

STATE GOVERNMENT OF OSUN, NIGERIA.

REPORT OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

ON THE ACCOUNTS OF
ODO-OTIN LOCAL GOVERNMENT

OKUKU

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:

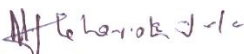
Odo Otin Local Government, Odo Otin North LCDA and Odo Otin South L.C.D.A. have been prepared by the respective Heads of Finance and Supplies and subsequently Consolidated by the Head of Finance and Supplies of: **Odo Otin Local Government**. We hereby claim responsibility for the contents and correctness of the Financial Statement of the under listed LG/LCDA, for the Accounting period ended **31st December, 2021**


Chairman
Odo Otin Local Govt.


Chairman
Odo Otin North LCDA


 9/06/2022
Chairman
Odo Otin South LCDA

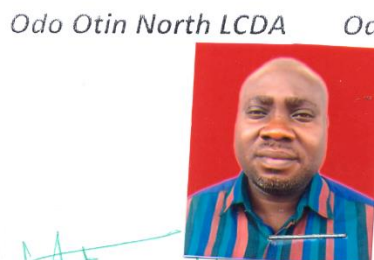

Head of Finance & supplies,
Odo O


Head of Finance & supplies
Odo Otin North LCDA


Head of Finance & supplies
Odo Otin South LCDA




Chairman
Odo Otin Local Govt.




Chairman
Odo Otin North LCDA



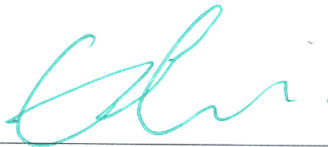
 9/06/2022
Chairman
Odo Otin South LCDA

AUDIT CERTIFICATE

I have audited the accounts of Odo-Otin Local Government, Okuku for the Year ended 31st December, 2021.

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

Having regard to the basis of Audit opinion as stated below, I certify that the Financial Statements comprising of Consolidated Statement of Financial Position, Consolidated Statement of Financial Performance, Consolidated Statements of Cash Flow, Consolidated Statement of Net Assets and Equity of the Local Governments and Notes to the Account, give a true and fair view of the state of affairs of Odo-Otin Local Government, Okuku for the accounting year ended 31st December, 2021, subject to the observations and comments, and resulting reservations, and disallowances as contained in this report.



Emmanuel Oluseun Kolapo FCA, CISA
**Auditor-General for Local Government,
State of OSun**

STATEMENT OF FINANCIAL RESPONSIBILITY

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

The Head of Finance of Odo-Otin Local Government is responsible for the consolidation of the Financial Statements with the subsidiary Odo-Otin North LCDA and Odo-Otin South LCDA.

However, both the Head of Finance and Chairman of a Local Government, (the Accounting Officer) are responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions and Financial Statements give a fair presentation of the financial operations of the Local Government.

The acknowledgment of responsibility for the preparation of Financial Statements signed by Heads of Finance and Chairmen of Odo-Otin Local Governments is attached.

STATEMENT OF RESPONSIBILITY OF THE AUDITOR-GENERAL.

It is my responsibility to Audit the accounts of the Local Governments, the State Joint Local Government Account, and all offices of the Local Government as stipulated by the Laws of Osun State and the Financial Memoranda; and to form an independent opinion based on the Audit of the Financial Statements and accompany notes submitted by the Head of Finance and Supply of Odo-Otin Local Government.

BASIS OF AUDIT OPINION

In the course of auditing the accounts of Odo-Otin Local Governments, Odo-Otin North LCDA and Odo-Otin South 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 Odo-Otin 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 Odo-Otin Local Government are constituents.

The accounts of Odo-Otin 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 Odo-Otin Local Government, Odo-Otin North LCDA and Odo-Otin South LCDA are to prepare their individual GPFS at the end of the financial year on Accrual Basis of Accounting.

Each Local Government is a creation of the Constitution and none is subservient to the other. However, in this situation there are subsidiary entities are Odo-Otin North LCDA and Odo-Otin South LCDA which had been consolidated with the Odo-Otin main Local Government, by the Head of Finance of the main Local Government.

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

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

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

8. PROPERTY, PLANT & EQUIPMENT (PPE) – IPSAS 17

All PPEs were stated at historical cost less accumulated depreciation and impairment losses.

9. DEPRECIATION

The cost of PPE shall be written off, from the time they are brought into use, on a straight line basis over their expected useful lives less any estimated residual value as follows:

- | | | |
|-------------------------|---|-----|
| a. Furniture & Fittings | - | 20% |
| b. Motor Vehicle | - | 20% |

c. Plant & Equipment	-	20%
d. Infrastructural Asset	-	10%
e. Building	-	2%
f. Office Equipment	-	20%

10. REVALUATION

- a. The Assets' residual values and useful lives are reviewed at the end of the year.

11. IMPAIRMENT

Test for Impairment are done on Property, Plants and Equipment, where it is suspected that Impairment has occurred.

12. INVESTMENT PROPERTIES – IPSAS 16

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

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

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

14. OTHER REVENUE

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

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

15. UNREMITTED DEDUCTION

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

16. RESERVE

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

17. CONTINGENT LIABILITY IPSAS 19

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

GENERAL COMMENT

I have audited the accounts of Odo-Otin Local Government, Okuku for the financial year ended 31st December 2021, as required by Cap 72, Part 10 of the Laws of Osun State 2002, (as amended).

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

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

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

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

BUDGET PREPARATION / EXECUTION

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

PROCUREMENT PRACTICES

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

VALUATION AND REVALUATION OF ASSETS

With the support of Governor Oyetola, the office of the Auditor-General for Local Governments was able to embark on verification exercise on valuation and Revaluation of Assets during the year. This involved Constitution of a standing multi-disciplinary team comprising seasoned and qualified professionals in the fields of valuation, engineering, town planning, medicine, etc. and others as were necessary. 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 ₦20,966,101.00 representing 1.04% 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, 23 Nos of Audit Queries were issued in respect of 2021 Accounts, involving a total sum of ₦2,327,000.00

The identified internal control weaknesses, the inherent risks, the management Responses and Audit Recommendations are highlighted in Management Letter contained in this Report.

JOINTLY EXECUTED AND INDIVIDUAL PROJECTS AND PROGRAMMES:

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

COMMENTS ON FINANCIAL STATEMENTS

A. STATEMENT OF FINANCIAL PERFORMANCE

Share of FAAC and VAT: To ensure completeness of Revenue, the total Allocation received from the Federation Account in respect of Odo Otin 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 ₦1,352,069,215.69 was Share of FAAC and VAT amounted to ₦638,915,844.82.

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
Odo-Otin	1,352,069,215.69	638,915,844.82	-	-	-	-	-	-	-	1,990,985,060.51

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. #20,966,101.00 as Fees, Taxes and Fines.

SALARIES AND WAGES – ₦855,868,781.13

Salaries and Wages which amounted to ₦855,868,781.13 comprised of salaries of Staff of the Local Governments, Teaching and Non-Teaching Staff of SUBEB, staff of Local Government Loans Board and the Primary Health Care Board. Salary Payment was centralised in the State of Osun for the year 2021.

COMMENTS ON ITEMS OF FINANCIAL POSITION

CASH AND CASH EQUIVALENTS – #12,904,966.88

The Cash and Cash equivalents amounted to ₦12,904,966.88 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 - ₦116,716,027.19

A total sum of ₦116,716,027.19 was standing as Receivables as at 31st December, 2020. The Receivables include, Revenue Recognised in December 2021 but received in January, 2021 from Joint Allocation Account Committee (JAAC).

INVENTORIES - ₦14,485,230.00

The sum of ₦14,485,230.00 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 - ₦122,125,027.33

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) -₦1,684,179,283.59

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

Particulars	Rate%
Fixture and fitting	20
Motor Vehicle	20
Plant and Equipment	20
Infrastructural Asset	10
Buildings	2
Office Equipment	20

There is need to make adequate provision for depreciation. Accounting for PPE is an area of Audit emphasis where there seems to be a gap in knowledge exhibited by the operators of the Account vis-à-vis expectation.

PAYABLES - ₦669,833,116.29

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 - ₦80,445,371.89

The carrying amount of Investment Properties of the Local Governments stood at ₦80,445,371.89 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 - ₦515,871,892.25

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 - ₦153,249,737.74

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 ₦143,077,293.10 was made to the Local Council Development Areas and Area Offices in the period under review and was set off in the Consolidated Account.

ODO-OTIN LOCAL GOVERNMENT, OKUKU
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2021
POSITION

PARTICULAR	NOTE	ODO-OTIN CONSOLIDATED
ASSETS		
Current Assets		
Cash & Cash Equivalents	1	12,904,966.88
Receivables	2	116,716,027.19
Prepayment/Advance	3	2,450,000.00
Inventories	4	14,485,230.00
Total Current Asset		146,556,224.07
Non-current Asset		
Long Term Loan Granted		
Investments	5	122,125,027.33
Property, Plant & Equipment	6	1,684,179,283.59
Investment Property	7	80,445,371.89
Biological Asset	8	2,461,800.33
Assets Under Construction (wip)	9	-
Total Non-Current Asset		1,889,211,483.14
Total Asset		2,035,767,707.21
LIABILITIES		-
Current Liabilities		-
Deposit		-
Short Term Loan & Debts	10	-
Unremitted Deduction	11	153,249,737.74
Payables	12	669,833,116.29
Short Terms Provisions		-
Total Current Liability		823,082,854.03
Non-Current Liabilities		-
Long Term Borrowing	13	515,871,892.25
Total Liabilities		1,338,954,746.28
Net Assets		696,812,960.93
Financed by		-
Reserve	14	699,230,345.90
Net Surplus/Deficit	15	(2,417,384.97)
Total		696,812,960.93

ODO-OTIN LOCAL GOVERNMENT, OKUKU
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2021

PARTICULAR	NOTE	ODO-OTIN	ODO-OTIN NORTH	ODO-OTIN SOUTH	ODO-OTIN CONSOLIDATED
ASSETS					
Current Assets					
Cash & Cash Equivalents	1	6,730,234.24	(1,984,627.33)	8,159,359.97	12,904,966.88
Receivables	2	110,454,220.93	3,342,753.63	2,919,053.13	116,716,027.19
Prepayment/Advance	3	2,450,000.00			2,450,000.00
Inventories	4	13,064,750.00	528,480.00	892,000.00	14,485,230.00
Total Current Asset		132,699,204.67	1,886,606.30	11,970,413.10	146,556,224.07
Non-current Asset					-
Long Term Loan Granted					-
Investments	5	47,390,027.33	8,500,000.00	66,235,000.00	122,125,027.33
Property, Plant & Equipment	6	1,030,156,187.81	313,970,388.58	340,052,707.20	1,684,179,283.59
Investment Property	7	38,322,034.39	16,754,884.58	25,368,452.92	80,445,371.89
Biological Asset	8		1,550,000.00	911,800.33	2,461,800.33
Assets Under Construction (wip)	9	-			-
Total Non-Current Asset		1,115,868,249.53	340,775,273.16	432,567,960.45	1,889,211,483.14
Total Asset		1,248,567,454.20	342,661,879.46	444,538,373.55	2,035,767,707.21
LIABILITIES					-
Current Liabilities					-
Deposit					-
Short Term Loan & Debts	10				-
Unremitted Deduction	11	123,122,724.76	16,067,556.67	14,059,456.31	153,249,737.74
Payables	12	401,442,900.93	238,152,366.38	30,237,848.98	669,833,116.29
Short Terms Provisions					-
Total Current Liability		524,565,625.69	254,219,923.05	44,297,305.29	823,082,854.03
Non-Current Liabilities					-
Long Term Borrowing	13	508,210,280.83	3,830,805.76	3,830,805.66	515,871,892.25
Total Liabilities		1,032,775,906.52	258,050,728.81	48,128,110.95	1,338,954,746.28
Net Assets		215,791,547.68	84,611,150.65	396,410,262.60	696,812,960.93
Financed by					-
Reserve	14	315,787,367.78	50,829,865.59	332,613,112.53	699,230,345.90
Net Surplus/Deficit	15	(99,995,820.10)	33,781,285.06	63,797,150.07	(2,417,384.97)
Total		215,791,547.68	84,611,150.65	396,410,262.60	696,812,960.93

ODO-OTIN LOCAL GOVERNMENT, OKUKU
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2021
PERFORMANCE

PERFORMANCE		
PARTICULAR	NOTE	ODO-OTIN CONSOLIDATED
DEPENDENT REVENUE		
Government share of FAAC (Statutory Revenue)	16	1,352,069,215.69
Government Share of VAT	17	638,915,844.82
Sub-Total Dependent Revenue	18	1,990,985,060.51
INDEPENDENT REVENUE		-
Argumentation	19	5,386,786.00
Transfer from main Council	20	
Tax Revenue	21	543,250.00
Non-Tax Revenue	22	15,036,065.00
Other Income		-
Overpayment Recovery		-
Sub-Total Independent Revenue		20,966,101.00
Total Revenue		2,011,951,161.51
EXPENDITURE		-
JOINTLY EXPENDED		-
Salaries & Wages	23	855,868,781.13
Social Benefits	24	100,000.00
Overhead Cost	25	28,430,950.74
Grants & Social Contribution	26	133,556,338.68
Transfer to other Agencies	27	506,021,817.98
L/GOVERNMENT EXPENDITURE		-
Social Benefits	28	4,923,050.00
Overhead Cost	29	71,247,206.26
Grants & Social Contribution	30	336,781,424.19
Depreciation	31	225,060,130.46
Allowances	32	68,472,106.72
Transfer to LCDA	33	-
Impairment	34	-
Revenue Refunded	35	-
Public Debt Charges		-
Stabilization Fund		-
Refund to main Council		-
Stationeries		-
Severance Gratuity		-
Total Expenditures		2,230,461,806.16
Net Surplus/Deficit	36	(218,510,644.65)
Net Surplus/Deficit 01/01/2021	37	216,093,259.68
Net Surplus/Deficit 31/12/2021	38	(2,417,384.97)
Gain on Property (Building)		-
Surplus/(Deficit) from Non Operating Activities for the period		(2,417,384.97)

ODO-OTIN LOCAL GOVERNMENT, OKUKU
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER,
2021

PERFORMANCE					
PARTICULAR	NOTE	ODO-OTIN	ODO-OTIN NORTH	ODO-OTIN SOUTH	ODO-OTIN CONSOLIDATED
DEPENDENT REVENUE					
Government share of FAAC (Statutory Revenue)	16	1,352,069,215.69			1,352,069,215.69
Government Share of VAT	17	638,915,844.82			638,915,844.82
Sub-Total Dependent Revenue	18	1,990,985,060.51	-	-	1,990,985,060.51
INDEPENDENT REVENUE					-
Grant & Aids	19	5,386,786.00			5,386,786.00
Transfer from main Council	20		70,544,746.55	72,532,546.55	
Tax Revenue	21	503,000.00	32,000.00	8,250.00	543,250.00
Non-Tax Revenue	22	7,128,735.00	4,223,830.00	3,683,500.00	15,036,065.00
Other Income					-
Overpayment Recovery					-
Sub-Total Independent Revenue		13,018,521.00	74,800,576.55	76,224,296.55	20,966,101.00
Total Revenue		2,004,003,581.51	74,800,576.55	76,224,296.55	2,011,951,161.51
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	28,430,950.74			28,430,950.74
Grants & Social Contribution	26	133,556,338.68			133,556,338.68
Transfer to other Agencies	27	506,021,817.98			506,021,817.98
L/GOVERNMENT EXPENDITURE					-
Social Benefits	28	3,077,000.00	60,000.00	1,786,050.00	4,923,050.00
Overhead Cost	29	37,637,892.57	14,197,404.26	19,411,909.43	71,247,206.26
Grants & Social Contribution	30	266,904,000.00	38,449,575.05	31,427,849.14	336,781,424.19
Depreciation	31	147,319,068.35	44,077,201.74	33,663,860.37	225,060,130.46
Allowances	32	28,639,833.32	24,282,273.40	15,550,000.00	68,472,106.72

Transfer to LCDA	33	143,077,293.10			
Impairment	34				-
Revenue Refunded	35				-
Public Debt Charges					
Stabilization Fund					
Refund to main Council					-
Stationeries					-
Severance Gratuity					-
Total Expenditures		2,150,632,975.87	121,066,454.45	101,839,668.94	2,230,461,806.16
Net Surplus/Deficit	36	(146,629,394.36)	(46,265,877.90)	(25,615,372.39)	(218,510,644.65)
Net Surplus/Deficit 01/01/2021	37	46,633,574.26	80,047,162.96	89,412,522.46	216,093,259.68
Net Surplus/Deficit 31/12/2021	38	(99,995,820.10)	33,781,285.06	63,797,150.07	(2,417,384.97)
Gain on Property (Building)		-	-	-	-
Surplus/(Deficit) from Non- Operating Activities		(99,995,820.10)	33,781,285.06	63,797,150.07	(2,417,384.97)

ODO-OTIN LOCAL GOVERNMENT, OKUKU
CONSOLIDATED STATEMENT OF CASHFLOW AS AT 31ST DECEMBER, 2021
CASHFLOW

OPERATING ACTIVITIES	NOTE	ODO-OTIN CONSOLIDATED
INFLOW		
Statutory Revenue (JAAC)	39	1,505,342,442.76
Value Added Tax	40	638,915,844.82
Receivable		-
Sub Total Dependent Revenue	41	2,144,258,287.58
Argumentation	42	-
Transfer from Main Council	43	
Tax Revenue	44	543,250.00
Non Tax Revenue	45	15,036,065.00
Other Income		-
Overpayment Recovery		-
Sub Total Independent Revenue	46	15,579,315.00
Total Inflow Operating Activities	47	2,159,837,602.58
OUTFLOW		-
Salaries & Wages	48	943,948,994.00
Social Benefits	49	5,023,050.00
Overhead Cost	50	66,501,536.75
Social Contributions	51	384,723,762.93
Allowances	52	68,494,722.47
Modulated Salary Arrears	53	13,333,333.28
Inventories	54	-
Fund Conserved for Salary		-
Transfer to LCDA	55	
Transfer to other Govt. Agencies	56	549,642,216.90
Refund to Main Councils		-
Revenue Refunded		
Stabilization Fund		
Tax Expenses	57	-
Severance Gratuity		-
Total Outflow from Operating Activities	58	2,031,667,616.33
Net Cashflow from Operating Activities	59	128,169,986.25
INVESTING ACTIVITIES		-
Proceed from Disposal of Asset		-
Total Inflow from Investing Activities		-
Cashflow from Investing Activities		-
Administrative Sector	60	64,100,000.00

Economic Sector		66,708,807.13
Total Outflow from Investing Activities	61	130,808,807.13
Net Cashflow from Investing Activities		(130,808,807.13))
Inflow from Financing Activities		-
Bank Overdraft		
Soft Loan(Bank)		
Deduction Received	62	128,184,902.70
Total Inflow from Financing Activities	63	128,184,902.70
OUFLOW (PAYMENT)		-
Bail Out Repayment		-
10km Road	64	14,165,046.45
Water Project	65	-
Environmental Sanitation Loan	66	2,914,565.04
Loan Repayment (Inherited)	67	-
Bank Loan	68	-
Intervention Loan	69	738,182.20
Other Loan Repayment		
Deduction Paid	70	115,331,170.61
Total Outflow From Financing Activities	71	133,148,964.30
Net Cashflow from financing Activities	72	(4,964,061.60)
Cash and Cash Equivalent for the year	73	(7,602,882.48)
Cash and Cash Equivalent 01/01/2021	74	20,507,849.36
Cash and Cash Equivalent 31/12/2021	75	12,904,966.88

ODO-OTIN LOCAL GOVERNMENT, OKUKU
CONSOLIDATED STATEMENT OF CASHFLOW AS AT 31ST DECEMBER, 2021

OPERATING ACTIVITIES	NOTE	ODO-OTIN	ODO-OTIN NORTH	ODO-OTIN SOUTH	ODO-OTIN CONSOLIDATED
INFLOW					
Statutory Revenue (JAAC)	39	1,505,342,442.76			1,505,342,442.76
Value Added Tax	40	638,915,844.82			638,915,844.82
Receivable					-
Sub Total Dependent Revenue	41	2,144,258,287.58	-	-	2,144,258,287.58
Argumentation	42				-
Transfer from Main Council	43		70,544,746.55	72,532,546.55	
Tax Revenue	44	503,000.00	32,000.00	8,250.00	543,250.00
Non Tax Revenue	45	7,128,735.00	4,223,830.00	3,683,500.00	15,036,065.00
Other Income					-
Overpayment Recovery					-
Sub Total Independent Revenue	46	7,631,735.00	74,800,576.55	76,224,296.55	15,579,315.00
Total Inflow Operating Activities	47	2,151,890,022.58	74,800,576.55	76,224,296.55	2,159,837,602.58
OUTFLOW					
Salaries & Wages	48	943,948,994.00			943,948,994.00
Social Benefits	49	3,177,000.00	60,000.00	1,786,050.00	5,023,050.00
Overhead Cost	50	32,892,233.06	14,197,404.26	19,411,909.43	66,501,536.75
Social Contributions	51	318,770,338.74	38,449,575.05	27,503,849.14	384,723,762.93
Allowances	52	28,662,449.01	24,282,273.46	15,550,000.00	68,494,722.47
Modulated Salary Arrears	53	13,333,333.28			13,333,333.28
Inventories	54				-
Fund Conserved for Salary					-
Transfer to LCDA	55	143,077,293.10			-
Transfer to other Govt. Agencies	56	549,642,216.90			549,642,216.90
Refund to Main Councils					-
Revenue Refunded					-
Stabilization Fund					-
Tax Expenses	57				-
Severance Gratuity					-
Total Outflow from Operating Activities	58	2,033,503,848.09	76,989,252.77	64,251,808.57	2,031,667,616.33

Net Cashflow from Operating Activities	59	118,386,174.49	(2,188,676.22)	11,972,487.98	128,169,986.25
INVESTING ACTIVITIES					-
Proceed from Disposal of Asset					-
Total Inflow from Investing Activities		-	-	-	-
Cashflow from Investing Activities					-
Administrative Sector	60	44,500,000.00	9,800,000.00	9,800,000.00	64,100,000.00
Economic Sector		66,708,807.13			66,708,807.13
Total Outflow from Investing Activities	61	111,208,807.13	9,800,000.00	9,800,000.00	130,808,807.13
Net Cashflow from Investing Activities		(111,208,807.13)	(9,800,000.00)	(9,800,000.00)	(130,808,807.13)
Inflow from Financing Activities					-
Bank Overdraft					
Soft Loan(Bank)					
Deduction Received	62	52,903,064.39	33,395,299.21	41,886,539.10	128,184,902.70
Total Inflow from Financing Activities	63	52,903,064.39	33,395,299.21	41,886,539.10	128,184,902.70
OUFLOW (PAYMENT)					
Bail Out Repayment					-
10km Road	64	14,165,046.45			14,165,046.45
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	738,182.20			738,182.20
Other Loan Repayment					
Deduction Paid	70	46,571,739.78	28,172,575.78	40,586,855.05	115,331,170.61
Total Outflow From Financing Activities	71	64,389,533.47	28,172,575.78	40,586,855.05	133,148,964.30
Net Cashflow from financing Activities	72	(11,486,469.08)	5,222,723.43	1,299,684.05	(4,964,061.60)
Cash and Cash Equivalent for the year	73	(4,309,101.72)	(6,765,952.79)	3,472,172.03	(7,602,882.48)
Cash and Cash Equivalent 01/01/2021	74	11,039,335.96	4,781,325.46	4,687,187.94	20,507,849.36
Cash and Cash Equivalent 31/12/2021	75	6,730,234.24	(1,984,627.33)	8,159,359.97	12,904,966.88

ODO-OTIN LOCAL GOVERNMENT, OKUKU
CONSOLIDATED STATEMENT OF COMPARISM AS AT 31ST DECEMBER, 2021

		ODO OTIN CONSOLIDATED		
PARTICULAR	NOTE	FINAL BUDGET	ACTUAL	VARIANCE
DEPENDENT REVENUE				
Government Share of FAAC(Statutory Revenue)	16	1,670,278,886.35	1,352,069,215.69	1,548,684,025.98
Government Share of VAT	17	610,000,000.00	638,915,844.82	648,915,844.82
Sub-Total Dependent Revenue	18	2,280,278,886.35	1,990,985,060.51	2,197,599,870.80
INDEPENDENT REVENUE				
Argumentation	19	15,480,000.00	5,386,786.00	10,093,214.00
Transfer from Main Council	20	-	-	-
Tax Revenue	21	3,082,500.00	543,250.00	2,539,250.00
Non-Tax Revenue	22	38,235,000.00	15,036,065.00	23,198,935.00
Other Income		-	-	-
Sub-Total Independent Revenue		56,797,500.00	20,966,101.00	35,831,399.00
Total Revenue		2,337,076,386.35	2,011,951,161.51	2,233,431,269.80
EXPENDITURE				
Salaries & Wages	23	1,191,769,870.00	855,868,781.13	335,901,088.87
Social Benefits	24	11,000,000.00	5,023,050.00	5,976,950.00
Overhead Cost	25	297,479,577.00	99,678,157.00	197,801,420.00
Grants & Social Contribution	26	220,766,547.00	470,337,762.87	(249,571,215.87)
Transfer to Other Agencies	27	11,000,000.00	506,021,817.98	(495,021,817.98)
Depreciation	31	-	225,060,130.46	(225,060,130.46)
Allowances	32	125,728,440.00	68,472,106.72	57,256,333.28
Transfer to LCDA	33	-	143,077,293.10	(143,077,293.10)
Impairment	34	-	-	-
Revenue Refunded	35	-	-	-
Stationaries		-	-	-
Total Expenditures		1,857,744,434.00	2,230,461,806.16	(515,794,665.26)
Net Surplus/Deficit	36	479,331,952.35	(218,510,644.65)	2,749,225,935.06
Net Surplus/Deficit 31/12/2020	37	-	216,093,259.68	-
Net Surplus/Deficit 31/12/2021	38	479,331,952.35	(2,417,384.97)	2,749,225,935.06
Gains on Property (Building)		-	-	-
Surplus/(Deficit) from Non-Operating Activities for the period			(2,417,384.97)	

ODO-OTIN LOCAL GOVERNMENT, OKUKU
CONSOLIDATED STATEMENT OF COMPARISM BUDGET AND ACTUAL AS AT 31ST DECEMBER, 2021

		ODO-OTIN LG			ODO-OTIN NORTH			ODO-OTIN SOUTH			ODO OTIN 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	665,293,391.48	1,352,069,215.69	686,775,824.21	496,414,262.87		425,869,516.32	508,571,232.00	72,532,546.55	436,038,685.45	1,670,278,886.35	1,352,069,215.69	1,548,684,025.98
Government Share of VAT	17	300,000,000.00	638,915,844.82	338,915,844.82	150,000,000.00		150,000,000.00	160,000,000.00		160,000,000.00	610,000,000.00	638,915,844.82	648,915,844.82
Sub-Total Dependent Revenue	18	965,293,391.48	1,990,985,060.51	1,025,691,669.03	646,414,262.87		575,869,516.32	668,571,232.00	72,532,546.55	596,038,685.45	2,280,278,886.35	1,990,985,060.51	2,197,599,870.80
INDEPENDENT REVENUE											-	-	-
Grants & Aids	19	10,000,000.00	5,386,786.00	4,613,214.00	5,480,000.00		5,480,000.00				15,480,000.00	5,386,786.00	10,093,214.00
Transfer from Main Council	20					70,544,746.55					-	-	-
Tax Revenue	21	800,000.00	503,000.00	297,000.00	1,232,500.00	32,000.00	1,200,500.00	1,050,000.00	8,250.00	1,041,750.00	3,082,500.00	543,250.00	2,539,250.00
Non-Tax Revenue	22	17,210,000.00	7,128,735.00	10,081,265.00	8,637,500.00	4,223,830.00	4,413,670.00	12,387,500.00	3,683,500.00	8,704,000.00	38,235,000.00	15,036,065.00	23,198,935.00
Other Income											-	-	-
Sub-Total Independent Revenue		28,010,000.00	13,018,521.00	14,991,479.00	15,350,000.00	4,255,830.00	11,094,170.00	13,437,500.00	3,691,750.00	9,745,750.00	56,797,500.00	20,966,101.00	35,831,399.00
Total Revenue		993,303,391.48	2,004,003,581.51	1,040,683,148.03	661,764,262.87	74,800,576.55	586,963,686.32	682,008,732.00	76,224,296.55	605,784,435.45	2,337,076,386.35	1,011,951,161.51	2,233,431,269.80
EXPENDITURE								-			-	-	-
Salaries & Wages	23	524,784,950.00	855,868,781.13	(331,083,831.13)	299,597,130.00		299,597,130.00	367,387,790.00		367,387,790.00	1,191,769,870.00	855,868,781.13	335,901,088.87
Social Benefits	24	8,000,000.00	3,177,000.00	4,823,000.00		60,000.00	(60,000.00)	3,000,000.00	1,786,050.00	1,213,950.00	11,000,000.00	5,023,050.00	5,976,950.00
Overhead Cost	25	97,479,577.00	66,068,843.31	31,410,733.69	100,000,000.00	14,197,404.26	85,802,595.74	100,000,000.00	19,411,909.43	80,588,090.57	297,479,577.00	99,678,157.00	197,801,420.00
Grants & Social Contribution	26	183,520,423.00	400,460,338.68	(216,939,915.68)	3,374,062.00	38,449,575.05	(35,075,513.05)	33,872,062.00	31,427,849.14	2,444,212.86	220,766,547.00	470,337,762.87	(249,571,215.87)
Transfer to Other Agencies	27	11,000,000.00	506,021,817.98	(495,021,817.98)							11,000,000.00	506,021,817.98	(495,021,817.98)
Depreciation	31		147,319,068.35	(147,319,068.35)		44,077,201.74	(44,077,201.74)		33,663,860.37	(33,663,860.37)	-	225,060,130.46	(225,060,130.46)
Allowances	32	55,170,490.00	28,639,833.32	26,530,656.68	59,311,070.00	24,282,273.40	35,028,796.60	11,246,880.00	15,550,000.00	(4,303,120.00)	125,728,440.00	68,472,106.72	57,256,333.28
Transfer to LCDA	33		143,077,293.10	(143,077,293.10)							-	143,077,293.10	(143,077,293.10)
Impairment	34										-	-	-
Revenue Refunded	35										-	-	-
Stationaries											-	-	-

Total Expenditures		879,955,440.00	2,150,632,975.87	(1,270,677,535.87)	462,282,262.00	121,066,454.45	341,215,807.55	515,506,732.00	101,839,668.94	413,667,063.06	1,857,744,434.00	2,230,461,806.16	(515,794,665.26)
Net Surplus/Deficit	36	113,347,951.48	(146,629,394.36)	2,311,360,683.90	199,482,000.87	(46,265,877.90)	245,747,878.77	166,502,000.00	(25,615,372.39)	192,117,372.39	479,331,952.35	(218,510,644.65)	2,749,225,935.06
Net Surplus/Deficit 31/12/2020	37		46,633,574.26			80,047,162.96			89,412,522.46		-	216,093,259.68	-
Net Surplus/Deficit 31/12/2021	38	113,347,951.48	(99,995,820.10)	2,311,360,683.90	199,482,000.87	33,781,285.06	245,747,878.77	166,502,000.00	63,797,150.07	192,117,372.39	479,331,952.35	(2,417,384.97)	2,749,225,935.06
Gains on Property (Building)	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) from Non-Operating Activities for the period		-	-	-	-	-	-	-	-	-	-	-	(2,417,384.97)

ODO-OTIN LOCAL GOVERNMENT, OKUKU

NET ASSE AND EQUITY	ODO-OTIN CONSOLIDATED		
DETAILS	RESERVES	Accumulated Surplus/Deficit	TOTAL
Opening Balance 1/1/2021	699,230,345.90	216,093,259.68	915,323,605.58
Adjusted Reserve	-	-	-
Adjusted Balance	699,230,345.90	216,093,259.68	915,323,605.58
Net Surplus Deficit for the year	-	(218,510,644.65)	(218,510,644.65)
Closing Balance as at 31/12/2021	699,230,345.90	(2,417,384.97)	696,812,960.93

ODO-OTIN LOCAL GOVERNMENT, OKUKU
CONSOLIDATED STATEMENT OF NET ASSET/EQUITY AS AT 31ST DECEMBER, 2021

ODO-OTIN				ODO-OTIN NORTH			ODO-OTIN SOUTH			ODO-OTIN CONSOLIDATED		
DETAILS	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	315,787,367.78	46,633,574.26	362,420,942.04	50,829,865.59	80,047,162.96	130,877,028.55	332,613,112.53	89,412,522.46	422,025,634.99	699,230,345.90	216,093,259.68	915,323,605.58
Adjusted Reserve			-			-			-	-	-	-
Adjusted Balance	315,787,367.78	46,633,574.26	362,420,942.04	50,829,865.59	80,047,162.96	130,877,028.55	332,613,112.53	89,412,522.46	422,025,634.99	699,230,345.90	216,093,259.68	915,323,605.58
Net Surplus Deficit for the year		(146,629,394.36)	(146,629,394.36)		(46,265,877.90)	(46,265,877.90)		(25,615,372.39)	(25,615,372.39)	-	(218,510,644.65)	(218,510,644.65)
Closing Balance as at 31/12/2021	315,787,367.78	(99,995,820.10)	215,791,547.68	50,829,865.59	33,781,285.06	84,611,150.65	332,613,112.53	63,797,150.07	396,410,262.60	699,230,345.90	(2,417,384.97)	696,812,960.93

ODO-OTIN LOCAL GOVERNMENT, OKUKU					
NOTES TO THE ACCOUNTS 31ST DECEMBER, 2021					
	ODO-OTIN	ODO-OTIN NORTH LCDA	ODO-OTIN SOUTH LCDA	ODO-OTIN CONSOLIDATED	
Note 1					
<u>Cash & Cash Equivalents</u>					
Balance B/Forward 1/1/2021				20,507,849.36	
Add Receipt				<u>2,431,099,798.38</u>	
Total Receipts				2,451,607,647.74	
Deduct Payments				<u>(2,438,702,680.86)</u>	
Balance C/Forward 31/12/2021				<u>12,904,966.88</u>	
Note 2					
<u>Receivables</u>					
Statutory Allocation				73,397,252.51	
Valu Added Tax				42,086,545.90	
Exchange Rate Gain				1,232,228.78	
Conserved in JAAC Account					
				<u>116,716,027.19</u>	
Note 3					
<u>Prepayment</u>					
Balance B/Forward	2,450,000.00			2,450,000.00	
Additional Prepayment				0.00	
	2,450,000.00			2,450,000.00	
Amount Utilized	<u> </u>			<u> </u>	
	2,450,000.00			<u>2,450,000.00</u>	
Note 4					
<u>Inventories</u>					
Office Consumable				590,000.00	

Finance Materials				530,000.00	
Unissued Equipment				<u>300,480.00</u>	
				<u>14,485,230.00</u>	
Note 5					
Investments					
Omoluabi Holding				20,300,000.00	
Kajola Integrated				14,000,000.00	
OSICOL				10,700,000.00	
Preference Shares				26,000,000.00	
Others				<u>3,735,000.00</u>	
				<u>122,125,027.33</u>	
Note 6					
Property, Plant and Equipment					
Building				400,273,039.66	
infrastructural Facilities				1,106,238,712.84	
Plant & Machine				76,835,001.30	
Motor Vehicle				79,129,967.47	
Equipment				6,428,066.40	
Furniture & Fittings				15,274,495.94	
				<u>1,684,179,283.61</u>	
Note 7					
Investment Property					
COST/VALUATION					
Open Market				38,322,034.39	
Lockup stall				16,754,884.58	
Shopping Complex				<u>25,368,452.92</u>	
				<u>80,445,371.89</u>	
Note 8					

<u>Biological Asset</u>					
Teak Plantation					
Poultry House					
Palm Tree				2,461,800.33	
Banana Plantation					
Cashew Plantation					
				<u>2,461,800.33</u>	
Note 11					
<u>Unremitted Deduction</u>					
Balance B/Forward				135,457,582.49	
Deduction Received				128,184,902.70	
Deduction Paid				<u>(110,392,747.45)</u>	
				<u>153,249,737.74</u>	
Note 12					
<u>Payables</u>					
Unpaid Salaries Arrears				328,331,294.23	
Unpaid Vouchers				288,622,805.55	
Transfers to other Agencies (Dec. 2021)				49,273,376.62	
Social Benefit (Dec. 2021)				8,500,000.00	
Employee Benefit (Dec. 2021)				73,724,354.38	
Overhead (Dec. 2021)				13,446,277.15	
Social Contribution (Dec. 2021)				12,423,728.71	
Others (Dec. 2021) Grading				13,965,754.43	

Modulated Salary Areears				1,666,666.66	
Conserved in JAAC Account					
Cash & Cash Equivalent (Dec. 2020)				<u>(120,121,141.44)</u>	
				<u>669,833,116.29</u>	
Note 13					
Long Term Borrowing					
Balance B/Forward				533,689,686.04	
10 Km				(14,165,046.55)	
Bail Out					
Environmental				(2,914,565.04)	
Intervention				(738,182.20)	
				<u>515,871,892.25</u>	
Note 14					
<u>Reserve</u>					
Balance B/Forward				699,230,345.90	
Revaluation Surplus- PPE					
Revaluation Surplus- Investment Property					
				<u>699,230,345.90</u>	
Note 15					
<u>Accumulated Surplus (Deficit)</u>					
Balance B/Forward				216,093,259.68	
Surplus/Deficit during the Year				<u>(218,510,644.65)</u>	
Balance C/Forward					
				-2,417,384.97	

Note 16					
<u>Statutory Allocation</u>					
JAAC				1,295,182,405.22	
Non-Oil Revenue				40,072,403.67	
Forex Equalization Fund				1,983,929.84	
Ex-Rate Gain				7,450,407.56	
Eco Fund				5,557,975.85	
Solid Minerals				<u>1,822,093.55</u>	
				<u>1,352,069,215.69</u>	
Note 17					
<u>Government Share of VAT</u>					
VAT				638,915,844.82	
Value Added Tax (Receivable 31/12/2021)					
				<u>638,915,844.82</u>	
Note 18					
<u>Dependent Revenue</u>					
Statutory Allocation				1,352,069,215.69	
VAT				<u>638,915,844.82</u>	
				<u>1,990,985,060.51</u>	
Note 19					
<u>Argumentation</u>					
Additional Fund O meal				386,786.00	
Additional Fund Augmentation				<u>5,000,000.00</u>	
				<u>5,386,786.00</u>	
Note 20					
Note 21					
<u>Tax Revenue</u>					
Community Tax				390,750.00	
Other Tax				<u>152,500.00</u>	

				<u>543,250.00</u>	
Note 22					
<u>Non-Tax Revenue</u>					
Fees				10,172,830.00	
Rental Income				1,307,005.00	
Fines & Penalties				1,007,830.00	
Sales of Goods				1,800,000.00	
Other Incomes				<u>748,400.00</u>	
				<u>15,036,065.00</u>	
Jointly Expenditure					
Note 23					
<u>Employee Benefit (Staff Salaries & Wages)</u>					
Teaching & Non Teaching Staff				342,599,099.01	
Local Govt. Staff Salaries				315,273,044.50	
Pension Board Salary				1,432,202.95	
PHC Staff Salary				182,227,151.33	
Modulated Salary Arrears				13,333,333.28	
Loan Board Salary				<u>1,003,950.06</u>	
				<u>855,868,781.13</u>	
Note 24					
<u>Social Benefit</u>					
Training of all Drivers				<u>100,000.00</u>	
Note 25					
<u>Overhead</u>					
Running cost (JAAC)				1,200,000.00	
Algon Imprest				10,200,000.00	
Bank Charges				1,475,879.05	
Consultancy Fee				6,001,319.28	
Magnum Trust Insurance				3,979,218.25	
SUBEB Stipend				474,534.19	
School Running Grant				2,999,999.97	
Budget Fees				2,100,000.00	

				<u>28,430,950.74</u>	
Note 26					
<u>Grant & Social Contribution</u>					
Christmas and New Year Gifts				37,215,000.00	
Olojo Festival					
Grading (Algon)				30,733,333.33	
SUBEB Special Need School				1,983,214.66	
Others				<u>63,624,790.69</u>	
				<u>133,556,338.68</u>	
Note 27					
<u>Transfer to Other Agencies</u>					
5% Traditional Council				53,348,413.38	
Local Government Service Commission (1% Training Fund)				9,916,274.37	
SUBEB Matching Grant				38,806,170.18	
O-Meal				21,481,074.00	
OHIS				13,696,692.61	
Ramp Refund				8,617,329.07	
Pension				287,087,675.60	
SUBEB Administration				407,867.49	
SUBEB Contract				271,120.78	
5% Stabilization				48,290,840.27	
Audit Fees				<u>24,098,360.23</u>	
				<u>506,021,817.98</u>	
Local Government Expenditure					
Note 28					
<u>Social Benefit</u>					
Financial Assistance				<u>500,000.00</u>	
Staff Workshop & Training				3,115,000.00	

Gift to Staff During Celebration				<u>1,308,050.00</u>	
				<u>4,923,050.00</u>	
Note 29					
<u>Overhead</u>					
Repairs of Vehicles & Office Equipment				3,226,000.00	
Publication & Adverts				2,165,000.00	
Printing & General Expenses				5,890,338.00	
Electricity Bills				540,000.00	
Hospitality & Entertainment				11,699,900.00	
Bank Charges				975,375.43	
Imprest				40,112,592.83	
Others				<u>6,638,000.00</u>	
				<u>71,247,206.26</u>	
Note 30					
<u>Grant and Social Contribution</u>					
Sinking of Boreholes				43,949,575.05	
Distilling of Culverts				80,120,000.00	
Clearing of Dumpsite				64,100,000.00	
Sensitization & Workshop				57,955,000.00	
Training & Entertainment				22,137,849.14	
Ileya Celebration				28,760,000.00	
Christmas Celebration				13,000,000.00	
Population Housing Enumeration				14,610,000.00	

Procurement of Materials to Technical College				550,000.00	
Property, Plant & Equipment				8,190,000.00	
Special Task Force on Covid'19				580,000.00	
Others				<u>2,829,000.00</u>	
				<u>336,781,424.19</u>	
Note 31					
<u>Depreciation</u>					
Building				8,604,858.52	
Infrastructure				160,912,665.70	
Plant & Machinery				25,456,102.25	
Motor Vehicle & Transport Equipment				-	
Motor Vehicle & Transport Equipment				19,787,010.21	
Office Equipment				4,061,037.43	
Furniture & Fitting				4,596,714.07	
Charge during the year				<u>1,641,742.28</u>	
				<u>225,060,130.46</u>	
Note 32					
<u>Allowances</u>					
Allowances to Various Committee				38,450,000.00	
NYSC Allowances				1,520,000.00	
O'TECH Allowances				6,840,000.00	
Personal Assistant to Politician Allowance				2,150,000.00	
Casual Workers Allowances				1,724,000.00	
Severance Allowances				<u>17,788,106.72</u>	
				<u>68,472,106.72</u>	

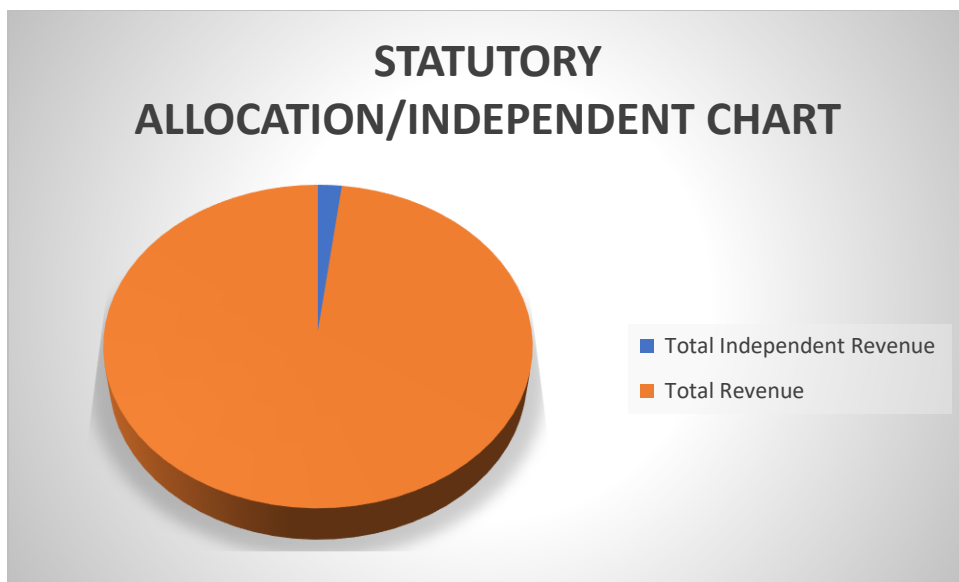
Note 36					
Net Surplus/Deficit					
Total Revenue				2,011,951,161.51	
Total Expenditure				<u>-2,230,461,806.16</u>	
				<u>(218,510,644.65)</u>	

ODO-OTIN LOCAL GOVERNMENT FISCAL OPERATION REPORT

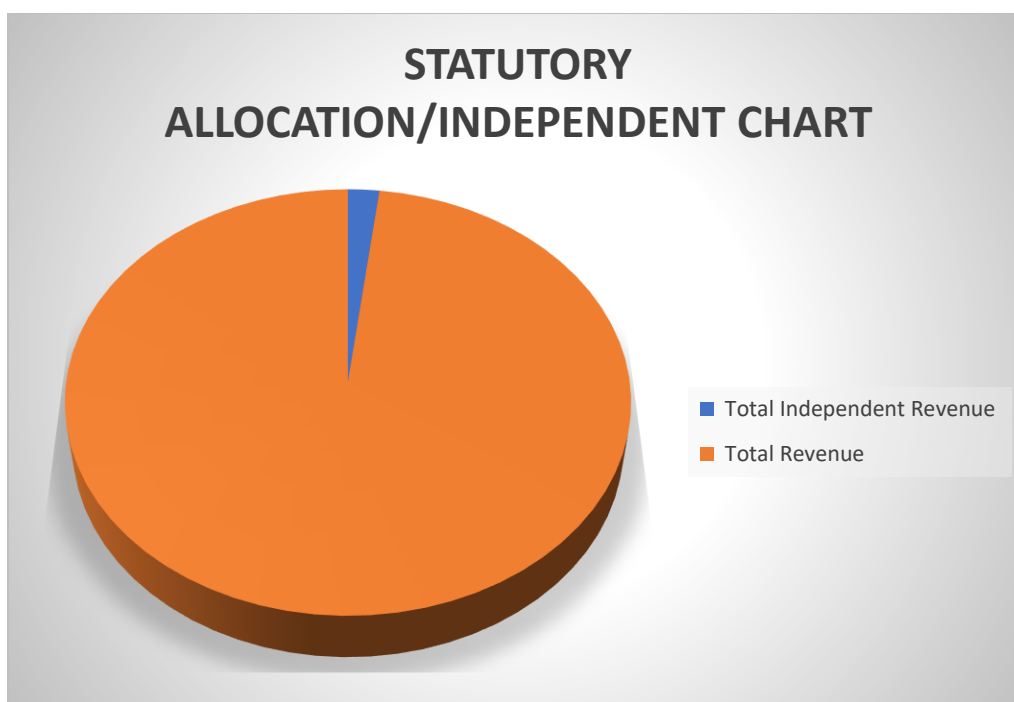
STATEMENT OF CASHFLOW RATIOS

$$\begin{aligned}
 1. \quad & \text{DEPENDENT REVENUE/TOTAL REVENUE} \times 100 \\
 & = \frac{2,144,258,287.58}{2,159,837,602.58} = 99.28\%
 \end{aligned}$$

This indicated that Statutory Allocation took 99.27% of the Total Revenue of the Local Government and LCDA leaving 0.73% as Independence Revenue



$$\begin{aligned}
 2. \quad & \frac{\text{TOTAL INDEPENDENT REVENUE}}{\text{TOTAL REVENUE}} \times 100 \\
 & = \frac{15,579,315.00}{2,159,837,602.58} \times 100 = 0.72\%
 \end{aligned}$$



3. SALARY & WAGES : TOTAL RECURRENT EXPENDITURE

$$\frac{943,948,994.00}{2,031,667,616.33} \times 100 = 46.5\%$$

Therefore, the Salaries and Wages took about 46.5% out of the Recurrent Expenditure in the Local Government while the remaining 53.5% was expended on other expenditure.

4 TRANSFER TO OTHER AGENCIES : TOTAL RECURRENT EXPENDITURE

$$\frac{549,642,216.90}{2,031,667,616.33} \times 100 = 27.05\%$$

It means that Transfer to Other Agencies took about 27.05% out of the recurrent expenditure.

STATEMENT OF FINANCIAL POSITION RATIOS

5 CURRENT ASSET : CURRENT LIABILITIES

$$\frac{146,556,224.07}{823,082,854.03} = 0.18:1\%$$

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

6. TOTAL ASSET : TOTAL LIABILITIES

$$\frac{2035,767,707.21}{1,338,954,746.28} = 1.52:1$$

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

7. EQUITY : TOTAL ASSET

$$\frac{696,821,960.93}{2,035,767,707.21} = 0.34:1$$

STATEMENT OF FINANCIAL PERFORMANCE RATIO

8. DEPENDENT REVENUE : TOTAL REVENUE

$$\frac{1,990,985,060.51}{2,011,951,161.51} \times 100 = 98.95\%$$

This indicated that the Dependent Revenue accounted for 98.95% of the Total Revenue of all the Local Government of the State leaving 1.05% as Independent Revenue.

9. INDEPENDENT REVENUE : TOTAL REVENUE

$$\frac{20,966,101.00}{2,011,951,161.51} \times 100 = 1.04\%$$

MANAGEMENT LETTER

ODO-OTIN LOCAL GOVERNMENT, OKUKU

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

1. **UNRETIRED IMPREST TALLING (N570,000.00):** It was revealed that some payments were made as imprest without attaching necessary receipts and invoices as evidence of payment made on behalf of the Local Government contrary to Financial Memoranda No. 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 automatically be retired at the end of each financial year”.

RISK:

Government Fund might not have been used for official purpose

MANAGEMENT RESPONSE:

It was an oversight, the receipts had been obtained and re-attached to the payment vouchers and would be 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 released without the retirement of previous ones.

3. **EXPENDITURE NOT SUPPORTED BY PROPER RECORDS OR
ACCOUNTS AMOUNTING TO (N980,000.00):-**It was observed that the

payment voucher raised for entertainment and other logistic during the swearing-in of the new appointed caretaker members were 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 of another Local Government or a commercial firm, if the printed receipt covers more than one payment vouchers, reference to the number”.

Risk:

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

MANAGEMENT RESPONSE:

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

RECOMMENDATION

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

4. UNPRODUCED REVENUE EARNING RECEIPT BOOKLETS AMOUNTING TO ₦370,000.00 FOR THE YEAR 2019:

It was observed during the Audit Inspection that some Revenue Collectors did not produce their Revenue Earning Receipts in their possession for Audit Inspection and indication that shows that fraudulent act had taken place contrary to FM 6:7 which states that “When making payment to the Treasury or presenting to the Treasury a paying-in-slip in

respect of cash paid direct to a bank. The Revenue Collector shall produce all receipt books, his revenue collector cash book and revenue collector's summary cashbook".

RISK:

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

MANAGEMENT RESPONSE:

The concerned Revenue Collectors had been called upon to immediately produce all the receipt booklets under their coffer 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

5. **LATE PAYMENT ₦268,400.00:** It was revealed during the period under review that there was a total sum of ₦268,400.00 for the year 2020 that stood as late payment. The Director of Finance of Odo-Otin Local Government, Okuku is hereby advised to be alive to his responsibility and ensure that all Revenue generated in the Local Government are paid to the coffer of the Local Government at the appropriate time. See the list of the Officers involved attached to this report.

RISK:

It signified loose monitory of Revenue collectors 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 the custody after seven days of receipt.

6. FINAL ACCOUNTS: - The General-Purpose Financial Statement was submitted on the 27th April, 2022 contrary to the 29th April, 2022 deadline given for the submission, the idea which is considered not to be too good enough for timely presentation of Financial information to the appropriate user.

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

RISK:

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

MANAGEMENT RESPONSE:

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

RECOMMENDATION:

The Director of Finance and Supplies should make sure that the General Purpose Financial Statement are submitted before the speculated time to avoid sanction by the Auditor General.

7. VALUATION AND REVALUATION OF NON-CURRENT ASSETS:

Kindly note that the Office of the Auditor General for Local Governments had embarked on verification and compilation of all Non-Current Asset of the Local Government to ensure their existence, completeness of the lists of Assets and correctness of the provisional values of the Financial Position in the General Purpose Financial Statement.

Furthermore, the Local Government did not have comprehensive and reliable inventory/fixed Asset Register. The Internal Auditor is expected to maintain a Standard Assets Register of both serviceable and non-serviceable assets, updating necessary and safeguarding the assets as its being used by various departments of the Local Government.

RISK:

Non availability of comprehensive and reliable inventory/fixed asset register could make the Local Government Asset prone to theft, misappropriation of assets i.e. use of Local Government property without authorisation, pilfering, falsification of asset values in GPFS, duplication of services in terms of repairs and obsolete parts replacements.

MANAGEMENT RESPONSE:

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

RECOMMENDATION:

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

ODO-OTIN NORTH LOCAL COUNCIL DEVELOPMENT AREA, OYAN

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

1. FAILURE TO PRODUCE OBSOLETE SPARE PARTS AMOUNTING (N30,000:00): Audit Inspection revealed that the repairs of vehicles claimed to have been serviced by the Local Government during the period under review could not be verified as obsolete parts replaced could neither be produced nor checked to any place or store contrary to the provision of Financial Memoranda 34:14.

RISK:

Non production of Obsolete 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 used of works department should ensure proper safe keeping of Obsolete Parts in works store with proper recording in the store ledger to avoid pilfering.

2. UNRECEIPTED EXPENDITURE TALLING (N200,000.00): Audit observation showed that payment voucher raised for the payment of Two hundred Thousand Naira for drilling of a hand Pump bore- hole at Igbotente Gaa Fulani and stipend allowance for committee for the month of April, 2020 were not supported with necessary receipts and invoices as evidence of payment 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 the payment voucher to which the receipt is attached, shall be entered on the other vouchers”. The Head of Finance and Supplies and the Internal Auditor must be alive to their responsibilities in this regard.

RISK:

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

MANAGEMENT RESPONSE:

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

RECOMMENDATION:

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

3. UNRETIRED IMPREST TALLING (N330,000.00):It was observed that the monthly imprest for the month of February, June and November, 2021 and were not supported with relevant documentary evidences to buttress the genuineness of the expenditure contrary to Financial Memoranda No. 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 automatically be retired at the end of each financial year ’.

RISK:

Government Fund might not have been used for official purpose.

MANAGEMENT RESPONSE:

It was an oversight, the receipts had been obtained and re-attached to the payment vouchers and would be presented for 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 released without the retirement of previous ones.

4. EXPENDITURE NOT SUPPORTED WITH PROPER RECORDS OR ACCOUNTS AMOUNTING TO (N47,000.00):-

It was observed that the payment vouchers raised for hosting of the advocacy meeting of the caretaker committees with community development council were not supported with necessary documents such as receipt, 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 of another Local Government or a commercial firm, if the printed receipt covers more than one payment vouchers, reference to the number".

Risk:

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

MANAGEMENT RESPONSE:

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

RECOMMENDATION

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

5. UNPRODUCED REVENUE EARNING RECEIPT BOOKLETS AMOUNTING TO ₦2,315,300.00 FOR THE YEAR 2019, 2020 AND 2021: It was observed during the Audit Inspection that some Revenue Collectors did not produce their Revenue Earning Receipts in their possession for Audit Inspection and indication that shows that fraudulent act had taken place contrary to FM 6:7 which states that “When making payment to the Treasury or presenting to the Treasury a paying-in-slip in respect of cash paid direct to a bank. The Revenue Collector shall produce all receipt books, his revenue collector cash book and revenue collector’s summary cashbook”.

RISK:

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

MANAGEMENT RESPONSE:

The concerned Revenue Collectors had been called upon to immediately produce all the receipt booklets under their coffer 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. FINAL ACCOUNTS: - The General-Purpose Financial Statement was submitted on the 27th April, 2022 contrary to the march, 2022 deadline given for the submission, the idea which is considered not to be too good enough for timely presentation of Financial information to the appropriate user.

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

RISK:

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

MANAGEMENT RESPONSE:

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

RECOMMENDATION:

The Director of Finance and Supplies should make sure that the General Purpose Financial Statement are submitted before the speculated time to avoid sanction by the Auditor General.

7. VALUATION AND REVALUATION OF NON-CURRENT ASSETS:

Kindly note that the Office of the Auditor General for Local Governments had embarked on verification and compilation of all Non-Current Asset of the Local Government to ensure their existence, completeness of the lists of Assets and correctness of the provisional values of the Financial Position in the General Purpose Financial Statement.

Furthermore, the Local Government did not have comprehensive and reliable inventory/fixed Asset Register. The Internal Auditor is expected to maintain a Standard Assets Register of both serviceable and non-serviceable assets, updating necessary and safeguarding the assets as its being used by various departments of the Local Government.

RISK:

Non availability of comprehensive and reliable inventory/fixed asset register could make the Local Government Asset prone to theft, expropriation of assets i.e. use of Local Government property without authorisation, pilfering, falsification of asset values in GPFS, duplication of services in terms of repairs and obsolete parts replacements.

MANAGEMENT RESPONSE:

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

RECOMMENDATION:

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

ODO-OTIN SOUTH LOCAL COUNCIL DEVELOPMENT AREA, INISA
OBSERVATIONS AND INTERNAL CONTROL REVIEW FOR
THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2021

1. UNRECEIPTED EXPENDITURE TALLING (N120,000.00): It was revealed that some payments were made to purchase flash drive used by AIICO desk and stumping of 2 Acres of land in preparation for maize and cassava planting without attaching necessary receipts and invoices as evidence of payment made on behalf of the Local Government 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 the payment voucher to which the receipt is attached, shall be entered on the other vouchers”. The Head of Finance and Supplies and the Internal Auditor must be alive to their responsibilities in this regard.

RISK:

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

MANAGEMENT RESPONSE:

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

RECOMMENDATION:

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

2. **UNRETIRED IMPREST TALLING (#50,000.00):** It was observed that the sum of Fifty Thousand Naira (₦50,000.00) as a monthly running cost incurred during February and March, 2021 were not retired with necessary receipt and documents which is contrary to Financial Memoranda 14:27 which states that, “Imprest shall be retired when the purpose for which the imprest was granted is completed or at such intervals as are prescribed when the imprest is approved. However, all 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 receipts had been obtained and re-attached to the payment vouchers and would be presented for 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 released without the retirement of previous ones.

4. **UNPRODUCED REVENUE EARNING RECEIPT BOOKLETS AMOUNTING TO ₦1,914,600.00 FOR THE YEAR 2019, 2020 AND 2021:** It was observed during the Audit Inspection that some Revenue Collectors did not produce their Revenue Earning Receipts in their possession for Audit Inspection and indication that shows that fraudulent act had taken place contrary to FM 6:7 which states that “When making payment to the Treasury or presenting to the Treasury a paying-in-slip in respect of cash paid direct to a bank. The Revenue Collector shall

produce all receipt books, his revenue collector cash book and revenue collector's summary cashbook".

RISK:

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

MANAGEMENT RESPONSE:

The concerned Revenue Collectors had been called upon to immediately produce all the receipt booklets under their coffer 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.

5. **LATE PAYMENT ₦110,300.00:** It was revealed during the period under review that there was a total sum of ₦110,300.00 for the year 2020 and 2021 that stood as late payment. The Director of Finance of Odo-Otin South Local Council Development Area, Inisa is hereby advised to be alive to his responsibility and ensure that all Revenue generated in the Local Government are paid to the coffer of the Local Government at the appropriate time. See the list of the Officers involved attached to this report.

RISK:

It signified loose monitory of Revenue collectors 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 the custody after seven days of receipt.

6. VALUATION AND REVALUATION OF NON-CURRENT ASSETS:

Kindly note that the Office of the Auditor General for Local Governments had embarked on verification and compilation of all Non-Current Asset of the Local Government to ensure their existence, completeness of the lists of Assets and correctness of the provisional values of the Financial Position in the General Purpose Financial Statement.

Furthermore, the Local Government did not have comprehensive and reliable inventory/fixed Asset Register. The Internal Auditor is expected to maintain a Standard Assets Register of both serviceable and non-serviceable assets, updating necessary and safeguarding the assets as its being used by various departments of the Local Government.

RISK:

Non availability of comprehensive and reliable inventory/fixed asset register could make the Local Government Asset prone to theft, expropriation of assets i.e. use of Local Government property without authorisation, pilfering,

falsification of asset values in GPFS, duplication of services in terms of repairs and obsolete parts replacements.

MANAGEMENT RESPONSE:

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

RECOMMENDATION:

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

7. FINAL ACCOUNTS: - The General-Purpose Financial Statement was submitted on the 27th April, 2022 contrary to the march, 2022 deadline given for the submission, the idea which is considered not to be too good enough for timely presentation of Financial information to the appropriate user.

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

MANAGEMENT RESPONSE:

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

RECOMMENDATION:

The Director of Finance and Supplies should make sure that the General Purpose Financial Statement are submitted before the specified time to avoid sanction.

REPORT ON INTERNAL AUDITOR'S REPORT

1. The Internal Control Unit appears effective and its activities were reflected on the operation of the Council particularly the Rate Office.

2. The Internal Control Unit is functioning well. The Management of the Council did not do much on the observations and recommendations of the Internal Auditor to improve on the IGR of the Council.

ODO-OTIN LOCAL GOVERNMENT, OKUKU.

LIST OF PROJECTS EXECUTED DURING THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2021

S/ N	DESCRIPTION	LOCATION	MODE OF EXECUTION	PROJECT COST (#)	AMT RELEASED	BALANCE	REMARKS
1	Purchase of Toyota Camry(Muscle)	Office of the Chairman	Direct Labour	4,000,000.00	4,000,000.00	NILL	Completed
2	Evaluation of Desilting of carting cross the six(6) wards in Odo-otin Local GOVT.		Direct Labour	2,000,000.00	2,000,000.00	NILL	Completed
3	Purchase of Toyota Corolla Model	Office of the Vice Chairman	Direct Labour	3,000,000.00	3,000,000.00	NILL	Completed
4	Clearing of Road Verges at various loctions	Igbaye-Ekusa Igbaye-Opete Opete-Faji Okua-Ekusa	Direct Labour	2,000,000.00	2,000,000.00	NILL	Completed
5	Purchase of Toyota Corolla 2006 Model	Office of the Secretary	Direct Labour	3,000,000.00	3,000,000.00	NILL	Completed
6	Clearing of Road Verges at various loctions	Okuku-Igbaye Faaji-Igbaye	Direct Labour	1,000,000.00	1,000,000.00	NILL	Completed
7	Concreting of the frontage of Okuku town Hall	Okuk	Direct Labour	2,400,000.00	1,600,000.00	800,000.00	Completed

ODO-OTIN NORTH LOCAL COUNCIL DEVELOPMENT AREA, OYAN

LIST OF PROJECTS EXECUTED FOR 2021

S/N	DESCRIPTION OF MATERIALS	LOCATION	MODE OF EXECUTION PROJECT	PROJECT COST	AMOUNT RELEASED	BALANCE	REMARKS
1.	Purchase of official vehicle for the caretaker chairman	Office of the Chairman	Direct	₦ 4,000,000	N4,000,000	-	Completed
2.	Purchase of official vehicle for the caretaker vice chairman	Office of the vice Chairman	Direct	₦ 3,000,000	₦3,000,000	-	Completed
3.	Purchase of official vehicle for Secretary	Office of the Secretary	Direct	₦ 3,000,000	₦3,000,000	-	Completed
4.	Desalting and repair of black drainage with filling of holes with good laterite	Oyan,ASI and Asaba	Direct	₦ 2,000,000	₦2,000,000	-	Completed
5.	Grading of Roads	Cemetery Road and Hospital Road, Oyan	Direct	₦ 950,000	₦950,000	-	Completed
6.	Desalting and repair of block drainage	Ijbe and Ila-Odo	Direct	₦ 2,000,000	₦2,000,000	-	Completed
7.	Clearing of Road verges	Within the L.G	Direct	₦ 1,000,000	₦1,000,000	-	Completed

APPENDIX "B"

ODO-OTIN SOUTH LOCAL COUNCIL DEVELOPMENT AREA, INISA

LIST OF PROJECTS EXECUTED FOR 2021

S/N	DESCRIPTION OF MATERIALS	LOCATION	MODE OF EXECUTION PROJECT	PROJECT COST	AMOUNT RELEASED	BALANCE	REMARKS
1.	Purchase of Toyota Camry muscle for the chairman	Office of the Chairman	Direct	₦ 4,000,000	N4,000,000	-	Completed
2.	Toyota corolla 2005/2006 model	Office of the Secretary	Direct	₦ 3,000,000	₦3,000,000	-	Completed
3.	De-sitting of lined drainage along Oree road, Ore	Ore	Direct	₦ 700,000	₦700,000	-	Completed
4.	De-sitting of lined drainage Agbeye	Agbeye	Direct	₦ 400,000	₦400,000	-	Completed
5.	Cutting of road verges along Agbeye-Elesin funfun 7.5km and Agbeye-Inisa	Elesin funfun	Direct	₦ 900,000	₦900,000	-	Completed
6.	Purchase of Toyota Coroll 2000/2004 Model	Vice Chairman Office	Direct	₦ 2,800,000	₦2,800,000	-	Completed
7.	Cutting of road verges along Agbeye-Ore 6.0km	Ore	Direct	₦ 900,000	₦900,000	-	Completed
8.	De-sitting of lined drainage at Asiyambi to Burial ground area, inisa	Inisa	Direct	₦ 600,000	₦600,000	-	Completed

9.	De-sitting of lined drainage at Ekusa junction to Yidi Road, inisa	Inisa	Direct	₦800,000	₦800,000	-	Completed
10.	De-sitting of lined drainage at Asikolaye Area, Iyeku	Iyeku	Direct	₦600,000	₦800,000	-	Completed
	Cutting of Road Verges along Kosemoni to 1.2km	Iyeku	Direct	₦300,000	₦300,000	-	Completed

ODO-OTIN LOCAL GOVERNMENT, OKUKU

S/N	SUBJECT	QUERIES NOS	NO. OF OFFICERS QUERIED	AMOUNT (₦)	REMARKS
1.	Unretired Imprest	LQ/AUD/ODTLG/01/2021	9	570,000.00	
2.	Expenditure not Support by proper record or account	LQ/AUD/ODTLG/02/2021	1	980,000.00	
	TOTAL		10	1,550,000.00	

ODO-OTIN NORTH LCDA, OYAN

S/N	SUBJECT	QUERIES NOS	NO. OF OFFICERS QUERIED	AMOUNT (₦)	REMARKS
1.	Failure to produce Obsolete Part	LQ/AUD/ODTNLCDA/01/21	1	30,000.00	
2.	Unreceipted Expenditure	LQ/AUD/ODTNLCDA/02/21	1	200,000.00	
3.	Unretired Imprest	LQ/AUD/ODTNLCDA/03/21	3	330,000.00	
4.	Expenditure not Supported with Proper Record	LQ/AUD/ODTNLCDA/04/21	1	47,000.00	
	TOTAL		6	607,000.00	

ODO-OTIN SOUTH LCDA, INISA

S/N	SUBJECT	QUERIES NOS	NO. OF OFFICERS QUERIED	AMOUNT (₦)	REMARKS
1.	Unreceipted Expenditure	LQ/AUD/ODOSLCDA/01/21	4	120,000.00	
2.	Unretired Imprest	LQ/AUD/ODOSLCDA/02/21	3	50,000.00	
	TOTAL		7	170,000.00	