

STATE GOVERNMENT OF OSUN, NIGERIA.

REPORT OF

THE
AUDITOR-GENERAL
FOR
LOCAL GOVERNMENTS

ON THE ACCOUNTS OF

IWO LOCAL GOVERNMENT

IWO

FOR THE YEAR ENDED

31ST DECEMBER, 2021.

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LIST OF ABBREVIATIONS

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

**STATEMENT OF RESPONSIBILITY FOR THE PREPARATION AND
PRESENTATION OF FINANCIAL STATEMENTS**

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

Iwo Local Government, Iwo East LCDA and Iwo West 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: **Iwo Local Government**. We hereby claim responsibility for the contents and correctness of the Financial Statements of the under listed LG/LCDA, for the Accounting period ended *31st December, 2021*.

Alh Isola Kamil Adeniyi
[Signature]
Chairman
Iwo Local Government

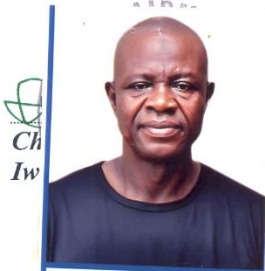
HON RAHMAT LAKOL
[Signature]
Chairman
Iwo East LCDA

Alh Gani Tajudeen Babatunde
[Signature]
Chairman
Iwo West L.C.D.A.

S. A. OLOSUNDE
[Signature]
Head of Finance & Supplies,
Iwo Local Government

DAVIES M.O
[Signature]
Head of Finance & Supplies
Iwo East LCDA

[Signature]
Head of Finance & Supplies
Iwo West L.C.D.A.



AUDIT CERTIFICATE

I have audited the accounts of Iwo Local Government, Iwo 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 Iwo Local Government, Iwo 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 Governments, is the direct responsibility of the Head of Finance and Supply in the Local Governments, 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 Iwo Local Governments is responsible for the consolidation of the Financial Statements with the subsidiary Iwo East LCDA and Iwo West 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 Statement signed by Heads of Finance and Chairmen of Local Governments is attached.

STATEMENT OF RESPONSIBILITY OF THE AUDITOR-GENERAL.

It is my responsibility to Audit the accounts of the Local Governments, the State Joint Local Government Account, and all offices of the Local Government (inclusive of Iwo 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 Iwo Local Government in the state, inclusive of Iwo Local Governments, Iwo East LCDA and Iwo West LCDA.

BASIS OF AUDIT OPINION

In the course of auditing the accounts of Iwo Local Governments Iwo East LCDA and Iwo West 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 Iwo 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 Iwo Local Government are constituents.

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

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

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

STATEMENT OF ACCOUNTING POLICIES

1. Basis of Preparation (IPSAS 1)

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

2. Accounting Period

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

3. Reporting Currency

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

4. Principal Statements in the General Purposes Financial Statements

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

5. Consolidation Policy- IPSAS 6

The Heads of Finance of Iwo Local Government Iwo East LCDA and Iwo West 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 Iwo East LCDA and Iwo West LCDA, which has been consolidated with that of Iwo 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 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 Iwo Local Government, Iwo 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 Iwo 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, all contributions to centrally executed Projects and programmes of Local Governments, and Statutory remittances to Traditional Councils by Iwo Local Government, Iwo East LCDA and Iwo West LCDA.

BUDGET PREPARATION / EXECUTION

The Budget for 2021 for Iwo Local Governments 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

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

VALUATION AND REVALUATION OF ASSETS

The office of the Auditor-General for Local Governments embarked on verification exercise on valuation and Revaluation of Assets during the year. This involved Constitution of a standing multi-disciplinary team comprising seasoned and qualified professionals in the fields of valuation, engineering, town planning, medicine, etc. and others as were necessary. Consequently, the realism of the values of non-current asset is enhanced for the year under review. The verification exercise is continuous and value of the Local Governments non-current Assets is being updated monthly.

INTERNALLY REVENUE GENERATION AND FINANCIAL VIABILITY

The Total Internally Revenue generated by the Local Government for 2021 was ~~N~~43,554,408.70 representing 2.18% 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, 14 nos of Audit Queries were issued in respect of 2021 Accounts, involving a total sum of ~~N~~36,677,440.57.

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 Iwo Local Government collaborated with other Local Government to embark on some jointly executed projects and programmes. Reports on the joint project are contained in the Registered 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 Iwo 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 ₦1,232,188,627.05 was Share of FAAC and VAT amounted to ₦721,776,002.74

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
Iwo	1,149,642,056.76	549,760,029.14	37,195,001.19	31,153,617.54	944,053.14	16,636,556.47	25,853,175.67	1,922,677.82	16,163,674.49	1,829,270,842.22

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. #127,750.00 as Fees, Taxes and Fines.

SALARIES AND WAGES – ₦855,868,781.13

Salaries and Wages which amounted to ₦855,867,781.13 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 – #12,234,701.70

The Cash and Cash equivalents amounted to ₦12,234,701.70 for the Local Governments. The Bank Statements and Bank Reconciliation Statements of all Local Governments and Local Government Development Areas as at 31st December, 2021 were verified/examined to ascertain the bank balances.

RECEIVABLES - ₦99,172,859.11

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

INVENTORIES - ₦86,633,950.00

The sum of ₦86,633,950.00 represents inventories valued at historical cost in the Local Governments as at 31st December, 2021. These include unallocated stores both expendable and non-expendable; and consumable items.

INVESTMENTS - ₦53,671,541.33

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

PROPERTY, PLANT AND EQUIPMENT(PPE) #5,321,227,044.22

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 - ₦730,523,992.67

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 - ₦748,243,716.32

The carrying amount of Investment Properties of the Local Governments stood at ₦748,243,716.32 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 - ₦2,795,051,317.92

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 - ₦307,739,756.60

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 #82,475,198.88 was made to the Local Council Development Areas and Area Offices in the period under review and was set off in the Consolidated Account.

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

POSITION

PARTICULAR	NOTE	IWO CONSOLIDATED
ASSETS		
Current Assets		
Cash & Cash Equipments	1	12,234,701.70
Receivables	2	157,672,859.11
Prepayment/Advance	3	2,350,000.00
Inventories	4	86,633,950.00
Total Current Asset		258,891,510.81
Non-current Asset		-
Long Term Loan Granted		-
Investments	5	53,671,541.33
Property, Plant & Equipment	6	5,329,227,044.22
Investment Property	7	748,243,716.32
Biological Asset	8	5,006,962.92
Assets Under Construction (wip)	9	-
Total Non-Current Asset		6,136,149,264.79
Total Asset		6,395,040,775.60
LIABILITIES		-
Current Liabilities		-
Deposit		-
Short Term Loan & Debts	10	-
Unremitted Deduction	11	307,739,756.60
Payables	12	789,023,992.67
Short Terms Provisions		-
Total Current Liability		1,096,763,749.27
Non-Current Liabilities		-
Long Term Borrowing	13	2,795,051,317.92
Total Liabilities		3,891,815,067.19
Net Assets		2,503,225,708.41
Financed by		-
Reserve	14	3,460,684,843.40
Net Surplus/Deficit	15	(957,459,134.99)
Total		2,503,225,708.41

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

PARTICULAR	NOTE	IWO	IWO EAST	IWO WEST	IWO CONSOLIDATED
ASSETS					
Current Assets					
Cash & Cash Equipments	1	5,588,931.61	3,888,104.27	2,757,665.82	12,234,701.70
Receivables	2	99,172,859.11			99,172,859.11
Prepayment/Advance	3	2,350,000.00			2,350,000.00
Inventories	4	83,408,600.00	2,165,500.00	1,059,850.00	86,633,950.00
Total Current Asset		190,520,390.72	6,053,604.27	3,817,515.82	200,391,510.81
Non-current Asset					-
Long Term Loan Granted					-
Investments	5	36,671,541.33	8,500,000.00	8,500,000.00	53,671,541.33
Property, Plant & Equipment	6	3,968,637,640.71	659,592,634.22	700,996,769.29	5,329,227,044.22
Investment Property	7	448,946,230.12	179,578,492.05	119,718,994.15	748,243,716.32
Biological Asset	8	1,445,290.92		3,561,672.00	5,006,962.92
Assets Under Construction (wip)	9				-
Total Non-Current Asset		4,455,700,703.08	847,671,126.27	832,777,435.44	6,136,149,264.79
Total Asset		4,704,221,093.80	853,724,730.54	836,594,951.26	6,336,540,775.60
LIABILITIES					-
Current Liabilities					-
Deposit					-
Short Term Loan & Debts	10				-
Unremitted Deduction	11	(452,604,975.94)	235,327,861.04	525,016,871.50	307,739,756.60
Payables	12	258,943,809.78	230,970,334.98	240,609,847.91	739,523,992.67
Short Terms Provisions					-
Total Current Liability		(193,661,166.16)	466,298,196.02	765,626,719.41	1,038,263,749.27
Non-Current Liabilities					-
Long Term Borrowing	13	2,455,469,717.45	169,790,650.24	169,790,950.23	2,795,051,317.92
Total Liabilities		2,261,808,551.29	636,088,846.26	935,417,669.64	3,833,315,067.17
Net Assets		2,384,412,542.51	217,635,884.28	(98,822,718.38)	2,503,225,708.41
Financed by					-
Reserve	14	3,033,309,834.16	461,901,712.12	(34,526,702.88)	3,460,684,843.40
Net Surplus/Deficit	15	(648,897,291.65)	(244,265,827.84)	(64,296,015.50)	(957,459,134.99)
Total		2,384,412,542.51	217,635,884.28	(98,822,718.38)	2,503,225,708.41

IWO LOCAL GOVERNMENT, IWO
AGGREGATED STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2021

PERFORMANCE

PERFORMANCE		
PARTICULAR	NOTE	IWO CONSOLIDATED
DEPENDENT REVENUE		
Government share of FAAC (Statutory Revenue)	16	1,232,188,627.05
Government Share of VAT	17	721,776,002.74
Sub-Total Dependent Revenue	18	1,953,964,629.79
INDEPENDENT REVENUE		-
Grant & Aids	19	13,595,593.13
Transfer from main Council	20	
Tax Revenue	21	127,750.00
Non-Tax Revenue	22	29,831,065.57
Overpayment Recovery		-
Sub-Total Independent Revenue		43,554,408.70
Total Revenue		1,997,519,038.49
EXPENDITURE		-
JOINTLY EXPENDED		-
Salaries & Wages	23	855,868,781.13
Social Benefits	24	100,000.00
Overhead Cost	25	28,023,083.25
Grants & Social Contribution	26	35,751,547.99
Transfer to other Agencies	27	496,649,777.34
L/GOVERNMENT EXPENDITURE		-
Social Benefits	28	4,454,500.00
Overhead Cost	29	67,065,051.51
Grants & Social Contribution	30	191,152,706.28
Depreciation	31	392,335,450.14
Allowances	32	86,501,297.43
Transfer to LCDA	33	
Impairment	34	-
Revenue Refunded	35	-
Public Debt Charges		
Stabilization Fund		
Refund to main Council		-
Stationeries		-
Severance Gratuity		-
Total Expenditures		2,157,902,195.07
Net Surplus/Deficit	36	(160,383,156.58)
Net Surplus/Deficit 01/01/2021	37	(797,075,978.41)
Net Surplus/Deficit 31/12/2021	38	(957,459,134.99)

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

PERFORMANCE					
PARTICULAR	NOTE	IWO	IWO EAST	IWO WEST	IWO CONSOLIDATED
STATUTORY ALLOCATION					
Government share of FAAC (Statutory Revenue)	16	1,232,188,627.05			1,232,188,627.05
Government Share of VAT	17	721,776,002.74			721,776,002.74
Sub-Total Dependent Revenue	18	1,953,964,629.79	-	-	1,953,964,629.79
INDEPENDENT REVENUE					-
Augmentation	19	13,595,593.13			13,595,593.13
Transfer from main Council	20	-	83,520,106.52	82,475,198.88	
Tax Revenue	21	100,000.00	27,750.00	-	127,750.00
Non-Tax Revenue	22	8,948,776.00	6,951,231.44	3,363,740.00	29,831,065.57
Other Income				10,567,318.13	10,567,318.13
Overpayment Recovery					-
Sub-Total Independent Revenue		22,644,369.13	90,499,087.96	96,406,257.01	43,554,408.70
Total Revenue		1,976,608,998.92	90,499,087.96	96,406,257.01	1,997,519,038.49
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	28,023,083.25			28,023,083.25
Grants & Social Contribution	26	35,751,547.99			35,751,547.99
Transfer to other Agencies	27	496,649,777.34			496,649,777.34
L/GOVERNMENT EXPENDITURE					-
Social Benefits	28		2,194,500.00	2,260,000.00	4,454,500.00
Overhead Cost	29	20,988,347.49	28,460,027.88	17,616,676.14	67,065,051.51
Grants & Social Contribution	30	129,024,124.56	24,394,986.52	37,733,595.20	191,152,706.28
Depreciation	31	241,249,537.01	77,893,510.99	73,192,402.14	392,335,450.14
Allowances	32	32,294,186.16	24,711,447.61	29,495,663.66	86,501,297.43
Transfer to LCDA	33	165,995,305.40			
Impairment	34				-
Revenue Refunded	35				-

Public Debt Charges					
Stabilization Fund					
Refund to main Council					-
Stationeries					-
Severance Gratuity					-
Total Expenditures		2,005,944,690.33	157,654,473.00	160,298,337.14	2,157,902,195.07
Net Surplus/Deficit	36	(29,335,691.41)	(67,155,385.04)	(63,892,080.13)	(160,383,156.58)
Net Surplus/Deficit 01/01/2021	37	(619,561,600.24)	(177,110,442.80)	(403,935.37)	(797,075,978.41)
Net Surplus/Deficit 31/12/2021	38	(648,897,291.65)	(244,265,827.84)	(64,296,015.50)	(957,459,134.99)

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

CASHFLOW

OPERATING ACTIVITIES	NOTE	IWO CONSOLIDATED
INFLOW		
Statutory Revenue (JAAC)	39	1,370,220,212.35
Value Added Tax	40	721,776,002.74
Receivable		-
Sub Total Dependent Revenue	41	2,091,996,215.09
Aids and Grants	42	13,595,593.13
Transfer from Main Council	43	
Tax Revenue	44	127,750.00
Non Tax Revenue	45	19,263,747.44
Other Income		10,567,318.13
Overpayment Recovery		-
Sub Total Independent Revenue	46	43,554,408.70
Total Inflow Operating Activities	47	2,135,550,623.79
OUTFLOW		-
Salaries & Wages	48	1,139,912,421.66
Social Benefits	49	4,554,500.00
Overhead Cost	50	64,556,556.68
Social Contributions	51	213,654,254.27
Allowances	52	85,979,592.11
Modulated Salary Arrears	53	13,333,333.28
Inventories	54	3,842,000.00
Fund Conserved for Salary		-
Transfer to LCDA	55	
Transfer to other Govt. Agencies	56	496,649,777.34
Refund to Main Councils		-
Revenue Refunded		
Stabilization Fund		
Tax Expenses	57	-
Severance Gratuity		-
Total Outflow from Operating Activities	58	2,046,982,435.34
Net Cashflow from Operating Activities	59	113,068,188.45
INVESTING ACTIVITIES		-
Proceed from Disposal of Asset		-
Total Inflow from Investing Activities		-
Cashflow from Investing Activities		-
Administrative Sector	60	70,439,000.00
Economic Sector		-
Total Outflow from Investing Activities	61	70,439,000.00
Net Cashflow from Investing Activities		- 70,439,000.00
Inflow from Financing Activities		-

Bank Overdraft		
Soft Loan(Bank)		
Deduction Received	62	54,083,449.42
Total Inflow from Financing Activities	63	54,083,449.42
OUFLOW (PAYMENT)		-
Bail Out Repayment		-
10km Road	64	16,185,421.36
Water Project	65	-
Environmental Sanitation Loan	66	2,914,565.04
Loan Repayment (Inherited)	67	-
Bank Loan	68	-
Intervention Loan	69	27,509,641.45
Other Loan Repayment		
Deduction Paid	70	49,847,408.95
Total Outflow From Financing Activities	71	96,457,036.80
Net Cashflow from financing Activities	72	(42,373,587.38)
Cash and Cash Equivalent for the year	73	255,601.07
Cash and Cash Equivalent 01/01/2021	74	11,979,100.63
Cash and Cash Equivalent 31/12/2021	75	12,234,701.70

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

OPERATING ACTIVITIES	NOTE	IWO	IWO EAST	IWO WEST	IWO CONSOLIDATED
INFLOW					
Statutory Revenue (JAAC)	39	1,370,220,212.35			1,370,220,212.35
Value Added Tax	40	721,776,002.74		-	721,776,002.74
Receivable					
Sub Total Dependent Revenue	41	2,091,996,215.09	-	-	2,091,996,215.09
Aids and Grants	42	13,595,593.13			13,595,593.13
Transfer from Main Council	43		83,520,106.52	82,475,198.88	
Tax Revenue	44	100,000.00	27,750.00		127,750.00
Non Tax Revenue	45	8,948,776.00	6,951,231.44	3,363,740.00	19,263,747.44
Other Income				10,567,318.13	10,567,318.13
Overpayment Recovery					
Sub Total Independent Revenue	46	22,644,369.13	90,499,087.96	96,406,257.01	43,554,408.70
Total Inflow Operating Activities	47	2,114,640,584.22	90,499,087.96	96,406,257.01	2,135,550,623.79
OUTFLOW					
Salaries & Wages	48	1,139,912,421.66			1,139,912,421.66
Social Benefits	49	100,000.00	2,194,500.00	2,260,000.00	4,554,500.00
Overhead Cost	50	23,280,430.74	27,910,027.88	13,366,098.06	64,556,556.68
Social Contributions	51	155,325,672.55	20,594,986.52	37,733,595.20	213,654,254.27
Allowances	52	32,294,186.16	24,711,447.61	28,973,958.34	85,979,592.11
Modulated Salary Arrears	53	13,333,333.28			13,333,333.28
Inventories	54	1,231,000.00	2,379,500.00	231,500.00	3,842,000.00
Fund Conserved for Salary					
Transfer to LCDA	55	165,995,305.40			
Transfer to other Govt. Agencies	56	496,649,777.34			496,649,777.34
Refund to Main Councils					
Revenue Refunded					
Stabilization Fund					
Tax Expenses	57				
Severance Gratuity					

Total Outflow from Operating Activities	58	2,052,622,127.13	77,790,462.01	82,565,151.60	2,046,982,435.34
Net Cashflow from Operating Activities	59	86,518,457.09	12,708,625.95	13,841,105.41	113,068,188.45
INVESTING ACTIVITIES					
Proceed from Disposal of Asset					
Total Inflow from Investing Activities					
Cashflow from Investing Activities					
Administrative Sector	60	39,500,000.00	14,167,000.00	16,772,000.00	70,439,000.00
Economic Sector					-
Total Outflow from Investing Activities	61	39,500,000.00	14,167,000.00	16,772,000.00	70,439,000.00
Net Cashflow from Investing Activities		(39,500,000.00)	(14,167,000.00)	(16,772,000.00)	(70,439,000.00)
Inflow from Financing Activities					-
Bank Overdraft					
Soft Loan(Bank)					
Deduction Received	62	31,923,583.81	14,807,088.45	7,352,777.16	54,083,449.42
Total Inflow from Financing Activities	63	31,923,583.81	14,807,088.45	7,352,777.16	54,083,449.42
OUFLOW (PAYMENT)					
Bail Out Repayment					-
10km Road	64	16,185,421.36			16,185,421.36
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	27,509,641.45	-	-	27,509,641.45
Other Loan Repayment					
Deduction Paid	70	29,411,202.16	13,520,554.26	6,915,652.53	49,847,408.95
Total Outflow From Financing Activities	71	76,020,830.01	13,520,554.26	6,915,652.53	96,457,036.80
Net Cashflow from financing Activities	72	(44,097,246.20)	1,286,534.19	437,124.63	(42,373,587.38)
Cash and Cash Equivalent for the year	73	2,921,210.89	(171,839.86)	(2,493,769.96)	255,601.07
Cash and Cash Equivalent 01/01/2021	74	2,667,720.72	4,059,944.13	5,251,435.78	11,979,100.63
Cash and Cash Equivalent 31/12/2021	75	5,588,931.61	3,888,104.27	2,757,665.82	12,234,701.70

IWO LOCAL GOVERNMENT, IWO
AGGREGATED STATEMENT OF COMPARISM AS AT 31ST DECEMBER, 2021

COMPARISM

		IWO CONSOLIDATED		
PARTICULAR	NOTE	FINAL BUDGET	ACTUAL	VARIANCE
DEPENDENT REVENUE				
Government Share of FAAC(Statutory Revenue)	16	1,902,839,527.83	1,398,183,932.45	1,499,028,577.52
Government Share of VAT	17	490,000,000.00	721,776,002.74	811,776,002.74
Sub-Total Dependent Revenue	18	2,392,839,527.83	2,119,959,935.19	2,310,804,580.26
INDEPENDENT REVENUE				
Grants & Aids	19	27,264,153.65	13,595,593.13	16,331,439.48
Transfer from Main Council	20			
Tax Revenue	21	141,580,000.00	127,750.00	139,292,250.00
Non-Tax Revenue	22	45,789,000.00	19,263,747.44	33,527,715.44
Other Income			10,567,318.13	
Sub-Total Independent Revenue		214,633,153.65	43,554,408.70	189,151,404.92
Total Revenue		2,607,472,681.48	2,163,514,343.89	2,499,955,985.18
EXPENDITURE				
Salaries & Wages	23	1,102,605,040.00	855,868,781.13	246,736,258.87
Social Benefits	24	29,470,397.78	4,554,500.00	24,915,897.78
Overhead Cost	25	289,788,742.00	95,088,134.76	194,700,607.24
Grants & Social Contribution	26	1,646,985,303.91	226,904,254.27	1,420,081,049.64
Transfer to Other Agencies	27	-	496,649,777.34	(496,649,777.34)
Depreciation	31	-	392,335,450.14	(392,335,450.14)
Allowances	32	98,652,150.00	86,501,297.43	12,150,852.57
Transfer to LCDA	33	-	165,995,305.40	(165,995,305.40)
Impairment	34	-	-	-
Revenue Refunded	35	-	-	-
Stationaries		3,500,000.00	-	3,500,000.00
Total Expenditures		3,171,001,633.69	2,323,897,500.47	847,104,133.22
Net Surplus/Deficit	36	(563,528,952.21)	(160,383,156.58)	1,652,851,851.96
Net Surplus/Deficit 31/12/2020	37	-	(797,075,978.41)	-
Net Surplus/Deficit 31/12/2021	38	(563,528,952.21)	(957,459,134.99)	1,652,851,851.96

IWO LOCAL GOVERNMENT, IWO

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

		IWO			IWO EAST LCDA			IWO WEST LCDA			IWO CONSOLIDATED		
PARTICULAR	NOTE	FINAL BUDGET	ACTUAL	VARIANCE	FINAL BUDGET	ACTUAL	VARIANCE	FINAL BUDGET	ACTUAL	VARIANCE	FINAL BUDGET	ACTUAL	VARIANCE
DEPENDENT REVENUE													
Government Share of FAAC(Statutory Revenue)	16	735,002,135.98	1,232,188,627.05	497,186,491.07	594,729,039.80		511,208,933.28	573,108,352.05		490,633,153.17	1,902,839,527.83	1,232,188,627.05	1,499,028,577.52
Government Share of VAT	17	200,000,000.00	721,776,002.74	521,776,002.74	140,000,000.00		140,000,000.00	150,000,000.00		150,000,000.00	490,000,000.00	721,776,002.74	811,776,002.74
Sub-Total Dependent Revenue	18	935,002,135.98	1,953,964,629.79	1,018,962,493.81	734,729,039.80		651,208,933.28	723,108,352.05		640,633,153.17	2,392,839,527.83	1,953,964,629.79	2,310,804,580.26
INDEPENDENT REVENUE							-			-	-	-	-
Grants & Aids	19	12,264,153.65	13,595,593.13	1,331,439.48			-	15,000,000.00		15,000,000.00	27,264,153.65	13,595,593.13	16,331,439.48
Transfer from Main Council	20					83,520,106.52			82,475,198.88		-	-	-
Tax Revenue	21	500,000.00	100,000.00	400,000.00	140,000,000.00	27,750.00	139,972,250.00	1,080,000.00		(1,080,000.00)	141,580,000.00	127,750.00	139,292,250.00
Non-Tax Revenue	22	24,979,000.00	8,948,776.00	16,030,224.00	3,450,000.00	6,951,231.44	3,501,231.44	17,360,000.00	3,363,740.00	13,996,260.00	45,789,000.00	29,831,065.57	33,527,715.44
Other Income									10,567,318.13		-	10,567,318.13	-
Sub-Total Independent Revenue		37,743,153.65	22,644,369.13	17,761,663.48	143,450,000.00	90,499,087.96	143,473,481.44	33,440,000.00	96,406,257.01	27,916,260.00	214,633,153.65	43,554,408.70	189,151,404.92
Total Revenue		972,745,289.63	1,976,608,998.92	1,036,724,157.29	878,179,039.80	90,499,087.96	794,682,414.72	756,548,352.05	96,406,257.01	668,549,413.17	2,607,472,681.48	1,997,519,038.49	2,499,955,985.18
EXPENDITURE											-	-	-
Salaries & Wages	23	551,302,520.00	855,868,781.13	(304,566,261.13)				551,302,520.00		551,302,520.00	1,102,605,040.00	855,868,781.13	246,736,258.87
Social Benefits	24		100,000.00	(100,000.00)	26,841,721.80	2,194,500.00	24,647,221.80	2,628,675.98	2,260,000.00	368,675.98	29,470,397.78	4,554,500.00	24,915,897.78
Overhead Cost	25	120,000,000.00	49,011,430.74	70,988,569.26	89,488,742.00	28,460,027.88	61,028,714.12	80,300,000.00	17,616,676.14	62,683,323.86	289,788,742.00	95,088,134.76	194,700,607.24
Grants & Social Contribution	26	104,948,329.63	164,775,672.55	(59,827,342.92)	26,841,721.80	24,394,986.52	2,446,735.28	1,515,195,252.48	37,733,595.20	1,477,461,657.28	1,646,985,303.91	226,904,254.27	1,420,081,049.64
Transfer to Other Agencies	27		496,649,777.34	(496,649,777.34)			-			-	-	496,649,777.34	(496,649,777.34)
Depreciation	31		241,249,537.01	(241,249,537.01)		77,893,510.99	(77,893,510.99)		73,192,402.14	(73,192,402.14)	-	392,335,450.14	(392,335,450.14)
Allowances	32	16,494,440.00	32,294,186.16	(15,799,746.16)	65,663,270.00	24,711,447.61	40,951,822.39	16,494,440.00	29,495,663.66	(13,001,223.66)	98,652,150.00	86,501,297.43	12,150,852.57
Transfer to LCDA	33		165,995,305.40	(165,995,305.40)			-			-	-	-	(165,995,305.40)
Impairment	34										-	-	-
Revenue Refunded	35						-			-	-	-	-
Total Expenditures		792,745,289.63	2,005,944,690.33	(1,213,199,400.70)	208,835,455.60	157,654,473.00	51,180,982.60	2,169,420,888.46	160,298,337.14	2,009,122,551.32	3,171,001,633.69	2,157,902,195.07	847,104,133.22

Net Surplus/Deficit	36	180,000,000.00	(29,335,691.41)	2,249,923,557.99	669,343,584.20	(67,155,385.04)	743,501,432.12	(1,412,872,536.41)	(63,892,080.13)	(1,340,573,138.15)	(563,528,952.21)	(160,383,156.58)	1,652,851,851.96
Net Surplus/Deficit 31/12/2020	37		(619,561,600.24)			(177,110,442.80)			(403,935.37)		-	(797,075,978.41)	-
Net Surplus/Deficit 31/12/2021	38	180,000,000.00	(648,897,291.65)	2,249,923,557.99	669,343,584.20	(244,265,827.84)	743,501,432.12	(1,412,872,536.41)	(64,296,015.50)	(1,340,573,138.15)	(563,528,952.21)	(957,459,134.99)	1,652,851,851.96

IWO LOCAL GOVERNMENT, IWO

NET ASSET AND EQUITY	IWO CONSOLIDATED		
DETAILS	RESERVES	Accumulated Surplus/Deficit	TOTAL
Opening Balance 1/1/2021	3,460,684,843.40	(797,075,978.41)	2,663,608,864.99
Adjusted Reserve	-	-	-
Adjusted Balance	3,460,684,843.40	(797,075,978.41)	2,663,608,864.99
Net Surplus Deficit for the year	-	(160,383,156.58)	(160,383,156.58)
Closing Balance as at 31/12/2021	3,460,684,843.40	(957,459,134.99)	2,503,225,708.41

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

DETAILS	IWO			IWO EAST			IWO WEST			IWO CONSOLIDATED		
	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL
Opening Balance 1/1/2021	3,033,309,834.16	(619,561,600.24)	2,413,748,233.92	461,901,712.12	(177,110,442.80)	284,791,269.32	(34,526,702.88)	(403,935.37)	(34,930,638.25)	3,460,684,843.40	(797,075,978.41)	2,663,608,864.99
Adjusted Reserve	-	-	-			-	-	-	-	-	-	-
Adjusted Balance	3,033,309,834.16	(619,561,600.24)	2,413,748,233.92	461,901,712.12	(177,110,442.80)	284,791,269.32	(34,526,702.88)	(403,935.37)	(34,930,638.25)	3,460,684,843.40	(797,075,978.41)	2,663,608,864.99
Net Surplus Deficit for the year	-	(29,335,691.41)	(29,335,691.41)		(67,155,385.04)	(67,155,385.04)		(63,892,080.13)	(63,892,080.13)	-	(160,383,156.58)	(160,383,156.58)
Revaluation surplus (Building)												
Closing Balance as at 31/12/2021	3,033,309,834.16	(648,897,291.65)	2,384,412,542.51	461,901,712.12	(244,265,827.84)	217,635,884.28	(34,526,702.88)	(64,296,015.50)	(98,822,718.38)	3,460,684,843.40	(957,459,134.99)	2,503,225,708.41

IWO NOTES TO THE ACCOUNT		
NOTE 1		
CASH AND CASH EQUIVALENT	#	#
Balance B/F		
Iwo LG	2,667,720.72	
Iwo East LCDA	4,059,944.13	
Iwo West LCDA	<u>5,579,292.85</u>	12,306,957.70
Add Total Receipts:		
Iwo LG	2,146,564,168.03	
Iwo East LCDA	105,306,176.41	
Iwo West LCDA	<u>78,501,405.26</u>	<u>2,330,371,749.70</u>
		2,342,678,707.40
Payments:		
Iwo LG	(2,143,642,957.14)	
Iwo East LCDA	(105,478,016.27)	
Iwo West LCDA	(81,323,032.29)	
		<u>(2,330,444,005.70)</u>
		<u>12,234,701.70</u>
NOTE 2:		
RECEIVABLES		
Iwo LG		
Conserved Fund	200,000.00	
Modulated Salary Arrears	1,666,666.66	
Statutory Allocation	24,449,816.12	
VAT	69,928,523.92	
Exchange Rate Gain	<u>1,127,852.41</u>	
		99,172,859.11
NOTE 3:		
PREPAYMENT/ ADVANCE	<u>2,350,000.00</u>	
NOTE 4:		
INVENTORIES		
Bal B/F	84,236,950.00	
Work Material Iwo West & Iwo East	567,500.00	
Finance Materials (Iwo East)	2,379,500.00	
	<u>87,183,950.00</u>	
Issued Material Iwo East	(550,000.00)	
	<u>86,633,950.00</u>	

NOTE 5:		
INVESTMENTS		
Iwo LG		
OMOLUABI	20,507,350.00	
KAJOLA INTEGRATED	5,523,600.00	
OSICOL	4,313,400.00	
PREFERENCE SHARES	<u>6,327,191.33</u>	
	36,671,541.33	
Iwo East LCDA	-	
PREFERENCE SHARES	8,500,000.00	
Iwo West LCDA	-	
PREFERENCE SHARES	<u>8,500,000.00</u>	<u>53,671,541.33</u>
NOTE 7:		
INVESTMENT PROPERTY		
Iwo LG		
Bal b/f		
LOCK UP STALL	447,863,281.08	
SHOPPING COMPLEX	<u>10,245,117.00</u>	
	458,108,398.08	
Depreciation	<u>(9,162,167.96)</u>	
Balance as at 31/12/2021		448,946,230.12
Iwo East LCDA		
Balance as at 1/1/2021	183,243,359.23	
Depreciation	<u>(3,664,867.18)</u>	
Balance as at 31/12/2021		179,578,492.05
Iwo West LCDA		
Balance as at 1/1/2021	122,162,239.49	
Depreciation	<u>(2,443,245.34)</u>	
Balance as at 31/12/2021		<u>119,718,994.15</u>
		<u>748,243,716.32</u>
NOTE 8:		
BIOLOGICAL ASSET		
Iwo LG		
Bal b/f		
Poultry house	1,445,290.92	
Depreciation	<u>3,561,672.00</u>	
		<u>5,006,962.92</u>

NOTE 11:		
UNREMITTED DEDUCTION		
Iwo LG		
Bal b/f	(455,117,357.59)	
Add:		
Cash (Deduction Received)	31,923,583.81	
	(423,193,773.78)	
Cash (Deduction Paid)	<u>(29,411,202.16)</u>	
		(452,604,975.94)
Iwo East LCDA		
Balance as at 1/7/2021	234,041,326.85	
Cash (Deduction Received)	<u>14,807,088.45</u>	
	248,848,415.30	
Cash (Deduction Paid)	<u>(13,520,554.26)</u>	
		235,327,861.04
Iwo West LCDA		
Balance as at 1/7/2021	524,579,746.87	
Cash (Deduction Received)	<u>7,352,777.16</u>	
	531,932,524.03	
Cash (Deduction Paid)	<u>(6,915,652.53)</u>	
		<u>525,016,871.50</u>
		<u>307,739,756.60</u>
NOTE 12:		
PAYABLES		
Iwo LG		
unpaid salary Arrears	425,825,203.05	
Unpaid Vouchers	413,080,182.88	
Conserved in JAAC A/C	60,500,000.00	
Modulated in JAAC A/C	1,666,666.66	
Overhead	1,949,631.64	
Salary & wages	73,701,792.19	
Transfer to other Agencies	48,677,490.06	
Social Contribution	<u>2,500,000.00</u>	
	1,027,900,966.48	
Modulated Salary Arrears	(13,333,333.28)	
2020 Payables	<u>(284,043,640.53)</u>	
	<u>730,523,992.67</u>	

NOTE 13:		
LONGTERM BORROWING		
Bal b/f	2,841,660,945.78	
10 Km Loan	(16,185,421.36)	
Intervention	(2,914,565.04)	
Environmental	<u>(27,509,641.45)</u>	
	<u>2,795,051,317.93</u>	
NOTE 14		
RESERVE		
Iwo LG		
Balance B/F	3,033,309,834.16	
Iwo East LCDA		
Balance B/F	461,901,712.12	
Iwo West LCDA		
Balance B/F	<u>(34,526,702.88)</u>	
		<u>3,460,684,843.40</u>
NOTE 15		
ACCUMULATED SURPLUS/DEFICIT		
Net Surplus/Deficit 01/01/201	(797,075,978.41)	
Net Surplus/Deficit for the year	<u>(160,383,156.58)</u>	
Net Surplus/Deficit 31/12/201	<u>(957,459,134.99)</u>	
NOTE 16:		
STATUTORY ALLOCATION		
Iwo LG		
STATUTORY REVENUE	1,180,120,435.06	
NON-OIL REVENUE	36,678,055.35	
FOREX EQUALISATION	1,815,880.37	
EXCHANGE RATE GAIN	6,819,318.22	
ECO FUND	5,087,185.57	
SOLID MINERAL	<u>1,667,752.48</u>	
		<u>1,232,188,627.05</u>
NOTE 17		
VAT		
Iwo LG		
Government Share of VAT	<u>721,776,002.74</u>	

NOTE 18		
DEPENDENT REVENUE		
Statutory Allocation	1,232,188,627.05	
VAT	<u>721,776,002.74</u>	
	<u>1,953,964,629.79</u>	
NOTE 19		
Iwo LG		
OTHER DEPENDENT REVENUE (AIDS & GRANTS)		<u>13,595,593.13</u>
NOTE 20		
TRANSFER FROM MAIN COUNCIL		
Iwo East LCDA	83,520,106.52	
Iwo West LCDA	<u>82,475,198.88</u>	
		<u>165,995,305.40</u>
NOTE 21:		
Iwo LG		
TAX REVENUE		
Community Tax	100,000.00	
Hackney Permit		
Iwo East LCDA		
Community Tax	27,750.00	
		<u>127,750.00</u>
NOTE 22:		
NON TAX REVENUE		
Iwo LG		
Fees	11,567,318.13	
Rental Income	1,500,000.00	
Fine and Penalties	30,000.00	
Sale Of Goods	4,000,300.00	
Others	<u>2,418,476.00</u>	
TOTAL	19,516,094.13	
Iwo East LCDA		
Fees	6,951,231.44	
Iwo West LCDA		
Market Tolls	<u>3,363,740.00</u>	
		<u>29,831,065.57</u>

NOTE 23		
CENTRALLY EXPENDED		
NOTE 23		
EMPLOYEE BENEFIT (SALARIES & WAGES)		
TEACHING & NON- TEACHING STAFF	355,524,564.80	
LOCAL GOVT STAFF	315,273,044.50	
PENSION BOARD SALARY	1,432,202.95	
PHC STAFF	182,227,151.33	
LOANS BOARD STAFF	1,003,950.06	
SUBEB ADMIN & MONITORING	407,867.49	
	<u>855,868,781.13</u>	
NOTE 24:		
SOCIAL BENEFIT		
Training of Staff (Drivers)		<u>100,000.00</u>
NOTE 25		
OVERHEAD		
Running cost JAAC	1,200,000.00	
Algon Imprest	10,200,000.00	
Bank Charges	1,475,879.05	
Consultancy fees	6,001,319.28	
Magnium Trust(Insurance)	3,979,218.25	
SUBEB Stipend	66,666.70	
School running grant	2,999,999.97	
Budget fees	<u>2,100,000.00</u>	
	<u>28,023,083.25</u>	
NOTE 26:		
GRANTS & SOCIAL CONTRIBUTION		
SUBEB Special Needs School	1,983,214.66	
Iwo Day Loan Repayment	5,000,000.00	
2021 Xmas & New year gift	18,035,000.00	
Grading Algon	<u>10,733,333.33</u>	
	<u>35,751,547.99</u>	
NOTE 27:		
TRANSFER TO OTHER AGENCIES:		
5 %Traditional Council	56,429,456.20	
1 %Local Government Service Commission	10,488,971.26	

SUBEB Matching grant	38,806,170.18	
OMEAL	21,481,074.00	
OHIS	16,094,014.32	
ORAMP FUND	7,386,282.06	
MONTHLY PENSION	131,851,428.36	
AUDIT FEE	23,959,997.30	
5% Stabilisation	48,698,707.76	
Gratuity	46,666,666.64	
Contributory Pension (TNT)	29,540,080.56	
Contributory Pension (LG)	64,975,807.92	
SUBEB Contract Staff	<u>271,120.78</u>	
	<u>496,649,777.34</u>	
NOTE 28		
SOCIAL BENEFIT		
FINANCIAL ASSISTANCE TO LOCAL GOVT STAFF (IWO East)	2,194,500.00	
Training of Staff (Iwo West)	<u>2,260,000.00</u>	
		<u>4,454,500.00</u>
NOTE 29:		
OVERHEAD COST		
Local Govt Expenditure:		
Servicing & Maintenance of vehicles	4,475,624.69	
Imprest	9,000,000.00	
General Expenses	6,238,933.86	
Tax Expense	42,788.94	
Others	<u>1,231,000.00</u>	
		20,988,347.49
Iwo East LCDA		
Servicing & Maintenance of vehicles	16,603,339.94	
Publication & Advert	11,068,893.29	
Printing & General Expenses	550,000.00	
Bank Charges	152,216.77	
Tax Expenses	<u>85,577.88</u>	
		28,460,027.88

Iwo West LCDA		
Publication & Advert	4,934,710.62	
Servicing & Maintenance of vehicles	12,446,387.64	
Tax Expenditure (B/F)	85,577.88	
Stationeries	<u>150,000.00</u>	
		<u>17,616,676.14</u>
		<u>67,065,051.51</u>
NOTE 30:		
GRANTS & SOCIAL CONTRIBUTION		
Local Govt Expenditure		
Gift (Motor vehicle)	9,450,000.00	
Clearing of Dumpsite	4,880,000.00	
Sensitization & Workshop	79,608,987.36	
Training & Entertainment	6,914,164.25	
Ileya Celebration	14,585,035.71	
Xmas Celebration	<u>13,585,937.24</u>	
		<u>129,024,124.56</u>
Iwo East LCDA		
Distilling of Culverts	6,178,495.96	
Cleaning of Dumpsites	2,471,398.38	
Sensitization & Workshop	3,089,247.98	
Training and Entertainment	2,883,298.11	
Ileya	2,677,348.25	
Xmas Celebration	3,295,197.84	
Gift	<u>3,800,000.00</u>	
		24,394,986.52
Iwo West LCDA		
gift and Ileya	10,401,519.75	
Cash: Christmas and New Year Celebration	6,290,000.00	
Purchase of food items for less privileged	8,000,000.00	
Rehabilitation & Re-orientation of youths	<u>13,042,075.45</u>	
		<u>37,733,595.20</u>
		<u>191,152,706.28</u>

NOTE 31		
DEPRECIATION		
Iwo LG		
Building	47,623,310.08	
infrastructural Asset	179,471,438.76	
Plant & machinery	923,680.00	
motor vehicle	2,563,000.00	
Equipment	267,782.08	
Furniture & fittings	1,208,662.40	
Investment property	9,162,167.96	
Biological Asset	<u>29,495.73</u>	
		241,249,537.01
Iwo East LCDA		
Building	231,376.00	
Plant & machinery	76,800.00	
infrastructural Asset	70,453,227.80	
motor vehicle	2,684,800.00	
Office Equipment	496,440.00	
Furniture & fittings	286,000.00	
Investment property	<u>3,664,867.18</u>	
		77,893,510.98
Iwo West LCDA		
Balance as at 1/1/2021		
PP&E	70,701,978.80	
Biological Asset	47,178.00	
Investment Property	<u>2,443,245.34</u>	
		<u>73,192,402.14</u>
		<u>392,335,450.13</u>
NOTE 32:		
ALLOWANCE		
Iwo LG		
Allowance to various committee	16,274,387.66	
NYSC Allowance	3,621,465.00	
O clean Technical Committee	3,480,000.00	
Severance gratuity & Others	<u>8,918,333.50</u>	
		32,294,186.16
Iwo East LCDA		
Allowance to various committee	19,769,158.09	
O' Technical Committee	<u>4,942,289.52</u>	
		24,711,447.61

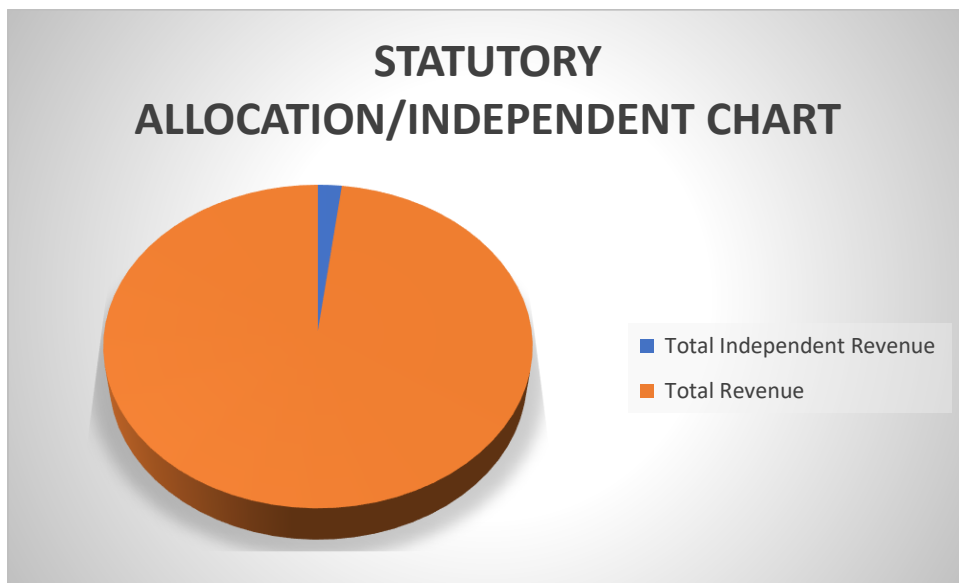
Iwo West LCDA		
Severance gratuity	14,380,541.67	
Cash: Allowance to Various Committee	14,469,803.86	
O'Clean Marshal	1,140,000.00	
Pension & Salary Officers R/Cost	<u>127,318.13</u>	
	30,117,663.66	
Over-payment Recovery	<u>(622,000.00)</u>	
		<u>29,495,663.66</u>
		<u>86,501,297.43</u>
NOTE 33:		
TRANSFER TO LCDA		165,995,305.40
NOTE 36:		
Iwo LG		
TOTAL REVENUE	1,976,608,998.92	
TOTAL EXPENDITURE	<u>(2,005,944,690.33)</u>	
		(29,335,691.41)
Iwo East LCDA		
TOTAL REVENUE	90,499,087.96	
TOTAL EXPENDITURE	<u>(157,654,473.00)</u>	
		(67,155,385.04)
Iwo West LCDA		
Total Revenue	96,406,257.01	
Total Expenditure	<u>(160,298,337.14)</u>	
		<u>(63,892,080.13)</u>
		<u>(160,383,156.58)</u>

IWO LOCAL GOVERNMENT
FISCAL OPERATION REPORT

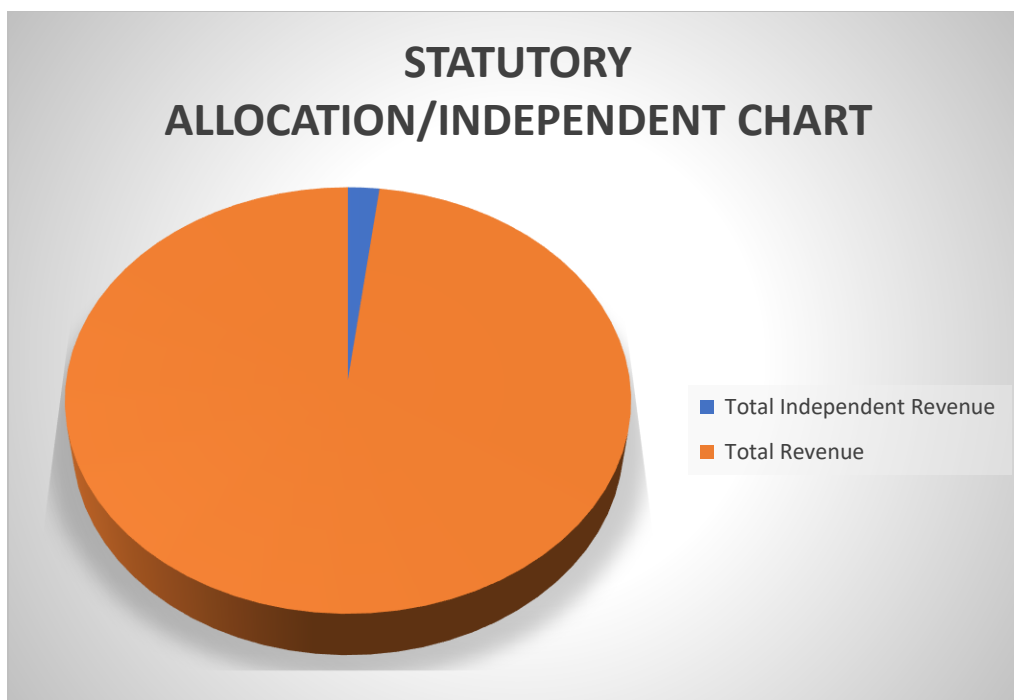
STATEMENT OF CASHFLOW RATIOS

1. $\text{DEPENDENT REVENUE} / \text{TOTAL REVENUE} \times 100$
 $= \frac{2,091,999,215.09}{2,135,550,623.79} = 97.96\%$

This indicated that Statutory Allocation took 97.96% of the Total Revenue of the Local Government and LCDA leaving 2.04% as Independence Revenue



2. $\frac{\text{TOTAL INDEPENDENT REVENUE}}{\text{TOTAL REVENUE}} \times 100$
 $= \frac{43,554,408.70}{2,135,550,623.79} \times 100 = 2.04\%$



3. SALARY & WAGES : TOTAL RECURRENT EXPENDITURE

$$\frac{1,139,912,421.66}{2,046,982,435.34} \times 100 = 55.68\%$$

Therefore, the Salaries and Wages took about 55.68% out of the Recurrent Expenditure in the Local Government while the remaining 44.32% was expended on other expenditure.

4 TRANSFER TO OTHER AGENCIES : TOTAL RECURRENT EXPENDITURE

$$\frac{496,649,777.34}{2,046,982,435.34} \times 100 = 24.26\%$$

It means that Transfer to Other Agencies took about 24.26% out of the recurrent expenditure.

STATEMENT OF FINANCIAL POSITION RATIOS

6 CURRENT ASSET : CURRENT LIABILITIES

$$\frac{258,891,510.81}{1,096,763,749.27} = 0.23 : 1$$

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

$$\frac{6,395,040,775.60}{3,891,815,067.19} = 1.64 : 1$$

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

8. EQUITY : TOTAL ASSET

$$\frac{2,503,225,708.41}{6,395,040,775.60} = 0.39 : 1$$

STATEMENT OF FINANCIAL PERFORMANCE RATIO

9. DEPENDENT REVENUE : TOTAL REVENUE

$$\frac{1,953,964,629.79}{1,997,519,038.49} \times 100 = 97.82\%$$

This indicated that the Dependent Revenue accounted for 97.82% of the Total Revenue of all the Local Government of the State leaving 2.18% as Independent Revenue.

10. INDEPENDENT REVENUE : TOTAL REVENUE

$$\frac{43,554,408.70}{1,997,519,038.49} \times 100 = 2.18\%$$

MANAGEMENT LETTER

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

1. EXPENDITURE NOT SUPPORTED WITH PROPER RECORDS OR ACCOUNTS AMOUNTING TO (₦111,000.00): The sum of one hundred and eleven thousand naira only (₦111,000.00) expended for the purchase of tyres and servicing of official vehicle of council manager was not supported with required official receipts and invoices to authenticate the genuineness of the expenditure which was against the provision of Financial Memoranda 14:17 which states that “An official printed receipt must be obtained and attached to the payment voucher in respect of payment to Government or another Local Government or a commercial firm. If the printed receipt covers more than one payment voucher relevant to the number of payment voucher to which the receipt is attached shall be entered on other vouchers”.

RISK:

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

Management Response

The said voucher was retired as at the time of payment but the receipts might have been detached during filling and sorting of the vouchers, “which would be submitted for further audit verification.

RECOMMENDATION:

The recipient/authorising Officers should present Official and verifiable receipts and other necessary documents to prove the authenticity of the expenditure, or should make a refund.

2. UNRETIRED IMPREST AMOUNTING TO ₦240,000.00: Payment vouchers for imprest totaling two hundred and forty thousand naira only were not supported with necessary receipts to authenticate the genuineness of the expenditure contrary to the Financial Memoranda 14:27 which states that, “Imprest shall be retired when the purpose for which the imprest was granted is completed or at such intervals as are prescribed when the imprest is approved. However, all imprests shall be automatically be retired at the end of each financial year”.

RISK:

Government fund might not have been used for Official purpose.

Management Response

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

RECOMMENDATION-

Proper recording of petty cash should be done and all payments must be retired immediately and presented for audit verification.

3. **BANK RECONCILIATION STATEMENT:** The Bank Reconciliation Statement was prepared up to October, 2021 and the followings were the observations:

(i) Debit in Bank Not in the Cashbook: - It was observed that the sum of N2,048,652.73 appeared as Debit in Bank Not in Cashbook contrary to the existing regulation.

(ii) Non-Preparation of Vouchers before effecting payments are unethical and illegal and should therefore be discontinued.

Risk

Non-Preparation of Bank Reconciliation Statement by the Head of Finance could conceal fraud, errors perpetrated in the bank transactions through extraneous debits in the bank statements and Cashbook or collusion between the signatories.

Management Response

The Bank Reconciliation Statement were not prepared as at the time of Audit Inspection, because Bank Statements were not available due to network outage. But however, they have been prepared and submitted to the Office of Auditor-General for audit verification.

RECOMMENDATION:

The head of Finance should be alive to his responsibilities and must prepare the Bank Reconciliation Statements and forward same with all details to the Auditor General without further delay. Failure of which should be sanctioned accordingly.

4. **LATE PAYMENT:** Audit investigation revealed during the period under review that a total sum of #2,292,756.00 for the year 2020 and 2021 stood as late payment, the Director of Finance of Iwo Local Government, Iwo is hereby advised to be up to his responsibilities and ensure that the revenue generated in the Local Government are paid to the coffers of the Local Government at the appropriate time.

RISK:

It signifies loose monitoring of revenue collection 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 show be alive to their responsibilities of proper monitoring of revenue collectors and auditing of Receipt, book register and revenue cashbook on weekly basis.

Sanctions should be issued to any Officer that failed to remit money in their custody after seven days of receipt.

5. VALUATION AND REVALUATION OF NON-CURRENT ASSETS: It should be noted that the Office of Auditor General for Local Governments had embarked on verification/compilation of all Non-Current Assets of the Local Government to ensure their existence, completeness of the list of the Assets and the correctness of the provisional values of the assets in the Financial Statements. The Local Government did not maintain a comprehensive and reliable inventory fixed Assets Register.

RISK:

Non availability of comprehensive and reliable inventory/fixed asset register could make the Local Government Asset prone to theft, expropriation of assets i.e use of Local Government property without authorization, 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 Governments 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 validation and authorisation in order to give accurate reliable financial data of the assets.

6. FINAL ACCOUNTS. It was observed that receivables and payables were not captured in the year 2020 financial statements. They however had been captured at the instance of the audit inspecting officers.

IWO EAST LCDA, OLOMOWEWE
OBSERVATIONS AND INTERNAL CONTROL REVIEW FOR THE FINANCIAL YEAR
ENDED 31ST DECEMBER, 2021

1. EXPENDITURE NOT SUPPORTED WITH PROPER RECORDS OR ACCOUNTS AMOUNTING TO (N406,000.00): It was observed that the total sum of #406,000.00 was expended for publicity on the third wave of Covid 19 called Delta variance observed to have occurred during the period under review. The payment was not supported with the required official receipts, invoices and proper records to authenticate the genuineness of the expenditure.

This is contrary to Financial Memoranda 14:17 which states that, "An official printed receipt must be obtained and attached to the payment voucher to in respect of payment to Government or another Local Government or a commercial firm. If the printed receipt covers more than one payment voucher relevant to the number of payment voucher to which the receipt is attached shall be entered on other vouchers".

RISK:

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

Management Response

The said voucher was retired as at the time of payment but the receipts might have been detached during filling and sorting of the vouchers, however the receipts had been found and re- attached to the payment voucher to be submitted to the office of the Auditor General for further audit verification.

RECOMMENDATION:

The recipient/authorising Officers should present Official and verifiable receipts and other necessary documents to prove the authenticity of the expenditure, or should make a refund.

2. STORE ITEMS-NOT-TAKEN-ON-CHARGE AMOUNTING TO (N152,200.00):- It was observed that store items such as office materials procured for smooth running of affairs in the Local Council Development Area were not taken on charge and could not be verified in the store contrary to the provision of Financial Memoranda 34:17 (2) which states that, "All stores should be examined immediately they are received by the storekeeper or other officer responsible for the stores. The stores must be checked for quantities, weights etc. against the local purchase order, invoice or government store issue voucher. If the stores delivered are found to be correct and in good condition, they will be taken on charge and entered as a receipt in the appropriate store ledger".

RISK:

This was an indication that the purported items might not have been purchased thereby resulting to loss of Local Government fund.

Management Response

The Store ledgers had not been updated as at the time of audit inspection. However, they had been updated retrospectively and available for audit scrutiny.

RECOMMENDATION

All necessary supporting documents such as store receipt voucher and store issued vouchers should be attached to the payment vouchers before put into use.

3. UNRETIRED IMPREST AMOUNTING TO ₦240,000:00: Payment vouchers for imprest totaling two hundred and forty thousand naira were not supported with necessary receipts to authenticate the genuineness of the expenditure contrary to the Financial Memoranda 14:27 which states that, "Imprest shall be retired when the purpose for which the imprest was granted is completed or at such intervals as are prescribed when the imprest is approved. However, all imprests shall be automatically be retired at the end of each financial year".

RISK:

Government fund might not have been used for Official purpose.

Management Response

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

RECOMMENDATION-

Proper recording of petty cash should be done and all payments must be retired immediately and presented for audit verification.

4. UNCLAIMED ALLOWANCE/EXPENDITURE ₦360,000.00: It was observed that the total sum of three hundred and sixty thousand naira only (₦360,000.00) for clearing and removal of accumulated debris at Aiba River, oweyo Area, Oke – Odo, Iwo. They were not acknowledged by the beneficiaries which is an indication that the amount involved was neither paid to the beneficiaries nor remitted back into Government Coffers 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 to a third party shall only be made on production of a

written authority from the person whom is due. Such authority being attached to the Payment Vouchers after payment”.

RISK:

The purported recipients might not have been paid which means Government fund might not have been used for Official purpose.

Management Response

The expenditure was made with respect to a recipient bank accounts who were at out-station. They had however been called upon to sign the sub-receipt which had been attached to the vouchers.

RECOMMENDATION:

The Head of Finance should ensure that all sub receipts are signed on time and attached to the payments vouchers.

5. **BANK RECONCILIATION STATEMENT #2,446,378.80:** The Bank Reconciliation Statement was not presented for Audit Scrutiny which is an indication that it might not have been prepared. Please, let the Head of Finance and Supplies forward an up to date Bank Reconciliation Statement of your LCDA to this Office without any further delay in compliance with the provision of Financial Memoranda No 22:7(5) which states that, “Following the examination of monthly reconciliation of accounts by the Executive Committee, the duplicate copy together with a copy of Bank Reconciliation Statement shall be sent to the Auditor-General for Local Governments, the original copy filled and carefully preserved in the Finance Department”. The Head of Finance and Supplies must prepare and forward the Bank Reconciliation Statement to this Office without any further delay.

Risk

Non-Preparation of Bank Reconciliation Statement by the Head of Finance could conceal fraud, errors perpetrated in the bank transactions through extraneous debits in the bank statements and Cashbook or collusion between the signatories.

Management Response

The Bank Reconciliation Statement were not prepared as at the time of Audit Inspection, because Bank Statements were not available due to network outage. But however, they have been prepared and submitted to the Office of Auditor-General for audit verification.

RECOMMENDATION:

The head of Finance must be alive to his responsibilities and prepare the Bank Reconciliation Statements and forward same with all details to the Auditor-General without further delay, failure of which should be sanctioned.

6. **LATE PAYMENT:** It was revealed during the period under review that a total sum of #2,066,100.00 for the year 2020 and 2021 stood as late payment, the Director of Finance of Iwo East LCDA, Olomowewe is hereby advised to be up to his responsibilities and ensure that the revenue generated in the Local Government are paid to the coffers of the Local Government at the appropriate time.

RISK:

It signifies loose monitoring of revenue collection 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 show 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 receipt.

7. **VALUATION AND REVALUATION OF NON-CURRENT ASSETS:** It should be noted that the Office of Auditor General for Local Governments had embarked on verification/compilation of all non-current assets of the Local Government to ensure their existence, completeness of the list of the assets and the correctness of the provisional values of the assets in the Financial Statements.

The Local Government did not maintain a comprehensive and reliable inventory fixed Assets Register.

RISK:

Non availability of comprehensive and reliable inventory/fixed asset register could make the Local Government Asset prone to theft, expropriation of assets i.e use of Local Government property without authorization, 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 Governments 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 validation and authorisation in order to give accurate reliable financial data of the assets.

8. FINAL ACCOUNTS: There were casting errors in the budget approved and the final budget in the statement of comparison of budget and actual. However, they were corrected at the instance of the audit inspection officers.

IWO WEST LCDA, AGBERIRE
OBSERVATIONS AND INTERNAL CONTROL REVIEW FOR THE FINANCIAL YEAR
ENDED 31ST DECEMBER, 2021.

1. UNCLAIMED ALLOWANCE/EXPENDITURE AMOUNTING TO (N190,000.00): It was observed that the sum of one hundred and ninety thousand naira only was not acknowledged as recorded by the beneficiary/recipient an indication which suggests that the amount involved was neither paid to the beneficiary nor remitted to the Government coffers contrary to Financial Memoranda No.14:13 which states that, "Payment shall as far as possible be made to the person to whom 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:

The purported recipients might not have been paid which means Government fund might not have been used for Official purpose.

Management Response

The expenditure was made with respect to recipient's bank accounts who were at out-station. They had however been called upon to sign the sub-receipt which had been attached to the vouchers.

RECOMMENDATION:

The Head of Finance should ensure that all sub receipts are signed on time and attached to the payments vouchers.

2. STORE ITEMS NOT TAKEN ON CHARGE #150,000.00: It was observed that store items procured for stationery materials purportedly used in printing of draft estimates were not taken on charge and could not be verified in the store contrary to the provision of Financial Memoranda No. 34:17(1-2) which states that, "All stores should be examined immediately they are received by the store keeper or other official responsible for the stores. The store must be checked for quantities, weight etc. against the local purchase, order invoices and store issue voucher; if the stores delivered are found to be correct and in good condition, they will be taken on charge and in good condition, they will be taken on charge and entered as a receipt in the appropriate store ledger".

RISK:

This was an indication that the purported items might not have been purchased thereby resulting to loss of Local Government fund.

Management Response

The Store ledgers had not been updated as at the time of audit inspection. However, they had been updated retrospectively and available for audit scrutiny. The lateness was highly regretted.

RECOMMENDATION

All necessary supporting documents such as store receipt voucher and store issued vouchers should be attached to the payment vouchers before put into use.

3. NON-PRODUCTION OF OBSOLETE PARTS AMOUNTING TO (N250,000.00):-It was observed that the repair of Boreholes claimed to have been done by the Local Council Development Area during the period under review could not be verified as obsolete parts replaced could neither be produced nor traced to any place or store contrary to Financial Memoranda No.34:14.

RISK:

Non-production of obsolete parts could imply non-execution of all or part of the services/purchases, or conceal inflation of prices.

Management Response

As at the time of Audit Inspection the Obsolete Parts were not on ground, it was kept at works department store. However, the Audit Inspection team had been notified to come for re-inspection.

RECOMMENDATION:

The Head of works department should ensure proper safe keeping of obsolete parts in works store with proper recording in the Store Ledger to avoid pilfering.

4. EXPENDITURE NOT CHECKED AND PASSED AMOUNTING TO N192,000.00:

It was observed that payment vouchers raised for the sum of one hundred and ninety-two thousand naira only (N192,00.00) to some officers of Iwo west LCDA, Agberire during the swearing in ceremony of caretaker members of Iwo West and purchase of gift items for political functionaries did not follow due process of prepayment auditing because payment voucher used to effect the payment was not processed before payment was made to the recipient contrary to Financial Memoranda 40:10

which states that, “Before any payment is made, a prepayment audit of vouchers and supporting documents shall be made by the Internal Auditor on all payment vouchers to verify that the provisions 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 Internal Auditor was indisposed and was on admission in hospital when the payment was made. However, the vouchers had been audited and attached to the reply to audit query and the submitted to the office of the Auditor General for Local Governments.

RECOMMENDATION:

The signatories to the cheque should explain the rationale behind making payments without Internal Auditor’s involvement.

5. UNRETIRED IMPREST AMOUNTING TO ₦150,000:00: Payment vouchers for imprest totaling one hundred and fifty thousand naira were not supported with necessary receipts to authenticate the genuineness of the expenditure contrary to the Financial Memoranda 14:27 which states that, “Imprest shall be retired when the purpose for which the imprest was granted is completed or at such intervals as are prescribed when the imprest is approved. However, all imprests shall be automatically be retired at the end of each financial year”.

RISK:

Government fund might not have been used for Official purpose.

Management Response

It was an oversight, and the receipt invoice had been attached to the reply to audit query and submitted to the Office of the Auditor General for further audit verifications.

RECOMMENDATION-

Proper recording of petty cash should be done and all payments must be retired immediately and presented for audit verification.

5. BANK RECONCILIATION STATEMENT: The Bank Reconciliation Statement was prepared up to September, 2021 and the followings were the observations;

(i) **Debit in Bank Not in Cash Book:** - It was observed that the sum of N29,601,209.04 appeared as Debit in Bank not in Cash book contrary to the existing regulation.

(ii) Non Preparation of vouchers before effecting payments are unethical and illegal and should be discontinued.

(iii) **Bank Charges:** - It was observed that a total sum of N413,440.60 appeared as bank charges to date which was yet to be brought into accounts contrary to Financial Memoranda 19:27 which states that, "The receipt and payment vouchers shall be made out where any credit or charges shown in the Bank Statement have not been brought to account in the Cash book and are positively identified as being items due from or the Local Government.

Risk

Non-Preparation of Bank Reconciliation Statement by the Head of Finance could conceal fraud, errors perpetrated in the bank transactions through extraneous debits in the bank statements and Cashbook or collusion between the signatories.

Management Response

The Bank Reconciliation Statements were not prepared as at the time of Audit Inspection, because Bank Statements were not available due to network outage. But however, they have been prepared and submitted to the Office of Auditor-General for audit verification.

RECOMMENDATION:

The head of Finance should prepare the Bank Reconciliation Statements and forward same with all details to the Auditor-General without further delay. Failure of which should be sanctioned.

6. FINAL ACCOUNTS: It was observed that notes to the accounts were not prepared and there were casting errors in the budget approved and the final budget in the statement of comparison of budget and actual. However, they had been captured and corrected.

7. VALUATION AND REVALUATAION OF NON-CURRENT ASSETS: It should be noted that the Office of Auditor General for Local Governments had embarked on verification/compilation of all non-current assets of the Local Government to ensure their existence, completeness of the list of the Assets and the correctness of the provisional values of the assets in the Financial Statements.

The Local Government did not maintain a comprehensive and reliable inventory fixed Assets Register.

RISK:

Non availability of comprehensive and reliable inventory/fixed asset register could make the Local Government asset prone to theft, expropriation of assets i.e use of Local Government property without authorization, 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 Governments 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 validation and authorisation in order to give accurate reliable financial data of the assets.

INTERNAL AUDITOR'S REPORT

1. The Internal Control Unit of the Council is very effective, but the activities of the rate section on IGR needs to be monitored and all leakages be blocked on the markets of the Local Government for the monthly IGR to be improved.
2. The Internal Control Unit is functioning well but the Management needs to put more efforts to improve the agricultural activities so as to increase the Local Government's IGR.

IWO LOCAL GOVERNMENT, IWO

S/N	SUBJECT	QUERIES NO	NO OF OFFICERS QUERIED	AMOUNT (#)	REMARKS
1.	Expenditure not supported by proper records or accounts	LQ/AUD/IWO/01/2021	3	211,000.00	
2.	Unretired Imprest	LQ/AUD/IWO/02/2021	5	280,000.00	
3.	Debit in Bank not in Cashbook	LQ/AUD/IWO/03/2021	1	2,048,652.73	
			9	2,539,652.73	

IWO EAST LCDA, OLOMOWEWE

S/N	SUBJECT	QUERIES NO	NO OF OFFICERS QUERIED	AMOUNT (#)	REMARKS
1.	Expenditure not supported by proper records or accounts	LQ/AUD/IWOEAST/01/2021	6	406,000.00	
2.	Store items not taken on Charge	LQ/AUD/IWOEAST/02/2021	2	152,200.00	
3.	Unretired Imprest	LQ/AUD/IWOEAST/03/2021	3	240,000.00	
4.	Unclaimed Allowance	LQ/AUD/IWOEAST/04/2021	1	360,000.00	
5.	Debit in Bank not in Cashbook	LQ/AUD/IWOEAST/05/2021	1	2,446,378.80	
			13	3,604,578.80	

IWO WEST LCDA, AGBERIRE

S/N	SUBJECT	QUERIES NO	NO OF OFFICERS QUERIED	AMOUNT (#)	REMARKS
1.	Unclaimed Allowance	LQ/AUD/IWOWEST/01/2021	1	190,000.00	
2.	Store items not taken on Charge	LQ/AUD/IWOWEST/02/2021	1	150,000.00	
3.	Non production of Obsolete parts	LQ/AUD/IWOWEST/03/2021	1	250,000.00	
4.	Expenditure not checked and Passed	LQ/AUD/IWOWEST/04/2021	1	192,000.00	
5.	Unretired Imprest	LQ/AUD/IWOWEST/05/2021	2	150,000.00	
6.	Debit in Bank not in Cashbook	LQ/AUD/IWOWEST/06/2021	1	29,601,209.04	
			7	30,533,209.04	

IWO LOCAL GOVERNMENT, IWO
LIST OF PROJECT

S/N	DESCRIPTION	LOCATION	MODE OF EXECUTION	PROJECT COST	AMOUNT RELEASED	BALANCE	REMARKS
1	Grading of 2.4km access road	Oloba junction off Agoro/Isero oloba, farm settlement iwo	Direct labour	740,000	740,000	-	Completed
2	Purchase of lexus ES 350 2007 model car for the chairman	Local government secretariat, iwo	Direct labour	4,700,000	4,700,000	-	Supplied
3	Desilting of blocked line drainage	Agata olukotun Baptist church road, ode Ologun agoro road	Direct labour	2,000,000	2,000,000	-	Completed
4	Purchase of Toyota camry (muscle) for local government	Local government secretariat, iwo	Direct labour	4,000,000	4,000,000	-	Completed
5	Purchase of Toyota corolla 2007 model for vice chairman	Local government secretariat, iwo	Direct labour	3,000,000	3,000,000	-	Supplied
6	Grading of 5.6km earth roads	Various location within iwo local government	Direct labour	2,000,000	2,000,000	-	Completed
7	Purchase of Toyota corolla 2005/2006 model for secretary to the local government	Local government secretariat, iwo	Direct labour	3,000,000	3,000,000	-	Supplied
8	Grading of 3.0km earth roads	Various location within iwo local government	Direct labour	1,000,000	1,000,000	-	Completed

IWO EAST LOCAL COUNCIL DEVELOPMENT AREA, OLOMOWEWE

S/N	DESCRIPTION	LOCATI ON	MODE OF EXECUTION	PROJECT COST	AMOUNT RELEASED	BALANCE	REMARKS
1	Channelization of Aiba stream to ease free flow of water	Iwo	Direct labour	120,000	120,000		Completed
2	Repair/renovation of quarters for the use of council manager	Iwo	Direct labour	500,000	200,000	300,000	Ongoing
3	Procurement of reinforcement for the ongoing office complex	Iwo	Direct labour	16,300,000	320,000	11,680,000	Ongoing
4	Repair of old court building	Iwo	Direct labour	400,000	150,000	250,000	Ongoing
5	Replacement of lounre blade with boys shifting window	Iwo	Direct labour	120,000	120,000	-	Completed
6	Re-ceiling of works CDI department ceiling	Iwo	Direct labour	70,000	70,000	-	Completed
7	Procurement of 2011 muscle camry for office of chairman	Iwo	Direct labour	4,000,000	4,000,000	-	Completed
8	Procurement of 2010 toyota corolla for office of vice chairman	Iwo	Direct labour	3,000,000	3,000,000	-	Completed
9	Procurement of 2004 toyota corolla for office of secretary	Iwo	Direct labour	3,000,000	3,000,000	-	Completed
10	Desilting of fitted up lined drain along Iyemofa, Olukitan Oyebisi road	Iwo	Direct labour	2,000,000	2,000,000	-	Completed
11	Desilting of fitted up lined drain along Oluremi Ataroja road Olufemi Area community junction	Iwo	Direct labour	1,000,000	1,000,000	-	Completed
12	Desilting of fitted up lined drain along oke-odo, oke-afo, oke fia junction	Iwo	Direct labour	1,000,000	1,000,000	-	Completed

IWO WEST LOCAL COUNCIL DEVELOPMENT AREA, AGBERIRE

S/N	DESCRIPTION	LOCATION	MODE OF EXECUTION	PROJECT COST	AMOUNT RELEASED	BALANCE	REMARKS
1	Repair and overhauling a accidental KIA spotage chairman's official car	Iwo West LCDA Agberire	Direct labour	479,000	479,000	-	Completed
2	Repair of carina E HOD finance official car	Iwo West LCDA Agberire	Direct labour	200,000	200,000	-	Completed
3	Repair and maintenance of Toyota Camry pencil council manager official car	Iwo West LCDA Agberire	Direct labour	182,000	182,000	-	Completed
4	Partition of office for secretary to the local government	Iwo West LCDA Secretariat	Direct labour	86,000	86,000	-	Completed
5	Repair, replacement and general overhauling of motor grader XC NG 215 grader	Iwo West LCDA Agberire	Direct labour	3,092,000	1,000,000	2,092,000	On-going
6	Purchase of Toyota muscle 2010 model for the chairman	Iwo West LCDA Agberire	Direct labour	4,000,000	4,000,000	-	Completed
7	Desilting drainage and cast away of debris	Agburo township	Direct labour	2,000,000	2,000,000	-	Completed
8	Purchase of Toyota corolla for the office of vice chairman	Iwo West LCDA Agberire	Direct labour	3,000,000	3,000,000	-	Completed
9	Grading of road and laterite filling	Adana-olosi to Agberire	Direct labour	2,000,000	2,000,000	-	Completed
10	Purchase of Toyota corolla for the office of scribe	Iwo West LCDA Agberire	Direct labour	3,000,000	3,000,000	-	Completed
11	Grading of laterite filling	Papa-oloba mojibere to Baale	Direct labour	1,000,000	1,000,000	-	Completed
12	Nurturing of fresh oil palm trees and plantain suckers	Agberire	Direct labour	950,000	950,000		Completed