

STATE GOVERNMENT OF OSUN, NIGERIA.

REPORT OF

THE
AUDITOR-GENERAL
FOR
LOCAL GOVERNMENTS

ON THE ACCOUNTS OF

IREWOLE LOCAL GOVERNMENT

IKIRE

FOR THE YEAR ENDED

31ST DECEMBER, 2021.

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LIST OF ABBREVIATIONS

1. AGLG - AUDITOR-GENERAL FOR LOCAL GOVERNMENTS
2. AO - AREA OFFICE
3. ADO - 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:

Irewole Local Government and Irewole North East 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 *Irewole 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

Irewole Local Government

ABBAS MUIDEEN. A



Chairman

Irewole North East L.C.D.A.

ADEBOYE OPEYEMI. T.



Head of Finance & supplies,

EFUNWOLE OLADOKE OLUSEGUN
Government



Chairman **ABBAS MUIDEEN. A**
Irewole Local Government



Head of Finance & supplies,

AREMU FAJANA
Irewole North East L.C.D.A.



Chairman **ADEBOYE OPEYEMI. T.**
Irewole North East L.C.D.A.

AUDIT CERTIFICATE

I have audited the accounts of Irewole Local Government, Ikire 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 General Purpose 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 Irewole Local Government, Ikire 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 FINANCIAL RESPONSIBILITY

The preparation and fair presentation of Financial Statements of Local Government 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 Irewole Local Government in the State of Osun is responsible for the consolidation of the Financial Statements with the subsidiary Irewole 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 Local Government is attached to this report.

STATEMENT OF RESPONSIBILITY OF THE AUDITOR-GENERAL.

It is my responsibility to Audit the accounts of the Local Governments, the State Joint Local Government Account, and all offices of the Local Government(inclusive of Irewole Local Govt) as stipulated by the Laws of Osun State and the Financial Memoranda; and to form an independent opinion based on the Audit of the Financial Statements and accompany notes submitted by the Head of Finance and Supply of Irewole Local Government in the state, inclusive of Irewole Local Government, and Irewole North East LCDA.

BASIS OF AUDIT OPINION

In the course of auditing the accounts of Irewole Local Government Ikire, and Irewole North East 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 Irewole 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 Irewole Local Government are constituents.

The accounts of Irewole Local Government 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 Irewole Local Government and Irewole North East 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 is Irewole North East LCDA, which GPFS has been consolidated with that of Irewole 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 and Aggregate the prepared Financial Statements in line with the Fiscal Operation Report Guideline.

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's, 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 recognized 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 Irewole Local Government, Ikire (including elements of Local Government fund in various Agencies and Institutions of Government, comprising Traditional Councils, LGSPB and the 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 Irewole Local Government and other Chairmen, all of whom were members of the Joint Account Allocation Committee.

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

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

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

BUDGET PREPARATION / EXECUTION

The Budget for 2021 for Irewole Local Government was prepared in compliance with new National Chart of Accounts. The 2021 Budget was an improvement on the previous Budget of 2020 as some of the obvious shortcomings observed by the Audit have been addressed.

PROCUREMENT PRACTICES

The Audit observed that the 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 yearly.

INTERNALLY REVENUE GENERATION AND FINANCIAL VIABILITY

The total Internally Revenue generated by the Local Government for 2021 was ~~N~~38,326,329.71 representing 2.16% 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, 5 nos of Audit Queries were issued in respect of 2021 Accounts, involving a total sum of ~~N~~832,000.00

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

COMMENTS ON FINANCIAL STATEMENTS

A. STATEMENT OF FINANCIAL PERFORMANCE

Share of FAAC and VAT: To ensure completeness of Revenue, the total Allocation received from the Federation Account in respect of Irewole 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 ₦1,097,436,224.39 was Share of FAAC and VAT amounted to ~~₦~~652,645,567.66.

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
Irewole	1,097,436,224.39	652,645,567.66								1,750,081,792.05

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. #298,300.00, 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 – #11,943,753.35

The Cash and Cash equivalents amounted to ₦11,943,753.35 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 - ₦101,642,446.95

A total sum of ₦101,642,446.95 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 - ₦47,794,026.43

The sum of ₦47,794,026.43 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 - ₦51,263,085.34

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 - ₦561,747,742.80

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 - ₦30,805,859.00

The carrying amount of Investment Properties of the Local Governments stood at ₦30,805,859.00 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 - ₦1,564,856,833.68

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 - ₦185,51,931.91

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 ₦93,238,924.24 was made to the Local Council Development Areas and Area Offices in the period under review and was set off in the Consolidated Account.

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

PARTICULAR	NOTE	IREWOLE CONSOLIDATED
ASSETS		
Current Assets		
Cash & Cash Equipments	1	11,943,753.35
Receivables	2	101,642,446.95
Prepayment/Advance	3	4,300,000.00
Inventories	4	47,794,026.43
Total Current Asset		165,680,266.73
Non-current Asset		-
Long Term Loan Granted		-
Investments	5	51,263,085.34
Property, Plant & Equipment	6	2,986,143,005.99
Investment Property	7	30,805,859.00
Biological Asset	8	4,545,000.00
Assets Under Construction (wip)	9	-
Total Non-Current Asset		3,072,756,950.33
Total Asset		3,238,437,177.06
LIABILITIES		-
Current Liabilities		-
Deposit		-
Short Term Loan & Debts	10	-
Unremitted Deduction	11	185,510,931.91
Payables	12	561,747,742.80
Short Terms Provisions		-
Total Current Liability		747,258,674.71
Non-Current Liabilities		-
Long Term Borrowing	13	1,564,856,833.68
Total Liabilities		2,312,115,508.39
Net Assets		926,321,668.67
Financed by		-
Reserve	14	1,276,078,840.54
Net Surplus/Deficit	15	(349,757,171.87)
Total		926,321,668.67

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

PARTICULAR	NOTE	IREWOLE	IREWOLE EAST	IREWOLE CONSOLIDATED
ASSETS				
Current Assets				
Cash & Cash Equipments	1	6,273,606.92	5,670,146.43	11,943,753.35
Receivables	2	100,060,542.08	1,581,904.87	101,642,446.95
Prepayment/Advance	3	4,300,000.00		4,300,000.00
Inventories	4	47,491,726.43	302,300.00	47,794,026.43
Total Current Asset		158,125,875.43	7,554,351.30	165,680,226.73
Non-current Asset				-
Long Term Loan Granted				-
Investments	5	38,513,085.34	12,750,000.00	51,263,085.34
Property, Plant & Equipment	6	1,655,531,612.04	1,330,611,393.95	2,986,143,005.99
Investment Property	7	18,781,435.40	12,024,423.60	30,805,859.00
Biological Asset	8	4,545,000.00		4,545,000.00
Assets Under Construction (wip)	9	-	-	-
Total Non-Current Asset		1,717,371,132.78	1,355,385,817.55	3,072,756,950.33
Total Asset		1,875,497,008.21	1,362,940,168.85	3,238,437,177.06
LIABILITIES				-
Current Liabilities				-
Deposit				-
Short Term Loan & Debts	10			-
Unremitted Deduction	11	110,987,057.28	74,523,874.63	185,510,931.91
Payables	12	316,778,761.97	244,968,980.83	561,747,742.80
Short Terms Provisions				-
Total Current Liability		427,765,819.25	319,492,855.46	747,258,674.71
Non-Current Liabilities				-
Long Term Borrowing	13	901,768,134.34	663,088,699.34	1,564,856,833.68
Total Liabilities		1,329,533,953.59	982,581,554.80	2,312,115,508.39
Net Assets		545,963,054.62	380,358,614.05	926,321,668.67
Financed by				-
Reserve	14	752,890,433.07	523,188,407.47	1,276,078,840.54
Net Surplus/Deficit	15	(206,927,378.45)	(142,829,793.42)	(349,757,171.87)
Total		545,963,054.62	380,358,614.05	926,321,668.67

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

PERFORMANCE		
PARTICULAR	NOTE	IREWOLE CONSOLIDATED
STATUTORY ALLOCATION		
Government share of FAAC (Statutory Revenue)	16	1,097,436,224.39
Government Share of VAT	17	652,645,567.66
Sub-Total Dependent Revenue	18	1,750,081,792.05
INDEPENDENT REVENUE		-
Grant & Aids	19	5,386,786.00
Transfer from main Council	20	
Tax Revenue	21	298,300.00
Non-Tax Revenue	22	34,224,281.82
Other Income		
Overpayment Recovery		-
Sub-Total Independent Revenue		39,909,367.82
Total Revenue		1,789,991,159.87
EXPENDITURE		-
JOINTLY EXPENDED		-
Salaries & Wages	23	855,868,781.13
Social Benefits	24	100,000.00
Overhead Cost	25	29,744,564.45
Grants & Social Contribution	26	25,286,547.99
Transfer to other Agencies	27	471,180,475.63
L/GOVERNMENT EXPENDITURE		-
Social Benefits	28	39,290,803.66
Overhead Cost	29	75,670,715.50
Grants & Social Contribution	30	155,034,824.78
Depreciation	31	204,416,679.88
Allowances	32	52,671,326.98
Transfer to LCDA	33	
Impairment	34	-
Revenue Refunded	35	-
Public Debt Charges		
Stabilization Fund		
Refund to main Council		-
Stationeries		-
Severance Gratuity		-
Total Expenditures		1,909,264,720.00
Net Surplus/Deficit	36	(119,273,560.13)
Net Surplus/Deficit 01/01/2021	37	(230,483,611.74)
Net Surplus/Deficit 31/12/2021	38	(349,757,171.87)

IREWOLE LOCAL GOVERNMENT, IKIRE

**CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER,
2021**

PERFORMANCE				
PARTICULAR	NOTE	IREWOLE	IREWOLE EAST	IREWOLE CONSOLIDATED
DEPENDENT REVENUE				
Government share of FAAC (Statutory Revenue)	16	1,097,436,224.39		1,097,436,224.39
Government Share of VAT	17	652,645,567.66		652,645,567.66
Sub-Total Dependent Revenue	18	1,750,081,792.05	-	1,750,081,792.05
INDEPENDENT REVENUE				-
Grant & Aids	19	5,386,786.00		5,386,786.00
Transfer from main Council	20		93,238,924.04	
Tax Revenue	21	130,100.00	168,200.00	298,300.00
Non-Tax Revenue	22	14,721,651.00	19,502,630.82	34,224,281.82
Other Income				
Overpayment Recovery				-
Sub-Total Independent Revenue		20,238,537.00	112,909,754.86	39,909,367.82
Total Revenue		1,770,320,329.05	112,909,754.86	1,789,991,159.87
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	29,744,564.45		29,744,564.45
Grants & Social Contribution	26	25,286,547.99		25,286,547.99
Transfer to other Agencies	27	471,180,475.63		471,180,475.63
L/GOVERNMENT EXPENDITURE				-
Social Benefits	28	28,819,666.66	10,471,137.00	39,290,803.66
Overhead Cost	29	60,300,329.75	15,370,385.75	75,670,715.50
Grants & Social Contribution	30	100,882,524.78	54,152,300.00	155,034,824.78
Depreciation	31	112,413,881.14	92,002,798.74	204,416,679.88
Allowances	32	31,374,641.00	21,296,685.98	52,671,326.98
Transfer to LCDA	33	93,238,924.04		
Impairment	34			-
Revenue Refunded	35			-
Public Debt Charges				
Stabilization Fund				
Refund to main Council				-

Stationeries				-
Severance Gratuity				-
Total Expenditures		1,809,210,336.57	193,293,307.47	1,909,264,720.00
Net Surplus/Deficit	36	(38,890,007.52)	(80,383,552.61)	(119,273,560.13)
Net Surplus/Deficit 01/01/2021	37	(168,037,370.93)	(62,446,240.81)	(230,483,611.74)
Net Surplus/Deficit 31/12/2021	38	(206,927,378.45)	(142,829,793.42)	(349,757,171.87)

IREWOLE LOCAL GOVERNMENT, IKIRE

CONSOLIDATED STATEMENT OF CASHFLOW AS AT 31ST DECEMBER, 2021

CASHFLOW

OPERATING ACTIVITIES	NOTE	IREWOLE CONSOLIDATED
INFLOW		
Statutory Revenue (JAAC)	39	1,083,840,631.26
Value Added Tax	40	652,645,567.66
Receivable		-
Sub Total Dependent Revenue	41	1,736,486,198.92
Argumentation	42	5,386,786.00
Transfer from Main Council	43	
Tax Revenue	44	298,300.00
Non Tax Revenue	45	16,510,689.00
Other Income		16,130,554.71
Overpayment Recovery		-
Sub Total Independent Revenue	46	38,326,329.71
Total Inflow Operating Activities	47	1,774,812,528.63
OUTFLOW		-
Salaries & Wages	48	864,348,709.04
Social Benefits	49	39,390,803.66
Overhead Cost	50	90,280,688.73
Social Contributions	51	165,153,372.17
Allowances	52	52,671,326.98
Modulated Salary Arrears	53	13,333,333.28
Inventories	54	17,944,145.00
Fund Conserved for Salary		-
Transfer to LCDA	55	
Transfer to other Govt. Agencies	56	449,428,281.45
Refund to Main Councils		-
Revenue Refunded		
Stabilization Fund		
Tax Expenses	57	-
Severance Gratuity		-
Total Outflow from Operating Activities	58	1,692,550,660.31
Net Cashflow from Operating Activities	59	82,261,868.32
INVESTING ACTIVITIES		-
Proceed from Disposal of Asset		-
Total Inflow from Investing Activities		-
Cashflow from Investing Activities		-
Administrative Sector	60	52,749,000.00
Economic Sector		4,545,000.00

Total Outflow from Investing Activities	61	57,294,000.00
Net Cashflow from Investing Activities		(57,294,000.00)
Inflow from Financing Activities		-
Bank Overdraft		
Soft Loan(Bank)		
Deduction Received	62	83,533,379.58
Total Inflow from Financing Activities	63	83,533,379.58
OUFLOW (PAYMENT)		-
Bail Out Repayment		-
10km Road	64	14,815,157.60
Water Project	65	-
Environmental Sanitation Loan	66	2,914,565.04
Loan Repayment (Inherited)	67	-
Bank Loan	68	-
Intervention Loan	69	11,361,201.55
Other Loan Repayment		
Deduction Paid	70	80,855,429.90
Total Otuflow From Financing Activities	71	109,946,354.09
Net Cashflow from financing Activities	72	(26,412,974.51)
Cash and Cash Equivalent for the year	73	(1,445,106.19)
Cash and Cash Equivalent 01/01/2021	74	13,388,859.54
Cash and Cash Equivalent 31/12/2021	75	11,943,753.35

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

OPERATING ACTIVITIES	NOTE	IREWOLE	IREWOLE EAST	IREWOLE CONSOLIDATED
INFLOW				
Statutory Revenue (JAAC)	39	1,083,840,631.26		1,083,840,631.26
Value Added Tax	40	652,645,567.66		652,645,567.66
Receivable				-
Sub Total Dependent Revenue	41	1,736,486,198.92	-	1,736,486,198.92
Aids and Grants	42	5,386,786.00		5,386,786.00
Transfer from Main Council	43		93,238,924.04	
Tax Revenue	44	130,100.00	168,200.00	298,300.00
Non Tax Revenue	45	14,721,651.00	1,789,038.00	16,510,689.00
Other Income			16,130,554.71	16,130,554.71
Overpayment Recovery				-
Sub Total Independent Revenue	46	20,238,537.00	111,326,716.75	38,326,329.71
Total Inflow Operating Activities	47	1,756,724,735.92	111,326,716.75	1,774,812,528.63
OUTFLOW				
Salaries & Wages	48	864,348,709.04		864,348,709.04
Social Benefits	49	28,919,666.66	10,471,137.00	39,390,803.66
Overhead Cost	50	74,910,302.98	15,370,385.75	90,280,688.73
Social Contributions	51	116,713,072.17	48,440,300.00	165,153,372.17
Allowances	52	31,374,641.00	21,296,685.98	52,671,326.98
Modulated Salary Arrears	53	13,333,333.28		13,333,333.28
Inventories	54	1,744,145.00	16,200,000.00	17,944,145.00
Fund Conserved for Salary				-
Transfer to LCDA	55	93,238,924.04		
Transfer to other Govt. Agencies	56	449,428,281.45		449,428,281.45
Refund to Main Councils				-
Revenue Refunded				
Stabilization Fund				
Tax Expenses	57			-
Severance Gratuity				-
Total Outflow from Operating Activities	58	1,674,011,075.62	111,778,508.73	1,692,550,660.31

Net Cashflow from Operating Activities	59	82,713,660.30	(451,791.98)	82,261,868.32
INVESTING ACTIVITIES				
Proceed from Disposal of Asset				-
Total Inflow from Investing Activities				-
Cashflow from Investing Activities				-
Administrative Sector	60	52,749,000.00		52,749,000.00
Economic Sector		4,545,000.00		4,545,000.00
Total Outflow from Investing Activities	61	(57,294,000.00)	-	(57,294,000.00)
Net Cashflow from Investing Activities		(22,794,000.00)	-	(22,794,000.00)
Inflow from Financing Activities				-
Bank Overdraft				
Soft Loan(Bank)				
Deduction Received	62	59,025,010.68	24,508,368.90	83,533,379.58
Total Inflow from Financing Activities	63	59,025,010.68	24,508,368.90	83,533,379.58
OUFLOW (PAYMENT)				-
Bail Out Repayment				-
10km Road	64	14,815,157.60		14,815,157.60
Water Project	65			-
Environmental Sanitation Loan	66	2,914,565.04		2,914,565.04
Loan Repayment (Inherited)	67			-
Bank Loan	68			-
Intervention Loan	69	11,361,201.55		11,361,201.55
Other Loan Repayment				
Deduction Paid	70	58,452,409.88	22,403,020.02	80,855,429.90
Total Outflow From Financing Activities	71	87,543,334.07	22,403,020.02	109,946,354.09
Net Cashflow from financing Activities	72	(28,518,323.39)	2,105,348.88	(26,412,974.51)
Cash and Cash Equivalent for the year	73	(3,098,663.09)	1,653,556.90	(1,445,106.19)
Cash and Cash Equivalent 01/01/2021	74	9,372,270.01	4,016,589.53	13,388,859.54
Cash and Cash Equivalent 31/12/2021	75	6,273,606.92	5,670,146.43	11,943,753.35

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

		IREWOLE CONSOLIDATED		
PARTICULAR	NOTE	FINAL BUDGET	ACTUAL	VARIANCE
DEPENDENT REVENUE				
Government Share of FAAC(Statutory Revenue)	16	1,500,902,493.82	1,097,436,224.39	915,432,343.69
Government Share of VAT	17	552,033,419.81	652,645,567.66	455,162,347.47
Sub-Total Dependent Revenue	18	2,052,935,913.63	1,750,081,792.05	1,370,594,691.16
INDEPENDENT REVENUE				
Grants & Aids	19	27,128,748.00	5,386,786.00	21,741,962.00
Transfer from Main Council	20	-	-	-
Tax Revenue	21	1,150,000.00	298,300.00	851,700.00
Non-Tax Revenue	22	51,869,096.50	34,224,281.82	35,358,407.50
Other Income		5,000,000.00	17,713,592.82	12,713,592.82
Sub-Total Independent Revenue		85,147,844.50	39,909,367.82	70,665,662.32
Total Revenue		2,138,083,758.13	1,789,991,159.87	1,441,260,353.48
EXPENDITURE				
Salaries & Wages	23	1,185,060,870.00	855,868,781.13	329,192,088.87
Social Benefits	24	93,000,000.00	39,390,803.66	53,609,196.34
Overhead Cost	25	150,206,596.50	105,255,529.95	44,951,066.55
Grants & Social Contribution	26	250,915,831.74	180,321,372.77	70,594,458.97
Transfer to Other Agencies	27	-	471,180,475.63	(471,180,475.63)
Depreciation	31	-	204,416,679.88	(204,416,679.88)
Allowances	32	73,131,480.00	52,671,326.98	20,460,153.02
Transfer to LCDA	33	-	93,238,924.04	(93,238,924.04)
Impairment	34	-	-	-
Revenue Refunded	35	31,973,576.40	-	31,973,576.40
Stationaries		-	159,750.00	(159,750.00)
Total Expenditures		1,784,288,354.64	1,909,264,720.00	(218,215,289.40)
Net Surplus/Deficit	36	353,795,403.49	(119,273,560.13)	1,659,475,642.88
Net Surplus/Deficit 31/12/2020	37	-	(230,483,611.74)	-
Net Surplus/Deficit 31/12/2021	38	353,795,403.49	(349,757,171.87)	1,659,475,642.88

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

		IREWOLE LG			IREWOLE NORTH EAST			IREWOLE CONSOLIDATED		
PARTICULAR	NOTE	FINAL BUDGET	ACTUAL	VARIANCE	FINAL BUDGET	ACTUAL	VARIANCE	FINAL BUDGET	ACTUAL	VARIANCE
DEPENDENT REVENUE										
Government Share of FAAC(Statutory Revenue)	16	794,833,725.24	1,097,436,224.39	302,602,499.15	706,068,768.58		612,829,844.54	1,500,902,493.82	1,097,436,224.39	915,432,343.69
Government Share of VAT	17	374,758,320.00	652,645,567.66	277,887,247.66	177,275,099.81		177,275,099.81	552,033,419.81	652,645,567.66	455,162,347.47
Sub-Total Dependent Revenue	18	1,169,592,045.24	1,750,081,792.05	580,489,746.81	883,343,868.39		790,104,944.35	2,052,935,913.63	1,750,081,792.05	1,370,594,691.16
INDEPENDENT REVENUE								-	-	-
Argumentation	19	14,210,560.00	5,386,786.00	8,823,774.00	12,918,188.00		12,918,188.00	27,128,748.00	5,386,786.00	21,741,962.00
Transfer from Main Council	20							-	-	-
Tax Revenue	21	200,000.00	130,100.00	69,900.00	950,000.00	168,200.00	781,800.00	1,150,000.00	298,300.00	851,700.00
Non-Tax Revenue	22	40,302,096.50	14,721,651.00	25,580,445.50	11,567,000.00	1,789,038.00	9,777,962.00	51,869,096.50	34,224,281.82	35,358,407.50
Other Income					5,000,000.00	17,713,592.82	12,713,592.82	5,000,000.00	17,713,592.82	12,713,592.82
Sub-Total Independent Revenue		54,712,656.50	20,238,537.00	34,474,119.50	30,435,188.00	19,670,830.82	36,191,542.82	85,147,844.50	39,909,367.82	70,665,662.32
Total Revenue		1,224,304,701.74	1,770,320,329.05	614,963,866.31	913,779,056.39	112,909,754.86	826,296,487.17	2,138,083,758.13	1,789,991,159.87	1,441,260,353.48
EXPENDITURE								-	-	-
Salaries & Wages	23	647,334,650.00	855,868,781.13	(208,534,131.13)	537,726,220.00		537,726,220.00	1,185,060,870.00	855,868,781.13	329,192,088.87
Social Benefits	24	93,000,000.00	28,919,666.66	64,080,333.34		10,471,137.00	(10,471,137.00)	93,000,000.00	39,390,803.66	53,609,196.34
Overhead Cost	25	50,206,596.50	90,044,894.20	(39,838,297.70)	100,000,000.00	15,210,635.75	84,789,364.25	150,206,596.50	105,255,529.95	44,951,066.55
Grants & Social Contribution	26	132,166,771.74	126,169,072.77	5,997,698.97	118,749,060.00	54,152,300.00	64,596,760.00	250,915,831.74	180,321,372.77	70,594,458.97
Transfer to Other Agencies	27		471,180,475.63	(471,180,475.63)			-	-	471,180,475.63	(471,180,475.63)

Depreciation	31		112,413,881.14	(112,413,881.14)		92,002,798.74	(92,002,798.74)	-	204,416,679.88	(204,416,679.88)
Allowances	32	32,301,280.00	31,374,641.00	926,639.00	40,830,200.00	21,296,685.98	19,533,514.02	73,131,480.00	52,671,326.98	20,460,153.02
Transfer to LCDA	33		93,238,924.04	(93,238,924.04)			-	-	93,238,924.04	(93,238,924.04)
Impairment	34							-	-	-
Revenue Refunded	35				31,973,576.40		31,973,576.40	31,973,576.40	-	31,973,576.40
Stationaries						159,750.00	(159,750.00)	-	159,750.00	(159,750.00)
Total Expenditures		955,009,298.24	1,809,210,336.57	(854,201,038.33)	829,279,056.40	193,293,307.47	635,985,748.93	1,784,288,354.64	1,909,264,720.00	(218,215,289.40)
Net Surplus/Deficit	36	269,295,403.50	(38,890,007.52)	1,469,164,904.64	84,499,999.99	(80,383,552.61)	190,310,738.24	353,795,403.49	(119,273,560.13)	1,659,475,642.88
Net Surplus/Deficit 31/12/2020	37		(168,037,370.93)			(62,446,240.81)		-	(230,483,611.74)	-
Net Surplus/Deficit 31/12/2021	38	269,295,403.50	(206,927,378.45)	1,469,164,904.64	84,499,999.99	(142,829,793.42)	190,310,738.24	353,795,403.49	(349,757,171.87)	1,659,475,642.88

IREWOLE LOCAL GOVERNMENT, IKIRE

NET ASSET AND EQUITY	IREWOLE CONSOLIDATED		
DETAILS	RESERVES	Accumulated Surplus/Deficit	TOTAL
Opening Balance 1/1/2021	1,276,078,840.54	(230,483,611.74)	1,045,595,228.80
Adjusted Reserve	-	-	-
Adjusted Balance	1,276,078,840.54	(230,483,611.74)	1,045,595,228.80
Net Surplus Deficit for the year	-	(119,273,560.13)	(119,273,560.13)
Closing Balance as at 31/12/2021	1,276,078,840.54	(349,757,171.87)	926,321,668.67

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

DETAILS	IREWOLE			IREWOLE SOUTH			IREWOLE CONSOLIDATED		
	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL
Opening Balance 1/1/2021	752,890,433.07	(168,037,370.93)	584,853,062.14	523,188,407.47	(62,446,240.81)	460,742,166.66	1,276,078,840.54	(230,483,611.74)	1,045,595,228.80
Adjusted Reserve			-			-	-	-	-
Adjusted Balance	752,890,433.07	(168,037,370.93)	584,853,062.14	523,188,407.47	(62,446,240.81)	460,742,166.66	1,276,078,840.54	(230,483,611.74)	1,045,595,228.80
Net Surplus Deficit for the year	-	(38,890,007.52)	(38,890,007.52)		(80,383,552.61)	(80,383,552.61)	-	(119,273,560.13)	(119,273,560.13)
Closing Balance as at 31/12/2021	752,890,433.07	(206,927,378.45)	545,963,054.62	523,188,407.47	(142,829,793.42)	380,358,614.05	1,276,078,840.54	(349,757,171.87)	926,321,668.67

CONSOLIDATED NOTES TO THE ACCOUNT		
	NOTE 1	
Balance b/f 01/01/21	13,388,859.54	
Add Receipt	2,099,683,803.30	
Total Receipt	2,113,072,662.84	
Deduct Payments	(2,101,128,909.47)	
Balance C/Forward 31/12/21	11,943,753.37	
NOTE 2		
RECEIVABLES		
Allocation	60,044,505.67	
Vat	36,920,747.03	
Exchange Rate	1,010,527.59	
Others (Conserved Fund)	2,000,000.00	
Modulated Salary Dec,2020	1,666,666.66	
	101,642,446.95	
NOTE 3		
PREPAYMENT		
Housing Loan	2,400,000.00	
Vehicle Loan	1,900,000.00	
	4,300,000.00	
NOTE 4		
INVENTORIES		
Office Consumables	16,509,881.43	
Office Materials	1,284,145.00	
Unissued Equipment	<u>30,000,000.00</u>	
	47,794,026.43	

	NOTE 5	
	INVESTMENT	
Omoluabi Holding	5,513,085.34	
Kajola Intergraded	12,530,300.00	
OSICOL	3,500,000.00	
Preference Share	7,690,359.00	
Others	22,029,341.00	
	51,263,085.34	
	NOTE 6	
	PROPERTY, PLANT AND EQUIPMENT	
Land	253,417,154.55	
Building	1,807,582,371.50	
Insfractural Facilities	382,516,089.83	
Plants & Machinery	99,670,426.74	
Motor vehicle	58,263,647.49	
Equipments	194,276,927.39	
Furniture & Fittings	190,416,388.49	
	2,986,143,005.99	
	NOTE 7	
	INVESTMENT PROPERTIES	
Open Market	11,019,751.94	
Shopping Complex	3,920,000.00	
Lock Up Stall	10,966,107.06	
Others	<u>4,900,000.00</u>	
	<u>30,805,859.00</u>	
	NOTE 8	
	BIOLOGICAL ASSET	
Teak Plantation	1,454,000.00	
Palm Tree	250,000.00	
Palm Seedlings(Cash)	281,000.00	
piggery	<u>2,560,000.00</u>	
TOTAL	<u>4,545,000.00</u>	

NOTE 11		
UNREMITTED DEDUCTION		
Balance Brought Forward	182,834,115.47	
Additional Deduction Received	85,500,783.34	
Deduction Paid	-82,823,966.90	
	185,510,931.91	
	NOTE 12	
	PAYABLE SCHEDULE	
Unpaid Salary Arears	320,371,130.00	
Unpaid Vouchers	203,152,205.09	
Transfer to other Agencies	39,353,838.80	
OHIS	1,949,631.64	
Salary	73,724,354.38	
Social contribution	10,733,333.33	
Conserved	60,500,000.00	
Modulated Salary	1,666,666.66	
	711,451,159.90	
Less		
Modulated Salary Arrears	13,333,333.28	
Salary & wages Dec,2020	75,154,747.08	
Overhead Dec.2020	26,285,050.00	
Allowance Dec,2020	24,830,286.54	
Social Contribution Dec,2020	10,100,000.00	
	149,703,417.10	
	561,747,742.80	
NOTE 13		
LONG TERM BORROWING		
Balance b/forward	1,593,947,757.87	
10km Road	(14,815,157.60)	
Bail Out		
Environment	(11,361,201.55)	

Intervention	(2,914,565.04)	
	1,564,856,833.68	
	NOTE 14	
	RESERVE SCHEDULE	
Balance b/Forward	1,276,078,840.54	
Revaluation Surplus - PPE	0.00	
Revaluation Surplus - Inv. Property	0.00	
	<u>1,276,078,840.54</u>	
NOTE 15		
ACCUMULATED SURPLUS		
Accumulated b/forward	(230,483,611.74)	
Surplus During the year	(119,273,560.13)	
Balance c/forward 31/12 /21	(349,757,171.87)	
NOTE 16		
STATUTORY REVENUE		
statutory Allocation	1,037,451,089.58	
Non - Oil Revenue	32,862,623.52	
Forex Equalization	1,626,983.46	
Exchange Rate Gain	6,109,938.79	
Eco Fund	4,557,991.20	
Solid Minerals	1,494,264.56	
modulated salary Dec 2021	<u>13,333,333.28</u>	
	<u>1,097,436,224.39</u>	
	NOTE 17	
GOVERNMENT SHARE OF VAT		
VAT	652,645,567.66	
NOTE 18		
DEPENDENT REVENUE		
Statutory Allocation	1,097,436,224.39	
VAT	<u>652,645,567.66</u>	
	<u>1,750,081,792.05</u>	

	NOTE 19	
Argumentation		
	<u>5,386,786.13</u>	
OTHER DEPENDENT REVENUE		
Added from O' meal	386,786.00	
added from Augmentation	<u>5,000,000.00</u>	
	<u>5,386,786.00</u>	
	NOTE 20	
NOTE 20(TRANSFER FROM MAIN COUNCIL)		
	<u>93,238,924.04</u>	
NOTE 21		
TAX REVENUE		
Community tax	270,100.00	
other tax revenue	<u>28,200.00</u>	
	<u>298,300.00</u>	
NOTE 22		
NON TAX REVENUE		
Fees	25,887,630.82	
Rental income	5,251,386.00	
finer and penalties	4,000.00	
sales of goods	500,000.00	
other	<u>2,581,265.00</u>	
	<u>34,224,281.82</u>	
NOTE 23		
EMPLOYEE BENEFIT		
STAFF SALARIES AND WAGES		
SALARY AND WAGES:		
Salary SUBEB elementary	257,112,710.42	
Salary SUBEB Admin & mon.	407,867.49	
salary contract staff		
salary middle school	98,411,854.38	
salary PHC	182,227,151.33	
salary pension board	1,432,202.95	
Salary loans board	1,003,950.06	
Salary Lg	<u>315,273,044.50</u>	
	<u>855,868,781.13</u>	

NOTE 24(SOCIAL BENEFITS)		
Training of all drivers	100,000.00	
NOTE 25		
OVERHEAD		
Running Cost To JAAC	1,200,000.00	
ALGON Imprest	12,200,000.00	
bank charges	1,475,879.05	
consultancy	6,001,319.28	
Magnum Trust	3,979,218.25	
SUBEB stipend Dec.2021	66,666.70	
school running grants	2,999,999.97	
Year 2021 budget fees	1,400,000.00	
other	421,481.20	
	<u>29,744,564.45</u>	
NOTE 26		
GRANTS AND SOCIALCONTRIBUTION		
SUBEB Special needs schools	1,983,214.66	
2021 Xmas and new year's gift	12,570,000.00	
Grading and other expenditure	10,733,333.33	
	<u>25,286,547.99</u>	
NOTE 27		
TRANSFER TO OTHER AGENCIES		
1% training fund	9,765,064.92	
5% traditional	52534923.82	
5% stabilization fund	48698707.76	
Audit fees	159,392,118.99	
Gratuity	46,666,666.64	
Monthly pension	12,895,375.18	
PAYABLES TRANSFERS		
1% training fund	939,067.96	
5% traditional	432,409.67	
5% stabilization fund	4,683,163.55	
Audit fees	1,701,787.87	
Gratuity	6,666,666.67	
Monthly pension	<u>10,746,145.98</u>	
	<u>471,180,475.63</u>	

SOCIAL BENEFIT (NOTE 28)		
Financial Assistance	10,649,666.66	
Training of staffs	8,560,000	
Transport and travelling	20,081,137	
	<u>39,290,803.66</u>	
NOTE 29		
OVERHEAD		
Repair and maintenance of vehicles	18,100,000.00	
Lubrications and adverts	13,837,990.02	
Printing and general expenses	25,699,350.83	
Electricity bill	1,535,999.88	
Hospitality and Entertainment	16,167,000.00	
bank charges	244,796.81	
Tax expenses	<u>85,577.96</u>	
	<u>75,670,715.50</u>	
NOTE 30 (GRANTS & SOCIAL CONTRIBUTION)		
Sinking of borehole	32,636,000.00	
Distilling of Culverts	38,350,000.00	
Clearing of dumpsites	9,752,099.00	
Sensitization & Workshops	12,970,000.00	
Training & Entertainment	10,466,300.00	
Ileya	25,590,000.78	
Xmas	<u>25,290,425.00</u>	
	<u>155,054,824.78</u>	
NOTE 31		
DEPRECIATION		
Building	36,889,436.16	
Infrastructural Facility	19,641,803.04	
Plant & Machinery	33,934,476.56	
Motor Vehicle + Transport Equipment	10,515,911.84	
Office Equipment	55,202,264.16	
Furniture & Fittings	47,604,097.12	
Investment Property	<u>628,691.00</u>	
	<u>204,416,679.88</u>	

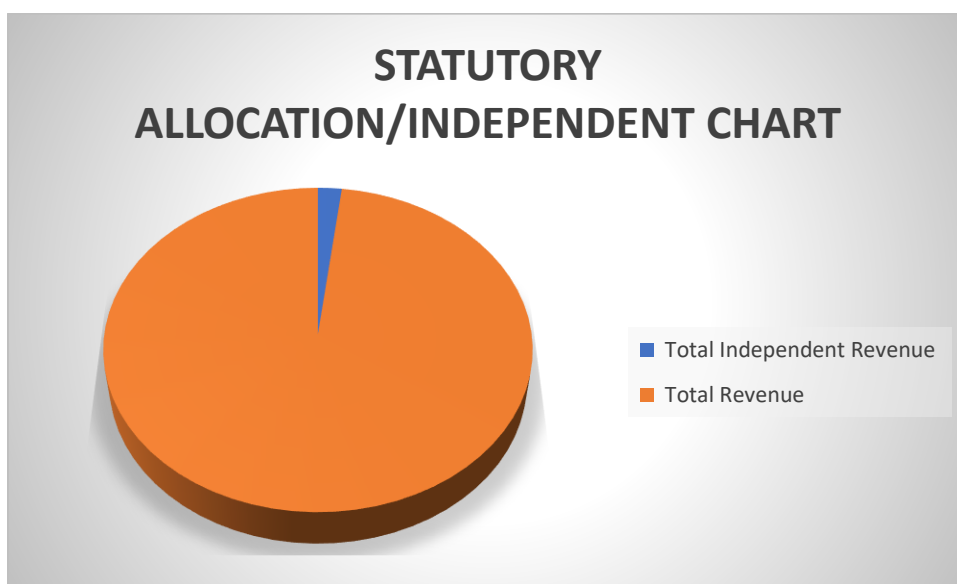
NOTE 32(ALLOWANCE)		
ALLOWANCE TO VARIOUS COMMITTEE	37,880,000.00	
NYSC ALLOWANCE	1,420,000.00	
O'TECH ALLOWANCE	5,520,000.00	
PERSONAL ASSISTANT TO POLITICIAN ALLOWANCE	<u>7,851,326.98</u>	
	<u>52,671,326.98</u>	
NOTE 33(TRANSFER TO LCDA)		
Transfer to LCDA	93,238,924.04	
NOTE 35(REVENUE REFUNDED)		
NOTE 36		
Total Revenue	2,033,319,353.09	
Total Expenditure	<u>(2,141,891,012.06)</u>	
	<u>(108,571,658.97)</u>	
NOTE 38		
Bal B/F	-230483611.7	
Net Surplus	<u>-119273560.1</u>	
Net Surplus /Deficit 31/12/2021	<u>-349,757,171.87</u>	

IREWOLE LOCAL GOVERNMENT FISCAL OPERATION REPORT

STATEMENT OF CASHFLOW RATIOS

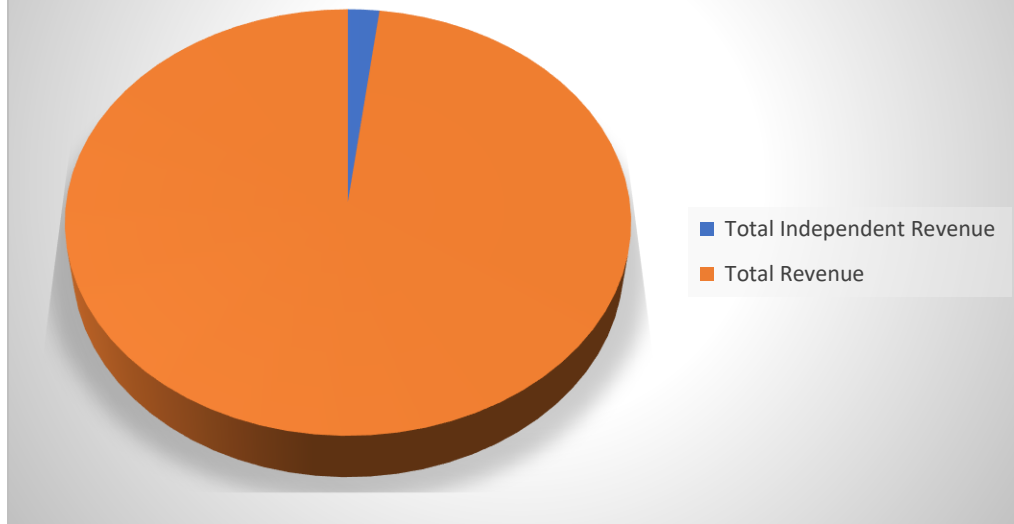
$$\begin{aligned} 1. \quad & \text{DEPENDENT REVENUE/TOTAL REVENUE} \times 100 \\ & = \frac{1,736,486,198.92}{1,774,812,528.63} \\ & = 97.84\% \end{aligned}$$

This indicated that Statutory Allocation took 97.84% of the Total Revenue of the Local Government and LCDA leaving 2.16% as Independence Revenue



$$\begin{aligned} 2. \quad & \frac{\text{TOTAL INDEPENDENT REVENUE}}{\text{TOTAL REVENUE}} \times 100 \\ & = \frac{38,326,329.71}{1,774,812,528.63} \times 100 = 2.16\% \end{aligned}$$

STATUTORY ALLOCATION/INDEPENDENT CHART



3. SALARY & WAGES : TOTAL RECURRENT EXPENDITURE

$$\frac{864,348,709.04}{1,692,550,660.31} \times 100 = 51.06\%$$

Therefore, the Salaries and Wages took about 50.04% out of the Recurrent Expenditure in the Local Government while the remaining 49.96% was expended on other expenditure.

4 INVENTORIES : TOTAL RECURRENT EXPENDITURE

$$\frac{17,944,145.00}{1,692,550,660.31} \times 100 = 1.06\%$$

STATEMENT OF FINANCIAL POSITION RATIOS

5 CURRENT ASSET : CURRENT LIABILITIES

$$\frac{1,692,550,660.31}{747,258,674.71} = 0.22 : 1$$

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

6. TOTAL ASSET : TOTAL LIABILITIES

$$\frac{3,296,937,177.06}{2,312,115,508.39} = 1.42 : 1$$

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

7. EQUITY : TOTAL ASSET

$$\frac{926,321,668.67}{3,296,937,177.06} = 0.28 : 1$$

STATEMENT OF FINANCIAL PERFORMANCE RATIO

8. DEPENDENT REVENUE : TOTAL REVENUE

$$\frac{1,750,081,792.05}{1,789,991,159.87} \times 100 = 97.77\%$$

This indicated that the Statutory allocation accounted for 97.77% of the Total Revenue of the Local Government.

9. STATUTORY ALLOCATION : TOTAL REVENUE

$$\frac{39,909,367.82}{1,789,991,159.87} \times 100 = 2.23\%$$

MANAGEMENT LETTER

IREWOLE LOCAL GOVERNMENT, IKIRE OBSERVATIONS AND INTERNAL CONTROL REVIEW FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2021

1. EXPENDITURE NOT SUPPORTED WITH PROPER RECORDS OR ACCOUNTS
TOTALLING ₦275,000.00: The total sum of two hundred and Seventy-five thousand naira only (₦275,000.00) represent the payment for vehicle allowance approved for the vigilante group. It was observed that the payment was made without attaching proper records such as official receipts and bills etc to authenticate the genuineness of the expenditure which was contrary to the provision of Financial Memoranda 14:17 which states 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. If the printed receipt covers more than one Payment Voucher to which the receipt is attached shall be entered on the other voucher”.

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 attached to the payment vouchers 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. UNRETIRED IMPREST TOTALLING ₦45,000.00:- the total sum of (₦45,000.00) forty five thousand naira only represent payments made in the month of November, 2021 which were not retired contrary to financial Memoranda No. 14:27 which states that ‘Imprest shall be retired when the purpose for which 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 receipt would be produced and 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 realised without the retirement of previous ones.*

3. **UNPRODUCED REVENUE EARNING RECEIPT BOOKLETS FOR THE YEAR 2020 AMOUNTING TO ₦5,000.00:-** It was observed that some revenue collectors failed to present their revenue earning receipts in their possession for checking and it shows that fraudulent act has taken place which contrary to Financial Memoranda 6:7 which states that when making payments 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 in their possession and duly account for them, which would later be presented for audit verification.

RECOMMENDATION:

All the receipt booklets should be produced for Audit check and verification or the officers will be surcharged.

4. **LATE PAYMENT ₦2,697,667.00:-** It was observed during the period under review that there was a total sum of ₦2,697,667.00 for the year 2020 and 2021 that stood as late payment. The Director of Finance of Irewole Local Government, Ikire was hereby advice to be up and doing to his responsibility and ensure that the Revenue Generated in the Local Government were paid to the coffer of the Local Government at appropriate time. See the list of the Officers involved attached to this report.

RISK:

It signifies loose monitoring of revenue collections and could lead to loss in the internally Generated Revenue of the local Government. It provided opportunity for perpetration of fraud by the concerned Revenue Collectors.

MANAGEMENT RESPONSE:

The revenue collectors concerned had been issued queries and sanctioned accordingly

RECOMMENDATION:

Both head of finance and Internal auditor should be alive to their responsibilities of proper monitoring of revenue collectors and auditing of receipt book register and revenue cashbook

on weekly basis. Sanction should be issued to any officer that failed to remit money in their custody after seven days of receipts.

5. FINAL ACCOUNT: - It is disheartening to note that same transactions were omitted from the financial statement presented for audit scrutiny especially the motor vehicle taken away by the political functions. However, this had been included in the 2021 financial statement at the instance of Audit Inspecting Officer.

RISK:

The implication of the negligence of the Head of finance in the preparation of correct financial statement may likely affect its reliability.

MANAGEMENT RESPONSE:

The official in charge of the preparation of the Financial Statement be supervised thoroughly before the presentation of the General Purpose Financial Statement.

RECOMMENDATION:

The Director of Finance and supply should make sure the General Purpose Financial Statement are well prepared in order to avoid sanction from Auditor General.

6. VALUATION AND REVALUATION OF NON – CURRENT ASSET: - It should be noted that the office of the Auditor General for Local Government had embarked on verification/ of non – current assets of the Local Governments to ensure their existence, completeness of the lists and completions and corrections of the disclosed values. Furthermore, the Local Governments did not have comprehensive and reliable inventory/fixed assets register. The Internal Auditor is expected to maintain 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 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 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 the ownership, existence valuation and authorisation in order to give accurate, reliable financial data of the assets.

**IREWOLE NORTH-EAST LOCAL COUNCIL DEVELOPMENT AREA, WASINMI
OBSERVATIONS AND INTERNAL CONTROL REVIEW FOR THE FINANCIAL YEAR ENDED
31ST DECEMBER, 2021.**

**1. EXPENDITURE NOT SUPPORTED WITH PROPER RECORDS OR ACCOUNTS
TOTALLING ₦397,500.00:** The total sum of Three Hundred and Ninety Seven Thousand, Five Hundred naira only (₦397,500.00) being payment approved for the course fees, duty tour allowance and sensitization programme for people in the community were not attached with proper records such as official receipts and bills etc to authenticate the genuiness of the expenditure which was contrary to the provision of Financial Memoranda No. 14:16:17 particularly 14:16 states that "Payment Voucher shall be receipted by the payee or his authorized agent, and receipt must state clearly in words and figure the actual amount received and not simply "Received the above amount" while 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. If the printed receipt covers more than one Payment Voucher to which the receipt is attached shall be entered on the other voucher".

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 attached to the payment vouchers 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. UNRETIRED IMPREST AMOUNTING TO ₦90,000.00: - The sum of ninety thousand naira only (₦90,000.00) represents monthly imprest approved for the department of Agric and food security for the running of the office; It was observed that the imprest was not retired by the recipient contrary to financial Memoranda No. 14:27. The Head of finance should ensure that any officer that fails to retire the previous imprest paid to him should not be paid the new one.

RISK:

Government Fund might not have been used for official purpose.

MANAGEMENT RESPONSE:

It was an oversight, the receipt would be produced and 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 realised without the retirement of previous ones.*

3. UNCLAIMED EXPENDITURE ₦25,000.00:- It was observed that financial assistance to Baptist day primary school appeared unclaimed as there was no evidence for the receipt of their claimed expenditure by the beneficiaries/recipients; an indication which suggests that the amount involved was neither paid to the beneficiaries nor remitted to the Government coffers. This is contrary to Financial Memoranda 14:13 which states that, "Payment shall as far as possible, be made to the person to whom it is due, payment for a third party shall only be made on production of a written authority from the person to whom payment is due, such authority being attached to the payment voucher after payment".

RISK:

This was an indication that purported recipient might not have been paid there by resulting to loss of Local Government fund.

MANAGEMENT RESPONSE: *The acknowledgement receipts for the payment had not been given by recipient as at the time of audit exercise, which was later brought by the school and attached to the payment voucher which would be presented for further audit verification.*

RECOMMENDATION:

An acknowledgement letter/receipt must be obtained and attached to the payment voucher so as to prove the authenticity of the payment made.

4. UNPRODUCED REVENUE EARNING RECEIPT BOOKLETS FOR THE YEAR 2019, 2020 AND 2021 AMOUNTING TO ₦1,066,528.00:- It was observed that some revenue collectors failed to present their revenue earning receipts in their possession for checking and it shows that fraudulent act has taken place which contrary to Financial Memoranda 6:7 which states that when making payments 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 receipts booklets in their possession and duly account for them to be presented for further Audit verification.

RECOMMENDATION:

All the receipt booklets should be produced for Audit check and verification or the officer will be surcharged.

5. LATE PAYMENT ₦980,905.00: It was observed during the period under review that, there was a total sum of ₦980,905.00 for the year 2020 and 2021 that stood as late payment. The Director of Finance of Irewole North East LCDA, Wasinmi was hereby advice to be up and doing to his responsibility and ensure that the Revenue Generated in the Local Government were paid to the coffer of the Local Government at appropriate time. See the list of the Officers involved attached to this report.

RISK:

It signifies loose monitoring of revenue collections and could lead to loss in the internally Generated Revenue of the local Government. It provided opportunity for perpetration of fraud by the concerned Revenue Collectors.

MANAGEMENT RESPONSE:

The revenue collectors concerned had been issued queries and sanctioned accordingly

RECOMMENDATION:

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

6. FINAL ACCOUNT: - The General Purpose Financial Statement was submitted on 24th May, 2022 contrary to the 29th April deadline given for its submission. The idea which is considered not to be too good enough for timely presentation of financial information to the appropriate users. The HOD finance is charged to be alive to his/her responsibilities by ensuring adequate supervision of its subordinate towards ensuring timely preparation and presentation of their financial statement henceforth.

RISK:

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

MANAGEMENT RESPONSE:

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

RECOMMENDATION:

The Director of Finance and supplied should make sure that the General purpose Financial Statement were submitted before the speculated time to avoid sanction by the Auditor General

7. VALUATION AND REVALUATION OF NON – CURRENT ASSET: - It should be noted that the office of the Auditor General for Local Government had embarked on verification/ of non – current assets of the Local Governments to ensure their existence, completeness of the lists and completions and corrections of the disclosed values. Furthermore, the Local Governments did not have comprehensive and reliable inventory/fixed assets register. The Internal Auditor is expected to maintain 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 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 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 the ownership, existence valuation and authorisation in order to give accurate, reliable financial data of the assets.

THE INTERNAL AUDITOR'S REPORT

1. The Internal Control is functioning well, but the management did not make use of the Internal Auditor's observations and suggestions as regards the rate section activities to improve the monthly IGR of the Council.
2. The Internal Control Unit is very weak. There are a lot of revenue items untapped due to the uncooperative attitudes of other revenue generating departments of the Council e.g AGRIC, WES AND Town Planning Departments.

IREWOLE LOCAL GOVERNMENT, IKIRE.

S/N	SUBJECT	QUERIED NO	NO OF OFFICER QUERIED	AMOUNT
1	Expenditure not supported with proper records	LQ/AUD/IRE/01/2021	5	275,000.00
2	Unretired Imprest	LQ/AUD/IRE/02/2021	2	<u>45,000.00</u>
			A	320,000.00

IREWOLE NORTH EAST LCDA, WASINMI.

S/N	SUBJECT	QUERIED NO	NO OF OFFICER QUERIED	AMOUNT
1	Expenditure not supported with proper records	LQ/AUD/IRENE/01/2021	6	397,000.00
2	Unretired Imprest	LQ/AUD/IRENE/02/2021	1	90,000.00
3	Unclaimed Expenditure	LQ/AUD/IRENE/03/2021	1	25,000.00
			B	<u>512,500.00</u>

Irewole Local Government Ikire

A

320,000.00

Irewole North East LCDA Wasinmi

B

512,000.00

A+B=

832,000.00

IREWOLE LOCAL GOVERNMENT, IKIRE
LIST OF PROJECTS EXECUTED FOR THE YEAR 2021

S/N	Description	Location	Mode of Execution	Project cost	Amount Released	Bal. Amount	Remark
1.	Repair of Jolaiya Road Ikire	Jolaiya Ikire	Direct Labour	700,000	700,000		Completed
2.	Purchase of Toyota Camry (Muscle) for the office of Chairman	Local Govt. Secretary Ikire	Direct Purchase	4,000,000	4,000,000		Supplied
3.	Purchase of Toyota Corolla for the office of L. G. Secretariat	Local Govt. Secretary Ikire	Direct Purchase	3,000,000	3,000,000		Supplied
4.	Repair of Cat Grader	Local Govt. Secretary Ikire	Direct Purchase	1,000,000	700,000	300,000	Completed