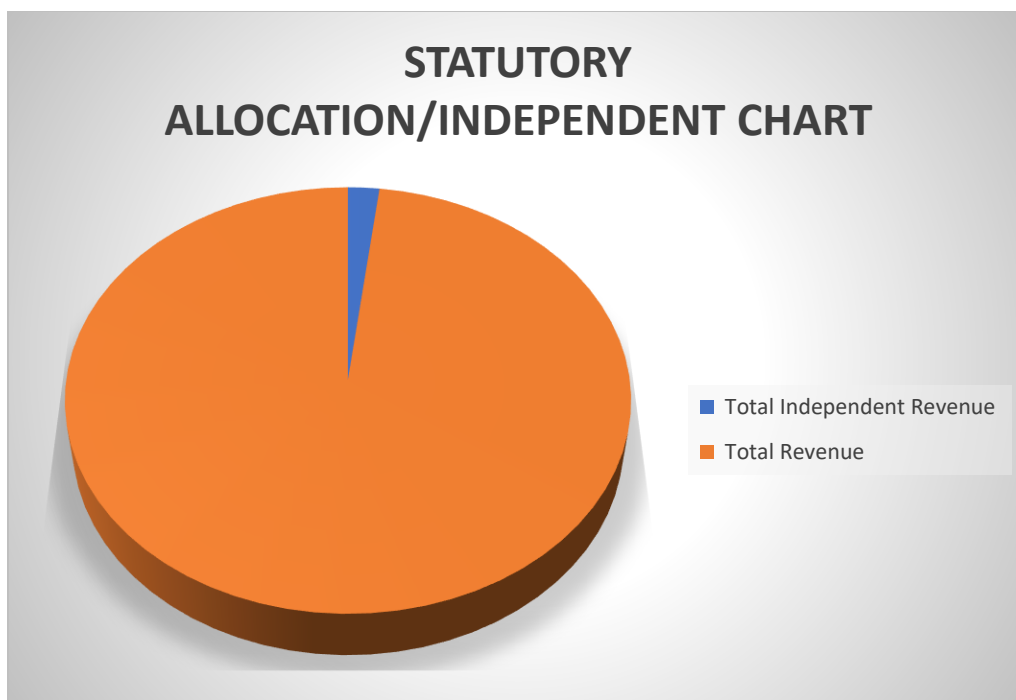
$$\begin{aligned}
 1. \quad & \text{DEPENDENT REVENUE/TOTAL REVENUE} \times 100 \\
 & = \frac{1,387,938,209.20}{1,492,441,372.19} = 92.99\%
 \end{aligned}$$

This indicated that Statutory Allocation took 92.99% of the Total Revenue of the Local Government and LCDA leaving 7.01% as Independence Revenue



$$2. \quad \frac{\text{TOTAL INDEPENDENT REVENUE}}{\text{TOTAL REVENUE}}$$

$$\frac{104,503,162.99}{1,492,441,372.19} \times 100 = 7.01\%$$



3. SALARY & WAGES : TOTAL RECURRENT EXPENDITURE

$$\frac{900,974,655.34}{1,429,997,392.64} \times 100 = 63\%$$

Therefore, the Salaries and Wages took about 63.01% out of the Recurrent Expenditure in the Local Government while the remaining 36.99% was expended on other expenditure.

4 INVENTORIES : TOTAL RECURRENT EXPENDITURE

$$\frac{1,178,000}{1,429,997,392.64} \times 100 = 0.08\%$$

5 TRANSFER TO OTHER AGENCIES : TOTAL RECURRENT EXPENDITURE

$$\frac{396,723,498.98}{1,429,997,392.64} \times 100 = 27.74\%$$

It means that Transfer to Other Agencies took about 27.74% out of the recurrent expenditure.

STATEMENT OF FINANCIAL POSITION RATIOS

6 CURRENT ASSET : CURRENT LIABILITIES

$$\frac{163,382,805.09}{513,707,962.13} = 0.32 : 1$$

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

$$\frac{1,541,913,375.11}{1,349,666,836.10} = 1.14 : 1$$

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

8. 12. EQUITY : TOTAL ASSET

$$\frac{192,246,539.01}{1,541,913,375.11} = 0.12 : 1$$

STATEMENT OF FINANCIAL PERFORMANCE RATIO

9. DEPENDENT REVENUE : TOTAL REVENUE

$$\frac{1,298,938,011.73}{1,403,441,174.72} \times 100 = 92.55\%$$

This indicated that the Dependent Revenue accounted for 92.50% of the Total Revenue of all the Local Government of the State leaving 7.45% as Independent Revenue.

10. INDEPENDENT REVENUE : TOTAL REVENUE

$$\frac{104,503,162.99}{1,403,441,174.72} \times 100 = 7.45\%$$

MANAGEMENT LETTER

IFEDAYO LOCAL GOVERNMENT, OKE-ILA

OBSERVATIONS AND INTERNAL CONTROL REVIEW FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2021

1. EXPENDITURE NOT SUPPORTED WITH PROPER RECORDS OR ACCOUNTS

(~~N~~1,770,000.00): It was observed that some payments were made as Flag off ceremony of OBR2 polio vaccine campaign, purchase of chemical/sprayer, weeding of Local Government, Oil palm and Cashew plantation and hosting of PCRC meeting and ethnographic study of Osun/Ekiti Inter-state boundary without attaching necessary receipts and invoices as evidences of payments contrary to Financial Memoranda 14:17 which states that, “An official printed receipt must be obtained and attached to the payment voucher in respect of a payment to Government, another Local Government or a Commercial firm. If the printed receipt covers more than one payment voucher, reference to the number of the payment voucher to which the receipt is attached, shall be entered on the other vouchers”. The Head of Finance and Supplies and the Internal Auditor must be alive to their responsibilities in this regard.

Risk:

Payments made without supporting documents could imply non-execution of all or part of the services/ purchases or conceal inflation of prices.

MANAGEMENT RESPONSE:

It was an oversight, the receipts, sub-receipts, photographs and video clips had been obtained and re-attached to the payment vouchers and would be presented for further Audit Scrutiny.

RECOMMENDATION

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

2. UNRETIRED IMPREST AMOUNTING TO ₦395,000.00: It was observed that some payments were made as imprest for the month of February, July, August and October without attaching necessary receipts and invoices as evidences of payments contrary to Financial Memoranda 14:27 which states that, “Imprest shall be retired when the purpose for which the imprest was granted is completed or at such intervals as are prescribed when the imprest is approved. However, all imprests shall be automatically be retired at the end of each financial year”. The Head of Finance and Supplies and the Internal Auditor must be alive to their responsibilities in this regard.

RISK:

Government Fund might not have been used for official purpose

MANAGEMENT RESPONSE:

It was an oversight, and the receipts had been obtained and re-attached to the payment vouchers and would be presented for further Audit Scrutiny.

RECOMMENDATION:

The Head of Finance and the internal Auditor should ensure proper recording of petty cash and also hold the affected officers responsible for proper accountability for all expenditure incurred. New imprest should not be released without the retirement of previous ones.

3. VALUATION AND REVALUATION OF NON-CURRENT ASSETS: Kindly note that the Office of the Auditor General for Local Governments had embarked on verification and compilation of all Non-Current Asset of the Local Government to ensure their existence, completeness of the lists of Assets and correctness of the provisional values of the Financial Position in the General Purpose Financial Statement.

Furthermore, the Local Government did not have comprehensive and reliable inventory/fixed Asset Register. The Internal Auditor is expected to maintain a Standard Assets Register of both serviceable and non-serviceable assets, updating necessary and safeguarding the assets as its being used by various departments of the Local Government.

RISK:

Non availability of comprehensive and reliable inventory/fixed asset register could make 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 services in terms of repairs and obsolete parts replacements.

MANAGEMENT RESPONSE:

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

RECOMMENDATION:

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

4. **FINAL ACCOUNTS:** - The General-Purpose Financial Statement was submitted on the 25th April, 2022 contrary to the March, 2022 deadline given for the submission, the idea which is considered not to be too good enough for timely presentation of financial information to the appropriate user.

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

RISK:

This was an indication that the delay in preparation of financial statement may likely affect the timely presentation of the statement to the end users.

MANAGEMENT RESPONSE:

The General-Purpose Financial Statement was submitted late due to delay in checking and corrections of the accounts.

RECOMMENDATION:

The Director of Finance and Supplies should make sure that the General Purpose Financial Statement are submitted before the speculated time to avoid sanction by the Auditor General.

IFEDAYO AREA COUNCIL, IDI-ODAN
OBSERVATIONS AND INTERNAL CONTROL REVIEW FOR THE
FINANCIAL YEAR ENDED 31ST DECEMBER, 2021

1. EXPENDITURE NOT SUPPORTED WITH PROPER RECORDS OR ACCOUNTS

(~~₦~~1,045,000.00): It was observed that some payments were made without attaching necessary receipts and invoices as evidence of payment for entertaining the stakeholders meeting, repair and servicing of the legislative bus, environmental sanitation and allowance to board members made on behalf of the Local Government contrary to Financial Memoranda 14:17 which states that, “An official printed receipt must be obtained and attached to the payment voucher in respect of a payment to Government, another Local Government or a Commercial firm. If the printed receipt covers more than one payment voucher, reference to the number of the payment voucher to which the receipt is attached, shall be entered on the other vouchers”. The Head of Finance and Supplies and the Internal Auditor must be alive to their responsibilities in this regard.

Risk:

Payments made without supporting documents could imply non-execution of all or part of the services/ purchases or conceal inflation of prices.

MANAGEMENT RESPONSE:

It was an oversight, the receipts, sub-receipts, photographs and video clips had been obtained and re-attached to the payment vouchers and would be presented for Audit Scrutiny.

RECOMMENDATION

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

2. **UNRETIRED IMPREST (N300,000.00):** It was observed that the sum of Three Hundred Thousand Naira (N300,000.00) was released and paid as imprest for the month of April, June, July and August 2021 was not retired with relevant official receipt to justify authenticity of payments contrary to Financial Memoranda 14:27 which states that, "Imprest shall be retired when the purpose for which the imprest was granted is completed or at such intervals as are prescribed when the imprest is approved. However, all imprests shall be automatically be retired at the end of each financial year".

RISK:

Government Fund might not have been used for official purpose

MANAGEMENT RESPONSE:

It was an oversight, and the receipts had been obtained and re-attached to the payment vouchers and would be presented for further Audit Scrutiny.

RECOMMENDATION:

The Head of Finance and the internal Auditor should ensure proper recording of petty cash and also hold the affected officers responsible for proper accountability for all expenditure incurred. New imprest should not be released without the retirement of previous ones.

3. **LATE PAYMENT N76,950.00:** It was revealed during the period under review that there was a total sum of N76,950.00 for the year 2020 that stood as late payment. The Director of Finance of Ifedayo Local Government, Oke-Ila is hereby advised to be alive to his responsibility and ensure that all Revenue generated in the Local Government are paid to the cover of the Local Government at the appropriate time. See the list of the Officers involved attached to this report.

RISK:

It signified loose monitoring of Revenue collectors and could lead to loss in the Internally Generated Revenue of the Local Government. It provided opportunity for perpetration of fraud by the concerned Revenue collectors.

MANAGEMENT RESPONSE:

The Revenue collectors concerned had been issued queries and sanctioned accordingly.

RECOMMENDATION:

Both head of Finance and Internal Auditor should be alive to their responsibilities of proper monitoring of revenue collectors and auditing of Receipt book register and Revenue cashbook on weekly basis. Sanction should be issued to any officer that failed to remit money in the custody after seven days of receipt.

4. VALUATION AND REVALUATION OF NON-CURRENT ASSETS: Kindly note that the Office of the Auditor General for Local Governments had embarked on verification and compilation of all Non-Current Asset of the Local Government to ensure their existence, completeness of the lists of Assets and correctness of the provisional values of the Financial Position in the General Purpose Financial Statement.

Furthermore, the Local Government did not have comprehensive and reliable inventory/fixed Asset Register. The Internal Auditor is expected to maintain a Standard Assets Register of both serviceable and non-serviceable assets, updating necessary and safeguarding the assets as its being used by various departments of the Local Government.

RISK:

Non availability of comprehensive and reliable inventory/fixed asset register could make 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 services in terms of repairs and obsolete parts replacements.

MANAGEMENT RESPONSE:

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

RECOMMENDATION:

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

5. FINAL ACCOUNTS: - The General-Purpose Financial Statement was submitted on the 25th May, 2022 contrary to the 29th April, 2022 deadline given for the submission, the idea which is considered not to be too good enough for timely presentation of Financial information to the appropriate user.

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

RISK:

This was an indication that the purported financial statement may likely affect the timely presentation of the statement to the end users.

MANAGEMENT RESPONSE:

The General-Purpose Financial Statement was submitted late due to delay in checking and corrections of the accounts.

RECOMMENDATION:

The Director of Finance and Supplies should make sure that the General Purpose Financial Statement are submitted before the speculated time to avoid sanction by the Auditor General.

REPORT ON INTERNAL AUDITOR'S REPORT

1. The Internal Control Mechanism is observed to be weak. The Internal Auditor is fond of late submission of quarterly reports and the efforts to improve the IGR is not much on the part of the management.
2. The Internal Unit seems to be weakening in the second quarter. The report of the second quarter was submitted very late. The Management should try to provide supports and required logistics to the unit to function effectively.

IFEDAYO AREA COUNCIL, IDI- ODAN

LIST OF PROJECTS EXECUTED DURING THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2021

S/ N	DESCRIPTION	LOCATION	MODE OF EXECUTION	PROJECT COST (#)	AMT RELEASED	BALANCE	REMARKS
1	Purchase of Official vehicle for the chairman	Chairman	Direct Labour	4,000,000.00	4,000,000.00	NILL	Completed
2	Clearing of Road Verges	Ago-Ogunlolu	Direct Labour	700,000.00	700,000.00	NILL	Completed
3	Clearing & Carting away of debris from silted drainage	Elemo Oogun-Oluode	Direct Labour	800,000.00	800,000.00	NILL	Completed
4	Clearing of Road Verges	Ayetoro Junction to Arowolon Omina	Direct Labour	500,000.00	500,000.00	NILL	Completed
5	Purchase of Toyota Corolla	Vice Chairman	Direct Labour	2,800,000.00	2,800,000.00	NILL	Completed
6	Channelization of the inlet and out let of culvert	Ayegunle	Direct Labour	740,000.00	740,000.00	NILL	Completed
7	Channelization of the inlet and out let of culvert	Isinmi Olotu	Direct Labour	780,000.00	780,000.00	NILL	Completed
8	Channelization of the inlet and out let of culvert	Isinmi Enle	Direct Labour	680,000.00	680,000.00	NILL	Completed

IFEDAYO LOCAL GOVERNMENT, OKE-ILA

S/N	SUBJECT	QUERIES NOS	NO. OF OFFICERS QUERIED	AMOUNT (₦)	REMARKS
1.	Expenditure not Supported with Proper Records	LQ/AUD/IFD/01/2021	4	1,770,000.00	
2.	Unretired Imprest	LQ/AUD/IFD/02/2021	5	395,000.00	
	TOTAL		9	2,165,000.00	

IFEDAYO AREA COUNCIL, IDI-ODAN

S/N	SUBJECT	QUERIES NOS	NO. OF OFFICERS QUERIED	AMOUNT (₦)	REMARKS
1.	Expenditure not Supported with Proper Records	LQ/AUD/IFDAC/01/21	5	1,045,000.00	
2.	Unretired Imprest	LQ/AUD/IFDAC/02/2021	5	300,000.00	
	TOTAL		10	1,345,000.00	