

# STATE GOVERNMENT OF OSUN, NIGERIA.

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## REPORT OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

ON THE ACCOUNTS OF  
OLA-OLUWA LOCAL GOVERNMENT

BODE-OSI

FOR THE YEAR ENDED

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

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## **LIST OF ABBREVIATIONS**

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

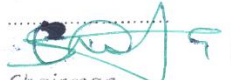
Consequently, the General Purpose Financial Statement of:

***Ola-oluwa and Ola-oluwa South*** have been prepared by the respective Heads of Finance and Supplies and subsequently Consolidated by the Head of Finance and Supplies of ***Ola-oluwa Local Government***.

We hereby claim responsibility for the contents and correctness of the Financial Statement of the under listed LG/LCDA, for the Accounting period ended ***31<sup>st</sup> December, 2021***



Chairman  
Ola-oluwa



Chairman  
Ola-oluwa South



Head of Finance & supplies,

Ola-oluwa



Head of Finance & supplies,

Ola-oluwa South



Chairman  
Ola-oluwa



Chairman  
Ola-oluwa South



### **AUDIT CERTIFICATE**

**I have audited the accounts of Ola - Oluwa Local Government, Bode - Osi for the year ended 31<sup>st</sup> December, 2021.**

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

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



**Emmanuel Oluseun Kolapo FCA, CISA**  
**Auditor General for Local Governments,**  
**State of Osun**

## **STATEMENT OF FINANCIAL RESPONSIBILITY**

The preparation and fair presentation of Financial Statements of Local 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 Ola - Oluwa Local Governments is responsible for the consolidation of the Financial Statements with the subsidiary Ola – Oluwa South East 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 Ola-Oluwa 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 Ola-oluwa Local Government in the state, inclusive of Ola – Oluwa South East LCDA.

## **BASIS OF AUDIT OPINION**

In the course of auditing the accounts of Ola-Oluwa Local Governments Bode-Osi and Ola – Oluwa South East LCDA in the State of Osun, I have complied with the requirement and stipulations of the International Standards on Auditing, the Generally Acceptable Auditing Standards, International Standards of Supreme Audit Institutions (ISSAI,) Laws of Osun State, International Public Sector Accounting Standards and Audit Guide of the Office of the Auditor-General for Local Governments, Osun State.

I have conducted Financial and Compliance audit on the Finances of the Local Governments and Projects and Programmes were reasonably evaluated and verified on the principle of Performance Auditing. All items of Revenue and Expenditure were captured in the course of the Audit and Audit Tests were conducted on procedures, transactions and balances. Consequently 100% Substantive Test was done on all items of Revenue and Expenditure; and Assets and Liabilities, and appropriate Audit Tests of Control were conducted on procedures and transactions.

## **STATEMENT OF COMPLIANCE**

The Accounting Policies have been consistently applied on preparation of the Financial Statements of Ola-Oluwa 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 Ola-Oluwa Local Government are constituents.

The accounts of Ola-Oluwa 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, herewith.

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



## STATEMENT OF ACCOUNTING POLICIES

### 1. Basis of Preparation (IPSAS 1)

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

### 2. Accounting Period

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

### 3. Reporting Currency

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

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

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

### 5. Consolidation Policy- IPSAS 6

The Heads of Finance of Ola – Oluwa Local Government and Ola – Oluwa South East LCDA are required to prepare their individual GPFS at the end of the financial year on Accrual Basis of Accounting.

Each Local Government is a creation of the Constitution and none is subservient to the other. However in this situation, the subsidiary entity is Ola – Oluwa South East LCDA, which GPFS has been consolidated with that of Ola - Oluwa 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 Ola Oluwa Local Government, Bode Osi (including elements of Local Government fund in various Agencies and Institutions of Government, comprising Traditional Councils, LGSPB, LGSC, SUBEB, O'Meals and other Jointly executed programmes and projects of Local Governments) for the financial year ended 31<sup>st</sup> December 2021, as required by Cap 72, Part 10 of the Laws of Osun State 2002, (as amended).

**AUTHORITY FOR DISBURSEMENTS FROM JAAC ACCOUNT:** Disbursements from JAAC accounts were made in consonance with the prescriptions of the House of Assembly while monthly distributions were collectively decided by the Chairmen of Ola Oluwa 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 Ola – Oluwa Local Government and Ola – Oluwa South East LCDA.

### **BUDGET PREPARATION / EXECUTION**

The Budget for 2021 for Ola Oluwa 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 ₦16,246,784.64 representing 1.10% the Total Revenue. More efforts at blocking leakages coupled with adequate research by the relevant unit of the Auditor-General for Local Government on comparative revenue advantages of individual Local Government's office will assist in curbing this unwholesome situation.

## **INTERNAL CONTROL WEAKNESS IN THE LOCAL GOVERNMENT AND RELATED AGENCIES**

At the conclusion of the Audit, 7 nos of Audit Queries were issued in respect of 2021 Accounts, involving a total sum of ₦5,403,250.00.

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 Ede North 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 Ola Oluwa 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 ₦905,519,871.01 was Share of FAAC and VAT amounted to ₦555,693,959.55 Total Allocation.

**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<br>GOVERNMENT | STATUTORY<br>ALLOCATION | VAT            | EX RATE GAIN  | FEDERAL GOVT<br>INTERVENTION | EXCESS BANK | FOREX<br>EQUALISATION | ECO           | ADD FUND<br>FRM SOLID<br>MIN | NON-OIL<br>EXCESS<br>REVENUE | TOTAL            |
|---------------------|-------------------------|----------------|---------------|------------------------------|-------------|-----------------------|---------------|------------------------------|------------------------------|------------------|
| Ola-Oluwa           | 857,675,817.61          | 397,100,150.73 | 27,815,207.92 | 23,297,333.56                | 705,982.88  | 12,441,168.51         | 19,333,551.12 | 1,437,819.11                 | 12,087,537.37                | 1,351,894,568.81 |

## **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. #363,550.00 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 – #10,638,150.24**

The Cash and Cash equivalents amounted to ₦10,638,150.24 for the Local Governments. The Bank Statements and Bank Reconciliation Statements of all Local Governments and Local Government Development Areas as at 31<sup>st</sup> December, 2021 were verified/examined to ascertain the bank balances.

### **RECEIVABLES - ₦90,964,051.98**

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

### **INVENTORIES - ₦7,339,250.00**

The sum of ₦7,339,250.00 represents inventories valued at historical cost in the Local Governments as at 31<sup>st</sup> December, 2021. These include unallocated stores both expendable and non-expendable; and consumable items.

### **INVESTMENTS - ₦51,342,085.33**

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

### **PROPERTY, PLANT AND EQUIPMENT(PPE) - #1,462,957,109.53**

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

| <b>Particulars</b>    | <b>Rate%</b> |
|-----------------------|--------------|
| Fixture and fitting   | 20           |
| Motor Vehicle         | 20           |
| Plant and Equipment   | 20           |
| Infrastructural Asset | 10           |
| Buildings             | 2            |
| 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 - ₦527,684,261.53**

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

**INVESTMENT PROPERTY - ₦478,999.50**

The carrying amount of Investment Properties of the Local Governments stood at ₦478,999.50 in the Statement of Financial Position. However, there is no restriction on title or property pledge as securities for liabilities. Straight Line Method of depreciation was applied.

**LONG – TERM BORROWINGS - ₦1,041,844,382.56**

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, chlorination, etc aimed at preserving lives and environments
- c. Intervention Projects including Grading, access to rural areas, etc..
- d. Repayment of Bail Out

**UNREMITTED DEDUCTIONS - ₦54,868,944.18**

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

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

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

Transfer from main councils to the tune of ₦53,154,765.01 was made to the Local Council Development Areas and Area Offices in the period under review and was set off in the Consolidated Account.



**OLA-OLUWA LOCAL GOVERNMENT, BODE-OSI**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31<sup>ST</sup> DECEMBER, 2021**  
POSITION

| <b>PARTICULAR</b>               | <b>NOTE</b> | <b>OLA-OLUWA<br/>CONSOLIDATED</b> |
|---------------------------------|-------------|-----------------------------------|
| ASSETS                          |             |                                   |
| Current Assets                  |             |                                   |
| Cash & Cash Equipments          | 1           | 10,638,150.24                     |
| Receivables                     | 2           | 90,964,051.98                     |
| Prepayment/Advance              | 3           | 640,000.00                        |
| Inventories                     | 4           | 7,339,250.00                      |
| <b>Total Current Asset</b>      |             | 109,581,452.22                    |
| Non-current Asset               |             | -                                 |
| Long Term Loan Granted          |             | -                                 |
| Investments                     | 5           | 51,342,085.33                     |
| Property, Plant & Equipment     | 6           | 1,462,957,109.53                  |
| Investment Property             | 7           | 478,999.50                        |
| Biological Asset                | 8           | 111,352,945.47                    |
| Assets Under Construction (wip) | 9           | -                                 |
| Total Non-Current Asset         |             | 1,626,131,139.83                  |
| Total Asset                     |             | 1,735,712,592.05                  |
| LIABILITIES                     |             | -                                 |
| Current Liabilities             |             | -                                 |
| Deposit                         |             | -                                 |
| Short Term Loan & Debts         | 10          | -                                 |
| Unremitted Deduction            | 11          | 54,868,944.18                     |
| Payables                        | 12          | 527,684,261.53                    |
| Short Terms Provisions          |             | -                                 |
| Total Current Liability         |             | 582,553,205.71                    |
| Non-Current Liabilities         |             | -                                 |
| Long Term Borrowing             | 13          | 1,041,844,382.56                  |
| Total Liabilities               |             | 1,624,397,588.27                  |
| Net Assets                      |             | 111,315,003.78                    |
| Financed by                     |             | -                                 |
| Reserve                         | 14          | 391,855,587.38                    |
| Net Surplus/Deficit             | 15          | (280,540,583.60)                  |
| Total                           |             | 111,315,003.78                    |

**OLA-OLUWA LOCAL GOVERNMENT, BODE-OSI**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31<sup>ST</sup> DECEMBER, 2021**

| PARTICULAR                      | NOTE | OLA-OLUWA               | OLA-OLUWA SOUTH       | OLA-OLUWA CONSOLIDATED  |
|---------------------------------|------|-------------------------|-----------------------|-------------------------|
| ASSETS                          |      |                         |                       |                         |
| Current Assets                  |      |                         |                       |                         |
| Cash & Cash Equipments          | 1    | 8,360,754.89            | 2,277,395.35          | 10,638,150.24           |
| Receivables                     | 2    | 90,964,051.98           | -                     | 90,964,051.98           |
| Prepayment/Advance              | 3    | 640,000.00              | -                     | 640,000.00              |
| Inventories                     | 4    | 1,283,000.00            | 6,056,250.00          | 7,339,250.00            |
| <b>Total Current Asset</b>      |      | <b>101,247,806.87</b>   | <b>8,333,645.35</b>   | <b>109,581,452.22</b>   |
| Non-current Asset               |      |                         |                       | -                       |
| Long Term Loan Granted          |      |                         |                       | -                       |
| Investments                     | 5    | 42,257,085.33           | 9,085,000.00          | 51,342,085.33           |
| Property, Plant & Equipment     | 6    | 1,256,383,571.40        | 206,573,538.14        | 1,462,957,109.53        |
| Investment Property             | 7    | 478,999.50              |                       | 478,999.50              |
| Biological Asset                | 8    | 8,566,035.36            | 102,786,910.11        | 111,352,945.47          |
| Assets Under Construction (wip) | 9    | -                       | -                     | -                       |
| <b>Total Non-Current Asset</b>  |      | <b>1,307,685,691.59</b> | <b>318,445,448.25</b> | <b>1,626,131,139.83</b> |
| <b>Total Asset</b>              |      | <b>1,467,433,498.46</b> | <b>326,779,093.60</b> | <b>1,794,212,592.05</b> |
| LIABILITIES                     |      |                         |                       | -                       |
| Current Liabilities             |      |                         |                       | -                       |
| Deposit                         |      |                         |                       | -                       |
| Short Term Loan & Debts         | 10   |                         |                       | -                       |
| Unremitted Deduction            | 11   | 54,490,320.52           | 378,623.66            | 54,868,944.18           |
| Payables                        | 12   | 334,909,607.20          | 189,774,654.33        | 527,684,261.53          |
| Short Terms Provisions          |      |                         |                       | -                       |
| <b>Total Current Liability</b>  |      | <b>392,399,927.72</b>   | <b>190,153,277.99</b> | <b>582,553,205.71</b>   |
| Non-Current Liabilities         |      |                         |                       | -                       |
| Long Term Borrowing             | 13   | 1,086,343,560.58        | (44,499,178.02)       | 1,041,844,382.56        |
| <b>Total Liabilities</b>        |      | <b>1,477,743,488.30</b> | <b>145,654,099.97</b> | <b>1,682,397,588.27</b> |
| <b>Net Assets</b>               |      | <b>(69,809,989.84)</b>  | <b>181,124,993.63</b> | <b>111,315,003.78</b>   |
| Financed by                     |      |                         |                       | -                       |
| Reserve                         | 14   | 332,953,874.63          | 58,901,712.75         | 391,855,587.38          |
| Net Surplus/Deficit             | 15   | (402,763,864.48)        | 122,223,280.88        | (280,540,583.60)        |
| <b>Total</b>                    |      | <b>(69,809,989.84)</b>  | <b>181,124,993.63</b> | <b>111,315,003.78</b>   |

**OLA-OLUWA LOCAL GOVERNMENT, BODE-OSI**  
**CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AS AT 31<sup>ST</sup> DECEMBER,**  
**2021**

| <b>PERFORMANCE</b>                           |             |                                   |
|--|-------------|-----------------------------------|
| <b>PARTICULAR</b>                            | <b>NOTE</b> | <b>OLA-OLUWA<br/>CONSOLIDATED</b> |
| <b>STATUTORY ALLOCATION</b>                  |             |                                   |
| Government share of FAAC (Statutory Revenue) | 16          | 905,519,871.01                    |
| Government Share of VAT                      | 17          | 555,693,959.55                    |
| <b>Sub-Total Dependent Revenue</b>           | 18          | 1,461,213,830.56                  |
| <b>INDEPENDENT REVENUE</b>                   |             |                                   |
| Grant & Aids                                 | 19          | 5,386,786.00                      |
| Transfer from main Council                   | 20          |                                   |
| Tax Revenue                                  | 21          | 363,550.00                        |
| Non-Tax Revenue                              | 22          | 10,496,448.64                     |
| Other Income                                 |             | 728,000.00                        |
| Overpayment Recovery                         |             | -                                 |
| <b>Sub-Total Independent Revenue</b>         |             | 16,246,784.64                     |
| <b>Total Revenue</b>                         |             | 1,477,460,615.20                  |
| <b>EXPENDITURE</b>                           |             | -                                 |
| <b>JOINTLY EXPENDED</b>                      |             |                                   |
| Salaries & Wages                             | 23          | 855,868,781.13                    |
| Social Benefits                              | 24          | 100,000.00                        |
| Overhead Cost                                | 25          | 27,324,183.25                     |
| Grants & Social Contribution                 | 26          | 23,646,547.99                     |
| Transfer to other Agencies                   | 27          | 479,205,474.41                    |
| <b>L/GOVERNMENT EXPENDITURE</b>              |             |                                   |
| Social Benefits                              | 28          | 3,063,700.00                      |
| Overhead Cost                                | 29          | 55,954,896.50                     |
| Grants & Social Contribution                 | 30          | 78,172,361.94                     |
| Depreciation                                 | 31          | 155,867,388.71                    |
| Allowances                                   | 32          | 35,746,627.53                     |
| Transfer to LCDA                             | 33          |                                   |
| Impairment                                   | 34          | -                                 |
| Revenue Refunded                             | 35          | -                                 |
| Public Debt Charges                          |             | -                                 |
| Stabilization Fund                           |             | -                                 |
| Refund to main Council                       |             | -                                 |
| Stationeries                                 |             | -                                 |
| Severance Gratuity                           |             | -                                 |
| <b>Total Expenditures</b>                    |             | 1,714,949,961.46                  |
| <b>Net Surplus/Deficit</b>                   | 36          | (237,489,346.26)                  |
| <b>Net Surplus/Deficit 01/01/2021</b>        | 37          | (43,051,237.34)                   |
| <b>Net Surplus/Deficit 31/12/2021</b>        | 38          | (280,540,583.60)                  |

**OLA-OLUWA LOCAL GOVERNMENT, BODE-OSI**  
**CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AS AT 31<sup>ST</sup> DECEMBER,**  
**2021**

| PERFORMANCE                                  |      |                         |                      |                         |
|--|------|-------------------------|----------------------|-------------------------|
| PARTICULAR                                   | NOTE | OLA-OLUWA               | OLA-OLUWA SOUTH      | OLA-OLUWA CONSOLIDATED  |
| <b>DEPENDENT REVENUE</b>                     |      |                         |                      |                         |
| Government share of FAAC (Statutory Revenue) | 16   | 905,519,871.01          |                      | 905,519,871.01          |
| Government Share of VAT                      | 17   | 555,693,959.55          |                      | 555,693,959.55          |
| <b>Sub-Total Dependent Revenue</b>           | 18   | <b>1,461,213,830.56</b> | <b>-</b>             | <b>1,461,213,830.56</b> |
| <b>INDEPENDENT REVENUE</b>                   |      |                         |                      | -                       |
| Grant & Aids                                 | 19   | 5,386,786.00            |                      | 5,386,786.00            |
| Transfer from main Council                   | 20   |                         | 53,154,765.01        |                         |
| Tax Revenue                                  | 21   | 360,350.00              | 3,200.00             | 363,550.00              |
| Non-Tax Revenue                              | 22   | 9,094,755.00            | 1,401,693.64         | 10,494,448.64           |
| Other Income                                 |      | 728,000.00              |                      | 728,000.00              |
| Overpayment Recovery                         |      |                         |                      | -                       |
| <b>Sub-Total Independent Revenue</b>         |      | <b>14,841,891.00</b>    | <b>54,559,658.65</b> | <b>16,246,784.64</b>    |
| <b>Total Revenue</b>                         |      | <b>1,476,055,721.56</b> | <b>54,559,658.65</b> | <b>1,477,460,615.20</b> |
| <b>EXPENDITURE</b>                           |      |                         |                      | -                       |
| <b>JOINTLY EXPENDED</b>                      |      |                         |                      | -                       |
| Salaries & Wages                             | 23   | 855,868,781.13          |                      | 855,868,781.13          |
| Social Benefits                              | 24   | 100,000.00              |                      | 100,000.00              |
| Overhead Cost                                | 25   | 27,324,183.25           |                      | 27,324,183.25           |
| Grants & Social Contribution                 | 26   | 23,646,547.99           |                      | 23,646,547.99           |
| Transfer to other Agencies                   | 27   | 479,205,474.41          |                      | 479,205,474.41          |
| <b>L/GOVERNMENT EXPENDITURE</b>              |      |                         |                      | -                       |
| Social Benefits                              | 28   | 1,375,700.00            | 1,688,000.00         | 3,063,700.00            |
| Overhead Cost                                | 29   | 46,524,298.16           | 9,430,598.34         | 55,954,896.50           |
| Grants & Social Contribution                 | 30   | 48,399,000.00           | 29,773,361.94        | 78,172,361.94           |
| Depreciation                                 | 31   | 135,404,273.88          | 20,463,114.83        | 155,867,388.71          |
| Allowances                                   | 32   | 20,334,819.78           | 15,411,807.75        | 35,746,627.53           |
| Transfer to LCDA                             | 33   | 53,154,765.01           | -                    |                         |
| Impairment                                   | 34   |                         |                      | -                       |
| Revenue Refunded                             | 35   |                         |                      | -                       |

|   |    |                         |                        |                         |
|---|----|-------------------------|------------------------|-------------------------|
| Public Debt Charges                             |    |                         |                        |                         |
| Stabilization Fund                              |    |                         |                        |                         |
| Refund to main Council                          |    |                         |                        | -                       |
| Stationeries                                    |    |                         |                        | -                       |
| Severance Gratuity                              |    |                         |                        | -                       |
| <b>Total Expenditures</b>                       |    | <b>1,691,337,843.61</b> | <b>76,766,882.86</b>   | <b>1,714,949,961.46</b> |
| <b>Net Surplus/Deficit</b>                      | 36 | <b>(215,282,122.05)</b> | <b>(22,207,224.21)</b> | <b>(237,489,346.26)</b> |
| <b>Net Surplus/Deficit</b><br><b>01/01/2021</b> | 37 | <b>(187,481,742.43)</b> | <b>144,430,505.09</b>  | <b>(43,051,237.34)</b>  |
| <b>Net Surplus/Deficit</b><br><b>31/12/2021</b> | 38 | <b>(402,763,864.48)</b> | <b>122,223,280.88</b>  | <b>(280,540,583.60)</b> |

**OLA-OLUWA LOCAL GOVERNMENT, BODE-OSI**  
**AGGREGATED STATEMENT OF CASHFLOW AS AT 31<sup>ST</sup> DECEMBER, 2021**

**CASHFLOW**

| <b>OPERATING ACTIVITIES</b>                   | <b>NOTE</b> | <b>OLA-OLUWA<br/>CONSOLIDATED</b> |
|---|-------------|-----------------------------------|
| <b>INFLOW</b>                                 |             |                                   |
| Statutory Revenue (JAAC)                      | 39          | 952,897,495.07                    |
| Value Added Tax                               | 40          | 609,485,767.34                    |
| Receivable                                    |             | -                                 |
| <b>Sub Total Dependent Revenue</b>            | 41          | 1,562,383,262.41                  |
| Aids and Grants                               | 42          | 5,386,786.00                      |
| Transfer from Main Council                    | 43          |                                   |
| Tax Revenue                                   | 44          | 363,550.00                        |
| Non Tax Revenue                               | 45          | 9,768,448.64                      |
| Other Income                                  |             | 728,000.00                        |
| Overpayment Recovery                          |             | -                                 |
| <b>Sub Total Independent Revenue</b>          | 46          | 16,246,784.64                     |
| <b>Total Inflow Operating Activities</b>      | 47          | 1,578,630,047.05                  |
| <b>OUTFLOW</b>                                |             | -                                 |
| Salaries & Wages                              | 48          | 855,868,781.13                    |
| Social Benefits                               | 49          | 3,163,700.00                      |
| Overhead Cost                                 | 50          | 35,176,479.75                     |
| Social Contributions                          | 51          | 86,708,909.93                     |
| Allowances                                    | 52          | 35,746,627.53                     |
| Modulated Salary Arrears                      | 53          | 13,333,333.28                     |
| Inventories                                   | 54          | 10,250,750.00                     |
| Fund Conserved for Salary                     |             | -                                 |
| Transfer to LCDA                              | 55          |                                   |
| Transfer to other Govt. Agencies              | 56          | 479,205,474.41                    |
| Refund to Main Councils                       |             | -                                 |
| Revenue Refunded                              |             |                                   |
| Stabilization Fund                            |             |                                   |
| Tax Expenses                                  | 57          | -                                 |
| Severance Gratuity                            |             | -                                 |
| Total Outflow from Operating Activities       | 58          | 1,553,954,056.03                  |
| Net Cashflow from Operating Activities        | 59          | 24,675,991.02                     |
| <b>INVESTING ACTIVITIES</b>                   |             | -                                 |
| Proceed from Disposal of Asset                |             | -                                 |
| <b>Total Inflow from Investing Activities</b> |             | -                                 |

|  |    |                 |
|--|----|-----------------|
| Cashflow from Investing Activities             |    | -               |
| Administrative Sector                          | 60 | 51,437,500.00   |
| Economic Sector                                |    | -               |
| <b>Total Outflow from Investing Activities</b> | 61 | 51,437,500.00   |
| <b>Net Cashflow from Investing Activities</b>  |    | (51,437,500.00) |
| Inflow from Financing Activities               |    | -               |
| Bank Overdraft                                 |    |                 |
| Soft Loan(Bank)                                |    |                 |
| Deduction Received                             | 62 | 63,679,189.78   |
| <b>Total Inflow from Financing Activities</b>  | 63 | 63,679,189.78   |
| <b>OUFLOW (PAYMENT)</b>                        |    | -               |
| Bail Out Repayment                             |    | -               |
| 10km Road                                      | 64 | 11,846,728.32   |
| Water Project                                  | 65 | -               |
| Environmental Sanitation Loan                  | 66 | 2,914,565.04    |
| Loan Repayment (Inherited)                     | 67 | -               |
| Bank Loan                                      | 68 | -               |
| Intervention Loan                              | 69 | 5,674,266.75    |
| Other Loan Repayment                           |    |                 |
| Deduction Paid                                 | 70 | 47,409,362.00   |
| <b>Total Outflow From Financing Activities</b> | 71 | 67,844,922.11   |
| <b>Net Cashflow from financing Activities</b>  | 72 | (4,165,732.33)  |
| <b>Cash and Cash Equivalent for the year</b>   | 73 | 3,572,758.69    |
| <b>Cash and Cash Equivalent 01/01/2021</b>     | 74 | 7,065,391.55    |
| <b>Cash and Cash Equivalent 31/12/2021</b>     | 75 | 10,638,150.24   |

**OLA-OLUWA LOCAL GOVERNMENT, BODE-OSI**  
**CONSOLIDATED STATEMENT OF CASHFLOW AS AT 31<sup>ST</sup> DECEMBER, 2021**

| <b>OPERATING ACTIVITIES</b>                    | <b>NOTE</b> | <b>OLA-OLUWA</b>        | <b>OLA-OLUWA SOUTH</b> | <b>OLA-OLUWA CONSOLIDATED</b> |
|--|-------------|-------------------------|------------------------|-------------------------------|
| <b>INFLOW</b>                                  |             |                         |                        |                               |
| Statutory Revenue (JAAC)                       | 39          | 952,897,495.07          |                        | 952,897,495.07                |
| Value Added Tax                                | 40          | 609,485,767.34          |                        | 609,485,767.34                |
| Receivable                                     |             |                         |                        | -                             |
| <b>Sub Total Dependent Revenue</b>             | 41          | <b>1,562,383,262.41</b> | <b>-</b>               | <b>1,562,383,262.41</b>       |
| Aids and Grants                                | 42          | 5,386,786.00            |                        | 5,386,786.00                  |
| Transfer from Main Council                     | 43          |                         | 53,154,765.01          |                               |
| Tax Revenue                                    | 44          | 360,350.00              | 3,200.00               | 363,550.00                    |
| Non Tax Revenue                                | 45          | 8,366,755.00            | 1,401,693.64           | 9,768,448.64                  |
| Other Income                                   |             | 728,000.00              |                        | 728,000.00                    |
| Overpayment Recovery                           |             |                         |                        | -                             |
| <b>Sub Total Independent Revenue</b>           | 46          | <b>14,841,891.00</b>    | <b>54,559,658.65</b>   | <b>16,246,784.64</b>          |
| <b>Total Inflow Operating Activities</b>       | 47          | <b>1,577,225,153.41</b> | <b>54,559,658.65</b>   | <b>1,578,630,047.05</b>       |
| <b>OUTFLOW</b>                                 |             |                         |                        | -                             |
| Salaries & Wages                               | 48          | 855,868,781.13          |                        | 855,868,781.13                |
| Social Benefits                                | 49          | 1,475,700.00            | 1,688,000.00           | 3,163,700.00                  |
| Overhead Cost                                  | 50          | 25,745,881.41           | 9,430,598.34           | 35,176,479.75                 |
| Social Contributions                           | 51          | 68,535,547.99           | 18,173,361.94          | 86,708,909.93                 |
| Allowances                                     | 52          | 20,334,819.78           | 15,411,807.75          | 35,746,627.53                 |
| Modulated Salary Arrears                       | 53          | 13,333,333.28           |                        | 13,333,333.28                 |
| Inventories                                    | 54          | 4,384,500.00            | 5,866,250.00           | 10,250,750.00                 |
| Fund Conserved for Salary                      |             |                         |                        | -                             |
| Transfer to LCDA                               | 55          | 53,154,765.01           |                        |                               |
| Transfer to other Govt. Agencies               | 56          | 479,205,474.41          |                        | 479,205,474.41                |
| Refund to Main Councils                        |             |                         |                        | -                             |
| Revenue Refunded                               |             |                         |                        |                               |
| Stabilization Fund                             |             |                         |                        |                               |
| Tax Expenses                                   | 57          |                         |                        | -                             |
| Severance Gratuity                             |             |                         |                        | -                             |
| <b>Total Outflow from Operating Activities</b> | 58          | <b>1,552,038,803.01</b> | <b>50,570,018.03</b>   | <b>1,519,454,056.03</b>       |



|  |    |                 |                |                  |
|--|----|-----------------|----------------|------------------|
| Net Cashflow from Operating Activities         | 59 | 59,186,360.40   | 3,989,640.62   | 1,519,454,054.03 |
| <b>INVESTING ACTIVITIES</b>                    |    |                 |                | -                |
| Proceed from Disposal of Asset                 |    |                 |                | -                |
| <b>Total Inflow from Investing Activities</b>  |    | -               | -              | -                |
| Cashflow from Investing Activities             |    |                 |                | -                |
| Administrative Sector                          | 60 | 47,437,500.00   | 4,000,000.00   | 51,437,500.00    |
| Economic Sector                                |    |                 |                | -                |
| <b>Total Outflow from Investing Activities</b> | 61 | 47,437,500.00   | 4,000,000.00   | 51,437,500.00    |
| <b>Net Cashflow from Investing Activities</b>  |    | (47,437,500.00) | (4,000,000.00) | (51,437,500.00)  |
| Inflow from Financing Activities               |    |                 |                | -                |
| Bank Overdraft                                 |    |                 |                |                  |
| Soft Loan(Bank)                                |    |                 |                |                  |
| Deduction Received                             | 62 | 41,421,236.08   | 22,257,953.70  | 63,679,189.78    |
| <b>Total Inflow from Financing Activities</b>  | 63 | 41,421,236.08   | 22,257,953.70  | 63,679,189.78    |
| <b>OUFLOW (PAYMENT)</b>                        |    |                 |                | -                |
| Bail Out Repayment                             |    |                 |                | -                |
| 10km Road                                      | 64 | 11,846,728.32   |                | 11,846,728.32    |
| 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 | 5,674,266.75    |                | 5,674,266.75     |
| Other Loan Repayment                           |    |                 |                |                  |
| Deduction Paid                                 | 70 | 25,571,807.00   | 21,837,555.00  | 47,409,362.00    |
| <b>Total Outflow From Financing Activities</b> | 71 | 46,007,367.11   | 21,837,555.00  | 67,844,922.11    |
| <b>Net Cashflow from financing Activities</b>  | 72 | (4,586,131.03)  | 420,398.70     | (4,165,732.33)   |
| <b>Cash and Cash Equivalent for the year</b>   | 73 | 3,162,719.37    | 410,039.32     | 3,572,758.69     |
| <b>Cash and Cash Equivalent 01/01/2021</b>     | 74 | 5,198,035.52    | 1,867,356.03   | 7,065,391.55     |
| <b>Cash and Cash Equivalent 31/12/2021</b>     | 75 | 8,360,754.89    | 2,277,395.35   | 10,638,150.24    |

**OL-OLUWA LOCAL GOVERNMENT, BODE-OSI**  
**CONSOLIDATED STATEMENT OF COMPARISM AS AT 31<sup>ST</sup> DECEMBER, 2021**

|   |           | OLA-OLUWA CONSOLIDATED  |                         |                         |
|---|-----------|-------------------------|-------------------------|-------------------------|
| PARTICULAR                                  | NOTE      | FINAL BUDGET            | ACTUAL                  | VARIANCE                |
| DEPENDENT REVENUE                           |           |                         |                         |                         |
| Government Share of FAAC(Statutory Revenue) | 16        | 1,325,836,211.73        | 958,674,636.02          | 609,498,677.23          |
| Government Share of VAT                     | 17        | 358,339,742.42          | 555,693,959.55          | 532,086,901.97          |
| <b>Sub-Total Dependent Revenue</b>          | <b>18</b> | <b>1,684,175,954.15</b> | <b>1,514,368,595.57</b> | <b>1,141,585,579.20</b> |
| INDEPENDENT REVENUE                         |           |                         |                         |                         |
| Grants & Aids                               | 19        | 24,806,823.65           | 5,386,786.00            | 7,155,884.00            |
| Transfer from Main Council                  | 20        | -                       | -                       | -                       |
| Tax Revenue                                 | 21        | 10,757,000.00           | 363,550.00              | 10,393,450.00           |
| Non-Tax Revenue                             | 22        | 20,575,000.00           | 9,768,448.64            | 10,806,551.36           |
| Other Income                                |           | -                       | 728,000.00              | 728,000.00              |
| <b>Sub-Total Independent Revenue</b>        |           | <b>56,138,823.65</b>    | <b>16,246,784.64</b>    | <b>29,083,885.36</b>    |
| <b>Total Revenue</b>                        |           | <b>1,740,314,777.80</b> | <b>1,530,615,380.21</b> | <b>1,170,669,464.56</b> |
| EXPENDITURE                                 |           |                         |                         |                         |
| Salaries & Wages                            | 23        | 911,145,210.00          | 855,868,781.13          | 55,276,428.87           |
| Social Benefits                             | 24        | -                       | 3,163,700.00            | (3,163,700.00)          |
| Overhead Cost                               | 25        | 150,780,000.00          | 83,279,079.75           | 67,500,920.25           |
| Grants & Social Contribution                | 26        | 174,642,207.55          | 101,818,909.93          | 72,823,297.62           |
| Transfer to Other Agencies                  | 27        | -                       | 479,205,474.41          | (479,205,474.41)        |
| Depreciation                                | 31        | -                       | 155,867,388.71          | (155,867,388.71)        |
| Allowances                                  | 32        | 117,847,360.00          | 35,746,627.53           | 82,100,732.47           |
| Transfer to LCDA                            | 33        | -                       | 53,154,765.01           | (53,154,765.01)         |
| Impairment                                  | 34        | -                       | -                       | -                       |
| Revenue Refunded                            | 35        | -                       | -                       | -                       |
| Stationaries                                |           | -                       | -                       | -                       |
| <b>Total Expenditures</b>                   |           | <b>1,354,414,777.55</b> | <b>1,768,104,726.47</b> | <b>(413,689,948.92)</b> |
| <b>Net Surplus/Deficit</b>                  | <b>36</b> | <b>385,900,000.25</b>   | <b>(237,489,346.26)</b> | <b>1,584,359,413.48</b> |
| <b>Net Surplus/Deficit 31/12/2020</b>       | <b>37</b> | <b>-</b>                | <b>(43,051,237.34)</b>  | <b>-</b>                |
| <b>Net Surplus/Deficit 31/12/2021</b>       | <b>38</b> | <b>385,900,000.25</b>   | <b>(280,540,583.60)</b> | <b>1,584,359,413.48</b> |

**OLA-OLUWA LOCAL GOVERNMENT, BODE-OSI**  
**CONSOLIDATED STATEMENT OF COMPARISM BUDGET AND ACTUAL AS AT 31<sup>ST</sup> DECEMBER, 2021**

|   |           | OLA-OLUWA               |                         |                       | OLA-OLUWA SOUTH       |                      |                       | OLA-OLUWA CONSOLIDATED  |                         |                         |
|---|-----------|-------------------------|-------------------------|-----------------------|-----------------------|----------------------|-----------------------|-------------------------|-------------------------|-------------------------|
| PARTICULAR                                  | NOTE      | FINAL BUDGET            | ACTUAL                  | VARIANCE              | FINAL BUDGET          | ACTUAL               | VARIANCE              | FINAL BUDGET            | ACTUAL                  | VARIANCE                |
| DEPENDENT REVENUE                           |           |                         |                         |                       |                       |                      |                       |                         |                         |                         |
| Government Share of FAAC(Statutory Revenue) | 16        | 784,351,320.25          | 905,519,871.01          | 121,168,550.76        | 541,484,891.48        |                      | 488,330,126.47        | 1,325,836,211.73        | 905,519,871.01          | 609,498,677.23          |
| Government Share of VAT                     | 17        | 190,973,400.00          | 555,693,959.55          | 364,720,559.55        | 167,366,342.42        |                      | 167,366,342.42        | 358,339,742.42          | 555,693,959.55          | 532,086,901.97          |
| <b>Sub-Total Dependent Revenue</b>          | <b>18</b> | <b>975,324,720.25</b>   | <b>1,461,213,830.56</b> | <b>485,889,110.31</b> | <b>708,851,233.90</b> |                      | <b>655,696,468.89</b> | 1,684,175,954.15        | 1,461,213,830.56        | 1,141,585,579.20        |
| INDEPENDENT REVENUE                         |           |                         |                         |                       |                       |                      |                       | -                       | -                       | -                       |
| Grants & Aids                               | 19        | 12,542,670.00           | 5,386,786.00            | 7,155,884.00          | 12,264,153.65         |                      |                       | 24,806,823.65           | 5,386,786.00            | 7,155,884.00            |
| Transfer from Main Council                  | 20        |                         |                         |                       |                       | <b>53,154,765.01</b> | -                     | -                       | -                       | -                       |
| Tax Revenue                                 | 21        | 3,787,000.00            | 360,350.00              | 3,426,650.00          | 6,970,000.00          | 3,200.00             | 6,966,800.00          | 10,757,000.00           | 363,550.00              | 10,393,450.00           |
| Non-Tax Revenue                             | 22        | 15,780,000.00           | 8,366,755.00            | 7,413,245.00          | 4,795,000.00          | 1,401,693.64         | 3,393,306.36          | 20,575,000.00           | 9,768,448.64            | 10,806,551.36           |
| <b>Sub-Total Independent Revenue</b>        |           | 32,109,670.00           | 14,841,891.00           | 18,723,779.00         | 24,029,153.65         | 54,559,658.65        | 10,360,106.36         | 56,138,823.65           | 16,246,784.64           | 29,083,885.36           |
| <b>Total Revenue</b>                        |           | <b>1,007,434,390.25</b> | <b>1,476,055,721.56</b> | <b>504,612,889.31</b> | <b>732,880,387.55</b> | <b>54,559,658.65</b> | <b>666,056,575.25</b> | <b>1,740,314,777.80</b> | <b>1,477,460,615.20</b> | <b>1,170,669,464.56</b> |
| EXPENDITURE                                 |           |                         |                         |                       |                       |                      |                       | -                       | -                       | -                       |
| Salaries & Wages                            | 23        | 527,124,130.00          | 855,868,781.13          | (328,744,651.13)      | 384,021,080.00        |                      | 384,021,080.00        | 911,145,210.00          | 855,868,781.13          | 55,276,428.87           |
| Social Benefits                             | 24        |                         | 1,475,700.00            | (1,475,700.00)        |                       | 1,688,000.00         | (1,688,000.00)        | -                       | 3,163,700.00            | (3,163,700.00)          |
| Overhead Cost                               | 25        | 78,980,000.00           | 73,848,481.41           | 5,131,518.59          | 71,800,000.00         | 9,430,598.34         | 62,369,401.66         | 150,780,000.00          | 83,279,079.75           | 67,500,920.25           |
| Grants & Social Contribution                | 26        | 117,551,600.00          | 72,045,547.99           | 45,506,052.01         | 57,090,607.55         | 29,773,361.94        | 27,317,245.61         | 174,642,207.55          | 101,818,909.93          | 72,823,297.62           |
| Transfer to Other Agencies                  | 27        |                         | 479,205,474.41          | (479,205,474.41)      |                       |                      | -                     | -                       | 479,205,474.41          | (479,205,474.41)        |
| Depreciation                                | 31        |                         | 135,404,273.88          | (135,404,273.88)      |                       | 20,463,114.83        | (20,463,114.83)       | -                       | 155,867,388.71          | (155,867,388.71)        |
| Allowances                                  | 32        | 72,878,660.00           | 20,334,819.78           | 52,543,840.22         | 44,968,700.00         | 15,411,807.75        | 29,556,892.25         | 117,847,360.00          | 35,746,627.53           | 82,100,732.47           |
| Transfer to LCDA                            | 33        |                         | 53,154,765.01           | (53,154,765.01)       |                       |                      | -                     | -                       | -                       | (53,154,765.01)         |
| Impairment                                  | 34        |                         |                         | -                     |                       |                      |                       | -                       | -                       | -                       |
| Revenue Refunded                            | 35        |                         |                         | -                     |                       |                      |                       | -                       | -                       | -                       |

|   |           |                       |                         |                         |                       |                        |                       |                         |                         |                         |
|---|-----------|-----------------------|-------------------------|-------------------------|-----------------------|------------------------|-----------------------|-------------------------|-------------------------|-------------------------|
| Stationaries                              |           |                       |                         |                         |                       |                        |                       | -                       | -                       | -                       |
| <b>Total Expenditures</b>                 |           | <b>796,534,390.00</b> | <b>1,691,337,843.61</b> | <b>(894,803,453.61)</b> | <b>557,880,387.55</b> | <b>76,766,882.86</b>   | <b>481,113,504.69</b> | <b>1,354,414,777.55</b> | <b>1,714,949,961.46</b> | <b>(413,689,948.92)</b> |
| <b>Net Surplus/Deficit</b>                | <b>36</b> | <b>210,900,000.25</b> | <b>(215,282,122.05)</b> | <b>1,399,416,342.92</b> | <b>175,000,000.00</b> | <b>(22,207,224.21)</b> | <b>184,943,070.56</b> | <b>385,900,000.25</b>   | <b>(237,489,346.26)</b> | <b>1,584,359,413.48</b> |
| <b>Net Surplus/Deficit<br/>31/12/2020</b> | <b>37</b> |                       | <b>(187,481,742.43)</b> |                         |                       | <b>144,430,505.09</b>  |                       | -                       | <b>(43,051,237.34)</b>  | -                       |
| <b>Net Surplus/Deficit<br/>31/12/2021</b> | <b>38</b> | <b>210,900,000.25</b> | <b>(402,763,864.48)</b> | <b>1,399,416,342.92</b> | <b>175,000,000.00</b> | <b>122,223,280.88</b>  | <b>184,943,070.56</b> | <b>385,900,000.25</b>   | <b>(280,540,583.60)</b> | <b>1,584,359,413.48</b> |

## OLA-OLUWA LOCAL GOVERNMENT, BODE-OSI

| NET ASSE AND EQUITY                         | OLA-OLUWA CONSOLIDATED |                                |                  |
|---|------------------------|--------------------------------|------------------|
| DETAILS                                     | RESERVES               | Accumulated<br>Surplus/Deficit | TOTAL            |
| <b>Opening Balance 1/1/2021</b>             | 391,855,587.38         | (43,051,237.34)                | 348,804,350.04   |
| <b>Adjusted Reserve</b>                     | -                      | -                              | -                |
| <b>Adjusted Balance</b>                     | 391,855,587.38         | (43,051,237.34)                | 348,804,350.04   |
| <b>Net Surplus Deficit for the year</b>     | -                      | (237,489,346.26)               | (237,489,346.26) |
| <b>Closing Balance as at<br/>31/12/2021</b> | 391,855,587.38         | (280,540,583.60)               | 111,315,003.78   |

**OLA-OLUWA LOCAL GOVERNMENT, BODE-OSI**  
**CONSOLIDATED STATEMENT OF NET ASSET/EQUITY AS AT 31<sup>ST</sup> DECEMBER, 2021**

| DETAILS                          | OLA-OLUWA      |                             |                  | OLA-OLUWA SOUTH |                             |                 | OLA-OLUWA CONSOLIDATED |                             |                  |
|----------------------------------|----------------|-----------------------------|------------------|-----------------|-----------------------------|-----------------|------------------------|-----------------------------|------------------|
|                                  | RESERVES       | Accumulated Surplus/Deficit | TOTAL            | RESERVES        | Accumulated Surplus/Deficit | TOTAL           | RESERVES               | Accumulated Surplus/Deficit | TOTAL            |
| Opening Balance 1/1/2021         | 332,953,874.63 | (187,481,742.43)            | 145,472,132.20   | 58,901,712.75   | 144,430,505.09              | 203,332,217.84  | 391,855,587.38         | (43,051,237.34)             | 348,804,350.04   |
| Adjusted Reserve                 |                |                             | -                |                 |                             | -               | -                      | -                           | -                |
| Adjusted Balance                 | 332,953,874.63 | (187,481,742.43)            | 145,472,132.20   | 58,901,712.75   | 144,430,505.09              | 203,332,217.84  | 391,855,587.38         | (43,051,237.34)             | 348,804,350.04   |
| Net Surplus Deficit for the year |                | (215,282,122.05)            | (215,282,122.05) |                 | (22,207,224.21)             | (22,207,224.21) | -                      | (237,489,346.26)            | (237,489,346.26) |
| Revolution surplus (Building)    |                |                             |                  |                 |                             |                 |                        |                             |                  |
| Closing Balance as at 31/12/2021 | 332,953,874.63 | (402,763,864.48)            | (69,809,989.84)  | 58,901,712.75   | 122,223,280.88              | 181,124,993.63  | 391,855,587.38         | (280,540,583.60)            | 111,315,003.78   |

| OLA-OLUWA LOCAL GOVERNMENT   |                                 |                       |
|--|---------------------------------|-----------------------|
| Consolidated Notes to the Account for the year Ended 31st December, 2021 |                                 |                       |
| Notes  |                                 |                       |
| OLAOLUWA CONSOLIDATED  |                                 |                       |
| <b>1</b>   | <b>Cash and Cash Equivalent</b> | <b>N</b>              |
|  | Balance b/f 01/01/2020          | 7,065,391.55          |
|  | Add Receipt                     | 1,701,178,001.84      |
|  | Total Receipt                   | 1,708,243,393.39      |
|  | Total Payment                   | (1,697,605,243.15)    |
|  |                                 | <b>10,638,150.24</b>  |
| <b>2</b>   | <b>Receivables</b>              | <b>N</b>              |
|  | Statutory Allocation            | 32,662,145.66         |
|  | VAT                             | 53,791,807.79         |
|  | Exchange Rate Gain              | 843,431.87            |
|  | Conserved Fund                  | 60,500,000.00         |
|  | Modulated Salary Arrears        | 1,666,666.66          |
|  |                                 | <b>149,464,051.98</b> |
| <b>3</b>   | <b>Prepayment/Advances</b>      | <b>N</b>              |
|  | Balance b/forward               | 640,000.00            |
|  | Additional Prepayment           | -                     |
|  |                                 | 640,000.00            |
|  | Amount Utilized                 | -                     |
|  |                                 | <b>640,000.00</b>     |
| <b>4</b>   | <b>Inventory</b>                | <b>N</b>              |
|  | Balance b/f                     | 10,690,000.00         |
|  | Finance material                | 10,250,750.00         |
|  |                                 | 20,940,750.00         |
|  | Issed Materials                 | (13,601,500.00)       |
|  | Unissued                        | <b>7,339,250.00</b>   |
| <b>5</b>   | <b>Investment</b>               | <b>N</b>              |
|  | Omoluabi                        | 13,132,945.00         |
|  | Kajola Integrated               | 9,523,810.00          |
|  | OSICOL                          | 267,000.00            |
|  | Preference Shares               | 28,333,330.33         |
|  | Others                          | 85,000.00             |
|  | <b>Total</b>                    | <b>51,342,085.33</b>  |

|           |                                       |                         |
|-----------|---------------------------------------|-------------------------|
|           | NOTE 6                                |                         |
|           | <b>PROPERTY, PLANT AND EQUIPMENT</b>  |                         |
|           | Building                              | 90,714,940.46           |
|           | Infrastructural Facilities            | 11,020,160.00           |
|           | Plants & Machinery                    | 1,278,336,042.09        |
|           | Motor vehicle                         | 14,963,688.58           |
|           | Equipments                            | 5,641,494.40            |
|           | Furniture & Fittings                  | 5,124,224.00            |
|           | Land                                  | 55,058,000.00           |
|           | transport Equipment                   | 2,098,560.00            |
|           |                                       | <b>1,462,957,109.53</b> |
|           |                                       |                         |
|           | NOTE 7                                |                         |
|           | <b>INVESTMENT PROPERTIES</b>          |                         |
|           | Open Market                           | <b>478,999.50</b>       |
|           |                                       |                         |
| <b>8</b>  | <b>Biological Asset</b>               | <b>N</b>                |
|           | Teak Plantation                       | 14,500,000.00           |
|           | Cashew Plantation                     | 21,720,000.00           |
|           | Palmtree/Palm oil                     | 39,250,000.00           |
|           | Banana Plantation                     | 2,316,910.11            |
|           | Poultry                               | 33,209,117.22           |
|           | Less: Depreciation                    | 356,918.14              |
|           |                                       | <b>111,352,945.47</b>   |
|           |                                       |                         |
| <b>9</b>  | <b>Asset Under Construction (WIP)</b> | <b>NIL</b>              |
|           |                                       |                         |
| <b>10</b> | <b>Short term Loan &amp; Debt</b>     | <b>NIL</b>              |
|           |                                       |                         |
| <b>11</b> | <b>Unremitted Deduction</b>           | <b>N</b>                |
|           | Balance as at 1st of Jan, 2021        | 38,599,116.40           |
|           | Deduction Received                    | 63,679,189.78           |
|           |                                       | 102,278,306.18          |
|           | Deduction Paid                        | 47,409,362.00           |
|           |                                       | <b>54,868,944.18</b>    |
|           |                                       |                         |
| <b>12</b> | <b>Payable</b>                        | <b>N</b>                |
|           | Salary Arrears                        | 148,957,130.76          |
|           | Unpaid Vouchers                       | 264,932,401.41          |
|           | Conserved Fund                        | 2,000,000.00            |
|           | Overhead Cost Dec, 2021               | 1,949,631.64            |
|           | Employee Benefit Dec, 2021            | 73,701,792.19           |



|           |                                      |                         |
|-----------|--------------------------------------|-------------------------|
|           | Transfer to Other Agencies Dec, 2021 | 47,809,972.15           |
|           | Modulated Salary Arrears             | 1,666,666.66            |
|           |                                      | 541,017,594.81          |
|           | Less: Modulated Salary Arrears       | (13,333,333.28)         |
|           |                                      | <b>527,684,261.53</b>   |
|           |                                      |                         |
| <b>13</b> | <b>Loan Term Loan</b>                | <b>N</b>                |
|           | Balance b/f                          | 1,021,408,822.45        |
|           | 10km Road                            | 11,846,728.32           |
|           | Intervention                         | 5,674,266.75            |
|           | Environmental                        | 2,914,565.04            |
|           |                                      | <b>1,041,844,382.56</b> |
|           |                                      |                         |
| <b>14</b> | <b>Reserve</b>                       | <b>N</b>                |
|           | Balance b/f                          | 391,855,587.38          |
|           | Revaluation Surplus-PPE              |                         |
|           | Revaluation Surplus-Inv. Property    |                         |
|           |                                      | <b>391,855,587.38</b>   |
|           |                                      |                         |
| <b>15</b> | <b>Accumulated Surplus/(Deficit)</b> | <b>N</b>                |
|           | Balance b/forward 01/01/2021         | (43,194,428.99)         |
|           | Surplus during the year              | (237,346,154.61)        |
|           | Balance C/forward 31/12/2021         | <b>(280,540,583.60)</b> |
|           |                                      |                         |
| <b>16</b> | <b>Statutory Allocation</b>          | <b>N</b>                |
|           | JAAC                                 | 865,738,744.28          |
|           | Non-Oil Revenue                      | 27,428,625.44           |
|           | Forex Equalization                   | 1,357,953.72            |
|           | Exchange Rate Gain                   | 5,943,062.15            |
|           | Eco Fund                             | 3,804,304.87            |
|           | Solid Minerals                       | 1,247,180.55            |
|           |                                      | <b>905,519,871.01</b>   |
|           |                                      |                         |
| <b>17</b> | <b>Government Share of VAT</b>       | <b>N</b>                |
|           | VAT                                  | 555,693,959.55          |
|           |                                      | <b>555,693,959.55</b>   |
|           |                                      |                         |
| <b>18</b> | <b>Dependent Revenue</b>             | <b>N</b>                |
|           | JAAC                                 | 905,519,871.01          |
|           | VAT                                  | 555,693,959.55          |
|           | <b>Total</b>                         | <b>1,461,213,830.56</b> |
|           |                                      |                         |

|           |  |                       |
|-----------|--|-----------------------|
| <b>19</b> | <b>Other Dependent Revenue (Grants &amp; Aids)</b>   | <b>N</b>              |
|           | Added From O'Meal                                    | 5,386,786.00          |
|           |  | <b>5,386,786.00</b>   |
|           |  |                       |
| <b>20</b> | <b>Transfer from Main Council</b>                    | <b>N</b>              |
|           |  | <b>53,154,765.01</b>  |
|           |  |                       |
| <b>21</b> | <b>Tax Revenue</b>                                   | <b>N</b>              |
|           | Community Tax  | <b>363,550.00</b>     |
|           |  |                       |
| <b>22</b> | <b>Non-Tax Revenue</b>                               | <b>N</b>              |
|           | Fees   | <b>10,496,448.64</b>  |
|           |  |                       |
|           | <b>CENTRALLY EXPENDED</b>                            |                       |
| <b>23</b> | <b>Employee Benefit (Staff Salaries &amp; Wages)</b> | <b>N</b>              |
|           | Teaching & Non teaching Staff                        | 257,112,710.42        |
|           | SUBEB (Admin& Mon)                                   | 407,867.49            |
|           | TNT Middle   | 98,411,854.38         |
|           | PHC  | 182,227,151.35        |
|           | Local Government Staff Salary                        | 315,273,044.50        |
|           | Loan's Board Staff Salary                            | 1,003,950.06          |
|           | Pension Board Salary                                 | 1,432,202.95          |
|           |  | <b>855,868,781.15</b> |
|           |  |                       |
| <b>24</b> | <b>Social Benefits</b>                               | <b>N</b>              |
|           | Training of Staff (Drivers)                          | 100,000.00            |
|           |  | <b>100,000.00</b>     |
|           |  |                       |
| <b>25</b> | <b>Overhead</b>                                      | <b>N</b>              |
|           | 2021 Budget Fee                                      | 1,401,100.00          |
|           | Running Cost to JAAC Sec.                            | 1,200,000.00          |
|           | ALGON Imprest  | 10,200,000.00         |
|           | Bank Charge  | 1,475,879.05          |
|           | Consultancy Fees                                     | 6,001,319.28          |
|           | Magnum Trust   | 3,979,218.25          |
|           | SUBEB Stipends                                       | 66,666.70             |
|           | School Running Grant                                 | 2,999,999.97          |
|           |  | <b>27,324,183.25</b>  |
|           |  |                       |

|           |  |                       |
|-----------|--|-----------------------|
| <b>26</b> | <b>Grant &amp; Social Contribution</b>   | <b>N</b>              |
|           | SUBEB Special Need Sch                   | 1,983,214.66          |
|           | Xmas & New Year Gift                     | 10,930,000.00         |
|           | Other Expenditure                        | 10,733,333.33         |
|           |  | <b>23,646,547.99</b>  |
|           |  |                       |
| <b>27</b> | <b>Transfer to Other Agencies</b>        | <b>N</b>              |
|           | 1 % Training Fund                        | 8,618,940.79          |
|           | 5% Traditional Council                   | 46,368,980.49         |
|           | 5% Stabilization Fund                    | 48,698,707.76         |
|           | Audit Fees                               | 18,000,236.32         |
|           | SUBEB Contract Staff                     | 271,120.78            |
|           | Gratuity                                 | 46,666,660.64         |
|           | Monthly Pension                          | 180,289,431.12        |
|           | Contributory Pension (TNT)               | 40,392,162.00         |
|           | Contributory Pension (LG)                | 21,895,801.08         |
|           | O'HIS                                    | 10,415,435.28         |
|           | O'Meal                                   | 19,094,288.00         |
|           | RAMP Refund                              | 6,155,235.00          |
|           | SUBEB Matching Grant                     | 32,338,475.15         |
|           |  | <b>479,205,474.41</b> |
|           |  |                       |
| <b>28</b> | <b>Social Benefits</b>                   | <b>N</b>              |
|           | <b><u>Local Govt Expenditure</u></b>     |                       |
|           | Financial Assistance to Local Govt Staff | 3,063,700.00          |
|           |  | <b>3,063,700.00</b>   |
|           |  |                       |
| <b>29</b> | <b>Overhead</b>                          | <b>N</b>              |
|           | <b><u>Local Govt Expenditure</u></b>     |                       |
|           | Repair and Maintenance of Vehicle        | 25,044,426.46         |
|           | Publication & Advert                     | 16,696,284.32         |
|           | Printing and General Expenses            | 13,601,500.00         |
|           | Bank Charges                             | 484,319.50            |
|           | Tax Expenses                             | 128,366.22            |
|           |  | <b>55,954,896.50</b>  |
|           |  |                       |
| <b>30</b> | <b>Grants and Social Contribution</b>    | <b>N</b>              |
|           | <b><u>Local Govt Expenditure</u></b>     |                       |
|           | Sinking of Borehole                      | 5,452,008.58          |
|           | Distilling of Culverts                   | 15,647,503.43         |
|           | Cleaning of Dumpsite                     | 8,112,684.29          |

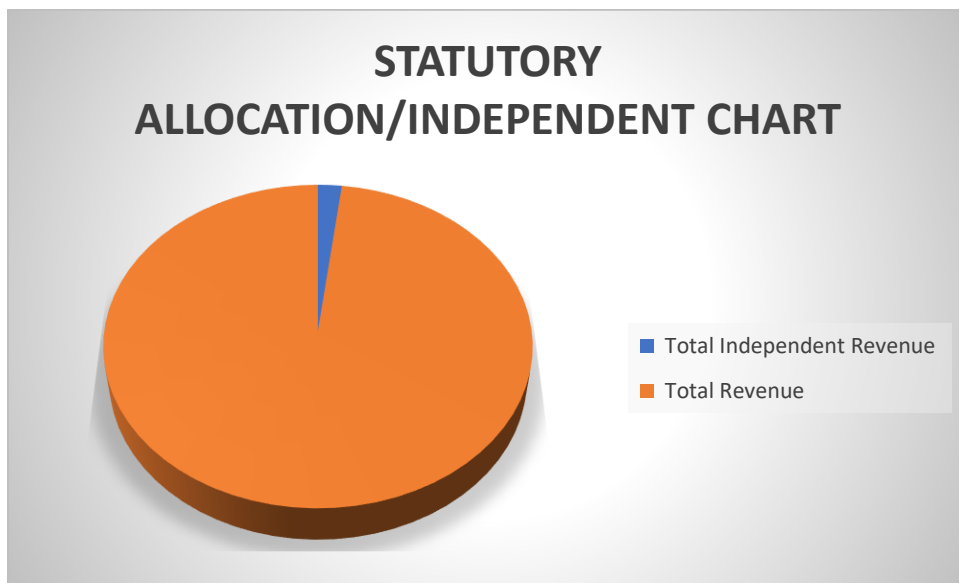
|           |                                |                         |
|-----------|--------------------------------|-------------------------|
|           | Sensitization & Workshop       | 9,277,620.68            |
|           | Training and Entertainment     | 8,646,997.05            |
|           | Ileya                          | 8,743,307.91            |
|           | Xmas Celebration               | 18,782,240.00           |
|           | PPE                            | 3,510,000.00            |
|           |                                | <b>78,172,361.94</b>    |
|           |                                |                         |
| <b>31</b> | <b>Depreciation Charge</b>     | <b>N</b>                |
|           | Building                       | 1,851,325.32            |
|           | Plants & Machineries           | 2,755,040.00            |
|           | Infrastructural Assets         | 142,037,338.01          |
|           | Motor Vehicle                  | 6,165,562.14            |
|           | Office Equipment               | 1,410,373.60            |
|           | Furniture & Fittings           | 1,281,056.00            |
|           | Investment Property            | 9,775.50                |
|           | Biological Asset               | 356,918.14              |
|           |                                | <b>155,867,388.71</b>   |
|           |                                |                         |
| <b>32</b> | <b>Allowance</b>               | <b>N</b>                |
|           | Allowance to Various Committee | 28,597,302.02           |
|           | O' Tech Allowance              | 7,149,325.51            |
|           |                                | <b>35,746,627.53</b>    |
|           |                                |                         |
|           |                                | <b>N</b>                |
| <b>33</b> | <b>Transfer to LCDA</b>        | <b>53,154,765.01</b>    |
|           |                                |                         |
| <b>34</b> | <b>Impairment</b>              | <b>NIL</b>              |
|           |                                |                         |
|           |                                | <b>N</b>                |
| <b>36</b> | <b>Total Revenue</b>           | (215,282,122.05)        |
|           | <b>Total Expenditure</b>       | (22,207,224.21)         |
|           |                                | <b>(237,489,346.26)</b> |

# OLA-OLUWA LOCAL GOVERNMENT FISCAL OPERATION REPORT

## STATEMENT OF CASHFLOW RATIOS

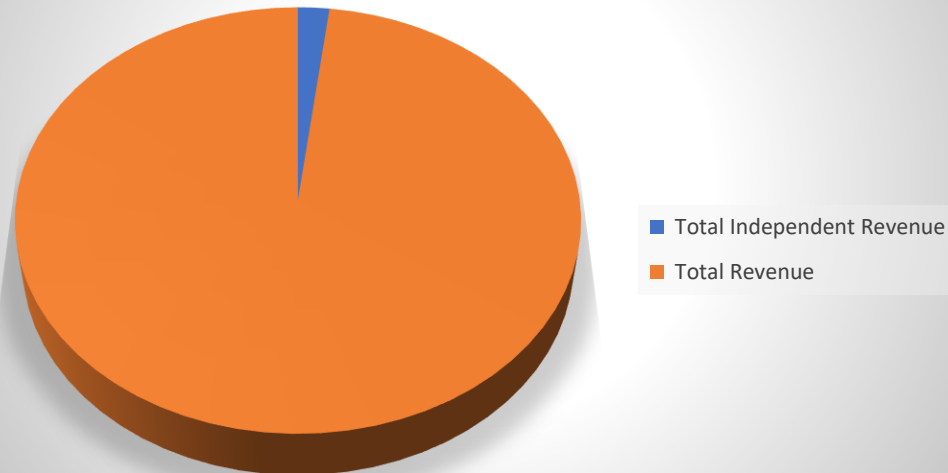
$$\begin{aligned}
 1. \quad & \text{DEPENDENT REVENUE/TOTAL REVENUE} \times 100 \\
 & = \frac{1,562,383,262.41}{1,578,630,047.05} = 98.97\%
 \end{aligned}$$

This indicated that Statutory Allocation took 98.97% of the Total Revenue of the Local Government and LCDA leaving 1.03% as Independence Revenue



$$\begin{aligned}
 2. \quad & \frac{\text{TOTAL INDEPENDENT REVENUE}}{\text{TOTAL REVENUE}} \\
 & \frac{16,246,789.64}{1,578,630,047.05} \times 100 = 1.03\%
 \end{aligned}$$

## STATUTORY ALLOCATION/INDEPENDENT CHART



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

$$\frac{855,868,781.13}{1,553,954,056.03} \times 100 = 55.08\%$$

Therefore, the Salaries and Wages took about 55.08% out of the Recurrent Expenditure in the Local Government while the remaining 44.92% was expended on other expenditure.

### 4 INVENTORIES : TOTAL RECURRENT EXPENDITURE

$$\frac{10,250,750.00}{1,553,954,056.03} \times 100 = 0.66\%$$

## STATEMENT OF FINANCIAL POSITION RATIOS

### 5 CURRENT ASSET : CURRENT LIABILITIES

$$\frac{168,081,452.22}{641,053,205.71} = 0.26 : 1$$

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

$$\frac{1,794,212,592.05}{1,682,897,588.27} = 1.07 : 1$$

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

**7. EQUITY : TOTAL ASSET**

$$\frac{111,315,003.78}{1,794,212,592.05} = 0.06 : 1$$

**STATEMENT OF FINANCIAL PERFORMANCE RATIO**

**8. DEPENDENT REVENUE : TOTAL REVENUE**

$$\frac{1,461,213,830.56}{1,477,460,615.20} \times 100 = 98.90\%$$

**This indicated that the Dependent Revenue accounted for 98.90% of the Total Revenue of all the Local Government of the State leaving 1.10% as Independent Revenue.**

**9. INDEPENDENT REVENUE : TOTAL REVENUE**

$$\frac{16,246,784.64}{1,477,460,615.20} \times 100 = 1.10\%$$

# MANAGEMENT LETTER

## OLA-OLUWA LOCAL GOVERNMENT, BODE-OSI OBSERVATIONS AND INTERNAL CONTROL REVIEW FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2021

1. **EXPENDITURE NOT SUPPORTED WITH PROPER RECORDS OR ACCOUNTS AMOUNTING TO (₦1,620,000.00):** It was observed that the total sum of one million six hundred and twenty thousand naira only (₦1,620,000.00) was not supported with the required official receipts and invoice to authenticate the genuineness of the expenditure. This was 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 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 voucher”.

**RISK:**

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

**Management Response**

*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.*

**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 ₦565,000.00:** It was observed that printing of drivers’ log books for the use of the Local Government drivers and purchase of protective equipment for the use of all health facilities of the Local Government totaling ₦565,000.00 could not be verified in the store contrary to the provision of Financial Memoranda 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 stores must be checked for quantities, weights etc. against the local purchase order, invoices and store issue voucher; if the store



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 (N120,000.00):-**Payment vouchers for Imprest totaling one hundred and twenty thousand naira only (N120,000.00) were not supported with necessary receipts to authenticate the genuineness of the expenditure 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**

*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. **FINAL ACCOUNTS:** It was observed that vehicles given to political functionaries were not initially taken into consideration but were later captured.

**5. LATE PAYMENT:** Audit investigation revealed during the period under review that a total sum of #14,217,540.00 for the year 2020 and 2021 stood as late payment, the Director of Finance of Oluwaluwa Local Government, Bode-osi 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 should be alive to their responsibilities of proper monitoring of revenue collectors, 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 Government and would be updated on monthly basis by the Internal audit unit of the Local Government.*

**Recommendation:**

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

**OLA-OLUWA SOUTH-EAST LCDA, ILEMOWU**  
**OBSERVATIONS AND INTERNAL CONTROL REVIEW FOR THE FINANCIAL YEAR**  
**ENDED 31ST DECEMBER, 2021**

**1. EXPENDITURE NOT CHECKED AND PASSED AMOUNTING TO ₦110,000.00:** It was observed that payment vouchers raised for the sum of one hundred and ten thousand naira only (₦110,000.00) to some officers of Ola-Oluwa South East LCDA, Ilemowu for payment of imprest at the LCDA did not follow the due process of prepayment auditing because payment vouchers used to effect the payments were not audited by the Internal Auditor nor controlled by the officer that has authority to incur expenditure before payments were made to various recipients 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.*

**RECOMMENDATION:**

*The signatories to the cheque should explain the rationale behind making payment without Internal Auditor's involvement.*

**2. STORE ITEMS NOT TAKEN ON CHARGE AMOUNTING TO ₦1,250,000.00:** It was observed that store items such as chemical materials purchased to fumigate all health centres in the LCDA, Ilemowu, clearing of heaps of refuse and procurement of red force anti fungus were not taken on charge and could not be verified to 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 Store Keeper or other official responsible for the stores. The stores must be checked for quantities, weights, etc. against the Local Purchase order, invoices and Store Issue Voucher; if the stores delivered are found to be corrected and

in good condition, they will be taken on charge and entered as a receipt in the appropriate stores ledger”.

**RISK:**

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

**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 vouchers and store issued vouchers should be attached to the payment vouchers before put into use.*

**3. NON-PRODUCTION OF OBSOLETE PARTS AMOUNTING TO (N315,000.00):** It was observed that the repair of vehicles claimed to have been done by the LCDA during the period under review could not be verified as obsolete parts replaced could neither be produced nor checked or 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 parts 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 SUPPORTED WITH PROPER RECORDS OR ACCOUNTS AMOUNTING TO N1,125,000.00:** - The sum of one million, one hundred and twenty five thousand naira only (#1,125,000.00) representing payment made for hosting and entertainment of market women was observed to have occurred during the period of Audit Inspection.

The payments were not supported with required official receipts and invoice to authenticate the genuineness of the expenditure which is 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 a payment to Government, another Local Government or a commercial firm. If the printed receipt covers more than one payment voucher, reference to the number of payment voucher to which the receipt is attached, shall be entered on the other vouchers”.

**RISK:**

*Payments made without supporting documents could imply non-execution of all or parts 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 vouchers to be submitted for further 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.*

**5. FINAL ACCOUNTS:** It was observed that notes to the accounts were not prepared. There were casting errors in the budget approved and the final budget in the statement of comparison of budget and actual. However, corrections had been effected.

**6. 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. The Internal Auditor is therefore charged to be alive to his responsibilities.

**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 the Local Government and would be updated on monthly basis by the Internal audit unit of the Local Government.*

**Recommendation:**

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

**7. LATE PAYMENT #14,217,540.00:-** Audit Scrutiny revealed during the period under review that a total sum of #14,217,540.00 for the year 2020 and 2021 stood as late payment, the Director of Finance of Ola-Oluwa Local Government, Bode-Osi is hereby advised to be alive 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 should be alive to their responsibilities of proper monitoring of revenue collectors and auditing of Receipt Booklet 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.*

## **INTERNAL AUDITOR'S REPORT**

1. The Internal Audit unit is effective and there are lots of opportunities for improvement on the IGR of the Council. The Rate section, WES and Town Planning should emulate the Agric Department.
2. It is observed that the Management did not give necessary support and logistics to the unit to function effectively.

**OLA-OLUWA LOCAL GOVERNMENT, BODE-OSI**

| S/N | SUBJECT   | QUERIES NO          | NO OF OFFICERS QUERIED | AMOUNT (#)          | REMARKS |
|-----|---|---------------------|------------------------|---------------------|---------|
| 1.  | Expenditure not supported by proper records or accounts | LQ/AUD/OLLG/01/2021 | 6                      | 1,620,000.00        |         |
| 2.  | Store items not taken on Charge                         | LQ/AUD/OLLG/02/2021 | 2                      | 565,000.00          |         |
| 3.  | Unretired Imprest                                       | LQ/AUD/OLLG/03/2021 | 2                      | 120,000.00          |         |
|     |   |                     | <b>10</b>              | <b>2,305,000.00</b> |         |

**OLA-OLUWA SOUTH LCDA, ILEMOWU**

| S/N | SUBJECT   | QUERIES NO              | NO OF OFFICERS QUERIED | AMOUNT (#)          | REMARKS |
|-----|---|-------------------------|------------------------|---------------------|---------|
| 1.  | Expenditure not checked and passed                      | LQ/AUD/OLL/LCDA/01/2021 | 8                      | 408,250.00          |         |
| 2.  | Store items not taken on Charge                         | LQ/AUD/OLL/LCDA/02/2021 | 3                      | 1,250,000.00        |         |
| 3.  | Non-production of Obsolete parts                        | LQ/AUD/OLL/LCDA/03/2021 | 4                      | 315,000.00          |         |
| 4   | Expenditure not supported by proper records or accounts | LQ/AUD/OLL/LCDA/04/2021 | 2                      | 1,125,000.00        |         |
|     |   |                         | <b>17</b>              | <b>3,098,000.00</b> |         |



**OLA-OLUWA LOCAL GOVERNMENT, BODE-OSI**  
**LIST OF PROJECTS EXECUTED FOR THE PERIOD OF JANUARY TO DECEMBER, 2021**

| S/N | PROJECT DESCRIPTION  | LOCATION   | MODE OF EXECUTION | PROJECT COST | AMOUNT RELEASED | BALANCE | REMARKS   |
|-----|--|--|-------------------|--------------|-----------------|---------|-----------|
| 1.  | Grading of road along Maro-Ajiogun elepo Idi oro road                        | Bode-Osi   | Direct Labour     | 135,000      | 135,000         | -       | Completed |
| 2   | Grading of road  | Olowe junction kuta-orufu road                     | Direct Labour     | 570,000      | 570,000         | -       | Completed |
| 3   | Grading of road  | Aba omooba junction and ajagba-alagbon olupo roads | Direct Labour     | 140,000      | 140,000         | -       | Completed |
| 4   | Rewinding and General repair of 500 KVA Transformer of Idi Ape               | Idi-ape Bode-Osi                                   | Direct Labour     | 100,000      | 100,000         | -       | Completed |
| 5.  | Provision of office table for vice chairman                                  | Bode-Osi   | Direct Labour     | 260,000      | 260,000         | -       | Completed |
| 6   | Procurement of Toyota Camry 2010 model for chairman                          | Local Government secretariat Bode-osi              | Direct Labour     | 4,000,000    | 4,000,000       | -       | Completed |
| 7   | Part payment for Toyota camry for HOD finance                                | Local Government secretariat Bode-osi              | Direct Labour     | 1,500,000    | 250,000         | 250,000 | Supplied  |
| 8   | Procurement of official car for the office of vice chairman (Toyota Corolla) | Local Government secretariat Bode-osi              | Direct Labour     | 3,000,000    | 3,000,000       | -       | Supplied  |
| 9.  | Procurement of official car for the office of secretary (Toyota Corolla)     | Local Government secretariat Bode-osi              | Direct Labour     | 3,000,000    | 3,000,000       |         | Supplied  |
| 10  | Grading of Bode-osi Eleru and Maaro-maloju roads                             | Bode osi eleru and maaro maloju roads              | Direct Labour     | 643,000      | 643,000         |         | Completed |
| 11  | Grading of roads   | Abasuna olota aladorun asele                       | Direct Labour     | 675,000      | 675,000         |         | Completed |

**OLA-OLUWA SOUTH EAST LOCAL COUNCIL DEVELOPMENT AREA, ILEMOWU**  
**LIST OF PROJECTS EXECUTED FOR THE PERIOD OF JANUARY TO DECEMBER, 2021**

| S/N | PROJECT DESCRIPTION   | LOCATION    | MODE OF EXECUTION | PROJECT COST | AMOUNT RELEASED | BALANCE | REMARKS   |
|-----|---|-------------|-------------------|--------------|-----------------|---------|-----------|
| 1.  | Purchase of official vehicle muscle Camry for the office of new chairman                        | Secretariat | Direct Labour     | 4,000,000    | 4,000,000       | -       | Supplied  |
| 2   | Purchase of official vehicle Toyota corolla for the office of vice chairman                     | Secretariat | Direct Labour     | 3,000,000    | 3,000,000       | -       | Supplied  |
| 3   | Purchase of official vehicle Toyota corolla for the office of secretary to the local government | Secretariat | Direct Labour     | 3,000,000    | 3,000,000       | -       | Supplied  |
| 4   | Grading of Alebiosun Fagbaibi, papa road  | Ward        | Direct Labour     | 2,000,000    | 2,000,000       | -       | Completed |
| 5.  | Grading of Aladi village road   | Ward        | Direct Labour     | 1,000,000    | 1,000,000       | -       | Completed |
| 6   | Desilting of blocked lined drainage / clearing of road verges at ogbaagba ikire ile road        | Ward        | Direct Labour     | 2,200,000    | 2,000,000       | 200,000 | Ongoing   |
| 7   | Replacement of council komatsu grader crankshaft and other spare parts                          | Secretariat | Direct Labour     | 2,535,700    | 2,250,000       | 285,700 | Ongoing   |