

STATE GOVERNMENT OF OSUN, NIGERIA.

REPORT OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

ON THE ACCOUNTS OF
ILESIA-WEST LOCAL GOVERNMENT

OMI-ALADIYE

FOR THE YEAR ENDED

31ST DECEMBER, 2021.

TABLE OF CONTENTS

	DETAILS	PAGE
1	TITLE PAGE	1
2	TABLE OF CONTENTS	2
3	LIST OF ABBREVIATIONS	3
4	STATEMENT OF RESPONSIBILITY FOR THE PREPARATION OF FINANCIAL STATEMENTS	4
5	AUDIT CERTIFICATE	5
6	STATEMENT OF RESPONSIBILITY OF THE AUDITOR-GENERAL	6
7	BASIS OF AUDIT OPINION	7
8	STATEMENT OF COMPLIANCE	8
9	STATEMENT OF ACCOUNTING POLICIES	9-11
10	GENERAL COMMENTS	12-13
11	COMMENTS ON FINANCIAL STATEMENTS a. STATEMENT OF FINANCIAL PERFORMANCE b. STATEMENT OF FINANCIAL POSITION	14-18
12	CONSOLIDATED GENERAL PURPOSE FINANCIAL STATEMENTS i. CONSOLIDATED STATEMENT OF FINANCIAL POSITION. ii. CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE. iii. CONSOLIDATED STATEMENT OF CASH FLOW. iv. CONSOLIDATED STATEMENT OF COMPARISON OF FINANCIAL OPERATIONS. v. CONSOLIDATED STATEMENT OF NET ASSETS AND EQUITY vi. NOTES TO THE ACCOUNT	17-38
13	FISCAL OPERATION REPORT i STATISTICAL AND ACCOUNTING RATIOS ii NON-FINANCIAL DISCLOSURE	39-41
14	MANAGEMENT LETTER	42-47
15	LIST OF PROJECTS EXECUTED IN THE LOCAL GOVERNMENT	48-49

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:

Ilesa West Local Government and Ilesa West 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 *Ilesa West 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
ILESA WEST
LOCAL GOVERNMENT
ILESA, OSON STATE

Chairman
Ilesa West Local Government


Head of Finance & supplies,
HEAD OF FINANCE AND SUPPLIES
ILESA WEST LOCAL GOVERNMENT




CHAIRMAN
ILESA WEST
CENTRAL L.C.D.A.
ILESA, OSON STATE

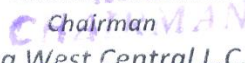
Chairman
Ilesa West Central L.C.D.A.



Chairman
Ilesa West Central L.C.D.A.


Head of Finance & supplies,
FINANCE & SUPPLIES
ILESA WEST CENTRAL L.C.D.A.




CHAIRMAN
ILESA WEST CENTRAL L.C.D.A.

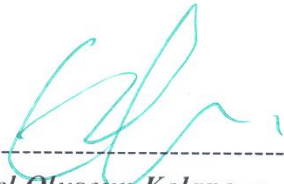
Chairman
Ilesa West Central L.C.D.A.

AUDIT CERTIFICATE

I have audited the accounts of Ilesa West Local Government, Omi Aladiye 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 Ilesa West Local Government, Omi Aladiye 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 Governments,
State of Osun

STATEMENT OF RESPONSIBILITY OF THE AUDITOR-GENERAL.

It is my responsibility to Audit the accounts of the Local Governments, the State Joint Local Government Account, and all offices of the Local Government 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 Local Government, the Head of Accounts in the Ministry of Local Government and various Institutions and all Agencies handling projects and Programmes funded by Local Government in the State inclusive of Ilesa West Local Government and Ilesa West Central LCDA.

STATEMENT OF FINANCIAL RESPONSIBILITY

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

The Heads of Finance of Ilesa West Local Government is responsible for the consolidation of Financial Statements with the subsidiary Ilesa West 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 the Local Governments is attached.

BASIS OF AUDIT OPINION

In the course of auditing the accounts of Ilesa-West Local Governments Omi-Aladiye 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 Ilesa West 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 Ilesa-West Local Governments are constituents.

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

5. Consolidation Policy- IPSAS 6

The Head of Finance of Ilesa West Local Government and Ilesa West Central LCDA are required to prepare their individual GPFS at the end of the financial year on Accrual Basis of Accounting.

Each Local Government is a creation of the Constitution and none is subservient to the other. However, in this situation, the subsidiary entity was Ilesa West Central which GPFS has been consolidated with that of Ilesa West Local Government. by the Head of Finance of the main Local Government.

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

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

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

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 COMMENTS

I have audited the accounts of Ilesa West Local Government, Omi Aladiye (including elements of Local Government fund in various Agencies and Institutions of Government, comprising Traditional Councils, LGSPB, LGSC, SUBEB, O'Meals and other Jointly executed programmes and projects of Local Governments) for the financial year ended 31st December 2021, as required by Cap 72, Part 10 of the Laws of Osun State 2002, (as amended).

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

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 other dependent and Independent Revenue sources of the Local Governments while Expenditure covered included all Capital and Recurrent Expenditure Items in all contributed to centrally executed Projects and programmes of Local Governments, and Statutory remittances to Traditional Councils Ilesa West Local Government and Ilesa West Central LCDA

BUDGET PREPARATION / EXECUTION

The Budget for 2021 for Ilesa West 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

The Audit observed that the Procurement Office 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 involving a team of a standing multi-disciplinary qualified professionals in the fields of valuation, engineering, town planning, medicine, etc. and others as were necessary. Consequently, the realism

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

INTERNALLY REVENUE GENERATION AND FINANCIAL VIABILITY

The total Internally Generated Revenue by the Local Government for 2021 was ₦25,071,519.06 representing 1.53% the Total Revenue. More efforts at blocking leakages coupled with adequate research by the relevant unit of the Auditor-General for Local Government on comparative revenue advantages of individual Local Government's office will assist in improving on the poor revenue profile.

INTERNAL CONTROL WEAKNESS IN THE LOCAL GOVERNMENT AND RELATED AGENCIES

At the conclusion of the Audit, 06 nos of Audit Queries were issued in respect of 2021 Accounts, involving a total sum of ₦4,732,000.00

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:

In line with the best practices, the Audit has verified the jointly executed projects at the JAAC level, in collaboration with reputable experts cut access disciplines, within the service at both State and Local Governments. It was claimed that the joint programmes/Projects were done to avail the Local Governments of the advantage of economies of large scale operations as they were able to secure the services of experts and incur lesser unit costs due to bulk purchases. Performance Audit was initiated on some joints projects and programmes during the year.

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

COMMENTS ON FINANCIAL STATEMENTS

A. STATEMENT OF FINANCIAL PERFORMANCE

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
Ilesa West	960,144,393.85	432,958,943.23	31,123,447.23	26,068,233.38	789,949.92	13,920,875.67	21,633,013.12	1,608,828.06	13,525,184.95	1,501,772,869.41

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. #1,615,440,994.35.

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 – ₦8,475,155.47

The Aggregate closing cash and cash equivalents amounted to **₦8,475,155.47** for the Local Governments. The Bank Statements and Bank Reconciliation Statements of all Local Governments and Local Government Development Areas as at 31st December, 2021 were verified/examined to ascertain the bank balances. This balance does not include the balance in JAAC account which essentially should be a zero-balance account. Moreover any undistributed amount in the JAAC Account is treated as Receivable to the Local Governments.

RECEIVABLES - ₦90,964,051.94

A total sum of ₦149,464,051.94 was standing as Receivables as at 31st December, 2021. The Receivables include, Revenue Recognised in December 2021 but received in January, 2021 from Joint Allocation Account Committee (JAAC).

INVENTORIES - ₦5,873,773.00

The sum of ₦5,873,773.00 represents inventories valued at historical cost in the Local Governments as at 31st December, 2021. These include unallocated stores both expendable and non-expendable; and consumable items.

INVESTMENTS - ₦51,257,085.33

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

PROPERTY, PLANT AND EQUIPMENT(PPE) - #3,738,368,334.59

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 - ₦265,923,749.90

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 - ₦192,235,006.99

The carrying amount of Investment Properties of the Local Governments stood at ₦192,235,006.99 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 - ₦1,215,199,267.63

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 - ₦29,608,318.08

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, 2020. 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 ₦486,940,288.70 was made to the Local Council Development Areas and Area Offices in the period under review and was set off in the Consolidated Account.

ILESA WEST LOCAL GOVERNMENT, OMI-ALADIYE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2021
POSITION

PARTICULAR	NOTE	ILESA WEST CONSOLIDATED
ASSETS		
Current Assets		
Cash & Cash Equivalents	1	8,475,155.47
Receivables	2	90,964,051.94
Prepayment/Advance	3	4,070,000.00
Inventories	4	5,873,773.00
Total Current Asset		109,382,980.41
Non-current Asset		-
Long Term Loan Granted		-
Investments	5	51,257,085.33
Property, Plant & Equipment	6	3,738,368,334.59
Investment Property	7	192,235,006.99
Biological Asset	8	17,685,342.59
Assets Under Construction (wip)	9	36,000,000.00
Total Non-Current Asset		4,035,545,769.50
Total Asset		4,144,129,749.91
LIABILITIES		-
Current Liabilities		-
Deposit		-
Short Term Loan & Debts	10	-
Unremitted Deduction	11	29,608,318.08
Payables	12	265,923,749.90
Short Terms Provisions		-
Total Current Liability		295,532,067.98
Non-Current Liabilities		-
Long Term Borrowing	13	1,215,199,267.63
Total Liabilities		1,510,731,335.61
Net Assets		2,634,197,414.30
Financed by		-
Reserve	14	3,562,171,869.41
Net Surplus/Deficit	15	(927,974,455.11)
Total		2,634,197,414.30

ILESA WEST LOCAL GOVERNMENT, OMI ALADIYE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2021

PARTICULAR	NOTE	ILESA WEST	ILESA WEST CENTRAL	ILESA WEST CONSOLIDATED
ASSETS				
Current Assets				
Cash & Cash Equipments	1	5,500,192.67	2,974,962.80	8,475,155.47
Receivables	2	90,964,051.94		90,964,051.94
Prepayment/Advance	3	4,070,000.00		4,070,000.00
Inventories	4	3,476,140.00	2,397,633.00	5,873,773.00
Total Current Asset		104,010,384.61	5,372,595.80	109,382,980.41
Non-current Asset				-
Long Term Loan Granted				-
Investments	5	38,507,085.33	12,750,000.00	51,257,085.33
Property, Plant & Equipment	6	2,253,005,021.68	1,485,363,312.92	3,738,368,334.59
Investment Property	7	124,952,754.54	67,282,252.45	192,235,006.99
Biological Asset	8	-	17,685,342.59	17,685,342.59
Assets Under Construction (wip)	9		36,000,000.00	36,000,000.00
Total Non-Current Asset		2,416,461,861.54	1,619,080,907.96	4,035,545,769.50
Total Asset		2,520,475,246.15	1,624,453,503.76	4,144,928,749.91
LIABILITIES				-
Current Liabilities				-
Deposit				-
Short Term Loan & Debts	10			-
Unremitted Deduction	11	29,719,665.12	(111,347.04)	29,608,318.08
Payables	12	144,637,020.21	121,286,729.69	265,923,749.90
Short Terms Provisions				-
Total Current Liability		174,356,685.33	121,175,382.65	295,532,067.98
Non-Current Liabilities				-
Long Term Borrowing	13	359,531,090.52	855,668,177.11	1,215,199,267.63
Total Liabilities		533,887,775.85	976,843,559.76	1,510,731,335.61
Net Assets		1,986,587,470.30	647,609,944.00	2,634,197,414.30
Financed by				-
Reserve	14	2,659,910,621.98	902,261,247.43	3,562,171,869.41
Net Surplus/Deficit	15	(673,323,151.68)	(254,651,303.43)	(927,974,455.11)
Total		1,986,587,470.30	647,609,944.00	2,634,197,414.30

ILESA WEST LOCAL GOVERNMENT, OMI ALADIYE
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2021

PERFORMANCE		
PARTICULAR	NOTE	ILESA WEST CONSOLIDATED
STATUTORY ALLOCATION		
Government share of FAAC (Statutory Revenue)	16	1,020,735,464.82
Government Share of VAT	17	594,705,529.54
Sub-Total Statutory Allocation	18	1,615,440,994.36
INDEPENDENT REVENUE		-
Grant & Aids	19	5,386,786.00
Transfer from main Council	20	
Tax Revenue	21	268,777.88
Non-Tax Revenue	22	19,416,027.18
Other Income		-
Overpayment Recovery		-
Sub-Total Independent Revenue		25,071,591.06
Total Revenue		1,640,512,585.42
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	27,146,547.99
Transfer to other Agencies	27	486,940,288.70
L/GOVERNMENT EXPENDITURE		-
Social Benefits	28	11,015,696.95
Overhead Cost	29	66,873,543.92
Grants & Social Contribution	30	95,230,345.31
Depreciation	31	222,570,520.51
Allowances	32	47,058,561.51
Transfer to LCDA	33	
Impairment	34	32,847,064.82
Revenue Refunded	35	-
Public Debt Charges		
Stabilization Fund		
Refund to main Council		-
Stationeries		-
Severance Gratuity		-
Total Expenditures		1,872,974,434.09
Net Surplus/Deficit	36	(232,461,848.67)
Net Surplus/Deficit 01/01/2021	37	(695,512,606.44)
Net Surplus/Deficit 31/12/2021	38	(927,974,455.11)
Gain on property and building		48,266,013.91
Surplus/Deficit from non-operating activities for the period		(879,708,441.20)

ILESA WEST LOCAL GOVERNMENT, OMI ALADIYE
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER,
2021

PERFORMANCE				
PARTICULAR	NOTE	ILESA WEST	ILESA WEST CENTRAL	ILESA WEST CONSOLIDATED
STATUTORY ALLOCATION				
Government share of FAAC (Statutory Revenue)	16	1,020,735,464.82	-	1,020,735,464.82
Government Share of VAT	17	594,705,529.54	-	594,705,529.54
Sub-Total Statutory Allocation	18	1,615,440,994.36	-	1,615,440,994.36
INDEPENDENT REVENUE				-
Grant & Aids	19	5,386,786.00	-	5,386,786.00
Transfer from main Council	20		93,174,115.59	
Tax Revenue	21	146,977.88	121,800.00	268,777.88
Non-Tax Revenue	22	9,312,681.18	10,103,346.00	19,416,027.18
Other Income				-
Overpayment Recovery				-
Sub-Total Independent Revenue		14,846,445.06	103,399,261.59	25,071,591.06
Total Revenue		1,630,287,439.42	103,399,261.59	1,640,512,585.42
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	27,146,547.99		27,146,547.99
Transfer to other Agencies	27	486,940,288.70		486,940,288.70
L/GOVERNMENT EXPENDITURE				-
Social Benefits	28	4,285,330.31	6,730,366.64	11,015,696.95
Overhead Cost	29	36,985,392.83	29,888,151.09	66,873,543.92
Grants & Social Contribution	30	65,084,500.00	30,145,845.31	95,230,345.31
Depreciation	31	64,532,668.76	158,037,851.75	222,570,520.51

Allowances	32	27,259,449.87	19,799,111.64	47,058,561.51
Transfer to LCDA	33	93,174,115.59		
Impairment	34	32,847,064.82		32,847,064.82
Revenue Refunded	35			-
Public Debt Charges				
Stabilization Fund				
Refund to main Council				-
Stationeries				-
Severance Gratuity				-
Total Expenditures		1,721,547,223.25	244,601,326.43	1,872,974,434.07
Net Surplus/Deficit	36	(91,259,783.83)	(141,202,064.84)	(232,461,848.67)
Net Surplus/Deficit 01/01/2021	37	(582,063,367.85)	(113,449,238.59)	(695,512,606.44)
Net Surplus/Deficit 31/12/2021	38	(673,323,151.68)	(254,651,303.43)	(927,974,455.11)
Gain on property (Building)		48,266,013.19		48,266,013.19
Surplus / Deficit from non- operating activities for the period		(625,057,137.77)	(254,651,303.43)	(879,708,441.20)

ILESIA WEST LOCAL GOVERNMENT, OMI ALADIYE
CONSOLIDATED STATEMENT OF CASHFLOW AS AT 31ST DECEMBER, 2021

CASHFLOW

OPERATING ACTIVITIES	NOTE	ILESIA WEST CONSOLIDATED
INFLOW		
Statutory Revenue (JAAC)	39	1,133,289,632.55
Value Added Tax	40	594,705,529.54
Receivable		-
Sub Total Statutory Allocation	41	1,727,995,162.09
Aids and Grants	42	5,386,786.00
Transfer from Main Council	43	
Tax Revenue	44	268,777.88
Non Tax Revenue	45	19,416,027.18
Other Income		-
Overpayment Recovery		-
Sub Total Independent Revenue	46	25,071,591.06
Total Inflow Operating Activities	47	1,753,066,753.15
OUTFLOW		-
Salaries & Wages	48	919,908,548.55
Social Benefits	49	11,115,696.95
Overhead Cost	50	58,596,627.17
Social Contributions	51	105,646,893.30
Allowances	52	47,058,561.51
Modulated Salary Arrears	53	13,333,333.28
Inventories	54	6,384,140.00
Fund Conserved for Salary		-
Transfer to LCDA	55	
Transfer to other Govt. Agencies	56	486,940,288.70
Refund to Main Councils		-
Revenue Refunded		
Stabilization Fund		
Tax Expenses	57	-
Severance Gratuity		-
Total Outflow from Operating Activities	58	1,648,984,089.46
Net Cash flow from Operating Activities	59	104,082,663.69
INVESTING ACTIVITIES		-
Proceed from Disposal of Asset		-
Total Inflow from Investing Activities		-
Cashflow from Investing Activities		-
Administrative Sector	60	68,999,000.00

Economic Sector		-
Total Outflow from Investing Activities	61	68,999,000.00
Net Cashflow from Investing Activities		(68,999,000.00)
Inflow from Financing Activities		-
Bank Overdraft		
Soft Loan(Bank)		
Deduction Received	62	39,681,264.77
Total Inflow from Financing Activities	63	39,681,264.77
OUFLOW (PAYMENT)		-
Bail Out Repayment		-
10km Road	64	17,731,497.15
Water Project	65	1,856,331.47
Environmental Sanitation Loan	66	2,914,565.04
Loan Repayment (Inherited)	67	-
Bank Loan	68	-
Intervention Loan	69	4,484,561.08
Other Loan Repayment		
Deduction Paid	70	44,765,305.29
Total Outflow From Financing Activities	71	71,752,260.03
Net Cashflow from financing Activities	72	(32,070,995.26)
Cash and Cash Equivalent for the year	73	3,012,668.43
Cash and Cash Equivalent 01/01/2021	74	5,462,487.04
Cash and Cash Equivalent 31/12/2021	75	8,475,155.47

ILESA WEST LOCAL GOVERNMENT, OMI ALADIYE
CONSOLIDATED STATEMENT OF CASHFLOW AS AT 31ST DECEMBER, 2021

OPERATING ACTIVITIES	NOTE	ILESA WEST	ILESA WEST CENTRAL	ILESA WEST CONSOLIDATED
INFLOW				
Statutory Revenue (JAAC)	39	1,133,289,632.55		1,133,289,632.55
Value Added Tax	40	594,705,529.54		594,705,529.54
Receivable				-
Sub Total Statutory Allocation	41	1,727,995,162.09	-	1,727,995,162.09
Aids and Grants	42	5,386,786.00		5,386,786.00
Transfer from Main Council	43		93,174,115.59	
Tax Revenue	44	146,977.88	121,800.00	268,777.88
Non Tax Revenue	45	9,312,681.18	10,103,346.00	19,416,027.18
Other Income				-
Overpayment Recovery				-
Sub Total Independent Revenue	46	14,846,445.06	103,399,261.59	25,071,591.06
Total Inflow Operating Activities	47	1,742,841,607.15	103,399,261.59	1,753,066,753.15
OUTFLOW				-
Salaries & Wages	48	919,908,548.55		919,908,548.55
Social Benefits	49	4,385,330.31	6,730,366.64	11,115,696.95
Overhead Cost	50	29,208,476.08	29,388,151.09	58,596,627.17
Social Contributions	51	85,101,047.99	20,545,845.31	105,646,893.30
Allowances	52	27,259,449.87	19,799,111.64	47,058,561.51
Modulated Salary Arrears	53	13,333,333.28	-	13,333,333.28
Inventories	54	3,676,140.00	2,708,000.00	6,384,140.00
Fund Conserved for Salary				-
Transfer to LCDA	55	93,174,115.59		
Transfer to other Govt. Agencies	56	486,940,288.70		486,940,288.70
Refund to Main Councils				-
Revenue Refunded				
Stabilization Fund				
Tax Expenses	57			-
Severance Gratuity				-

Total Outflow from Operating Activities	58	1,662,986,730.37	79,171,474.68	1,648,984,089.46
Net Cashflow from Operating Activities	59	79,854,876.78	24,227,786.91	104,082,663.69
INVESTING ACTIVITIES				
Proceed from Disposal of Asset		-	-	-
Total Inflow from Investing Activities		-	-	-
Cashflow from Investing Activities		-	-	-
Administrative Sector	60	54,539,000.00	14,460,000.00	68,999,000.00
Economic Sector				-
Total Outflow from Investing Activities	61	54,539,000.00	14,460,000.00	68,999,000.00
Net Cashflow from Investing Activities		(54,539,000.00)	(14,460,000.00)	(68,999,000.00)
Inflow from Financing Activities				-
Bank Overdraft				
Soft Loan(Bank)				
Deduction Received	62	24,451,153.27	15,230,111.50	39,681,264.77
Total Inflow from Financing Activities	63	24,451,153.27	15,230,111.50	39,681,264.77
OUFLOW (PAYMENT)				
Bail Out Repayment				-
10km Road	64	17,731,497.15		17,731,497.15
Water Project	65	1,856,331.47		1,856,331.47
Environmental Sanitation Loan	66	2,914,565.04		2,914,565.04
Loan Repayment (Inherited)	67			-
Bank Loan	68			-
Intervention Loan	69	4,484,561.08		4,484,561.08
Other Loan Repayment				
Deduction Paid	70	22,368,212.40	22,397,092.89	44,765,305.29
Total Outflow From Financing Activities	71	49,355,167.14	22,397,092.89	71,752,260.03
Net Cashflow from financing Activities	72	(24,904,013.87)	(7,166,981.39)	(32,070,995.26)
Cash and Cash Equivalent for the year	73	411,862.91	2,600,805.52	3,012,668.43
Cash and Cash Equivalent 01/01/2021	74	5,088,329.76	374,157.28	5,462,487.04
Cash and Cash Equivalent 31/12/2021	75	5,500,192.67	2,974,962.80	8,475,155.47

ILESA WEST LOCAL GOVERNMENT, OMI ALADIYE
CONSOLIDATED STATEMENT OF COMPARISM AS AT 31ST DECEMBER, 2021

PARTICULAR	NOTE	ILESA WEST CONSOLIDATED		
		FINAL BUDGET	ACTUAL	VARIANCE
STATUTORY ALLOCATION				
Government Share of FAAC(Statutory Revenue)	16	1,211,409,850.24	1,020,735,464.82	486,241,898.99
Government Share of VAT	17	207,530,000.00	594,705,529.54	627,175,529.54
Sub-Total Statutory Allocation	18	1,418,939,850.24	1,615,440,994.36	1,113,417,428.53
INDEPENDENT REVENUE				
Grants & Aids	19	10,810,560.00	5,386,786.00	5,423,774.00
Transfer from Main Council	20	-	-	-
Tax Revenue	21	38,570,000.00	268,777.88	38,301,222.12
Non-Tax Revenue	22	6,350,000.00	19,416,027.18	13,066,027.18
Other Income		-	-	-
Sub-Total Independent Revenue		55,730,560.00	25,071,591.06	56,791,023.30
Total Revenue		1,474,670,410.24	1,640,512,585.42	1,170,208,451.83
EXPENDITURE				
Salaries & Wages	23	718,880,860.00	855,868,781.13	(136,987,921.13)
Social Benefits	24	-	100,000.00	(11,115,696.95)
Overhead Cost	25	151,100,379.24	27,323,083.25	56,903,752.07
Grants & Social Contribution	26	227,279,222.24	27,146,547.99	104,902,328.94
Transfer to Other Agencies	27	-	486,940,288.70	(486,940,288.70)
Depreciation	31	-	222,570,520.51	(375,776,664.74)
Allowances	32	46,729,880.00	47,058,561.51	(328,681.51)
Transfer to LCDA	33	-		(93,174,115.59)
Impairment	34	-	32,847,064.82	(32,847,064.82)
Revenue Refunded	35	-	-	-
Stationaries		-	-	-
Total Expenditures		1,143,990,341.48	1,872,974,434.09	(975,364,352.43)
Net Surplus/Deficit	36	330,680,068.76	232,461,848.67	2,145,572,804.26
Net Surplus/Deficit 31/12/2020	37	-	(695,512,606.44)	-
Net Surplus/Deficit 31/12/2021	38	330,680,068.76	927,974,455.11	2,145,572,804.26
Gain on property (building)			48,266,913.91	
Surplus / deficit from non-operating activities			879,708,441.20	

ILESA WEST LOCAL GOVERNMENT, OMI ALADIYE
CONSOLIDATED STATEMENT OF COMPARISM BUDGET AND ACTUAL AS AT 31ST DECEMBER, 2021

		ILESA WEST			ILESA WEST CENTRAL			ILESA WEST CONSOLIDATED		
PARTICULAR	NOTE	FINAL BUDGET	ACTUAL	VARIANCE	FINAL BUDGET	ACTUAL	VARIANCE	FINAL BUDGET	ACTUAL	VARIANCE
STATUTORY ALLOCATION										
Government Share of FAAC(Statutory Revenue)	16	826,364,650.24	1,020,735,464.82	194,370,814.58	385,045,200.00		291,871,084.41	1,211,409,850.24	1,020,735,464.82	486,241,898.99
Government Share of VAT	17	87,530,000.00	594,705,529.54	507,175,529.54	120,000,000.00		120,000,000.00	207,530,000.00	594,705,529.54	627,175,529.54
Sub-Total Statutory Allocation	18	913,894,650.24	1,615,440,994.36	701,546,344.12	505,045,200.00		411,871,084.41	1,418,939,850.24	1,615,440,974.36	1,113,417,428.53
INDEPENDENT REVENUE								-	-	-
Grants & Aids	19	10,810,560.00	5,386,786.00	5,423,774.00				10,810,560.00	5,386,786.00	5,423,774.00
Transfer from Main Council	20					93,174,115.59		-	-	-
Tax Revenue	21	11,270,000.00	146,977.88	11,123,022.12	27,300,000.00	121,800.00	27,178,200.00	38,570,000.00	268,777.88	38,301,222.12
Non-Tax Revenue	22	2,100,000.00	9,312,681.18	7,212,681.18	4,250,000.00	10,103,346.00	5,853,346.00	6,350,000.00	19,416,027.18	13,066,027.18
Other Income								-	-	-
Sub-Total Independent Revenue		24,180,560.00	14,846,445.06	23,759,477.30	31,550,000.00	103,399,261.59	33,031,546.00	55,730,560.00	25,071,591.06	56,791,023.30
Total Revenue		938,075,210.24	1,630,287,439.42	725,305,821.42	536,595,200.00	103,399,261.59	444,902,630.41	1,474,670,410.24	1,640,512,585.42	1,170,208,451.83
EXPENDITURE								-	-	-
Salaries & Wages	23	500,053,980.00	855,868,781.13	(355,814,801.13)	218,826,880.00		218,826,880.00	718,880,860.00	855,868,781.13	(136,987,921.13)
Social Benefits	24		4,385,330.31	(4,385,330.31)		6,730,366.64	(6,730,366.64)	-	11,115,696.95	(11,115,696.95)
Overhead Cost	25	100,000,000.00	64,308,476.08	35,691,523.92	51,100,379.24	29,888,151.09	21,212,228.15	151,100,379.24	94,196,627.17	56,903,752.07
Grants & Social Contribution	26	149,959,290.24	92,231,047.99	57,728,242.25	77,319,932.00	30,145,845.31	47,174,086.69	227,279,222.24	122,376,893.30	104,902,328.94
Transfer to Other Agencies	27		486,940,288.70	(486,940,288.70)				-	486,940,288.70	(486,940,288.70)
Depreciation	31		217,738,812.99	(217,738,812.99)		158,037,851.75	(158,037,851.75)	-	375,776,664.74	(375,776,664.74)
Allowances	32	33,061,940.00	27,259,449.87	5,802,490.13	13,667,940.00	19,799,111.64	(6,131,171.64)	46,729,880.00	47,058,561.51	(328,681.51)
Transfer to LCDA	33		93,174,115.59	(93,174,115.59)				-		(93,174,115.59)

Impairment	34		32,847,064.82	(32,847,064.82)				-	32,847,064.82	(32,847,064.82)
Revenue Refunded	35							-	-	-
Stationaries								-	-	-
Total Expenditures		783,075,210.24	1,874,753,367.48	(1,091,678,157.24)	360,915,131.24	244,601,326.43	116,313,804.81	1,143,990,341.48	2,026,180,578.32	(975,364,352.43)
Net Surplus/Deficit	36	155,000,000.00	(244,465,928.06)	1,816,983,978.66	175,680,068.76	(141,202,064.84)	328,588,825.60	330,680,068.76	(385,667,992.90)	2,145,572,804.26
Net Surplus/Deficit 31/12/2020	37		(582,063,367.85)			(113,449,238.59)		-	(695,512,606.44)	-
Net Surplus/Deficit 31/12/2021	38	155,000,000.00	(826,529,295.91)	1,816,983,978.66	175,680,068.76	(254,651,303.43)	328,588,825.60	330,680,068.76	(1,081,180,599.34)	2,145,572,804.26

ILESA WEST LOCAL GOVERNMENT, OMI ALADIYE

NET ASSET AND EQUITY	ILESA WEST CONSOLIDATED		
DETAILS	RESERVES	Accumulated Surplus/Deficit	TOTAL
Opening Balance 1/1/2021	3,513,905,855.50	(695,512,606.44)	2,818,393,249.06
Adjusted Reserve	-	-	-
Adjusted Balance	3,513,905,855.50	(695,512,606.44)	2,818,393,249.06
Net Surplus Deficit for the year	-	(232,461,848.67)	(232,461,848.67)
Total comprehensive income	48,266,013.91		48,266,013.91
Closing Balance as at 31/12/2021	3,562,171,869.41	(927,974,455.11)	2,634,197,414.30

ILESA WEST LOCAL GOVERNMENT, OMI ALADIYE
CONSOLIDATED STATEMENT OF NET ASSET/EQUITY AS AT 31ST DECEMBER, 2021

ILESA WEST				ILESA WEST CENTRAL			ILESA WEST CONSOLIDATED		
DETAILS	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL
Opening Balance 1/1/2021	2,611,644,608.07	(582,063,367.85)	2,029,581,240.22	902,261,247.43	(113,449,238.59)	788,812,008.84	3,513,905,855.50	(695,512,606.44)	2,818,393,249.06
Adjusted Reserve			-			-	-	-	-
Adjusted Balance	2,611,644,608.07	(582,063,367.85)	2,029,581,240.22	902,261,247.43	(113,449,238.59)	788,812,008.84	3,513,905,855.50	(695,512,606.44)	2,818,393,249.06
Net Surplus Deficit for the year	-	(91,259,783.83)	(91,259,783.83)	-	(141,202,064.84)	(141,202,064.84)	-	(385,667,992.90)	(385,667,992.90)
Total comprehensive income	48,266,013.19		48,266,013.19				48,266,013.19		48,266,013.19
Closing Balance as at 31/12/2021	2,659,910,621.98	(673,323,151.68)	1,986,587,470.30	902,261,247.43	(254,651,303.43)	647,609,944.00	3,562,171,869.41	(927,974,455.11)	2,634,197,414.30

	ILESA WEST LOCAL GOVERNMENT	
Consolidated Notes to the Account for the year Ended 31st December, 2021		
Notes		
		CONSOLIDATED
1	Cash and Cash Equivalent	
	Balance b/f 01/01/2020	5,462,487.04
	Add Receipt	1,885,922,133.51
	Total Receipt	1,891,384,620.55
	Total Payment	1,882,909,465.08
		8,475,155.47
2	Receivables	
	Statutory Allocation	54,578,431.16
	VAT	36,385,620.78
		90,964,051.94
3	Prepayment/Advances	
	Balance b/forward	4,070,000.00
	Additional Prepayment	—
	Amount Utilized	—
		4,070,000.00
4	Inventory	
	Office Material	589,633.00
	Finance material	6,384,140.00
		6,973,773.00
	Issued Materials	1,100,000.00
	Unissued	5,873,773.00
5	Investment	
	Omoluabi	13,132,942.00
	Kajola Integrated	9,523,810.00

	OSICOL	267,000.00
	Preference Shares	28,333,333.33
	Total	51,257,085.33
6	Property, Plant & Equipment	
	Building	801,402,740.43
	Plant & Machinery	57,623,040.00
	Infrastructure Facility	2,337,371,626.88
	Motor Vehicle	321,104,021.94
	Office Equipment	15,438,659.20
	Furniture & Fittings	205,428,246.14
		3,738,368,334.59
7	Investment Property	
	Open Market	51,290,945.36
	Lock Up Stall	67,203,961.63
	Shopping Complex	73,740,100.00
		192,235,006.99
8	Biological Asset	
	Palm Tree	25,082,407.41
	Banana Plantation	25,450,000.00
		50,532,407.41
	Impairment	32,847,064.82
		17,685,342.59
9	Asset Under Construction (WIP)	36,000,000.00
10	Short term Loan & Debt	NIL
11	Unremitted Deduction	
	Balance as at 1st of Jan, 2021	34,692,358.60
	Deduction Received	39,681,264.77

		74,373,623.37
	Deduction Paid	44,765,305.29
		29,608,318.08
12	Payable	
	Unpaid vouchers	69,549,114.23
	Unpaid Arrears	170,675,930.91
	Overhead(Running Cost)	100,000.00
	Overhead(Running Grant)	333,333.33
	Overhead (Bank Charges)	159,521.70
	Overhead (Consultancy Fees)	500,109.94
	Overhead (ALGON Imprest)	850,000.00
	Overhead (SUBEB Stipend)	6,666.67
	Salary (Elementary)	21,314,390.56
	Salary (Middle Sch)	8,049,312.79
	Salary (PHC)	15,363,416.57
	Salary (LG & Politician)	28,733,108.09
	Salary (LB)	81,671.29
	Salary (PB)	125,872.73
	Salary (Admin & Mon)	34,020.16
	Transfer to Other Agencies (1% training fund)	908,440.07
	Transfer to Other Agencies (Contract Staff)	22,562.19
	Transfer to Other Agencies (Traditional Council)	4,674,799.67
	Transfer to Other Agencies (Audit Fees)	1,560,453.76
	Transfer to Other Agencies (Stabilisation Fund)	4,683,163.55
	Transfer to Other Agencies (Gratuity)	6,666,666.67
	Transfer to Other Agencies (Monthly Pension LG & TNT)	12,949,694.32
	Transfer to Other Agencies (Contributory TNT)	2,901,257.98
	Transfer to Other Agencies (Contributory LG)	3,408,138.72
	Transfer to Other Agencies (OHIS)	1,124,057.05
	Transfer to Other Agencies (O Meal)	2,386,786.00

	Transfer to Other Agencies (SUBEB Matching Grant)	6,467,695.03
	Modulated Salary Arrears	1,666,666.66
		365,296,850.64
	Less: Modulated Salary Arrears	13,333,333.28
	Cash (Dec,2020)	86,039,767.46
		99,373,100.74
		265,923,749.90
13	Loan Term Loan	N
	Balance b/f	1,242,186,222.37
	10km Road	(17,731,497.15)
	Intervention	(4,484,561.08)
	Environmental	(2,914,565.04)
	Water (Ilesa West)	(1,856,331.47)
		1,215,199,267.63
14	Reserve	
	Balance b/f	3,562,171,869.41
	Revaluation Surplus-PPE	-
	Revaluation Surplus-Inv. Property	-
		3,562,171,869.41
15	Accumulated Surplus/(Deficit)	
	Balance b/forward 01/01/2021	(695,512,606.44)
	Surplus during the year	(232,461,848.67)
	Balance C/forward 31/12/2021	(927,974,455.11)
16	Statutory Allocation	
	JAAC	977,166,662.57
	Non-Oil Revenue	30,690,886.20
	Forex Equalization	1,519,463.78
	Exchange Rate Gain	5,706,161.61
	Eco Fund	4,256,775.01
	Solid Minerals	1,395,515.65
		1,020,735,464.82

17	VAT	
	Cash	594,705,529.54
		594,705,529.54
18	Dependent Revenue	
	JAAC	1,020,735,464.82
	VAT	594,705,529.54
	Total	1,615,440,994.36
19	Other Dependent Revenue (Augmentation)	
	Added From O'Meal	386,786.00
	Added From Augmentation	5,000,000.00
		5,386,786.00
21	Tax Revenue	
	Community Tax	268,777.88
22	Non-Tax Revenue	
	Fees	19,416,027.18
	CENTRALLY EXPENDED	
23	Employee Benefit (Staff Salaries & Wages	
	Teaching & Non teaching Staff	258,012,710.42
	SUBEB (Admin& Mon)	407,867.49
	TNT Middle	98,411,854.38
	PHC	182,227,151.33
	Local Government Staff Salary	315,273,044.50
	Loan's Board Staff Salary	103,950.06
	Pension Board Salary	1,432,202.95
		855,868,781.13
24	Social Benefits	
	Training of Staff (Drivers)	100,000.00
		100,000.00

25	Overhead	N
	2021 Budget Fee	1,400,000.00
	Running Cost to JAAC Sec.	2,200,000.00
	ALGON Imprest	10,200,000.00
	Bank Charge	475,879.05
	Consultancy Fees	6,001,319.28
	Magnum Trust	3,979,218.25
	SUBEB Stipends	66,666.70
	School Running Grant	2,999,999.97
		27,323,083.25
26	Grant & Social Contribution	
	SUBEB Special Need Sch	1,983,214.66
	IWUDE Debt. Repmt	3,500,000.00
	Xmas & New Year Gift	10,930,000.00
	Other Expenditure	10,733,333.33
		27,146,547.99
27	Transfer to Other Agencies	
	1 % Training Fund	9,446,575.39
	5% Traditional Council	50,821,486.80
	5% Stabilization Fund	48,698,707.76
	Audit Fees	19,841,180.65
	SUBEB Contract Staff	271,120.78
	Gratuity	46,666,666.64
	Monthly Pension	155,396,331.84
	Contributory Pension(TNT)	34,815,095.76
	Contributory Pension(LG)	40,897,664.64
	O'HIS	13,567,671.19
	O'Meal	19,094,288.00
	RAMP Refund	8,617,329.07
	SUBEB Matching Grant	38,806,170.18
		486,940,288.70
28	Social Benefits	
	<u>Local Govt Expenditure</u>	
	Financial Assistance to Local Govt Staff	11,015,696.95
		11,015,696.95

29	Overhead	
	<u>Local Govt Expenditure</u>	
	Repair and Maintenance of Vehicle	39,143,544.59
	Publication & Advert	26,095,696.40
	Printing and General Expenses	1,100,000.00
	Bank Charges	363,725.05
	Tax Expenses	170,577.88
		66,873,543.92
30	Grants and Social Contribution	
	<u>Local Govt Expenditure</u>	
	Distilling of Culvets	23,550,103.59
	Cleaning of Dumpsite	9,420,041.44
	Sensitization & Workshop	11,775,051.80
	Training and Entertainment	10,990,048.34
	Ileya	10,205,044.89
	Xmas Celebretion	12,560,055.25
	PPE	16,730,000.00
		95,230,345.31
31	Depreciation Charge	N
	Building	16,333,729.40
	Plants & Machineries	14,405,760.00
	Infrastrual Assets	106,132,925.43
	Motor Vehicle	73,625,952.00
	Office Equipment	7,159,968.28
	Furniture & Fittings	989,022.00
	Investment Property	3,923,163.40
		222,570,520.51
32	Allowance	
	Allowance to Various Committee	37,646,849.21
	O' Tech Allowance	9,411,712.30
		47,058,561.51

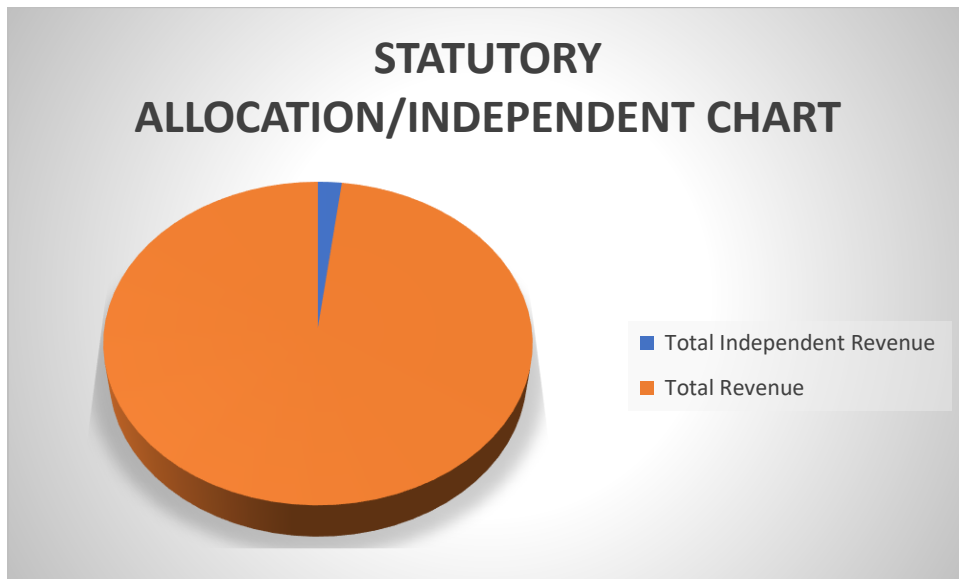
33	Transfer to LCDA	93,174,115.59
34	Impairment	
	Biological Asset (Poultry)	32,847,064.82
36	Total Revenue	1,640,512,585.42
	Total Expenditure	1,872,974,434.07
		(232,461,848.67)

ILESA WEST LOCAL GOVERNMENT FISCAL OPERATION REPORT

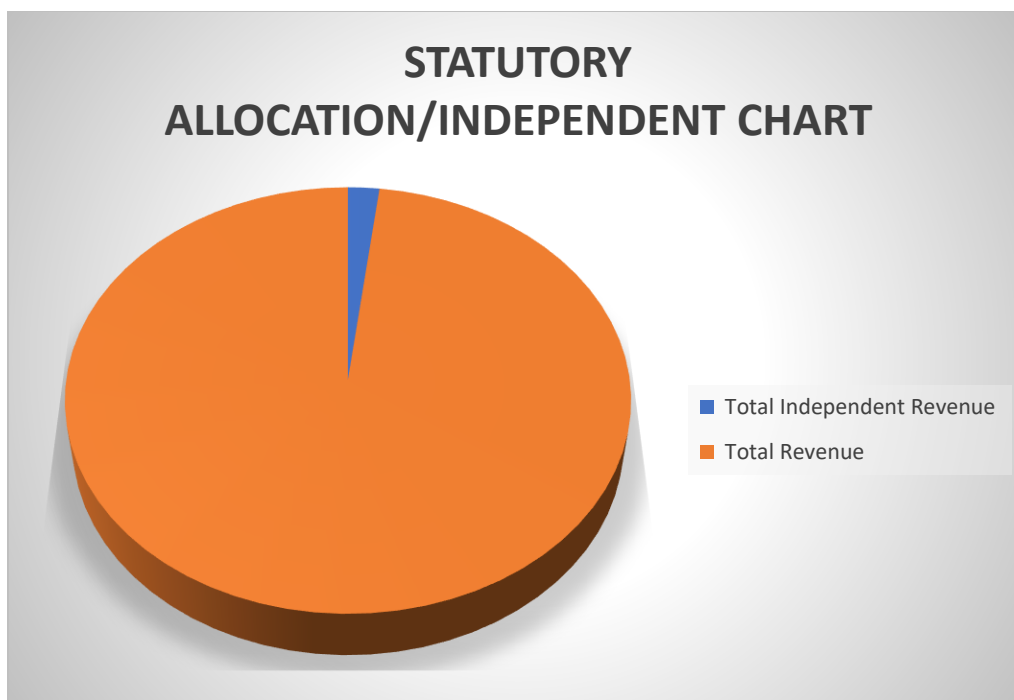
STATEMENT OF CASHFLOW RATIOS

$$\begin{aligned}
 1. \quad & \text{STATUTORY ALLOCATION/TOTAL REVENUE} \times 100 \\
 & = \frac{1,727,995,162.09}{1,753,066,753.15} = 98.56\%
 \end{aligned}$$

This indicated that Statutory Allocation took 98.56% of the Total Revenue of the Local Government and LCDA leaving 1.44% as Independence Revenue



$$\begin{aligned}
 2. \quad & \frac{\text{TOTAL INDEPENDENT REVENUE}}{\text{TOTAL REVENUE}} \\
 & \frac{25,071,591.06}{1,753,066,753.15} \times 100 = 1.44\%
 \end{aligned}$$



3. SALARY & WAGES : TOTAL RECURRENT EXPENDITURE

$$\frac{919,908,548.55}{1,648,984,089.46} \times 100 = 55.79\%$$

Therefore, the Salaries and Wages took about 54.64% out of the Recurrent Expenditure in the Local Government while the remaining 45.36% was expended on other expenditure.

4 INVENTORIES : TOTAL RECURRENT EXPENDITURE

$$\frac{6,384,140.00}{1,648,984,089.46} \times 100 = 0.38\%$$

STATEMENT OF FINANCIAL POSITION RATIOS

6 CURRENT ASSET : CURRENT LIABILITIES

$$\frac{109,382,980.41}{295,532,067.98} = 0.37 : 1$$

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

$$\frac{4,144,928,749.91}{1,510,731,335.61} = 2.74 : 1$$

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

8. EQUITY : TOTAL ASSET

$$\frac{2,634,197,414.30}{4,144,928,749.91} = 0.64 : 1$$

STATEMENT OF FINANCIAL PERFORMANCE RATIO

9. STATUTORY ALLOCATION : TOTAL REVENUE

$$\frac{1,615,440,994.36}{1,640,512,585.42} \times 100 = 98.50\%$$

This indicated that the Dependent Revenue accounted for 98.50% of the Total Revenue of all the Local Government of the State leaving 1.50% as Independent Revenue.

10. INDEPENDENT REVENUE : TOTAL REVENUE

$$\frac{25,071,591.06}{1,640,512,585.42} \times 100 = 1.50\%$$

MANAGEMENT LETTER
ILESA WEST LOCAL GOVERNMENT, OMI - ALADIYE

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

1. EXPENDITURE NOT SUPPORTED WITH PROPER RECORDS OR ACCOUNTS TOTALLING ₦2,950, 000:00: : Audit Scrutiny of records revealed that payment voucher No 02/March/2021 was not supported with sub-receipt and other relevant documents contrary to Financial Memoranda 14:16 & 14:17 which state that Payment Vouchers shall be receipted by the payee or authorized agent, and the receipt must state clearly in words and figure the actual amount received and not “Simply received the above amount” and paragraph 14:17 stipulate that “An official receipt must be obtained and attached to payment voucher in respect of a payment to Government, another Local Government or a commercial firm.”.

RISK: *Payment 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, and the receipts had been obtained and attached to the Payment Voucher which 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. DOUBTFUL EXPENDITURE WORTH ₦1,050,000.00: Audit Inspection showed that a sum of one million and fifty thousand naira only purportedly expended on flag off for the introduction of vaccine immunization of Corona Virus (Covid-19) phase I and for the creation of awareness and retraining of Health workers in the Local Government on Covid-19 phase 2 were without the attachment of necessary documents or pictorial evidence, video clips to justify the actual performance of the exercise.

It was observed that the expenditure was frivolous as the money was spent on the purchase of foods and drinks.

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

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

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

3. FINAL ACCOUNTS: Capturing and Balancing errors were observed in the statement of comparison of Budget and Actual in the period under review. However, this was being corrected in the instance of Audit officer. The Head of Finance and Supplies is admonished to ensure proper and adequate supervision of his subordinate towards ensuring error free financial statement.

RISK: *This can affect the reliability of the statement to the end users*

MANAGEMENT RESPONSE: *The officer in charge of the preparation of General Purpose Financial Statement will be supervised thoroughly and checked work done before the presentation of General Purpose Financial Statement for audit verification*

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

4. ASSET LISTING AND REVALUATION OF NON CURRENT ASSET: The asset verification team noted that the council failed to maintain a comprehensive asset register, for instance poultry, battery cage and skip eater were left uncaptured. The Internal Auditor is advised to always take the cognisance of ownership and documentations of the asset in order to give accurate financial data in the GPFS.

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

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

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

MANAGEMENT LETTER

ILESAS WEST CENTRAL LOCAL COUNCIL DEVELOPMENT AREA, EREJA SQUARE ILESAS
Observation and internal control review for the financial year ended 31st December, 2021.

1. EXPENDITURE NOT SUPPORTED WITH PROPER RECORDS OR ACCOUNTS TOTALING (N332,000.00) : Audit scrutiny of records revealed that some of the payment vouchers were not supported with receipts and other relevant documents to substantiate the expenditure contrary to Financial Memoranda 14:16 & 14:17 which states that, "Payment Vouchers shall be receipted by the payee or authorized agent, and the receipt must state clearly in words and figure the actual amount received and not "Simply received the above amount" and paragraph 14:17 stipulate that "An official receipt must be obtained and attached to payment voucher in respect of a payment to Government, another Local Government or a commercial firm."

RISK: *Payment 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, and the receipts had been obtained and attached to the Payment Vouchers and would be presented for audit verification.*

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

2. UNRETIRED IMPREST TOTALLING N 240,000:00: It was observed that a sum of two hundred and forty thousand naira only were not retired contrary to the provision of 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 retired at the end of each financial year".

RISK: *Government fund might not have been used for official purpose*

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

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

3. UNCLAIMED EXPENDITURE AMOUNTING ₦ 160, 000:00: It was observed that the sum of One hundred and sixty thousand naira only stood as unclaimed allowance because it was not acknowledged by the beneficiaries/ recipients as having been received, an indication which suggests that the amount involved was neither paid to the beneficiaries nor remitted to the Government coffers contrary to the Financial Memoranda 14:13 which states that "Payment vouchers shall be receipted by the Payee or his authorized agent and the receipt must state clearly in words and figures the actual amount received and not simply received the above amount.

RISK: *This was an indication that purported recipients might not have been paid thereby resulting to loss of Local Government fund.*

MANAGEMENT RESPONSE: *Action had been taken, the sub-receipt attached to the Payment Voucher had been signed by the recipients and would be presented for audit verification.*

RECOMMENDATION: *The sub-receipt must be obtained and attached to the payment voucher as this proved the authenticity that the expenditure was carried out.*

4. UNPRODUCED REVENUE EARNING RECEIPT BOOKLET (#74,000.00): The Back duty investigation on the revenue checking revealed that one of the Revenue collectors of the council (See the Appendix A) failed to submit the Revenue Earning Booklet in his possession for audit checking. The Head of Finance should ensure prompt payment for all receipt issued, checked and passed by the Internal Auditor and returned to store for safe keeping before issuance of a new ones.

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

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

RECOMMENDATION: *All the receipt booklets should be produced for audit check and verification.*

5. ASSET LISTING AND REVALUATION OF NON CURRENT ASSET: This assignment revealed that the Local Council devoid of comprehensive fixed asset register. For instance, the council has three tractors, five plough beam, two harrows and one ridger. Out of all these listed, only one tractor was captured in the council asset register. All these assets (equipment) found on ground are serviceable, if the necessary financial support is given for their repairs, it would be a good source of revenue to the Local Government. The Internal Auditor must ensure that all assets are captured in the asset register, taking cognisance of ownerships, valuations in ensuring an accurate reliable financial figures in the council GPFS

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

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

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

6. FINAL ACCOUNTS: Balancing errors are observed in the statement of comparism of Budget and Actual in the period under review. However, these errors were corrected at the instance of Audit inspection team. The Head of Finance and Supplies is admonished to be meticulous in handling accounting figures to ensuring error free financial statement.

RISK: *This can affect the reliability of the statement to the end users*

MANAGEMENT RESPONSE: *The officer in charge of the preparation of General Purpose Financial Statement will be supervised thoroughly and checked work done before the presentation of General Purpose Financial Statement for audit verification*

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

REPORT ON INTERNAL AUDITOR'S REPORT

- i. The Internal Control Mechanism is very effective and this has to be transferred on the activities of Revenue generation, particularly, Revenue generating departments like WES, TPL and marriage Unit.
- ii. Effectively, the Internal Control Unit is on ground and other Revenue generating departments are yet to improve on their conditions to IGR especially WES, TPL and works. Marriage unit and Agric Department not also contributing meaningful to the IGR.

ILESA WEST LOCAL GOVERNMENT, OMI-ALADIYE

S/N	SUBJECT	QUERIES NO	NO OF OFFICER QUERIED	AMOUNT	REMARKS
1	Expenditure not supported with proper records or accounts	LQ/AUD/ILW/01/2021	5	1,620,000	
2	Expenditure not supported with proper records or accounts	LQ/AUD/ILW/02/2021	4	250,000	
3	Doubtful Expenditure	LQ/AUD/ ILW/03/2021	3	1,050,000	
4	Expenditure not supported with proper records or accounts	LQ/AUD/ILW/04/2021	1	780,000	
5	Expenditure not supported with proper records or accounts	LQ/AUD/ ILW/05/2021	3	300,000	

ILESA WEST CENTRAL LOCAL COUNCIL DEVELOPMENT AREA, EREJA SQUARE

S/N	SUBJECT	QUERIES NO	NO OF OFFICER QUERIED	AMOUNT	REMARKS
1	Expenditure not supported with proper records or accounts	LQ/AUD/ILWLCDA/01/2021	4	175,000	
2	Unretired Imprest	LQ/AUD/ILWLCDA/02/2021	6	240,000	
3	Unreceipted Expenditure	LQ/AUD/ILWLCDA/03/2021	6	157,000	
4	Unclaimed allowance / expenditure	LQ/AUD/ILWLCDA/04/2021	2	160,000	

ILESA WEST LOCAL GOVERNMENT, OMI - ALADIYE.

LIST OF PROJECTS FROM JANUARY – DECEMBER 2021

S/N	DESCRIPTION OF PROJECT	LOCATION	MODE OF EXECUTION	AMOUNT APPROVED (N : K)	PAYMENT UP TO DATE (N : K)	REMARKS
1,	Procurement of Toyota Muscle Camry car	LG Secretariat	Direct Purchases	5,000,000.00	5,000,000.00	Supplied
2,	Procurement of Toyota corolla car	LG Secretariat	Direct Purchases	4,000,000.00	4,000,000.00	Supplied
3,	Procurement of Toyota corolla car	LG Secretariat	Direct Purchases	3,000,000.00	3,000,000.00	Supplied
4.	Construction of perimeter fence of Ilesa West Local Government Secretariat	Ilesa West	Direct Labour	4,999,000.00	3,500,000.00	On-going
5.	Renovation of Isokun market	Isokun garage	Direct Labour	3,500,000.00	1,500,000.00	On-going

WEST CENTRAL LOCAL COUNCIL DEVELOPMENT AREA, EREJA SQUARE, ILESA
LIST OF PROJECTS FROM JANUARY-DECEMBER 2021

S/N	DESCRIPTION OF PROJECT	LOCATION	MODE OF EXECUTION	AMOUNT APPROVED (N : K)	PAYMENT UP TO DATE (N : K)	REMARKS
1,	Procurement of Toyota Camry car	LG Secretariat	Direct Purchases	4,000,000.00	4,000,000.00	Supplied
2,	Procurement of Toyota corolla car	LG Secretariat	Direct Purchases	3,000,000.00	3,000,000.00	Supplied
3,	Procurement of Toyota corolla car	LG Secretariat	Direct Purchases	3,000,000.00	3,000,000.00	Supplied
4.	Reconstruction of flood control drain	Isida	Direct Labour	250,000.00	250,000.00	Completed