

# STATE GOVERNMENT OF OSUN, NIGERIA.

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## REPORT OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

### ON THE ACCOUNTS OF ISOKAN LOCAL GOVERNMENT

APOMU

FOR THE YEAR ENDED

31<sup>ST</sup> DECEMBER, 2021.

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## **LIST OF ABBREVIATIONS**

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1. AGLG - AUDITOR-GENERAL FOR LOCAL GOVERNMENTS
2. 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:

***Isokan Local Government and Isokan South L.C.D.A.*** have been prepared by the respective Heads of Finance and Supplies and subsequently Consolidated by the Head of Finance and Supplies of ***Isokan 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 ***31<sup>st</sup> December, 2021***

.....  
Chairman  
*Isokan Local Government*

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

.....  
Head of Finance & supplies,  
*Isokan Local Government*

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



.....  
*Isokan Local Government*



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

### **AUDIT CERTIFICATE**

**I have audited the accounts of Isokan Local Government, Apomu for the year ended 31<sup>st</sup> December, 2021.**

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

**Having regard to the basis of Audit opinion as stated below, I certify that 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 Isokan Local Government, Apomu for the accounting year ended 31<sup>st</sup> 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 Heads of Finance of Isokan Local Government in the State of Osun is responsible for the consolidation of Financial Statements with the subsidiary Isokan 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.

## **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 in the state, inclusive of Isokan Local Government and Isokan South LCDA

## **BASIS OF AUDIT OPINION**

In the course of auditing the accounts of Isokan Local Governments Apomu 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 Isokan 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 Isokan Local Government are constituents.

The accounts of Isokan 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 31<sup>st</sup> December, 2021.

### 3. Reporting Currency

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

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

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

### 5. Consolidation Policy- IPSAS 6

The Heads of Finance of the Isokan Local Government and Isokan South 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 Isokan South LCDA why GPFS has been consolidated with that of Isokan Local Government, the Heads of Finance of the main Local Governments.

*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 Equipments, where it is suspected that Impairment has occurred.

## **12. INVESTMENT PROPERTIES – IPSAS 16**

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

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

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

## **14. OTHER REVENUE**

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

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

## **15. UNREMITTED DEDUCTION**

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

## **16. RESERVE**

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

## **17. CONTINGENT LIABILITY IPSAS 19**

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

## **GENERAL COMMENT**

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

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

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

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

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

### **BUDGET PREPARATION / EXECUTION**

The Budget for 2021 for Isokan 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 ₦13,511,886.00 representing 0.85% 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, 7 nos of Audit Queries were issued in respect of 2021 Accounts, involving a total sum of ₦8,943,978.68.

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 Isokan 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 Isokan 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 ₦990,270,186.45 was Share of FAAC and VAT amounted to ₦594,158,597.82.

**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
Isokan	990,270,186.45	594,158,597.82								1,584,428,784.27

## **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. #125,600.00, as Fees, Taxes and Fines.

### **SALARIES AND WAGES – ₦855,866,781.13**

Salaries and Wages which amounted to ₦855,866,781.13 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 – #7,605,731.29**

The Cash and Cash equivalents amounted to ₦7,605,731.29 for the Local Governments. The Bank Statements and Bank Reconciliation Statements of all Local Governments and Local Government Development Areas as at 31<sup>st</sup> December, 2021 were verified/examined to ascertain the bank balances.

### **RECEIVABLES - ₦90,964,051.98**

A total sum of ₦90,964,051.98 was standing as Receivables as at 31<sup>st</sup> December, 2021. The Receivables include, Revenue Recognised in December 2021 but received in January, 2021 from Joint Allocation Account Committee (JAAC).

### **INVENTORIES - ₦51,415,460.00**

The sum of ₦51,415,460.00 represents inventories valued at historical cost in the Local Governments as at 31<sup>st</sup> December, 2021. These include unallocated stores both expendable and non-expendable; and consumable items.

### **INVESTMENTS - ₦52,422,176.52**

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

### **PROPERTY, PLANT AND EQUIPMENT(PPE)**

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

<b>Particulars</b>	<b>Rate%</b>
Fixture and fitting	20
Motor Vehicle	20
Plant and Equipment	20
Infrastructural Asset	10
Buildings	2



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 - ₦329,917,445.14**

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

**INVESTMENT PROPERTY - ₦257,416,888.51**

The carrying amount of Investment Properties of the Local Governments stood at ₦257,416,888.51 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 - ₦1,097,130,609.91**

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 - ₦28,045,846.06**

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

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

**TRANSFER FROM MAIN COUNCILS TO LOCAL COUNCIL DEVELOPMENT AREAS:**

Transfer from main councils to the tune of ₦113,658,090.68 was made to the Local Council Development Areas and Area Offices in the period under review and was set off in the Consolidated Account.

**ISOKAN LOCAL GOVERNMENT, APOMU**  
**AGGREGATED STATEMENT OF FINANCIAL POSITION AS AT 31<sup>ST</sup> DECEMBER, 2021**

POSITION

<b>PARTICULAR</b>	<b>NOTE</b>	<b>ISOKAN CONSOLIDATED</b>
ASSETS		
Current Assets		
Cash & Cash Equipments	1	7,605,731.29
Receivables	2	90,964,051.98
Prepayment/Advance	3	2,000,000.00
Inventories	4	51,415,460.00
<b>Total Current Asset</b>		<b>151,985,243.27</b>
Non-current Asset		-
Long Term Loan Granted		-
Investments	5	52,422,176.52
Property, Plant & Equipment	6	1,653,880,015.81
Investment Property	7	257,416,888.51
Biological Asset	8	22,700,234.85
Assets Under Construction (wip)	9	-
<b>Total Non-Current Asset</b>		<b>1,986,419,315.69</b>
<b>Total Asset</b>		<b>2,196,904,558.96</b>
LIABILITIES		-
Current Liabilities		-
Deposit		-
Short Term Loan & Debts	10	-
Unremitted Deduction	11	28,045,846.06
Payables	12	329,917,445.14
Short Terms Provisions		-
<b>Total Current Liability</b>		<b>357,963,291.20</b>
Non-Current Liabilities		-
Long Term Borrowing	13	1,097,130,609.91
<b>Total Liabilities</b>		<b>1,455,093,901.11</b>
<b>Net Assets</b>		<b>683,310,657.85</b>
Financed by		-
Reserve	14	943,523,754.48
<b>Net Surplus/Deficit</b>	<b>15</b>	<b>(260,213,096.63)</b>
<b>Total</b>		<b>683,310,657.85</b>

**ISOKAN LOCAL GOVERNMENT, APOMU**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31<sup>ST</sup> DECEMBER, 2021**

<b>PARTICULAR</b>	<b>NOTE</b>	<b>ISOKAN</b>	<b>ISOKAN SOUTH</b>	<b>ISOKAN CONSOLIDATED</b>
ASSETS				
Current Assets				
Cash & Cash Equipments	1	6,183,591.67	1,422,139.62	7,605,731.29
Receivables	2	90,964,051.98		90,964,051.98
Prepayment/Advance	3	2,000,000.00		2,000,000.00
Inventories	4	41,737,564.00	9,677,896.00	51,415,460.00
<b>Total Current Asset</b>		<b>140,885,207.65</b>	<b>11,100,035.62</b>	<b>151,985,243.27</b>
Non-current Asset				-
Long Term Loan Granted				-
Investments	5	31,453,305.91	20,968,870.61	52,422,176.52
Property, Plant & Equipment	6	970,426,296.33	683,453,719.48	1,653,880,015.81
Investment Property	7	154,450,133.11	102,966,755.40	257,416,888.51
Biological Asset	8	13,052,204.91	9,648,029.94	22,700,234.85
Assets Under Construction (wip)	9			-
<b>Total Non-Current Asset</b>		<b>1,169,381,940.26</b>	<b>817,037,375.43</b>	<b>1,986,419,315.69</b>
<b>Total Asset</b>		<b>1,368,767,147.91</b>	<b>828,137,411.05</b>	<b>2,196,904,558.96</b>
LIABILITIES				-
Current Liabilities				-
Deposit				-
Short Term Loan & Debts	10			-
Unremitted Deduction	11	18,536,825.71	9,509,020.35	28,045,846.06
Payables	12	193,489,149.60	136,428,295.54	329,917,445.14
Short Terms Provisions				-
<b>Total Current Liability</b>		<b>212,025,975.31</b>	<b>145,937,315.89</b>	<b>357,963,291.00</b>
Non-Current Liabilities				-
Long Term Borrowing	13	625,096,853.09	472,033,756.82	1,097,130,609.91
<b>Total Liabilities</b>		<b>837,122,828.40</b>	<b>617,971,072.71</b>	<b>1,455,093,901.11</b>
<b>Net Assets</b>		<b>473,144,319.51</b>	<b>210,166,338.34</b>	<b>683,310,657.85</b>
Financed by				-
Reserve	14	673,103,858.41	270,419,896.07	943,523,754.48
Net Surplus/Deficit	15	(199,959,538.90)	(60,253,557.73)	(260,213,096.63)
<b>Total</b>		<b>473,144,319.51</b>	<b>210,166,338.34</b>	<b>683,310,657.85</b>

**ISOKAN LOCAL GOVERNMENT, APOMU**  
**CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AS AT 31<sup>ST</sup> DECEMBER,**  
**2021**

PERFORMANCE

<b>PERFORMANCE</b>		
<b>PARTICULAR</b>	<b>NOTE</b>	<b>ISOKAN CONSOLIDATED</b>
<b>STATUTORY ALLOCATION</b>		
Government share of FAAC (Statutory Revenue)	16	990,270,186.45
Government Share of VAT	17	594,158,597.82
<b>Sub-Total Dependent Revenue</b>	18	1,584,428,784.27
<b>INDEPENDENT REVENUE</b>		-
Argumentation	19	5,386,786.00
Transfer from main Council	20	
Tax Revenue	21	125,600.00
Non-Tax Revenue	22	7,999,500.00
Other Income		-
Overpayment Recovery		-
<b>Sub-Total Independent Revenue</b>		13,511,886.00
<b>Total Revenue</b>		1,597,940,670.27
<b>EXPENDITURE</b>		-
<b>JOINTLY EXPENDED</b>		-
Salaries & Wages	23	855,868,781.13
Social Benefits	24	6,858,000.00
Overhead Cost	25	27,323,083.25
Grants & Social Contribution	26	24,056,547.99
Transfer to other Agencies	27	425,643,439.77
<b>L/GOVERNMENT EXPENDITURE</b>		-
Social Benefits	28	66,201,290.90
Overhead Cost	29	67,564,925.67
Grants & Social Contribution	30	-
Depreciation	31	180,297,988.36
Allowances	32	43,754,720.16
Transfer to LCDA	33	
Impairment	34	-
Revenue Refunded	35	-
Public Debt Charges		
Stabilization Fund		
Refund to main Council		-
Stationeries		-
Severance Gratuity		-
<b>Total Expenditures</b>		1,697,568,777.23
<b>Net Surplus/Deficit</b>	36	(99,628,106.96)
<b>Net Surplus/Deficit 01/01/2021</b>	37	(160,584,989.67)
<b>Net Surplus/Deficit 31/12/2021</b>	38	(260,213,096.63)

**ISOKAN LOCAL GOVERNMENT, APOMU**  
**CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AS AT 31<sup>ST</sup> DECEMBER,**  
**2021**

PERFORMANCE				
PARTICULAR	NOTE	ISOKAN	ISOKAN SOUTH	ISOKAN CONSOLIDATED
<b>DEPENDENT REVENUE</b>				
Government share of FAAC (Statutory Revenue)	16	990,270,186.45		990,270,186.45
Government Share of VAT	17	594,158,597.82		594,158,597.82
<b>Sub-Total Dependent Revenue</b>	18	<b>1,584,428,784.27</b>	<b>-</b>	<b>1,584,428,784.27</b>
<b>INDEPENDENT REVENUE</b>				-
Grant & Aids	19	5,386,786.00		5,386,786.00
Transfer from main Council	20		113,658,090.68	
Tax Revenue	21	20,400.00	105,200.00	125,600.00
Non-Tax Revenue	22	4,386,600.00	3,612,900.00	7,999,500.00
Other Income				-
Overpayment Recovery				-
<b>Sub-Total Independent Revenue</b>		<b>9,793,786.00</b>	<b>117,376,190.68</b>	<b>13,511,886.00</b>
<b>Total Revenue</b>		<b>1,594,222,570.27</b>	<b>117,376,190.68</b>	<b>1,597,940,670.27</b>
<b>EXPENDITURE</b>				-
<b>JOINTLY EXPENDED</b>				-
Salaries & Wages	23	855,868,781.13		855,868,781.13
Social Benefits	24	882,000.00	5,976,000.00	6,858,000.00
Overhead Cost	25	27,323,083.25		27,323,083.25
Grants & Social Contribution	26	24,056,547.99		24,056,547.99
Transfer to other Agencies	27	425,643,439.77	-	425,643,439.77
<b>L/GOVERNMENT EXPENDITURE</b>				-
Social Benefits	28			-
Overhead Cost	29	49,377,127.88	16,824,163.02	66,201,290.90
Grants & Social Contribution	30	26,124,175.67	41,440,750.00	67,564,925.67
Depreciation	31	108,356,067.14	71,941,921.22	180,297,988.36
Allowances	32	22,240,852.66	21,513,867.50	43,754,720.16
Transfer to LCDA	33	113,658,090.68		
Impairment	34			-

Revenue Refunded	35			-
Public Debt Charges				
Stabilization Fund				
Refund to main Council				-
Stationeries				-
Severance Gratuity				-
<b>Total Expenditures</b>		<b>1,653,530,166.17</b>	<b>157,696,701.74</b>	<b>1,697,568,777.23</b>
<b>Net Surplus/Deficit</b>	36	<b>(59,307,595.90)</b>	<b>(40,320,511.06)</b>	<b>(99,628,106.96)</b>
<b>Net Surplus/Deficit 01/01/2021</b>	37	<b>(140,651,943.00)</b>	<b>(19,933,046.67)</b>	<b>(160,584,989.67)</b>
<b>Net Surplus/Deficit 31/12/2021</b>	38	<b>(199,959,538.90)</b>	<b>(60,253,557.73)</b>	<b>(260,213,096.63)</b>

**ISOKAN LOCAL GOVERNMENT, APOMU**  
**CONSOLIDATED STATEMENT OF CASHFLOW AS AT 31<sup>ST</sup> DECEMBER, 2021**

**CASHFLOW**

<b>OPERATING ACTIVITIES</b>	<b>NOTE</b>	<b>ISOKAN CONSOLIDATED</b>
<b>INFLOW</b>		
Statutory Revenue (JAAC)	39	1,100,621,078.51
Value Added Tax	40	594,158,597.82
Receivable		-
<b>Sub Total Dependent Revenue</b>	41	1,694,779,676.33
Aids and Grants	42	5,386,786.00
Transfer from Main Council	43	
Tax Revenue	44	125,600.00
Non Tax Revenue	45	7,999,500.00
Other Income		13,813,502.84
Overpayment Recovery		-
<b>Sub Total Independent Revenue</b>	46	27,325,388.84
<b>Total Inflow Operating Activities</b>	47	1,722,105,065.17
<b>OUTFLOW</b>		-
Salaries & Wages	48	931,023,528.21
Social Benefits	49	7,508,000.00
Overhead Cost	50	61,240,111.22
Social Contributions	51	97,529,469.83
Allowances	52	47,284,001.85
Modulated Salary Arrears	53	13,333,333.28
Inventories	54	2,402,000.00
Fund Conserved for Salary		-
Transfer to LCDA	55	
Transfer to other Govt. Agencies	56	451,160,617.49
Refund to Main Councils		-
Revenue Refunded		
Stabilization Fund		
Tax Expenses	57	-
Severance Gratuity		-
<b>Total Outflow from Operating Activities</b>	58	1,611,481,061.88
<b>Net Cashflow from Operating Activities</b>	59	110,624,003.29
<b>INVESTING ACTIVITIES</b>		-
Proceed from Disposal of Asset		-
<b>Total Inflow from Investing Activities</b>		-
Cashflow from Investing Activities		-
Administrative Sector	60	78,637,000.00

Economic Sector		792,000.00
<b>Total Outflow from Investing Activities</b>	61	79,429,000.00
<b>Net Cashflow from Investing Activities</b>		(79,429,000.00)
Inflow from Financing Activities		-
Bank Overdraft		
Soft Loan(Bank)		
Deduction Received	62	56,344,735.20
<b>Total Inflow from Financing Activities</b>	63	56,344,735.20
<b>OUFLOW (PAYMENT)</b>		-
Bail Out Repayment		-
10km Road	64	18,957,512.30
Water Project	65	-
Environmental Sanitation Loan	66	2,914,565.04
Loan Repayment (Inherited)	67	-
Bank Loan	68	-
Intervention Loan	69	3,485,956.44
Other Loan Repayment		
Deduction Paid	70	67,547,095.94
<b>Total Outflow From Financing Activities</b>	71	92,905,129.72
<b>Net Cashflow from financing Activities</b>	72	(36,560,394.52)
<b>Cash and Cash Equivalent for the year</b>	73	(5,365,391.23)
<b>Cash and Cash Equivalent 01/01/2021</b>	74	12,971,122.52
<b>Cash and Cash Equivalent 31/12/2021</b>	75	7,605,731.29



**ISOKAN LOCAL GOVERNMENT, APOMU**  
**CONSOLIDATED STATEMENT OF CASHFLOW AS AT 31<sup>ST</sup> DECEMBER, 2021**

OPERATING ACTIVITIES	NOTE	ISOKAN	ISOKAN SOUTH	ISOKAN CONSOLIDATED
<b>INFLOW</b>				
Statutory Revenue (JAAC)	39	1,100,621,078.51		1,100,621,078.51
Value Added Tax	40	594,158,597.82		594,158,597.82
Receivable				-
<b>Sub Total Dependent Revenue</b>	41	<b>1,694,779,676.33</b>	<b>-</b>	<b>1,694,779,676.33</b>
Aids and Grants	42	5,386,786.00		5,386,786.00
Transfer from Main Council	43		113,658,090.68	
Tax Revenue	44	20,400.00	105,200.00	125,600.00
Non Tax Revenue	45	4,386,600.00	3,612,900.00	7,999,500.00
Other Income			13,813,502.84	13,813,502.84
Overpayment Recovery				-
<b>Sub Total Independent Revenue</b>	46	<b>9,793,786.00</b>	<b>131,189,693.52</b>	<b>27,325,388.84</b>
<b>Total Inflow Operating Activities</b>	47	<b>1,704,573,462.33</b>	<b>131,189,693.52</b>	<b>1,722,105,065.17</b>
<b>OUTFLOW</b>				
Salaries & Wages	48	931,023,528.21		931,023,528.21
Social Benefits	49	1,532,000.00	5,976,000.00	7,508,000.00
Overhead Cost	50	78,915,948.20	16,824,163.02	95,740,111.22
Social Contributions	51	57,288,719.83	40,240,750.00	97,529,469.83
Allowances	52	22,263,468.35	25,020,533.50	47,284,001.85
Modulated Salary Arrears	53	13,333,333.28		13,333,333.28
Inventories	54	1,215,000.00	1,187,000.00	2,402,000.00
Fund Conserved for Salary				-
Transfer to LCDA	55	113,658,090.68		
Transfer to other Govt. Agencies	56	451,160,617.49		451,160,617.49
Refund to Main Councils				-
Revenue Refunded				-
Stabilization Fund				-
Tax Expenses	57			-
Severance Gratuity				-
<b>Total Outflow from Operating Activities</b>	58	<b>1,670,390,706.04</b>	<b>89,248,446.52</b>	<b>1,645,981,061.88</b>
<b>Net Cashflow from Operating Activities</b>	59	<b>34,182,756.29</b>	<b>41,941,247.00</b>	<b>76,124,003.29</b>

<b>INVESTING ACTIVITIES</b>				-
Proceed from Disposal of Asset				-
<b>Total Inflow from Investing Activities</b>				-
Cashflow from Investing Activities				-
Administrative Sector	60	10,087,000.00	34,050,000.00	44,137,000.00
Economic Sector		100,000.00	692,000.00	792,000.00
<b>Total Outflow from Investing Activities</b>	61	<b>10,187,000.00</b>	<b>34,742,000.00</b>	<b>44,929,000.00</b>
<b>Net Cashflow from Investing Activities</b>		<b>(10,187,000.00)</b>	<b>(34,742,000.00)</b>	<b>(44,929,000.00)</b>
Inflow from Financing Activities				-
Bank Overdraft				
Soft Loan(Bank)				
Deduction Received	62	41,605,025.20	14,739,710.00	56,344,735.20
<b>Total Inflow from Financing Activities</b>	63	<b>41,605,025.20</b>	<b>14,739,710.00</b>	<b>56,344,735.20</b>
<b>OUFLOW (PAYMENT)</b>				
Bail Out Repayment				-
10km Road	64	18,957,512.30		18,957,512.30
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	3,485,956.44		3,485,956.44
Other Loan Repayment				-
Deduction Paid	70	42,401,940.94	25,145,155.00	67,547,095.94
<b>Total Outflow From Financing Activities</b>	71	<b>67,759,974.72</b>	<b>25,145,155.00</b>	<b>92,905,129.72</b>
<b>Net Cashflow from financing Activities</b>	72	<b>(26,154,949.52)</b>	<b>(10,405,445.00)</b>	<b>(36,560,394.52)</b>
<b>Cash and Cash Equivalent for the year</b>	73	<b>(2,159,193.23)</b>	<b>(3,206,198.00)</b>	<b>(5,365,391.23)</b>
<b>Cash and Cash Equivalent 01/01/2021</b>	74	<b>8,342,784.90</b>	<b>4,628,337.62</b>	<b>12,971,122.52</b>
<b>Cash and Cash Equivalent 31/12/2021</b>	75	<b>6,183,591.67</b>	<b>1,422,139.62</b>	<b>7,605,731.29</b>

**ISOKAN LOCAL GOVERNMENT, APOMU**  
**CONSOLIDATED STATEMENT OF COMPARISM AS AT 31<sup>ST</sup> DECEMBER, 2021**

		ISOKAN CONSOLIDATED		
PARTICULAR	NOTE	Final Budget	Actual (N)	VARIANCE
DEPENDENT REVENUE				
Government Share of FAAC(Statutory Revenue)	16	1,456,166,805.00	990,270,186.45	562,105,360.77
Government Share of VAT	17	388,754,977.00	594,158,597.82	562,913,574.82
<b>Sub-Total Dependent Revenue</b>	<b>18</b>	<b>1,844,921,782.00</b>	<b>1,584,428,784.27</b>	<b>1,125,018,935.59</b>
INDEPENDENT REVENUE				
Grants & Aids	19	49,250,000.00	5,386,786.00	43,863,214.00
Transfer from Main Council	20	-	-	-
Tax Revenue	21	1,250,000.00	125,600.00	1,124,400.00
Non-Tax Revenue	22	76,914,000.00	7,999,500.00	68,914,500.00
Other Income		-	-	-
<b>Sub-Total Independent Revenue</b>		<b>127,414,000.00</b>	<b>13,511,886.00</b>	<b>113,902,114.00</b>
<b>Total Revenue</b>		<b>1,972,335,782.00</b>	<b>1,597,940,670.27</b>	<b>1,238,921,049.59</b>
EXPENDITURE				
Salaries & Wages	23	989,610,040.00	855,868,781.13	133,741,258.87
Social Benefits	24	115,000,000.00	6,858,000.00	108,142,000.00
Overhead Cost	25	250,000,000.00	27,323,083.25	156,475,626.47
Grants & Social Contribution	26	198,470,702.00	24,056,547.99	106,849,228.34
Transfer to Other Agencies	27	-	425,643,440.39	(425,643,440.39)
Depreciation	31	-	180,297,988.36	(180,297,988.36)
Allowances	32	117,255,040.00	43,754,720.16	73,500,319.84
Transfer to LCDA	33	-	113,658,090.68	(113,658,090.68)
Impairment	34	-	-	-
Revenue Refunded	35	-	-	-
Stationaries		-	-	-
<b>Total Expenditures</b>		<b>1,670,335,782.00</b>	<b>1,697,568,777.23</b>	<b>(140,891,085.91)</b>
<b>Net Surplus/Deficit</b>	<b>36</b>	<b>302,000,000.00</b>	<b>(99,628,106.96)</b>	<b>1,379,812,135.50</b>
<b>Net Surplus/Deficit 31/12/2020</b>	<b>37</b>	<b>-</b>	<b>(160,584,989.67)</b>	<b>-</b>
<b>Net Surplus/Deficit 31/12/2021</b>	<b>38</b>	<b>302,000,000.00</b>	<b>(260,213,096.63)</b>	<b>1,379,812,135.50</b>

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

		ISOKAN			ISOKAN SOUTH			ISOKAN CONSOLIDATED		
<b>PARTICULAR</b>	<b>NOTE</b>		ACTUAL	VARIANCE	Final Budget	Actual (N)	VARIANCE	Final Budget	Actual (N)	VARIANCE
DEPENDENT REVENUE										
Government Share of FAAC(Statutory Revenue)	16	885,336,770.00	990,270,186.45	104,933,416.45	570,830,035.00		457,171,944.32	1,456,166,805.00	990,270,186.45	562,105,360.77
Government Share of VAT	17	210,000,000.00	594,158,597.82	384,158,597.82	178,754,977.00		178,754,977.00	388,754,977.00	594,158,597.82	562,913,574.82
<b>Sub-Total Dependent Revenue</b>	<b>18</b>	<b>1,095,336,770.00</b>	<b>1,584,428,784.27</b>	<b>489,092,014.27</b>	<b>749,585,012.00</b>		<b>635,926,921.32</b>	<b>1,844,921,782.00</b>	<b>1,584,428,784.27</b>	<b>1,125,018,935.59</b>
INDEPENDENT REVENUE								-	-	-
Grants & Aids	19	39,250,000.00	5,386,786.00	33,863,214.00	10,000,000.00		10,000,000.00	49,250,000.00	5,386,786.00	43,863,214.00
Transfer from Main Council	20			-		113,658,090.68		-	-	-
Tax Revenue	21	1,000,000.00	20,400.00	979,600.00	250,000.00	105,200.00	144,800.00	1,250,000.00	125,600.00	1,124,400.00
Non-Tax Revenue	22	28,626,000.00	4,386,600.00	24,239,400.00	48,288,000.00	3,612,900.00	44,675,100.00	76,914,000.00	7,999,500.00	68,914,500.00
Other Income				-				-	-	-
<b>Sub-Total Independent Revenue</b>		<b>68,876,000.00</b>	<b>9,793,786.00</b>	<b>59,082,214.00</b>	<b>58,538,000.00</b>	<b>117,376,190.68</b>	<b>54,819,900.00</b>	<b>127,414,000.00</b>	<b>13,511,886.00</b>	<b>113,902,114.00</b>
<b>Total Revenue</b>		<b>1,164,212,770.00</b>	<b>1,594,222,570.27</b>	<b>548,174,228.27</b>	<b>808,123,012.00</b>	<b>117,376,190.68</b>	<b>690,746,821.32</b>	<b>1,972,335,782.00</b>	<b>1,597,940,670.27</b>	<b>1,238,921,049.59</b>
EXPENDITURE								-	-	-
Salaries & Wages	23	530,780,310.00	855,868,781.13	(325,088,471.13)	458,829,730.00		458,829,730.00	989,610,040.00	855,868,781.13	133,741,258.87
Social Benefits	24	115,000,000.00	882,000.00	114,118,000.00		5,976,000.00	(5,976,000.00)	115,000,000.00	6,858,000.00	108,142,000.00
Overhead Cost	25	150,000,000.00	76,700,210.51	73,299,789.49	100,000,000.00	16,824,163.02	83,175,836.98	250,000,000.00	27,323,083.25	156,475,626.47
Grants & Social Contribution	26	101,877,470.00	50,180,723.66	51,696,746.34	96,593,232.00	41,440,750.00	55,152,482.00	198,470,702.00	24,056,547.99	106,849,228.34
Transfer to Other Agencies	27		425,643,440.39	(425,643,440.39)				-	425,643,440.39	(425,643,440.39)

Depreciation	31		108,356,067.14	(108,356,067.14)		71,941,921.22	(71,941,921.22)	-	180,297,988.36	(180,297,988.36)
Allowances	32	71,554,990.00	22,240,852.66	49,314,137.34	45,700,050.00	21,513,867.50	24,186,182.50	117,255,040.00	43,754,720.16	73,500,319.84
Transfer to LCDA	33		113,658,090.68	(113,658,090.68)				-	113,658,090.68	(113,658,090.68)
Impairment	34							-	-	-
Revenue Refunded	35							-	-	-
Stationaries								-	-	-
<b>Total Expenditures</b>		<b>969,212,770.00</b>	<b>1,653,530,166.17</b>	<b>(684,317,396.17)</b>	<b>701,123,012.00</b>	<b>157,696,701.74</b>	<b>543,426,310.26</b>	<b>1,670,335,782.00</b>	<b>1,697,568,777.23</b>	<b>(140,891,085.91)</b>
<b>Net Surplus/Deficit</b>	<b>36</b>	<b>195,000,000.00</b>	<b>(59,307,595.90)</b>	<b>1,232,491,624.44</b>	<b>107,000,000.00</b>	<b>(40,320,511.06)</b>	<b>147,320,511.06</b>	<b>302,000,000.00</b>	<b>(99,628,106.96)</b>	<b>1,379,812,135.50</b>
<b>Net Surplus/Deficit 31/12/2020</b>	<b>37</b>		<b>(140,651,943.00)</b>			<b>(19,933,046.67)</b>		-	<b>(160,584,989.67)</b>	-
<b>Net Surplus/Deficit 31/12/2021</b>	<b>38</b>	<b>195,000,000.00</b>	<b>(199,959,538.90)</b>	<b>1,232,491,624.44</b>	<b>107,000,000.00</b>	<b>(60,253,557.73)</b>	<b>147,320,511.06</b>	<b>302,000,000.00</b>	<b>(260,213,096.63)</b>	<b>1,379,812,135.50</b>

## ISOKAN LOCAL GOVERNMENT, APOMU

NET ASSET AND EQUITY	ISOKAN CONSOLIDATED		
DETAILS	RESERVES	Accumulated Surplus/Deficit	TOTAL
<b>Opening Balance 1/1/2021</b>	943,523,754.48	(160,584,989.67)	782,938,764.81
<b>Adjusted Reserve</b>	-	-	-
<b>Adjusted Balance</b>	943,523,754.48	(160,584,989.67)	782,938,764.81
<b>Net Surplus Deficit for the year</b>	-	(99,628,106.96)	(99,628,106.96)
<b>Closing Balance as at 31/12/2021</b>	943,523,754.48	(260,213,096.63)	683,310,657.85

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

DETAILS	ISOKAN			ISOKAN SOUTH			ISOKAN CONSOLIDATED		
	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL
Opening Balance 1/1/2021	673,103,858.41	(140,651,943.00)	532,451,915.41	270,419,896.07	(19,933,046.67)	250,486,849.40	943,523,754.48	(160,584,989.67)	782,938,764.81
Adjusted Reserve			-			-	-	-	-
Adjusted Balance	673,103,858.41	(140,651,943.00)	532,451,915.41	270,419,896.07	(19,933,046.67)	250,486,849.40	943,523,754.48	(160,584,989.67)	782,938,764.81
Net Surplus Deficit for the year		(59,307,595.90)	(59,307,595.90)		(40,320,511.06)	(40,320,511.06)	-	(99,628,106.96)	(99,628,106.96)
Closing Balance as at 31/12/2021	673,103,858.41	(199,959,538.90)	473,144,319.51	270,419,896.07	(60,253,557.73)	210,166,338.34	943,523,754.48	(260,213,096.63)	683,310,657.85

ISOKAN LOCAL GOVERNMENT, APOMU			
CONSOLIDATED NOTE TO THE ACCOUNTS FOR THE YEAR ENDED DECEMBER,2021			
	<b>NOTES 1</b>		
	<b>CASH &amp; CASH EQUIVALENTS</b>		
	Balance b/f	12,971,122.52	
	Add Receipt	<u>1,900,316,698.05</u>	
		1,913,287,820.57	
	Deduct payment	<u>1,905,682,089.28</u>	
		7,605,731.29	
	<b>NOTE 2</b>		
	<b>RECEIVABLE</b>		
	Conserved Fund	30,871,089.08	
	VAT	57,509,074.85	
	Exchange Rate Gain	917,221.39	
	Modulated Salary Arrears	<u>1,666,666.66</u>	
		<u>90,964,051.98</u>	
	<b>NOTE 3</b>		
	<b>PREPAYMENT/ADVANCES ACCOUNT</b>		
	Balance b/f	<u>2,000,000.00</u>	
	Additional prepayment		
		<u>2,000,000.00</u>	
	<b>NOTE 4</b>		
	<b>INVENTORIES ACCOUNT</b>		
	Office Consumable	2,065,155.00	
	Finance Material	6,012,609.00	
	Unused Equipment	<u>43,337,786.00</u>	
		<u><b>51,415,550.00</b></u>	
	<b>NOTE 5</b>		
	<b>INVESTMENT ACCOUNT</b>		
	Omoluabi Holdings	13,132,942.00	
	Kajola Integrated	8,142,132.00	
	OSICOL	267,000.00	
	Preference Share	28,130,104.52	
	Others	<u>2,749,998.00</u>	
		<u><b>52,422,176.52</b></u>	
	<b>NOTE 6</b>		



	<b>PROPERTY, PLANT AND EQUIPMENT</b>	
	Property, plant and equipment	<u><b>1,653,880,015.81</b></u>
	<b>NOTE 7</b>	
	<b>INVESTMENT PROPERTY</b>	
	Lock Up Stall	92,670,079.86
	Open Market	<u>164,746,808.65</u>
		<u><b>257,416,888.51</b></u>
	<b>NOTE 8</b>	
	<b>BIOLOGICAL ASSET</b>	
	Teak	15,244,076.72
	Palm Tree	<u>7,456,158.13</u>
	Less (Dep.)	22,700,234.85
	<b>NOTE 11</b>	
	<b>UNREMMITED DEDUCTION</b>	
	Balance as at 1st January,2021	26,991,696.80
	Deduction Received	<u>56,344,735.20</u>
		83,336,432.00
	Deduction Received	<u>55,290,585.94</u>
		<u><b>28,045,846.06</b></u>
	<b>NOTE 12</b>	
	<b>PAYABLE</b>	
	<b>Bal Bf</b>	301,638,270.46
	Unpaid salary Arrears	
	Conserved Fund	34,500,000.00
	Transfer to other Agencies (31/12/2021)	42,662,690.90
	Overhead (31/12/2021)	1,949,631.64
	Employee Benefit (31/12/2021)	73,701,792.19
	Modulated Salary Arrears	<u>1,666,667.56</u>
		<u><b>456,119,052.75</b></u>
	Less	
	Cash(December 2020)	(112,868,274.33)
	Modulated (Unpaid Salary Arrears)	(13,333,333.28)
		<u><b>329,917,445.14</b></u>

	<b>NOTE 13</b>		
	<b>LONG TERM BORROWING</b>		
	Balance b/f	1,097,130,609.91	
	Less		
	10 KM	18,957,512.30	
	Intervention	3,485,956.44	
	Environment	<u>2,914,565.04</u>	
		<u><b>1,097,130,609.91</b></u>	
	<b>NOTE 14</b>		
	<b>RESERVED ACCOUNT</b>		
	Balance b/f	943,523,754.48	
	Revaluation Surplus PPE	-	
	Revaluation Surplus Investment Property		
		<u><b>943,523,754.48</b></u>	
	<b>NOTE 15</b>		
	<b>ACCUMULATED SURPLUS/DEFICIT</b>		
	Balance b/f 1/1/2021	(160,584,989.67)	
	Surplus/ Deficit during the year	<u>(99,628,106.96)</u>	
	Balance c/f 31/12/2021	<u><b>(260,213,096.63)</b></u>	
	<b>NOTE 16</b>		
	<b>JAAC ACCOUNT</b>		
	Statutory Allocation	947,925,943.22	
	Non-Oil Revenue	29,828,280.20	
	Forex Equalization	1,476,757.33	
	Ex-rate Gain	5,545,779.80	
	Eco Fund	4,137,132.98	
	Solid Minerals	<u>1,356,292.92</u>	
		<u><b>990,270,186.45</b></u>	
	<b>NOTE 17</b>		
	<b>VAT ACCOUNT</b>		
	Cash	<u><b>594,158,597.82</b></u>	
	<b>NOTE 18</b>		

	<b>DEPENDANT REVENUE</b>		
	Statutory Allocation	990,270,186.45	
	VAT	<u>594,158,597.82</u>	
		<u><u>1,584,428,784.24</u></u>	
	<b>NOTE 19</b>		
	<b>ARGUMENTATION</b>		
	Added from O'meal	386,786.00	
	Added from Augmentation	5,000,000.00	
	Fund conserved for salary	<u>8,208,807.00</u>	
		13,595,593.00	
	Less		
	Funds Conserved for Salary Account	<u>8,208,807.00</u>	
		<u><u>5,386,786.00</u></u>	
	<b>NOTE 20</b>		
	<b>TRANSFER TO MAIN COUNCIL</b>		
	Transfer	113,658,090.68	
	<b>NOTE 21</b>		
	TAX REVENUE	125,600.00	
	<b>NOTE 22</b>		
	NON TAX REVENUE	<u>7,999,500.00</u>	
	<b>NOTE 23</b>		
	<b>EMPLOYEE BENEFIT (Salary &amp; wages)</b>		
	Salary TNT/Elementary	257,112,710.42	
	Salary SUBEB /Admin & Monitor	407,867.49	
	Salary TNT (Middle)	98,411,854.38	
	Salary PHC	182,227,151.33	
	Salary LG	315,273,044.50	
	Salary Loans Board	1,003,950.06	
	Salary Pension Bureau	<u>1,432,202.95</u>	
		<u><u>855,868,781.13</u></u>	
	<b>NOTE 24</b>		

	<b>SOCIAL BENEFIT</b>		
	Financial Assistance	138,000.00	
	Training & Workshop	<u>6,720,000.00</u>	
		<u><b>6,858,000.00</b></u>	
	<b>NOTE 25</b>		
	<b>OVERHEAD COST</b>		
	Year 2021 Budget Fee	1,400,000.00	
	Running Cost JAAC Sec	1,200,000.00	
	Algon Imprest	10,200,000.00	
	Bank Charges (M)	1,475,879.05	
	Consultancy fees	6,001,319.28	
	Magnum Trust Insurance	3,979,218.25	
	SUBEB Stipends	66,666.70	
	School running grant	<u>2,999,999.97</u>	
		<u><b>27,323,083.25</b></u>	
	<b>NOTE 26</b>		
	<b>SOCIAL CONTRIBUTION</b>		
	Sensitization, Training and others	5,592,895.44	
	Grading	9,324,816.89	
	Ileya Gift and others	2,415,621.00	
	SUBEB Special Needs School	1,983,214.66	
	Christmas and New Year Gift	1,340,000.00	
	Donated vehicles ( Gift to Politicians)	<u>3,400,000.00</u>	
		<u><b>24,056,547.99</b></u>	
	<b>NOTE 27</b>		
	<b>TRANSFER TO OTHER AGENCY</b>		
	10% Training Fund	9,525,850.09	
	Traditional Council	51,269,494.77	
	5% Stabilization	48,698,707.76	
	Audit Fee	19,682,340.12	
	SUBEB Contract Staff	275,120.78	
	Gratuity	46,666,666.64	
	Pension	110,729,551.08	
	contributory pension (TNT)	24,807,921.00	
	contributory pension (LG)	36,923,704.32	
	OHIS	10,546,295.96	
	OMEAL	19,094,288.00	

	Ramp Refund	8,617,329.07	
	SUBEB Marching Grant	<u>38,806,170.18</u>	
		<u><b>425,643,439.77</b></u>	
	<b>NOTE 29</b>		
	OVERHEAD		
	Imprest	46,340,903.63	
	General Expenses	19,300,387.27	
	stationaries	<u>560,000.00</u>	
		<u><b>66,201,290.90</b></u>	
	<b>NOTE 30</b>		
	GRANTS & SOC. CONTRIBUTION		
	Sensitization, Training& Others	15,592,895.67	
	Ileya Gift	22,415,621.00	
	Gift to Politicians	3,400,000.00	
	Distilling of Culvert	18,250,000.00	
	Xmas	7,906,409.00	
		<u><b>67,564,925.67</b></u>	
	<b>NOTE 32</b>		
	<b>ALLOWANCES</b>		
	Allowances to various Committees	40,113,867.50	
	NYSC Allowances	1,100,000.00	
	O'TECH Allowances	2,280,000.00	
	Personal Assistant to Politician Allowance	<u>260,852.66</u>	
		<u><b>43,754,720.16</b></u>	
	<b>NOTE 31</b>		
	<b>DEPRECIATION CHARGES</b>		
	Building	4,019,178.09	
	Plants and Machinery	2,923,558.40	
	Infrastuctural Assets	155,324,408.90	

	Motor Vehicle	8,375,407.13	
	Office Equipment	3,094,603.52	
	Furniture & Fittings	361,583.31	
	Invest Property	5,253,405.89	
	Biological Assets	<u>945,843.12</u>	
		<u><b>180,297,988.36</b></u>	
	<b>NOTE 33</b>		
	<b>TRANSFER TO LCDA</b>	113,658,090.68	
	<b>NOTE36</b>		
	<b>NET SURPLUS/DEFICIT</b>		
	Total Revenue	1,597,940,670.27	
	Total Expenditure	<u>1,697,568,777.23</u>	
		(99,628,106.96)	
	<b>NOTE 37</b>		
	<b>NET SURPLUS/DEFICIT 01/01/2021</b>	(160,584,989.67)	
	<b>NOTE 38</b>		
	<b>ACCUMULATED NET SURPLUS/ DEFICIT 31/12/2021.</b>		
	Net surplus/Deficit01/01/2021	(160,584,989.67)	
	Net surplus/Deficit for the year	<u>(99,628,106.96)</u>	
		<b>(260,213,096.63)</b>	

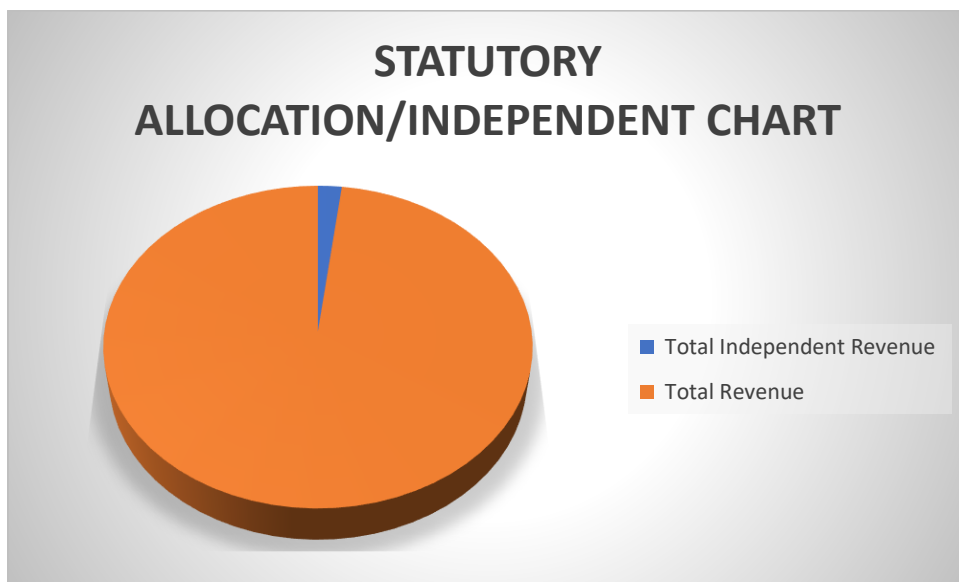
# ISOKAN LOCAL GOVERNMENT FISCAL OPERATION REPORT

## STATEMENT OF CASHFLOW RATIOS

1. DEPENDENT REVENUE/TOTAL REVENUE x 100

$$= \frac{1,694,779,676.33}{1,722,105,065.17} = 98.41\%$$

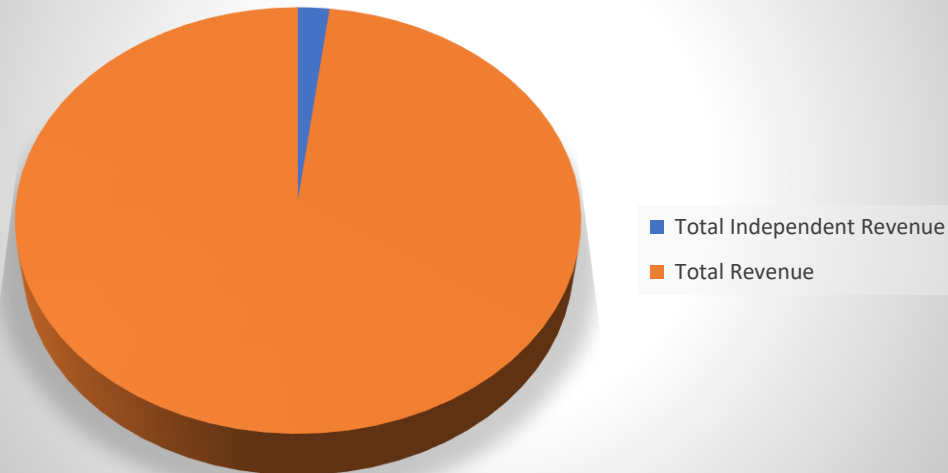
This indicated that Statutory Allocation took 98.41% of the Total Revenue of the Local Government and LCDA leaving 1.59% as Independence Revenue



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

$$\frac{27,325,388.84}{1,722,105,065.17} \times 100 = 1.59\%$$

## STATUTORY ALLOCATION/INDEPENDENT CHART



### 3. SALARY & WAGES : TOTAL RECURRENT EXPENDITURE

$$\frac{931,023,528.21}{1,645,981,061.88} \times 100 = 56.56\%$$

Therefore, the Salaries and Wages took about 56.56% out of the Recurrent Expenditure in the Local Government while the remaining 43.44% was expended on other expenditure.

### 4 INVENTORIES : TOTAL RECURRENT EXPENDITURE

$$\frac{2,402,000}{1,645,981,061.88} \times 100 = 0.14\%$$

## STATEMENT OF FINANCIAL POSITION RATIOS

### 6 CURRENT ASSET : CURRENT LIABILITIES

$$\frac{151,985,243.27}{357,963,291.00} = 0.42 : 1$$

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

### 7. TOTAL ASSET : TOTAL LIABILITIES

$$\frac{2,196,904,558.96}{1,455,093,901.11} = 1.51 : 1$$

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



**8. EQUITY : TOTAL ASSET**

$$\frac{683,310,657.85}{2,196,904,558.96} = 0.31 : 1$$

**STATEMENT OF FINANCIAL PERFORMANCE RATIO**

**9. DEPENDENT REVENUE : TOTAL REVENUE**

$$\frac{1,584,428,784.27}{1,597,940,670.27} \times 100 = 99.15\%$$

**This indicated that the Statutory allocation accounted for 99.15% of the Total Revenue of the Local Government.**

**10. STATUTORY ALLOCATION : TOTAL REVENUE**

$$\frac{13,511,886.00}{1,597,940,670.27} \times 100 = 0.85\%$$

# MANAGEMENT LETTER

## ISOKAN LOCAL GOVERNMENT, APOMU OBSERVATIONS AND INTERNAL CONTROL REVIEW FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2021

**1. EXPENDITURE NOT SUPPORTED BY PROPER RECORDS OR ACCOUNTS AMOUNTING TO (#260,000.00):-** It was observed that the payment voucher raised in respect of running cost for procurement of stationeries and payment for others bills and monthly exco meeting and allocation sharing comprising of Isokan Local Government and Isokan South LCDA were not supported with necessary documents such as sub-receipt to authenticate the genuineness of the expenditure which were contrary to the provision of Financial Memoranda 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 printed receipt must be obtained and attached to the payment voucher in respect of a payment to Government, another Local Government or a commercial firm. If the printed receipt covers more than one payment voucher, reference to the number of payment voucher to which the receipts is attached, shall be entered on the other vouchers”.

**RISK:**

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

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

**RECOMMENDATION:**

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

**2. UNRETIRED IMPREST AMOUNTING TO ₦530,000.00:-** The sum of five hundred and thirty thousand naira only (₦530,000.00) represents monthly imprest approved for the Head of Department of Administration and General Services 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 here 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 receipts were eventually presented for further audit scrutiny.*

**RECOMMENDATION:** *The Head of finance and the Internal Auditor should ensure proper recording of petty cash and also hold the affected officers responsible for proper accountability for all expenditure Incurred. New imprest should not be realised without the retirement of previous ones.*

3. **DOUBTFUL EXPENDITURE AMMOUNTING TO ₦160,000.00:-** It was observed that the payment purportedly made in respect of Aliyu A. O. for monthly meeting with AFAN and herders appeared to be doubtful as there was no genuine and concrete evidence that the programmes were executed.

**RISK:**

*The implication of this expenditure was that the services might not have been performed, thus the public fund might have been diverted for personal purposes.*

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

**RECOMMENDATION:** *The recipients must attached all necessary supporting evidence such as sub-receipts, evidence such as sub-receipts, evidence of participation or video coverage to prove genuiness of expenditure.*

4. **UNPRODUCED REVENUE EARNING RECEIPT BOOKLETS FOR THE YEAR 2019, 2020 AND 2021 AMOUNTING TO ₦6,852,980.00:-** It was observed that some revenue collectors failed to present the 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 under their coffers 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 officers will be surcharged.*

5. **LATE PAYMENT ₦772,400.00:** It was observed during the period under review that, there was a total sum of ₦772,400.00 for the year 2021 that stood as late payment. The Director of Finance of Isokan Local Government, Apomu 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:-** Discrepancies were observed in the final budget of the statement of budget and Actual and the approved budget presented for audit scrutiny . however, this was corrected at the instance of Audit officer. This lapses exposed the ineptitude and negligence of the head of Finance and he has been asked to effect necessary corrections and avoid this in future.

***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.*

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.*

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

**1. EXPENDITURE NOT SUPPORTED BY PROPER RECORDS OR ACCOUNTS (#97,500.00):-** It was observed that the payment vouchers raised in respect of Entertainment of community development Council for the month of March, was not supported with necessary documents such as sub-receipt contrary to Financial Memoranda 14:17 which states that, "An Official printed receipt must be obtained and attached to the payment voucher in respect of a payment to Government, another Local Government or a commercial firm. If the printed receipt covers more than one payment voucher, reference to the number of payment voucher to which the receipts is attached, shall be entered on the other vouchers".

***RISK:***

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

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

***RECOMMENDATION:***

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

**2. IRREGULAR PAYMENT TOTALLING #1,478.68:** It was observed that a reasonable number of payment voucher was not controlled by the Officer with Authority to incurred expenditure (A.I.E) not checked and passed by the Internal Auditor. It was not supported with proper records or Accounts contrary to Financial Memoranda 40:10 which state "Before any payment is made, a prepayments audit of vouchers and supporting documents shall be made by the Internal Auditor on all payment vouchers to verify that the provision of these financial memoranda have been followed in all respects, the payment is one properly authorized and correctly charged to the stated sub-head or accounts and that sufficient funds are available to meet it".

***RISK:***

*Not subjecting payment vouchers to Internal Audit check before payment was an indication of weak Internal Control System which could result to misappropriation of public fund.*

***MANAGEMENT RESPONSE:*** *The voucher was not checked and passed by the Internal Auditor due to exigency of the expenditure as at the time of payment voucher was raised. The approval for the expenditure had been sought in file before payment was effected. However, the payment*

*voucher had now been processed with necessary attachment and submitted to the Office of the Auditor General for Local Governments for further audit scrutiny.*

**RECOMMENDATION:** *The Head of Department should ensure that payment voucher is properly processed before any payment.*

3. **DOUBTFUL EXPENDITURE TALLING ₦7,830,000.00:** It was observed that the payment purportedly made in respect of publicity of Government, Covid – 19 mobilization, enforcement and enlightenment, security awareness during Ileya festival, drugs and child abuse and entertainment appeared to be doubtful as there were no genuine and concrete evidence that the programmes were executed.

**RISK:**

*The implication of this expenditure was that the services might not have been performed, thus the public fund might have been diverted for personal purposes.*

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

**RECOMMENDATION:** *The recipients must attached all necessary supporting evidence such as sub-receipts, evidence such as sub-receipts, evidence of participation or video coverage to prove genuineness of expenditure.*

4. **UNRETIRED IMPREST TALLING ₦65,000.00:-** It was observed that the sum of sixty five thousand naira only (₦65,000.00) was made for a service not rendered the monthly imprest, stamping and application of insecticide for prevention of caterpillars, purchase stationaries were nor 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. This had been made a subject of Audit Query No. LQ/AUD/ ISOKS/LCDA/05/2021.

**RISK:**

*Government Fund might not have been used for official purpose.*

**MANAGEMENT RESPONSE:** *It was an oversight and the receipts were eventually presented.*

**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.*

5. **UNPRODUCED REVENUE EARNING RECEIPT BOOKLETS FOR THE YEAR 2019, 2020 AND 2021 AMOUNTING TO ₦2,120,000.00:-** 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 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.*

6. **LATE PAYMENT ₦1,095,400.00:** It was observed during the period under review that, there was a total sum of ₦1,095,400.00 for the year 2020 and 2021 that stood as late payment. The Director of Finance of Isokan South LCDA, Ikoyi 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.*



**7. FINAL ACCOUNT:-** Expenditure items in the Financial Statement were observed to be wrongly classified into the appropriate Heads. Also discrepancies were observed in the final budget of statement of comparison of budget and actual and the approved budget and actual and the approved budget. However, these had been corrected at the instance of Audit Inspecting Officer.

You are admonished to ensure proper classification of items in the financial statement to ensure reliability of financial information.

***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.*

**8. 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.*

## **INTERNAL AUDITORS REPORT**

1. The Internal Control Unit is very weak. There are lots 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.
2. Despite the fact that the Internal Control Unit of the Local Government is very effective the rate section activities were not fully directed on the IGR of the Council likewise AGRIC Department.

**ISOKAN LOCAL GOVERNMENT, APOMU.**

S/N	SUBJECT	QUERIED NO	NO OF OFFICER QUERIED	AMOUNT
1	Expenditure not supported with proper records	LQ/AUD/ISOK/01/2021	3	260,000.00
2	Unretired Imprest	LQ/AUD/ISOK/02/2021	5	530,000.00
3	Doubtful Expenditure	LQ/AUD/ISOK/03/2021	1	<u>160,000.00</u>
			<b>A</b>	<b>950,000.00</b>

**ISOKAN SOUTH LCDA, IKOYL.**

S/N	SUBJECT	QUERIED NO	NO OF OFFICER QUERIED	AMOUNT
1	Expenditure not supported with proper records	LQ/AUD/ISOKS/01/2021	3	97,500.00
2	Irregular Payment	LQ/AUD/ISOKS/02/2021	1	1,478.68
3	Doubtful expenditure	LQ/AUD/ISOKS/03/2021	13	7,830,000.00
4	Unretired Imprest	LQ/AUD/ISOKS/04/2021	3	65,000.00
			<b>B</b>	<b><u>7,993,978.68</u></b>

**Isokan Local Government Apomu**

**A            950,000.00**

**Isokan South LCDA      Ikoyi**

**B            7,993,978.68**

**A+B=        8,943,978.68**

**ISOKAN LOCAL GOVERNMENT, APOMU**  
**LIST OF PROJECT EXECUTED FOR THE YEAR 2021**

<b>S/N</b>	<b>Description</b>	<b>Location</b>	<b>Mode of Execution</b>	<b>Project cost</b>	<b>Amount Released</b>	<b>Bal. Amount</b>	<b>Remark</b>
1.	Construction of 1.5x1.5x7m Box Culvert at Elekan Road, Apomu	Abebi Elekan Community, Apomu	Direct Labour	1,884,417	1,884,417		Completed
2.	Construction of 1.5x1.5x7m Box Culvert at karonwi Road, Apomu	Karonwi Road Apomu	Direct Labour	1,934,417	1,934,417		Completed
3.	Construction of retaining wall and live Drainage at Apomu	Abebi Elekan Community, Apomu	Direct Labour	4,200,000	4,200,000		Completed
4.	Purchase of Toyota Camry Muzzle for the chairman, Isokan Local Govt.	Isokan Local govt. secretariat, Apomu	Direct Labour	4,000,000	4,000,000		supplied
5.	Purchase of Toyota Corolla 2006/2007 model for the Vice – Chairman, Isokan Local Govt.	Isokan Local govt. secretariat, Apomu	Direct Labour	3,000,000	3,000,000		supplied
6.	Purchase of Toyota Corolla 2003/2004 model for the Secrtary, Isokan Local Govt.	Isokan Local govt. secretariat, Apomu	Direct Labour	3,000,000	3,000,000		supplied
7.	Renovation of office building for the federal Road Safety Corps	Local Govt. Secretariat, Apomu	Direct Labour	1,300,000	614,000	686,000	On – going
8.	Repair of KOMATSU Grader	Local Govt. Secretariat, Apomu	Direct Labour	850,000	850,000		Completed
9.	Construction of Sand Crete Block Retaining wall	Jago Junction, Adifa	Direct Labour	720,000	720,000		Completed

**ISOKAN SOUTH LOCAL GOVERNMENT, IKOYI**  
**LIST OF PROJECT EXECUTED FOR THE YEAR 2021**

<b>S/N</b>	<b>Description</b>	<b>Location</b>	<b>Mode of Execution</b>	<b>Project cost</b>	<b>Amount Released</b>	<b>Bal. Amount</b>	<b>Remark</b>
1.	Construction of Isokan South LCDA Permanent Secretariat	Orita Ijebu, Ikoyi	Direct Labour	55,349,645	36,783,000	18,856,645	On - going