

STATE GOVERNMENT OF OSUN, NIGERIA.

REPORT OF

THE
AUDITOR-GENERAL
FOR
LOCAL GOVERNMENTS

ON THE ACCOUNTS OF

ILA LOCAL GOVERNMENT

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:

Ila Local Government and Ila Central 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 **Ila 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
Ila Local Government



Chairman
Ila Central L.C.D.A.



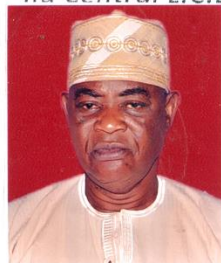
Head of Finance & supplies,
Ila Local Government



Head of Finance & supplies
Ila Central L.C.D.A.



Chairman
Ila Local Government



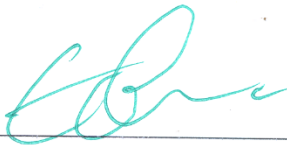
Chairman
Ila Central L.C.D.A.

AUDIT CERTIFICATE

I have audited the accounts of Ila Local Government, Ila-Orangun 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 Ila Local Government, Ila-Orangun 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 Ila Local Governments is responsible for the consolidation of the Financial Statements with the subsidiary Ila Central 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 of Ila 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 Ila Local Government.

BASIS OF AUDIT OPINION

In the course of auditing the accounts of Ila Local Governments and Ila Central LCDA in the State of Osun, I have complied with the requirement and stipulations of the International Standards on Auditing, the Generally Acceptable Auditing Standards, International Standards of Supreme Audit Institutions (ISSAI,) Laws of Osun State, International Public Sector Accounting Standards and Audit Guide of the Office of the Auditor-General for Local Governments, Osun State.

I have conducted Financial and Compliance audit on the Finances of the Local Governments and Projects and Programmes were reasonably evaluated and verified on the principle of Performance Auditing. All items of Revenue and Expenditure were captured in the course of the Audit and Audit Tests were conducted on procedures, transactions and balances. Consequently 100% Substantive Test was done on all items of Revenue and Expenditure; and Assets and Liabilities, and appropriate Audit Tests of Control were conducted on procedures and transactions.

STATEMENT OF COMPLIANCE

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

The accounts of Ila 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 Ila Local Government and Ila Central LCDA 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 Ila Central LCDA which had been consolidated with the Ila 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 Equipment, 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 Ila Local Government, Ila-Orangun 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 Ila 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 Ila Local Government and Ila Central LCDA.

BUDGET PREPARATION / EXECUTION

The Budget for 2021 for Ila 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. The verification exercise is continuous and value of the Local Governments non-current Assets is being updated monthly.

INTERNALLY REVENUE GENERATION AND FINANCIAL VIABILITY

The Total Internally Revenue generated by the Local Government for 2021 was ₦14,280,078.28 representing 0.09% the Total Revenue. More efforts at blocking leakages coupled with adequate research by the relevant unit of the Auditor-General for Local Government on comparative revenue advantages of individual Local Government's office will assist in 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 ₦ 1,545,000.00

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 Ila 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 joint 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 Ila 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 ~~₦~~917,965,109.91 was Share of FAAC and VAT amounted to ~~₦~~534,650,109.91.

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
Ila	917,965,711.56	534,650,109.91	-	-	-	-	-	-	-	1,452,615,109.91

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. #14,280,078.28 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 - ₦24,081,739.42

The Cash and Cash equivalents amounted to ₦24,081,739.42 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 - ₦4,573,000.00

The sum of ₦3,783,000.00 represents inventories valued at historical cost in the Local Governments as at 31st December, 2021. These include unallocated stores both expendable and non-expendable; and consumable items.

INVESTMENTS - ₦65,195,217.38

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 - ₦392,228,313.85

These comprised largely of commitments all over the Local Governments such as allowances, sundry overheads, and unpaid salary and wages, arrears of salaries, unremitted deductions etc. outstanding as at 31stDecember 2021.

INVESTMENT PROPERTY - ₦203,353,932.07

The carrying amount of Investment Properties of the Local Governments stood at ₦203,353,932.07 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 - ₦1,267,918,100.48

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

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

UNREMITTED DEDUCTIONS - ₦238,780,901.92

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 #71,474,807.70 was made to the Local Council Development Areas and Area Offices in the period under review and was set off in the Consolidated Account.

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

POSITION

PARTICULAR	NOTE	ILA CONSOLIDATED
ASSETS		
Current Assets		
Cash & Cash Equivalent	1	24,081,739.42
Receivables	2	99,172,859.11
Prepayment/Advance	3	2,650,000.00
Inventories	4	4,573,000.00
Total Current Asset		130,477,598.53
Non-current Asset		-
Long Term Loan Granted		-
Investments	5	65,195,217.38
Property, Plant & Equipment	6	2,287,190,682.03
Investment Property	7	203,353,932.07
Biological Asset	8	6,985,810.00
Assets Under Construction (wip)	9	-
Total Non-Current Asset		2,562,725,641.48
Total Asset		2,693,203,240.01
LIABILITIES		-
Current Liabilities		-
Deposit		-
Short Term Loan & Debts	10	-
Unremitted Deduction	11	238,780,901.92
Payables	12	392,228,313.85
Short Terms Provisions		-
Total Current Liability		631,009,215.77
Non-Current Liabilities		-
Long Term Borrowing	13	1,267,918,100.48
Total Liabilities		1,898,927,316.25
Net Assets		794,275,923.76
Financed by		-
Reserve	14	643,221,753.58
Net Surplus/Deficit	15	151,054,170.18
Total		794,275,923.76

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

PARTICULAR	NOTE	ILA	ILA CENTRAL	ILA CONSOLIDATED
ASSETS				
Current Assets				
Cash & Cash Equivalents	1	23,126,376.80	955,362.62	24,081,739.42
Receivables	2	99,172,859.11	-	99,172,859.11
Prepayment/Advance	3	2,650,000.00	-	2,650,000.00
Inventories	4	4,573,000.00	-	4,573,000.00
Total Current Asset		129,522,235.91	955,362.62	130,477,598.53
Non-current Asset				-
Long Term Loan Granted				-
Investments	5	52,445,217.38	12,750,000.00	65,195,217.38
Property, Plant & Equipment	6	1,717,800,157.92	569,390,524.11	2,287,190,682.03
Investment Property	7	182,068,078.47	21,285,853.60	203,353,932.07
Biological Asset	8	2,976,210.00	4,009,600.00	6,985,810.00
Assets Under Construction (wip)	9			-
Total Non-Current Asset		1,955,289,663.77	607,435,977.71	2,562,725,641.48
Total Asset		2,084,811,899.68	608,391,340.33	2,693,203,240.01
LIABILITIES				-
Current Liabilities				-
Deposit				-
Short Term Loan & Debts	10			-
Unremitted Deduction	11	232,873,682.32	5,907,219.60	238,780,901.92
Payables	12	346,941,707.49	45,286,606.36	392,228,313.85
Short Terms Provisions				-
Total Current Liability		579,815,389.81	51,193,825.96	631,009,215.77
Non-Current Liabilities				-
Long Term Borrowing	13	1,148,545,297.74	119,372,802.74	1,267,918,100.48
Total Liabilities		1,728,360,687.55	170,566,628.70	1,898,927,316.25
Net Assets		356,451,212.13	437,824,711.63	794,275,923.76
Financed by				-
Reserve	14	437,988,049.87	205,233,703.71	643,221,753.58
Net Surplus/Deficit	15	(81,536,837.74)	232,591,007.92	151,054,170.18
Total		356,451,212.13	437,824,711.63	794,275,923.76

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

PERFORMANCE		
PARTICULAR	NOTE	ILA CONSOLIDATED
DEPENDENT REVENUE		
Government share of FAAC (Statutory Revenue)	16	917,965,711.56
Government Share of VAT	17	534,650,109.91
Sub-Total Dependent Revenue	18	1,452,615,821.47
INDEPENDENT REVENUE		-
Augumentation	19	5,386,786.00
Transfer from main Council	20	
Tax Revenue	21	113,000.00
Non-Tax Revenue	22	8,780,292.28
Other Income		
Overpayment Recovery		
Sub-Total Independent Revenue		14,280,078.28
Total Revenue		1,466,895,899.75
EXPENDITURE		
JOINTLY EXPENDED		
Salaries & Wages	23	855,868,781.13
Social Benefits	24	100,000.00
Overhead Cost	25	27,323,083.25
Grants & Social Contribution	26	24,056,547.99
Transfer to other Agencies	27	409,652,020.98
L/GOVERNMENT EXPENDITURE		
Social Benefits	28	14,271,247.74
Overhead Cost	29	40,177,928.77
Grants & Social Contribution	30	46,715,686.27
Depreciation	31	60,331,225.95
Allowances	32	41,617,303.59
Transfer to LCDA	33	
Impairment	34	-
Revenue Refunded	35	-
Public Debt Charges		-
Stabilization Fund		-
Refund to main Council		-
Stationeries		-
Severance Gratuity		-
Total Expenditures		1,520,113,825.67
Net Surplus/Deficit	36	(53,217,925.92)
Net Surplus/Deficit 01/01/2021	37	204,272,096.10
Net Surplus/Deficit 31/12/2021	38	151,054,170.18
Gain on Property (Building)		213,373,352.29
Surplus/Deficit from Non-operating activities for the period		364,427,522.47

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

PERFORMANCE				
PARTICULAR	NOTE	ILA	ILA CENTRAL	ILA CONSOLIDATED
DEPENDENT REVENUE				
Government share of FAAC (Statutory Revenue)	16	917,965,711.56	-	917,965,711.56
Government Share of VAT	17	534,650,109.91	-	534,650,109.91
Sub-Total Dependent Revenue	18	1,452,615,821.47	-	1,452,615,821.47
INDEPENDENT REVENUE				-
Augumentation	19	5,386,786.00		5,386,786.00
Transfer from main Council	20		71,474,807.70	
Tax Revenue	21	113,000.00	-	113,000.00
Non-Tax Revenue	22	4,936,715.00	3,843,577.28	8,780,292.28
Other Income				-
Overpayment Recovery				-
Sub-Total Independent Revenue		10,436,501.00	75,318,384.98	14,280,078.28
Total Revenue		1,463,052,322.47	75,318,384.98	1,466,895,899.75
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	27,323,083.25	-	27,323,083.25
Grants & Social Contribution	26	24,056,547.99	-	24,056,547.99
Transfer to other Agencies	27	409,652,020.98	-	409,652,020.98
L/GOVERNMENT EXPENDITURE				-
Social Benefits	28	7,374,500.00	6,896,747.74	14,271,247.74
Overhead Cost	29	22,623,962.19	17,553,966.58	40,177,928.77
Grants & Social Contribution	30	24,781,686.27	21,934,000.00	46,715,686.27
Depreciation	31	42,021,337.21	18,309,888.74	60,331,225.95
Allowances	32	15,223,871.99	26,393,431.60	41,617,303.59
Transfer to LCDA	33	71,474,807.70		
Impairment	34			-
Revenue Refunded	35			-

Public Debt Charges				
Stabilization Fund				
Refund to main Council				-
Stationeries				-
Severance Gratuity				-
Total Expenditures		1,500,500,598.71	91,088,034.66	1,520,113,825.67
Net Surplus/Deficit	36	(37,448,276.24)	(15,769,649.68)	(53,217,925.92)
Net Surplus/Deficit 01/01/2021	37	(44,088,561.50)	248,360,657.60	204,272,096.10
Net Surplus/Deficit 31/12/2021	38	(81,536,837.74)	232,591,007.92	151,054,170.18
Gain on Property (Building)		213,373,352.29		213,373,352.29
Surplus/(Deficit) from Non- Operating Activities for the period		131,836,514.55	232,591,007.92	364,427,522.47

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

CASHFLOW

OPERATING ACTIVITIES	NOTE	ILA CONSOLIDATED
INFLOW		
Statutory Revenue (JAAC)	39	1,018,278,114.45
Value Added Tax	40	534,650,109.91
Receivable		-
Sub Total Dependent Revenue	41	1,552,928,224.36
Augumentation	42	5,386,786.00
Transfer from Main Council	43	
Tax Revenue	44	113,000.00
Non Tax Revenue	45	8,780,292.28
Other Income		-
Overpayment Recovery		-
Sub Total Independent Revenue	46	14,280,078.28
Total Inflow Operating Activities	47	1,567,208,302.64
OUTFLOW		-
Salaries & Wages	48	893,661,510.93
Social Benefits	49	14,371,247.74
Overhead Cost	50	33,001,012.02
Social Contributions	51	70,772,234.26
Allowances	52	47,617,303.59
Modulated Salary Arrears	53	-
Inventories	54	790,000.00
Fund Conserved for Salary		13,333,333.28
Transfer to LCDA	55	
Transfer to other Govt. Agencies	56	409,652,020.98
Refund to Main Councils		-
Revenue Refunded		
Stabilization Fund		
Tax Expenses	57	-
Severance Gratuity		-
Total Outflow from Operating Activities	58	1,483,198,662.80
Net Cashflow from Operating Activities	59	84,009,639.84
INVESTING ACTIVITIES		-
Proceed from Disposal of Asset		-
Total Inflow from Investing Activities		-

Cashflow from Investing Activities		-
Administrative Sector	60	34,500,000.00
Economic Sector		-
Total Outflow from Investing Activities	61	34,500,000.00
Net Cashflow from Investing Activities		(34,500,000.00)
Inflow from Financing Activities		-
Bank Overdraft		
Soft Loan(Bank)		
Deduction Received	62	56,544,959.08
Total Inflow from Financing Activities	63	56,544,959.08
OUFLOW (PAYMENT)		-
Bail Out Repayment		-
10km Road	64	17,233,289.40
Water Project	65	-
Environmental Sanitation Loan	66	2,428,804.20
Loan Repayment (Inherited)	67	-
Bank Loan	68	20,000,000.00
Intervention Loan	69	7,954,407.90
Other Loan Repayment		
Deduction Paid	70	54,740,982.58
Total Outflow From Financing Activities	71	102,357,484.08
Net Cashflow from financing Activities	72	(45,812,525.00)
Cash and Cash Equivalent for the year	73	3,697,114.84
Cash and Cash Equivalent 01/01/2021	74	20,384,624.58
Cash and Cash Equivalent 31/12/2021	75	24,081,739.42

ILA LOCAL GOVERNMENT, IKIRUN
CONSOLIDATED STATEMENT OF CASHFLOW AS AT 31ST DECEMBER, 2021

OPERATING ACTIVITIES	NOTE	ILA	ILA CENTRAL	ILA CONSOLIDATED
INFLOW				
Statutory Revenue (JAAC)	39	1,018,278,114.45	-	1,018,278,114.45
Value Added Tax	40	534,650,109.91	-	534,650,109.91
Receivable				-
Sub Total Dependent Revenue	41	1,552,928,224.36	-	1,552,928,224.36
Augumentation	42	5,386,786.00		5,386,786.00
Transfer from Main Council	43	-	71,474,807.70	
Tax Revenue	44	113,000.00	-	113,000.00
Non Tax Revenue	45	4,936,715.00	3,843,577.28	8,780,292.28
Other Income				-
Overpayment Recovery				-
Sub Total Independent Revenue	46	10,436,501.00	75,318,384.98	14,280,078.28
Total Inflow Operating Activities	47	1,563,364,725.36	75,318,384.98	1,567,208,302.64
OUTFLOW				
Salaries & Wages	48	893,661,510.93		893,661,510.93
Social Benefits	49	7,474,500.00	6,896,747.74	14,371,247.74
Overhead Cost	50	15,447,045.44	17,553,966.58	33,001,012.02
Social Contributions	51	48,838,234.26	21,934,000.00	70,772,234.26
Allowances	52	15,223,871.99	32,393,431.60	47,617,303.59
Modulated Salary Arrears	53			-
Inventories	54	790,000.00		790,000.00
Fund Conserved for Salary		13,333,333.28		13,333,333.28
Transfer to LCDA	55	71,474,807.70		
Transfer to other Govt. Agencies	56	409,652,020.98		409,652,020.98
Refund to Main Councils				
Revenue Refunded				
Stabilization Fund				

Tax Expenses	57			
Severance Gratuity				
Total Outflow from Operating Activities	58	1,475,895,324.58	78,778,145.92	1,483,198,662.80
Net Cashflow from Operating Activities	59	87,469,400.78	(3,459,760.94)	84,009,639.84
INVESTING ACTIVITIES				
Proceed from Disposal of Asset				
Total Inflow from Investing Activities		-	-	
Cashflow from Investing Activities				
Administrative Sector	60	34,500,000.00	-	34,500,000.00
Economic Sector				
Total Outflow from Investing Activities	61	34,500,000.00	-	34,500,000.00
Net Cashflow from Investing Activities		(34,500,000.00)	-	(34,500,000.00)
Inflow from Financing Activities				
Bank Overdraft				
Soft Loan(Bank)				
Deduction Received	62	32,935,927.32	23,609,031.76	56,544,959.08
Total Inflow from Financing Activities	63	32,935,927.32	23,609,031.76	56,544,959.08
OUFLOW (PAYMENT)				
Bail Out Repayment				-
10km Road	64	17,233,289.40		17,233,289.40
Water Project	65			-
Environmental Sanitation Loan	66	2,428,804.20		2,428,804.20
Loan Repayment (Inherited)	67			-
Bank Loan	68	20,000,000.00	-	20,000,000.00
Intervention Loan	69	7,954,407.90	-	7,954,407.90
Other Loan Repayment				
Deduction Paid	70	32,929,030.00	21,811,952.58	54,740,982.58
Total Outflow From Financing Activities	71	80,545,531.50	21,811,952.58	102,357,484.08
Net Cashflow from financing Activities	72	(47,609,604.18)	1,797,079.18	(45,812,525.00)
Cash and Cash Equivalent for the year	73	5,359,796.60	(1,662,681.76)	3,697,114.84
Cash and Cash Equivalent 01/01/2021	74	17,766,580.20	2,618,044.38	20,384,624.58
Cash and Cash Equivalent 31/12/2021	75	23,126,376.80	955,362.62	24,081,739.42

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

		ILA CONSOLIDATED		
PARTICULAR	NOTE	FINAL BUDGET	ACTUAL	VARIANCE
DEPENDENT REVENUE				
Government Share of FAAC(Statutory Revenue)	16	1,768,232,183.64	917,965,711.56	850,266,472.08
Government Share of VAT	17	524,744,233.00	534,650,109.91	309,905,876.91
Sub-Total Dependent Revenue	18	2,292,976,416.64	1,452,615,821.47	1,088,697,541.29
INDEPENDENT REVENUE				
Argumentation	19	15,000,000.00	5,386,786.00	9,613,214.00
Transfer from Main Council	20			
Tax Revenue	21	13,850,000.00	113,000.00	13,737,000.00
Non-Tax Revenue	22	36,285,000.00	8,780,292.28	27,504,707.72
Other Income		-	-	-
Sub-Total Independent Revenue		65,135,000.00	14,280,078.28	50,854,921.72
Total Revenue		2,358,111,416.64	1,466,895,899.75	1,139,552,463.01
EXPENDITURE				
Salaries & Wages	23	911,694,170.00	855,868,781.13	55,825,388.87
Social Benefits	24	25,627,507.46	14,371,247.74	11,256,259.72
Overhead Cost	25	237,216,666.67	67,501,012.02	169,715,654.65
Grants & Social Contribution	26	94,860,242.51	70,772,234.26	24,088,008.25
Transfer to Other Agencies	27	-	409,652,020.98	-
Depreciation	31	-	60,331,225.95	(18,309,888.74)
Allowances	32	713,612,830.00	41,617,303.59	671,995,526.41
Transfer to LCDA	33	-	71,474,807.70	-
Impairment	34	-	-	-
Revenue Refunded	35	-	-	-
Stationaries		-	-	-
Total Expenditures		1,983,011,416.64	1,520,113,825.67	914,570,949.16
Net Surplus/Deficit	36	375,100,000.00	(53,217,925.92)	224,981,513.85
Net Surplus/Deficit 31/12/2020	37	-	204,272,096.10	-
Net Surplus/Deficit 31/12/2021	38	375,100,000.00	151,054,170.18	224,981,513.85
Gain on Property (Building)			213,373,352.29	
Surplus/(Deficit) from Non-Operating Activities for the Period			364,427,522.47	

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

		ILA			ILA CENTRAL LCDA			ILA CONSOLIDATED		
PARTICULAR	NOTE	FINAL BUDGET	ACTUAL	VARIANCE	FINAL BUDGET	ACTUAL	VARIANCE	FINAL BUDGET	ACTUAL	VARIANCE
DEPENDENT REVENUE										
Government Share of FAAC(Statutory Revenue)	16	1,063,026,342.12	917,965,711.56	145,060,630.56	705,205,841.52		633,731,033.82	1,768,232,183.64	917,965,711.56	778,791,664.38
Government Share of VAT	17	374,744,233.00	534,650,109.91	159,905,876.91	150,000,000.00		150,000,000.00	524,744,233.00	534,650,109.91	309,905,876.91
Sub-Total Dependent Revenue	18	1,437,770,575.12	1,452,615,821.47	304,966,507.47	855,205,841.52		783,731,033.82	2,292,976,416.64	1,452,615,821.47	1,088,697,541.29
INDEPENDENT REVENUE								-	-	-
Augumentation	19	15,000,000.00	5,386,786.00	9,613,214.00				15,000,000.00	5,386,786.00	9,613,214.00
Transfer from Main Council	20					71,474,807.70		-	-	-
Tax Revenue	21	2,600,000.00	113,000.00	2,487,000.00	11,250,000.00		11,250,000.00	13,850,000.00	113,000.00	13,737,000.00
Non-Tax Revenue	22	20,850,000.00	4,936,715.00	15,913,285.00	15,435,000.00	3,843,577.28	11,591,422.72	36,285,000.00	8,780,292.28	27,504,707.72
Other Income								-	-	-
Sub-Total Independent Revenue		38,450,000.00	10,436,501.00	28,013,499.00	26,685,000.00	3,843,577.28	22,841,422.72	65,135,000.00	85,754,885.98	50,854,921.72
Total Revenue		1,476,220,575.12	1,463,052,322.47	332,980,006.47	881,890,841.52	75,318,384.98	806,572,456.54	2,358,111,416.64	1,538,370,707.45	1,139,552,463.01
EXPENDITURE								-	-	-
Salaries & Wages	23	668,091,310.00	855,868,781.13	(187,777,471.13)	243,602,860.00		243,602,860.00	911,694,170.00	855,868,781.13	55,825,388.87
Social Benefits	24	12,844,174.13	7,474,500.00	5,369,674.13	12,783,333.33	6,896,747.74	5,886,585.59	25,627,507.46	14,371,247.74	11,256,259.72
Overhead Cost	25	150,000,000.00	49,947,045.44	100,052,954.56	87,216,666.67	17,553,966.58	69,662,700.09	237,216,666.67	67,501,012.02	169,715,654.65
Grants & Social Contribution	26	60,760,250.99	48,838,234.26	11,922,016.73	34,099,991.52	21,934,000.00	12,165,991.52	94,860,242.51	70,772,234.26	24,088,008.25
Transfer to Other Agencies	27		409,652,020.98					-	409,652,020.98	-

Depreciation	31		42,021,337.21			18,309,888.74	(18,309,888.74)	-	60,331,225.95	(18,309,888.74)
Allowances	32	378,724,840.00	15,223,871.99	363,500,968.01	334,887,990.00	26,393,431.60	308,494,558.40	713,612,830.00	41,617,303.59	671,995,526.41
Transfer to LCDA	33		71,474,807.70					-		-
Impairment	34							-	-	-
Revenue Refunded	35							-	-	-
Stationaries								-	-	-
Total Expenditures		1,270,420,575.12	1,500,500,598.71	293,068,142.30	712,590,841.52	91,088,034.66	621,502,806.86	1,983,011,416.64	1,520,113,825.67	914,570,949.16
Net Surplus/Deficit	36	205,800,000.00	(37,448,276.24)	39,911,864.17	169,300,000.00	(15,769,649.68)	185,069,649.68	375,100,000.00	(53,217,925.92)	224,981,513.85
Net Surplus/Deficit 31/12/2020	37		(44,088,561.50)			248,360,657.60		-	204,272,096.10	-
Net Surplus/Deficit 31/12/2021	38	205,800,000.00	(81,536,837.74)	39,911,864.17	169,300,000.00	232,591,007.92	185,069,649.68	375,100,000.00	151,054,190.18	224,981,513.85
Gain on Property (Building)			213,373,352.29						213,373,352.29	
Surplus/(Deficit) from Non-Operating Activities for the period			131,836,514.55			232,591,007.92			364,427,522.47	

ILA LOCAL GOVERNMENT, ILA

NET ASSET AND EQUITY	ILA CONSOLIDATED		
DETAILS	RESERVES	Accumulated Surplus/Deficit	TOTAL
Opening Balance 1/1/2021	429,848,401.29	204,272,096.10	634,120,497.39
Adjusted Reserve	-	-	-
Adjusted Balance	429,848,401.29	204,272,096.10	634,120,497.39
Net Surplus Deficit for the year	-	(53,217,925.92)	(53,217,925.92)
Total Comprehensive Surplus	213,373,352.29	-	213,373,352.29
Closing Balance as at 31/12/2021	643,221,753.58	151,054,170.18	794,275,923.76

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

	ILA			ILA CENTRAL			ILA CONSOLIDATED		
DETAILS	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL
Opening Balance 1/1/2021	224,614,697.58	(44,088,561.50)	180,526,136.08	205,233,703.71	248,360,657.60	453,594,361.31	429,848,401.29	204,272,096.10	634,120,497.39
Adjusted Reserve			-			-	-	-	-
Adjusted Balance	224,614,697.58	(44,088,561.50)	180,526,136.08	205,233,703.71	248,360,657.60	453,594,361.31	429,848,401.29	204,272,096.10	634,120,497.39
Net Surplus Deficit for the year		(37,448,276.24)	(75,280,687.53)		(15,769,649.68)	(15,769,649.68)	-	(53,,217,925.92)	(53,217,925.72)
Revaluation Surplus (Building)	213,373,352.29		213,373,352.29				213,373,352.29		
Closing Balance as at 31/12/2021	437,988,049.87	(81,536,837.74)	356,451,212.13	205,233,703.71	232,591,007.92	437,824,711.63	643,221,753.58	151,054,170.18	794,275,923.76

NOTE TO THE ACCOUNTS			
NOTE 1			
CASH & CASH EQUIPMENTS			
Balance b/forward 01/01/21			20,384,624.58
Add Receipt			1,848,350,731.95
Total Receipt			1,868,735,356.53
Deduct Payments			(1,844,653,617.11)
Balance c/forward 31/12/21			24,081,739.42
NOTE 2			
RECEIVABLES			
Allocation			59,503,715.46
VAT			39,669,143.65
Exchange Rate			
Fund conserved			
Modulated			
			99,172,859.11
NOTE 3			
PREPAYMENT			
Housing loan			2,650,000.00
			2,650,000.00
NOTE 4			
INVENTORIES			
Office Consumables			4,573,000.00
			4,573,000.00
NOTE 5			
INVESTMENTS			
Omoluabi Holding			13,132,942.00
Kajola Integrated			9,523,810.00
OSICOL			267,000.00
Preference Share			28,333,333.34
Others			13,938,132.04
			65,195,217.38
NOTE 6			
PROPERTY, PLANTS & EQUIPMENT			
Land			1,263,215,006.72
Operational Building			419,989,819.52
Infrastructural			404,944,700.81
Plant & Machine			88,404,996.36
Motor Vehicle			51,772,851.00
Office equipment			23,758,122.76

Furniture			35,105,184.86
			2,287,190,682.03
NOTE 7			
INVESTMENT PROPERTIES			
B/f			
Lockup Stall			125,277,283.81
Shopping Complex			68,076,648.26
			203,353,932.07
NOTE 8			
BIOLOGICAL ASSET			
Teak Plantation			6,985,810.00
NOTE 11			
UNREMITTED DEDUCTION			
Unremitted Deduction			238,780,901.92
NOTE 12			
PAYABLES			
Transfer to other Agencies			41,124,332.45
Employee Benefit			73,701,792.19
Overhead (Dec. 2021)			3,949,631.64
Social Contribution			56,019,939.69
Conserved Fund			60,500,000.00
Unpaid Salaries			217,432,617.88
			392,228,313.85
NOTE 13			
LONG TERM BORROWING			
Balance b/forward			1,295,534,601.98
10KM road			(17,233,289.40)
Environment			(2,428,804.20)
Intervention			(7,954,407.90)
			1,267,918,100.48
NOTE 14			
RESERVE			
Balance b/forward			429,848,401.29
Revaluation Surplus (Building)			213,373,352.29
			643,221,753.58
NOTE 15			
ACCUMULATED SURPLUS/DEFICIT			
Balance b/forward			204,272,096.10

Surplus during the year			(53,217,925.92)
Balance c/forward			151,054,170.18
NOTE 16			
STATUTORY ALLOCATION			
JAAC			878,527,753.49
Non Oil Revenue			27,781,022.88
Forex Equalization			1,375,400.39
Exchange Rate Gain			5,165,149.09
Eco Fund			3,853,181.68
Solid Minerals			1,263,204.03
			917,965,711.56
NOTE 17			
GOVERNMENT SHARE OF VAT			
VAT			534,650,109.91
			534,650,109.91
NOTE 18			
DEPENDENT REVENUE			
Statutory Allocation			917,965,711.56
VAT			534,650,109.91
			1,452,615,821.47
NOTE 19			
OTHER DEPENDENT REVENUE (AUGMENTATION)			5,386,786.00
NOTE 20			
TRANSFER FROM MAIN COUNCIL			71,474,807.20
NOTE 21			
TAX REVENUE			
Community tax			10,000.00
Other tax Revenue			103,000.00
			113,000.00
NOTE 22			

NON - TAX REVENUE			
Fees			4,936,715.00
Fines & Penalties			3,843,577.28
			8,780,292.28
NOTE 23			
CENTRALLYEXPENDED			
EMPLOYEE BENEFIT			
(STAFF SALARIES & WAGES)			
Teaching & Non Teaching Staff (SUBEB)			355,932,432.29
Local Govt Staff Salary			315,273,044.50
Pension Board Salary			1,432,202.95
PHC Staff Salary			182,227,151.33
Loan Board Salary			1,003,950.06
			855,868,781.13
NOTE 24			
SOCIAL BENEFIT			
Training of all drivers			100,000.00
			100,000.00
NOTE 25			
OVERHEAD COST			
Running Cost (JAAC)			1,200,000.00
ALGON Imprest			10,200,000.00
Bank Charges			1,475,899.05
Consultancy Services			6,001,319.28
Magnum Trust			3,979,218.25
Subeb Stipend			66,666.70
School Running Grant			2,999,999.97
Budget Fees			1,400,000.00
			27,323,103.25
GRANT & SOCIAL CONTRIBUTION			
Iiro Day Celebration			-
Xmas and New Year Gift			11,340,000.00
Olojo Festival			-
Grading (ALGON)			10,733,333.33

Subeb Special funds			1,983,214.66
			24,056,547.99
NOTE 27			
TRANSFER TO OTHER AGENCIES			
Traditional Council			52,696,048.43
Local Government Service Commission			-
SUBEB Matching Grant			38,806,170.18
O' Meal			21,481,074.00
O' HIS			9,699,684.10
RAMP			8,617,329.07
Pension			210,791,259.73
SUBEB Admin			-
SUBEB Contract			271,120.78
Stabilization			48,698,707.76
Audit Fees			18,590,626.93
			409,652,020.98
NOTE 28			
SOCIAL BENEFITS			
LOCAL GOVT. EXPENDITURE			
Financial Assistance to Local Govt. Staff			7,374,500.00
			6,896,747.74
			14,271,247.74
NOTE 29: OVERHEAD			
LOCAL GOVT. EXPENDITURE			
Repairs and Maintenance of Vehicles			15,235,217.60
Publications and Adverts			2,106,729.90
Printing & General Expenses			14,536,800.85
Electricity Bills			-
Hospitality and Entertainment			8,129,568.36
Bank Charges			169,612.06
Tax Expenses			-
Others			-
			40,177,928.77

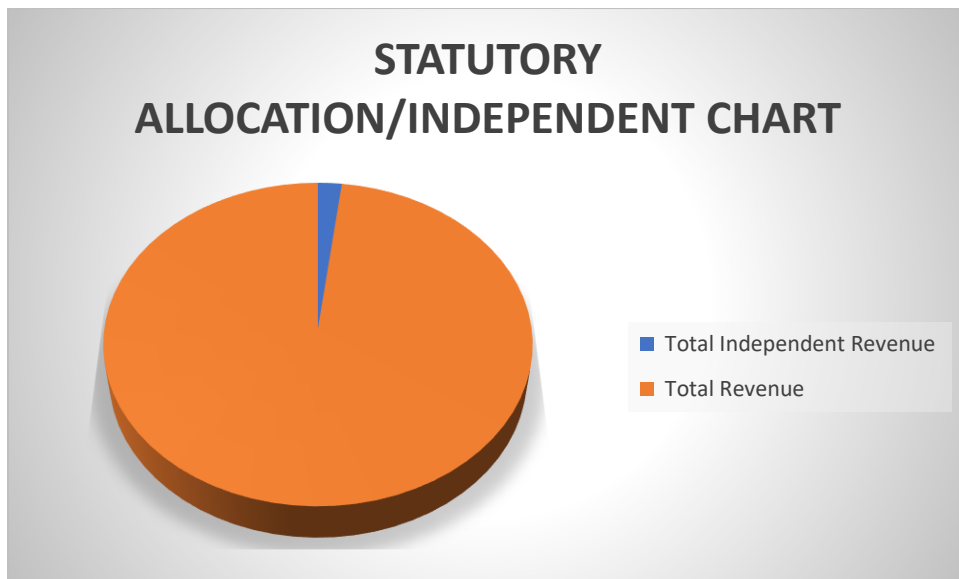
NOTE 30: RANTS AND SOCIAL CONTRIBUTION		
LOCAL GOVT. EXPENDITURE		
Sinking of Boreholes		-
Distilling of Culverts		2,586,355.42
Clearing of bumpsite		2,500,000.00
Sensitization & Workshop		2,535,600.00
Training and Entertainment		3,750,500.00
Ileya		24,003,230.85
Xmas Celebration		11,340,000.00
		46,715,686.27
NOTE 31: DEPRECIATION		
Building		5,233,789.13
Infrastructural Facility		6,982,250.73
Plant and Machinery		6,093,848.88
Property, Plant and Equipment		27,364,833.04
Investment Property		14,656,504.17
		60,331,225.95
NOTE 31: ALLOWANCE		
Allowances to various Committee		27,944,839.99
NYSC Allowances		9,112,463.60
O' TECH Allowances		4,560,000.00
		41,617,303.59
NOTE 36: NET SURPLUS / DEFICIT		
Total Revenue		1,466,895,899.75
Total Expenditure		(1,520,113,825.67)
		(53,217,925.92)
NOTE 37: NET SURPLUS/DEFICIT 31/12/2021		
Bal b/f		204,272,096.10
Net Surplus		(53,217,925.92)
Net Surplus/Deficit (31/12/2021)		151,054,170.18

ILA LOCAL GOVERNMENT FISCAL OPERATION REPORT

STATEMENT OF CASHFLOW RATIOS

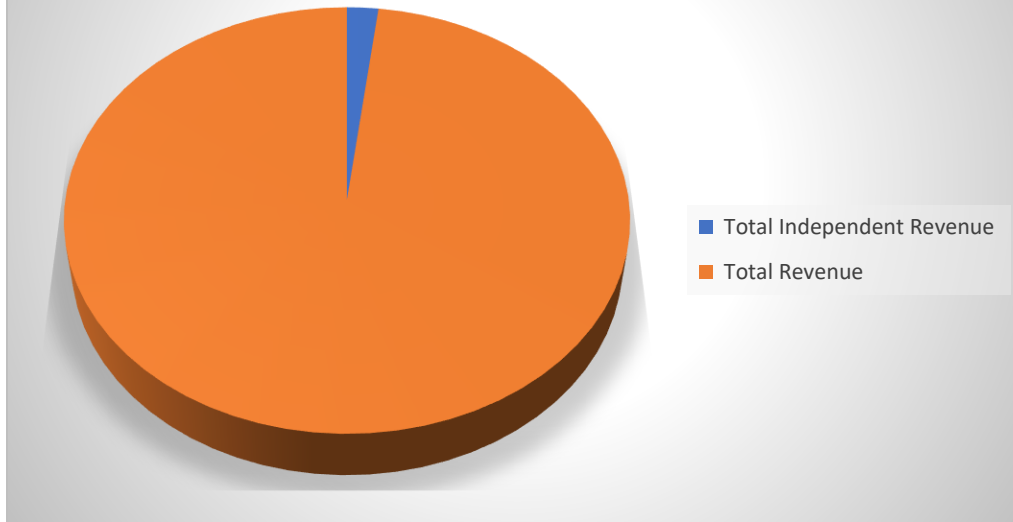
$$\begin{aligned}
 1. \quad & \text{STATUTORY ALLOCATION/TOTAL REVENUE} \times 100 \\
 & = \frac{1,552,928,224.36}{1,567,208,302.64} = 99.09\%
 \end{aligned}$$

This indicated that Statutory Allocation took 99.08% of the Total Revenue of the Local Government and LCDA leaving 0.91% as Statutory Allocation



$$\begin{aligned}
 2. \quad & \frac{\text{TOTAL INDEPENDENT REVENUE}}{\text{TOTAL REVENUE}} \times 100 \\
 & = \frac{14,280,078.28}{1,567,208,302.64} \times 100 = 0.91\%
 \end{aligned}$$

STATUTORY ALLOCATION/INDEPENDENT CHART



3. SALARY & WAGES : TOTAL RECURRENT EXPENDITURE

$$\frac{893,661,510.93}{1,483,198,662.80} \times 100 = 60.25\%$$

Therefore, the Salaries and Wages took about 60.25% out of the Recurrent Expenditure in the Local Government while the remaining 39.75% was expended on other expenditure.

4 TRANSFER TO OTHER AGENCIES : TOTAL RECURRENT EXPENDITURE

$$\frac{409,652,020.98}{1,483,198,662.80} \times 100 = 27.62\%$$

It means that Transfer to Other Agencies took about 26.99% out of the recurrent expenditure.

STATEMENT OF FINANCIAL POSITION RATIOS

5 CURRENT ASSET : CURRENT LIABILITIES

$$\frac{130,477,598.53}{631,009,215.77} = 0.21:1$$

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

7. TOTAL ASSET : TOTAL LIABILITIES

$$\frac{2,693,203,240.01}{1,898,927,316.25} = 1.42 : 1$$

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

8. EQUITY : TOTAL ASSET

$$\frac{794,275,923.76}{2,693,203,240.01} = 0.29 : 1$$

STATEMENT OF FINANCIAL PERFORMANCE RATIO

9. STATUTORY REVENUE : TOTAL REVENUE

$$\frac{1,452,615,821.47}{1,466,895,899.75} \times 100 = 99.03\%$$

This indicated that the Statutory Revenue accounted for 99.03% of the Total Revenue of all the Local Government of the State leaving 0.97% as Independent Revenue.

10. INDEPENDENT REVENUE : TOTAL REVENUE

$$\frac{14,280,078.28}{1,466,895,899.75} \times 100 = 0.97\%$$

MANAGEMENT LETTER

ILA LOCAL GOVERNMENT, ILA ORANGUN

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

1. **UNRETIRED IMPREST (₹95,000.00).** It was observed that the payment voucher raised as monthly imprest of supervisory councilors for education, health and works were neither receipted nor supported with necessary documents such as receipts and sub-receipt contrary to Financial Memoranda 14:27 which states that.”Imprest shall be retired when the purpose for which the imprest was granted is completed or at such intervals as are prescribed when the imprest is approved. However, all imprest shall automatically be retired at the end of each financial year”.

RISK:

Government Fund might not have been used for official purpose

MANAGEMENT RESPONSE:

It was an oversight, the receipts were eventually presented for further Audit Verification.

RECOMMENDATION:

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

2. **EXPENDITURE NOT SUPPORTED WITH PROPER RECORDS OR ACCOUNTS AMOUNTING TO (₹750,000.00):-**It was observed that the payment vouchers raised in respect of servicing of Local Government generating plant located within secretariat and repair of Toyota Camry LG 09 and meeting held with okada riders, buses and cars, purchase of marriage materials were neither receipted nor supported with

necessary documents such as receipt, sub-receipt and invoices 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 of another Local Government or a commercial firm, if the printed receipt covers more than one payment vouchers, reference to the number”.

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 had been obtained and re-attached to the payment vouchers and would be presented for further Audit Scrutiny

RECOMMENDATION

The recipients/authorizing officers should ensure that all supporting documents were collected while incurring the expenditure.

3. VALUATION AND REVALUATION OF NON-CURRENT ASSETS: Kindly note that the Office of the Auditor General for Local Governments has 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.

4. **FINAL ACCOUNTS:** - The Head of Finance should ensure adequate supervision of his subordinate towards ensuring timely preparation and presentation of Financial Statement henceforth, to avoid sanction.

ILA CENTRAL LCDA, MAGBON ILA-ORANGUN

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

1. EXPENDITURE NOT SUPPORTED WITH PROPER RECORDS OR ACCOUNTS (N555,000.00): It was observed that the payment voucher raised for peace and security meeting for the month of December, 2020 and June, 2021 and materials needed in the department of town planning and land services were not supported with necessary documents such as receipts, sub-receipt and invoices 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 payment voucher to which the receipt is attached, shall be entered on the other vouchers”.

RISK:

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

MANAGEMENT RESPONSE:

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

RECOMMENDATION:

The recipient/authorizing officer should ensure that all supporting documents were collected while incurring the expenditure.

2. UNRETIRED IMPREST AMOUNTING TO (N325,000.00):- It was revealed that some payments were made as imprest without attaching necessary receipts and

invoices as evidence of payment made on behalf of the Local Government contrary to Financial Memoranda 14:27 which states that.”Imprest shall be retired when the purpose for which the imprest was granted is completed or at such intervals as are prescribed when the imprest is approved. However, all imprest shall automatically be retired at the end of each financial year”.

RISK:

Government Fund might not have been used for official purpose

MANAGEMENT RESPONSE:

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

RECOMMENDATION:

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

3. UNPRODUCED REVENUE EARNING RECEIPT BOOKLETS AMOUNTING TO ₦180,000.00 FOR THE YEAR 2019:

It was observed during the Audit Inspection that some Revenue Collectors did not produce their Revenue Earning Receipts on their possession for Audit Inspection and indication that shows that fraudulent act had taken place contrary to FM 6:7 which states that “When making payment to the Treasury or presenting to the Treasury a paying-in-slip in respect of cash paid direct to a bank. The Revenue Collector shall produce all receipt books, his revenue collector cash book and revenue collector’s summary cashbook”.

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 possession and duly account for them to be presented for further Audit Verification.

RECOMMENDATION:

The Officers will be surcharged if the receipt booklets are not produced for Audit check and verification.

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

5. **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.

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.

REPORT ON INTERNAL AUDITOR'S REPORT

1. For the second quarter, the Internal Control mechanism activities were very low and not so effective on the transactions of the Council.
2. The impacts of the Internal Control Mechanism are not felt on the activities of the Council particularly, the IGR. The existing Revenue items were not fully tapped and new one is not identified.

ILA CENTRAL LOCAL COUNCIL DEVELOPMENT AREA, MAGBON, ILA ORANGUN

LIST OF PROJECTS EXECUTED FOR 2021

S/N	DESCRIPTION OF MATERIALS	LOCATION	MODE OF EXECUTION PROJECT	PROJECT COST	AMOUNT RELEASED	BALANCE	REMARKS
1.	Clearing of road verges along Agbamu road	Ila Orangun	Direct	₦2,000,000	N2,000,000	-	Completed
2.	Purchase of official car for the office of the Chairman	Ila Orangun	Direct	₦4,000,000	₦4,000,000	-	Completed
3.	Purchase of official car for the office of the Vice-Chairman	Ila LCDA Magbon	Direct	₦3,000,000	₦3,000,000	-	Completed
4.	Purchase of official car for the office of the Secretary	Ila LCDA Magbon	Direct	₦3,000,000	₦3,000,000	-	Completed
5.	Clearing of Road verges along Omu-Aran road	Ila LCDA Magbon	Direct	₦1,600,000	₦1,600,000	-	Completed
6.	Grading of Road at Joyful/Iresi road	Ila LCDA Magbon	Direct	₦1,000,000	₦1,000,000	-	Completed
7.	Desilting of line drainage and access culvert along Ajegunle/Halleluyah Area, Ila Orangun	Ila LCDA, Magbon	Direct	₦1,350,000	₦1,350,000	-	Completed
8.	Desilting of line drainage and access culvert along Oke-Aloyin/ Agbamu Road, Ila Orangun	Ila LCDA, Magbon	Direct	₦1,500,000	₦1,500,000	-	Completed
9	Desilting of line drainage and access culvert along Ile-Ayo/Tafa Road culvert, Ila Orangun	Ila LCDA., Magbon	Direct	₦2,000,000	₦2,000,000	-	Completed

ILA LOCAL GOVERNMENT, ILA

S/N	SUBJECT	QUERIES NOS	NO. OF OFFICERS QUERIED	AMOUNT (₦)	REMARKS
1.	Unretired Imprest	LQ/AUD/ILLG/01/21	4	95,000.00	
2.	Expenditure Not Supported with Proper Record	LQ/AUD/ILLG/02/21	4	750,000.00	
	TOTAL		8	845,000.00	

ILA CENTRAL LCDA, MAGBON, ILA ORANGUN

S/N	SUBJECT	QUERIES NOS	NO. OF OFFICERS QUERIED	AMOUNT (₦)	REMARKS
1.	Expenditure Not Supported with Proper Records	LQ/AUD/ILALCDA/01/21	5	555,000.00	
2.	Unretired Imprest	LQ/AUD/ILALCDA/02/21	6	175,000.00	
	TOTAL		11	700,000.00	