

# STATE GOVERNMENT OF OSUN, NIGERIA.

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REPORT OF  
  
THE  
AUDITOR-GENERAL  
FOR  
LOCAL GOVERNMENTS  
  
ON THE ACCOUNTS OF  
  
OSOGBO LOCAL GOVERNMENT  
  
OSOGBO  
  
FOR THE YEAR ENDED  
  
31<sup>ST</sup> DECEMBER, 2021.

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## **LIST OF ABBREVIATIONS**

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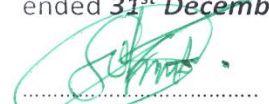
1. AGLG - AUDITOR-GENERAL FOR LOCAL GOVERNMENTS
2. AR.O. - AREA OFFICE
3. AD.O. – ADMINISTRATIVE OFFICE
4. FAAC - FEDERATION ACCOUNTS ALLOCATION COMMITTEE
5. F.M - FINANCIAL MEMORANDUM
6. FOR - FISCAL OPERATION REPORT
7. GPFS - GENERAL PURPOSE FINANCIAL STATEMENTS
8. IGR - INTERNALLY GENERATED REVENUE
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.

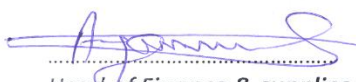
Consequently, the General Purpose Financial Statement of:

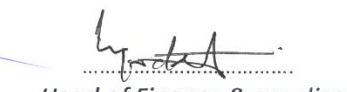
**Osogbo Local Government, Osogbo South LCDA and Osogbo West LCDA** have been prepared by the respective Heads of Finance and Supplies and subsequently Consolidated by the Head of Finance and Supplies of: **Osogbo Local Government**. We hereby claim responsibility for the contents and correctness of the Financial Statement of the under listed LG/LCDA, for the Accounting period ended **31<sup>st</sup> December, 2021**

  
.....  
Chairman  
Osogbo Local Govt

  
.....  
Chairman  
Osogbo South LCDA

  
.....  
Chairman  
Osogbo West LCDA

  
.....  
Head of Finance & supplies,  
Osogbo Local Govt

  
.....  
Head of Finance & supplies  
Osogbo South LCDA

  
.....  
Head of Finance & supplies  
Osogbo West LCDA



.....  
Chairman  
Osogbo Local Govt



.....  
Chairman  
Osogbo South LCDA



.....  
Chairman  
Osogbo West LCDA

## **STATEMENT OF FINANCIAL RESPONSIBILITY**

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

The Head of Finance of Osogbo Local Governments is responsible for the consolidation of the Financial Statements with the subsidiary Osogbo South LCDA and Osogbo West LCDA.

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

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

## **STATEMENT OF RESPONSIBILITY OF THE AUDITOR-GENERAL.**

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

## **BASIS OF AUDIT OPINION**

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

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

### **AUDIT CERTIFICATE**

**I have audited the accounts of Osogbo Local Government, Osogbo for the Year ended 31st December, 2021.**

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

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



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

## **STATEMENT OF COMPLIANCE**

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

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

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

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



# STATEMENT OF ACCOUNTING POLICIES

## 1. Basis of Preparation (IPSAS 1)

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

## 2. Accounting Period

The accounting year (fiscal year) to which the report relates is 1st January to 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 Osogbo Local Government, Osogbo South LCDA and Osogbo West LCDA are to prepare their individual GPFS at the end of the financial year on Accrual Basis of Accounting.

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

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

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

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

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

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

## 9. DEPRECIATION

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

- a. Furniture & Fittings - 20%

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

## **10. REVALUATION**

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

## **11. IMPAIRMENT**

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

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

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

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

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

## **14. OTHER REVENUE**

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

1. Gain on disposal of Property, Plant and Equipment
2. Disposal of Investment such as Shares, bond etc

Gain on disposal is recognized at the date of control of the asset is passed to the buyer and is determined after deducting the carrying value of the Asset at that time.

## **15. UNREMITTED DEDUCTION**

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

## **16. RESERVE**

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

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

Contingent liabilities are only disclosed in the Notes to GPFS. Contingent liability is possible obligation arising from past events whose exigencies will be confirmed only by uncertain future event(s) or

present obligation arising from the past events that are not recognized because of either an outflow of economic benefit is not probable or this amount of obligation.

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## **GENERAL COMMENT**

I have audited the accounts of Osogbo Local Government, Oke-Baale, Osogbo 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 including the Chairman of Osogbo Local Government, and other Chairmen, all of whom were members of the Joint Account Allocation Committee.

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

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

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

### **BUDGET PREPARATION / EXECUTION**

The Budget for 2021 for Osogbo 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. 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 ₦56,839,650.22 representing 3.12% 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, 13 nos of Audit Queries were issued in respect of 2021 Accounts, involving a total sum of ₦2,871,200.00.

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 Osogbo Local Government collaborated with other Local Government to embark on some jointly executed projects and programmes. Reports on the joint project are contained in the Aggregated Statutory Report of the Auditor-General. It was claimed that the joint programmes/Projects were done to avail the Local Governments of the advantage of economies of large scale operations as they were able to secure the services of experts and incur lesser unit costs due to bulk purchases. Performance Audit was initiated on some 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 Osogbo Local Government as contained in JAAC Account was confirmed from the Accountant General of the State and further reference was made to data released by office of Accountant General of the Federation. The total sum of ₦1,089,264,555.02 was Share of FAAC and VAT amounted to ₦671,592,865.87.

**EXPENDITURE:** As part of the disclosure requirements, expenditures that were Jointly incurred at JAAC level were separately disclosed from those expended at each Local Government Level.

## SUMMARY OF REVENUE FROM JAAC

LOCAL GOVERNMENT	STATUTORY ALLOCATION	VAT	EX RATE GAIN	FEDERAL GOVT INTERVENTION	EXCESS BANK	FOREX EQUALISATION	ECO	ADD FUND FRM SOLID MIN	NON-OIL EXCESS REVENUE	TOTAL
Osogbo	1,022,484,147.52	503,632,497.77	33,091,155.06	27,716,337.04	839,892.67	14,800,990.80	23,000,710.25	1,710,542.49	14,380,283.42	1,641,656,557.02

## **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. #56,839,650.22 as fees, taxes and fines.

## **SALARIES AND WAGES – ₦855,868,786.45**

Salaries and Wages which amounted to ₦855,868,786.45 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 - ₦41,563,447.27**

The Cash and Cash equivalents amounted to ₦41,563,447.27 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 - ₦169,261,573.58**

A total sum of ₦169,261,573.58 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 - ₦58,364,140.00**

The sum of ₦6,721,530.00 represents inventories valued at historical cost in the Thirty (30) Local Governments as at 31<sup>st</sup> December, 2021. These include unallocated stores both expendable and non-expendable; and consumable items.

### **INVESTMENTS - ₦292,455,121.46**

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) ₦6,237,558,092.32**

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 - ₦884,307,897.06**

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 - (₦9,664,003.12)**

The carrying amount of Investment Properties of the Local Governments and Area Councils stood at ₦9,664,003.12 in the Statement of Financial Position. However, there is no restriction on title or property pledge as securities for liabilities. Straight Line Method of depreciation was applied.

**LONG – TERM BORROWINGS - ₦2,820,292,393.73**

These are the cumulative amount of various outstanding loans obtained from different sources to finance the under-listed projects:

- a. Construction of over 10 kilometers of roads, (tagged 10KM roads/Local Government), across all the main Local Governments across the state.
- b. Environmental Projects – includes channelization, chlorinization, etc aimed at preserving lives and environments
- c. Intervention Projects including Grading, access to rural areas, etc..
- d. Repayment of Bail Out

**UNREMITTED DEDUCTIONS - ₦100,560,470.92**

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 COUNCIL TO LOCAL COUNCIL DEVELOPMENT AREAS ₦148,386,869.52:**

Transfer from main councils to the tune of ₦148,386,869.52 was made to the Local Council Development Areas and Area Offices in the period under review and was set off in the Consolidated Account.

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

<b>PARTICULAR</b>	<b>NOTE</b>	<b>OSOGBO CONSOLIDATED</b>
ASSETS		
Current Assets		
Cash & Cash Equipments	1	41,563,447.27
Receivables	2	169,261,573.58
Prepayment/Advance	3	5,650,000.00
Inventories	4	58,364,140.00
<b>Total Current Asset</b>		<b>274,839,160.85</b>
Non-current Asset		
Long Term Loan Granted		
Investments	5	292,455,121.46
Property, Plant & Equipment	6	6,237,558,092.32
Investment Property	7	9,664,003.12
Biological Asset	8	
Assets Under Construction (wip)	9	40,000,000.00
Total Non-Current Asset		6,579,677,216.90
Total Asset		6,854,516,377.75
LIABILITIES		
Current Liabilities		
Deposit		
Short Term Loan & Debts	10	
Unremitted Deduction	11	100,560,470.92
Payables	12	884,307,897.06
Short Terms Provisions		
Total Current Liability		984,868,367.98
Non-Current Liabilities		-
Long Term Borrowing	13	2,820,292,393.73
Total Liabilities		3,863,660,761.71
Net Assets		2,002,772,421.42
Financed by		
Reserve	14	4,454,813,132.31
Net Surplus/Deficit	15	(1,405,457,516.27)
Total		3,049,355,616.04

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

PARTICULAR	NOTE	OSOGBO	OSOGBO SOUTH	OSOGBO WEST	OSOGBO CONSOLIDATED
ASSETS					
Current Assets					
Cash & Cash Equipments	1	3,488,149.86	11,611,816.11	26,463,481.30	41,563,447.27
Receivables	2	127,012,828.75	11,957,333.76	30,291,411.07	169,261,575.58
Prepayment/Advance	3	5,650,000.00	-	-	5,650,000.00
Inventories	4	55,401,490.00	1,085,100.00	1,877,550.00	58,364,140.00
<b>Total Current Asset</b>		<b>191,552,468.61</b>	<b>24,654,249.87</b>	<b>58,632,442.37</b>	<b>274,839,160.85</b>
Non-current Asset					
Long Term Loan Granted					
Investments	5	275,455,121.46	8,500,000.00	8,500,000.00	292,455,121.46
Property, Plant & Equipment	6	2,886,836,367.59	424,755,775.12	2,925,965,949.61	6,237,558,092.32
Investment Property	7	4,870,669.29	-	4,793,333.83	9,664,003.12
Biological Asset	8		-	-	
Assets Under Construction (wip)	9		12,000,000.00	28,000,000.00	40,000,000.00
<b>Total Non-Current Asset</b>		<b>3,167,162,158.34</b>	<b>445,255,775.12</b>	<b>2,967,259,283.44</b>	<b>6,579,677,216.90</b>
<b>Total Asset</b>		<b>2,370,631,432.33</b>	<b>469,910,024.99</b>	<b>3,025,891,725.81</b>	<b>6,854,516,377.75</b>
LIABILITIES					
Current Liabilities					
Deposit					
Short Term Loan & Debts	10	-	-	-	
Unremitted Deduction	11	52,590,240.45	24,918,808.94	23,051,421.53	100,560,470.92
Payables	12	607,251,789.75	56,938,226.57	220,117,880.74	884,307,897.06
Short Terms Provisions					
<b>Total Current Liability</b>		<b>659,842,030.20</b>	<b>81,857,035.51</b>	<b>243,169,302.27</b>	<b>984,868,367.98</b>
Non-Current Liabilities					-
Long Term Borrowing	13	2,438,713,087.80	95,797,210.24	285,782,095.69	2,820,292,393.73
<b>Total Liabilities</b>		<b>3,098,555,118</b>	<b>177,654,245.75</b>	<b>528,951,397.96</b>	<b>3,805,160,761.71</b>
<b>Net Assets</b>		<b>(260,159,508.95)</b>	<b>292,255,779.24</b>	<b>2,496,940,327.85</b>	<b>3,049,355,616.04</b>
Financed by					
Reserve	14	887,562,130.57	161,952,487.92	3,405,298,513.82	4,454,813,132.31
Net Surplus/Deficit	15	(627,402,621.62)	130,303,291.32	(908,358,185.97)	(1,405,457,516.27)
<b>Total</b>		<b>(260,159,508.95)</b>	<b>292,255,779.24</b>	<b>2,496,940,327.85</b>	<b>3,049,355,616.04</b>

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

PERFORMANCE		
PARTICULAR	NOTE	OSOGBO CONSOLIDATED
<b>DEPENDENT REVENUE</b>		
Government share of FAAC (Statutory Revenue)	16	1,089,264,555.02
Government Share of VAT	17	671,592,865.87
<b>Sub-Total Dependent Revenue</b>	18	1,760,857,420.89
<b>INDEPENDENT REVENUE</b>		-
Argumentation	19	5,386,786.00
Transfer from main Council	20	
Tax Revenue	21	119,800.00
Non-Tax Revenue	22	51,333,064.22
Other Income		14,703,819.22
Overpayment Recovery		-
<b>Sub-Total Independent Revenue</b>		56,839,650.22
<b>Total Revenue</b>		1,817,697,071.11
<b>EXPENDITURE</b>		-
<b>JOINTLY EXPENDED</b>		-
Salaries & Wages	23	855,868,786.45
Social Benefits	24	100,000.00
Overhead Cost	25	49,432,758.36
Grants & Social Contribution	26	84,956,596.83
Transfer to other Agencies	27	568,119,243.62
<b>L/GOVERNMENT EXPENDITURE</b>		-
Social Benefits	28	8,932,416.67
Overhead Cost	29	60,874,810.10
Grants & Social Contribution	30	67,118,604.63
Depreciation	31	428,355,478.56
Allowances	32	94,274,448.67
Transfer to LCDA	33	
Impairment	34	-
Revenue Refunded	35	-
Public Debt Charges		
Stabilization Fund		
Refund to main Council		58,500.00
Stationeries		-
Severance Gratuity		-
<b>Total Expenditures</b>		2,218,091,643.89
<b>Net Surplus/Deficit</b>	36	(400,394,572.78)
<b>Net Surplus/Deficit 01/01/2021</b>	37	(1,005,062,943.49)
<b>Gain on property (Building)</b>	38	(637,145,828.13)
<b>Surplus/Deficit from non-operating activities</b>	39	(768,311,688.14)

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

PERFORMANCE					
PARTICULAR	NOTE	OSOGBO	OSOGBO SOUTH	OSOGBO WEST	OSOGBO CONSOLIDATED
<b>DEPENDENT REVENUE</b>					
Government share of FAAC (Statutory Revenue)	16	1,089,264,555.02	-	-	1,089,264,555.02
Government Share of VAT	17	671,592,865.87	-	-	671,592,865.87
<b>Sub-Total Dependent Revenue</b>	18	<b>1,760,857,420.89</b>	-	-	<b>1,760,857,420.89</b>
<b>INDEPENDENT REVENUE</b>					
Argumentation	19	5,386,786.00	-	-	5,386,786.00
Transfer from main Council	20	-	73,886,247.26	74,500,622.26	
Tax Revenue	21	14,900.00	104,900.00	-	119,800.00
Non-Tax Revenue	22	10,304,417.00	13,739,954.00	27,288,693.22	51,333,064.22
Overpayment Recovery					-
<b>Sub-Total Independent Revenue</b>		<b>15,706,103.00</b>	<b>87,731,101.26</b>	<b>101,789,315.48</b>	<b>56,839,650.22</b>
<b>Total Revenue</b>		<b>1,776,563,523.89</b>	<b>87,731,101.26</b>	<b>101,789,315.48</b>	<b>1,817,697,071.11</b>
<b>EXPENDITURE</b>					-
<b>JOINTLY EXPENDED</b>					-
Salaries & Wages	23	855,868,786.45	-	-	855,868,786.45
Social Benefits	24	100,000.00	-	-	100,000.00
Overhead Cost	25	49,432,758.36	-	-	49,432,758.36
Grants & Social Contribution	26	84,956,596.83			84,956,596.83
Transfer to other Agencies	27	568,119,243.62	-	-	568,119,243.62
<b>L/GOVERNMENT EXPENDITURE</b>					-
Social Benefits	28	1,297,000.00	7,115,916.67	519,500.00	8,932,416.67
Overhead Cost	29	5,781,933.98	37,548,249.33	17,544,626.79	60,874,810.10
Grants & Social Contribution	30	9,612,477.85	31,658,644.00	25,847,482.78	67,118,604.63
Depreciation	31	490,878,762.84	23,774,514.48	323,139,567.73	428,355,478.56
Allowances	32	50,067,474.94	17,256,310.00	26,950,663.73	94,274,448.67
Transfer to LCDA	33	148,386,869.52	-	-	

Impairment	34	-	-	-	-
Revenue Refunded	35	-	-	-	-
Public Debt Charges					
Stabilization Fund					
Refund to main Council		-	-	58,500.00	58,500.00
Stationeries		-	-		-
Severance Gratuity					-
<b>Total Expenditures</b>		<b>1,855,064,537.40</b>	<b>117,353,634.48</b>	<b>394,060,341.03</b>	<b>2,218,091,643.89</b>
<b>Net Surplus/Deficit</b>	36	<b>(78,501,014.01)</b>	<b>(29,622,533.22)</b>	<b>(292,271,025.55)</b>	<b>(400,394,572.78)</b>
<b>Net Surplus/Deficit 01/01/2021</b>	37	<b>(548,901,607.61)</b>	<b>159,925,824.54</b>	<b>(616,087,160.42)</b>	<b>(1,005,062,943.49)</b>
<b>Net Surplus/Deficit 31/12/2021</b>	38	<b>(627,102,621.62)</b>	<b>130,303,291.32</b>	<b>(908,358,185.97)</b>	<b>(1,405,457,516.27)</b>
<b>Gain on property (Building)</b>	39	<b>637,145,828.13</b>			<b>637,145,828.13</b>
<b>Surplus/Deficit from Non-operating activities for the period</b>	40	<b>9,743,206.51</b>	<b>130,303,291.32</b>	<b>908,358,195.97</b>	<b>768,311,688.14</b>

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

**CASHFLOW**

<b>OPERATING ACTIVITIES</b>	<b>NOTE</b>	<b>OSOGBO CONSOLIDATED</b>
<b>INFLOW</b>		
Statutory Revenue (JAAC)	39	1,288,868,191.61
Value Added Tax	40	671,592,865.87
Receivable		-
<b>Sub Total Dependent Revenue</b>	41	1,960,461,057.48
Aids and Grants	42	5,386,786.00
Transfer from Main Council	43	
Tax Revenue	44	119,800.00
Non Tax Revenue	45	36,629,245.00
Other Income		-
Overpayment Recovery		-
<b>Sub Total Independent Revenue</b>	46	42,135,831.00
<b>Total Inflow Operating Activities</b>	47	2,002,596,888.48
<b>OUTFLOW</b>		-
Salaries & Wages	48	932,023,528.24
Social Benefits	49	9,032,416.67
Overhead Cost	50	74,286,773.78
Social Contributions	51	143,675,201.48
Allowances	52	94,274,448.67
Modulated Salary Arrears	53	13,333,333.28
Inventories	54	5,153,600.00
Fund Conserved for Salary		-
Transfer to LCDA	55	
Transfer to other Govt. Agencies	56	613,251,333.28
Refund to Main Councils		58,500.00
Revenue Refunded		
Stabilization Fund		
Tax Expenses	57	-
Severance Gratuity		-
Total Outflow from Operating Activities	58	1,885,089,135.40
Net Cashflow from Operating Activities	59	117,507,753.08
<b>INVESTING ACTIVITIES</b>		-
Proceed from Disposal of Asset		-
<b>Total Inflow from Investing Activities</b>		-

Cashflow from Investing Activities		-
Administrative Sector	60	62,683,000.00
Economic Sector		-
<b>Total Outflow from Investing Activities</b>	61	62,683,000.00
<b>Net Cashflow from Investing Activities</b>		(62,683,000.00)
Inflow from Financing Activities		-
Bank Overdraft		
Soft Loan(Bank)		
Deduction Received	62	85,143,252.73
<b>Total Inflow from Financing Activities</b>	63	85,143,252.73
<b>OUFLOW (PAYMENT)</b>		-
Bail Out Repayment		-
10km Road	64	17,224,551.55
Water Project	65	-
Environmental Sanitation Loan	66	2,914,565.04
Loan Repayment (Inherited)	67	-
Bank Loan	68	-
Intervention Loan	69	26,401,270.25
Other Loan Repayment		
Deduction Paid	70	69,620,801.73
<b>Total Otuflow From Financing Activities</b>	71	116,161,188.57
<b>Net Cashflow from financing Activities</b>	72	(31,017,935.84)
<b>Cash and Cash Equivalent for the year</b>	73	23,806,817.24
<b>Cash and Cash Equivalent 01/01/2021</b>	74	17,756,630.03
<b>Cash and Cash Equivalent 31/12/2021</b>	75	41,563,447.27



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

<b>OPERATING ACTIVITIES</b>	<b>NOTE</b>	<b>OSOGBO</b>	<b>OSOGBO SOUTH</b>	<b>OSOGBO WEST</b>	<b>OSOGBO CONSOLIDATED</b>
<b>INFLOW</b>					
Statutory Revenue (JAAC)	39	1,274,164,372.39	-	14,703,819.22	1,288,868,191.61
Value Added Tax	40	671,592,865.87	-	-	671,592,865.87
Receivable			-	-	-
<b>Sub Total Dependent Revenue</b>	41	<b>1,945,757,238.26</b>	<b>-</b>	<b>14,703,819.22</b>	<b>1,960,461,057.48</b>
Argumentation	42	5,386,786.00			5,386,786.00
Transfer from Main Council	43		73,886,247.26	74,500,622.26	
Tax Revenue	44	14,900.00	104,900.00	-	119,800.00
Non Tax Revenue	45	10,304,417.00	13,739,954.00	12,584,874.00	36,629,245.00
Other Income					-
Overpayment Recovery					-
<b>Sub Total Independent Revenue</b>	46	<b>15,706,103.00</b>	<b>87,731,101.26</b>	<b>87,085,496.26</b>	<b>42,135,831.00</b>
<b>Total Inflow Operating Activities</b>	47	<b>1,961,463,341.26</b>	<b>87,731,101.26</b>	<b>101,789,315.48</b>	<b>2,002,596,888.48</b>
<b>OUTFLOW</b>					
Salaries & Wages	48	932,023,528.24	-	-	932,023,528.24
Social Benefits	49	1,397,000.00	7,115,916.67	519,500.00	9,032,416.67
Overhead Cost	50	20,984,697.66	35,757,449.33	17,544,626.79	74,286,773.78
Social Contributions	51	92,169,074.70	28,058,644.00	23,447,482.78	143,675,201.48
Allowances	52	50,067,474.94	17,256,310.00	26,950,663.73	94,274,448.67
Modulated Salary Arrears	53	13,333,333.28	-	-	13,333,333.28
Inventories	54	1,477,000.00	2,325,500.00	1,351,100.00	5,153,600.00
Fund Conserved for Salary					-
Transfer to LCDA	55	148,386,869.52		-	
Transfer to other Govt. Agencies	56	613,251,333.28		-	613,251,333.28
Refund to Main Councils				58,500.00	58,500.00
Revenue Refunded					
Stabilization Fund					
Tax Expenses	57				
Severance Gratuity					
<b>Total Outflow from Operating Activities</b>	58	<b>1,873,090,311.62</b>	<b>90,513,820.00</b>	<b>69,871,873.30</b>	<b>1,885,089,135.00</b>

Net Cashflow from Operating Activities	59	88,373,029.64	(2,782,718.74)	31,917,442.18	117,507,753.08
<b>INVESTING ACTIVITIES</b>					
Proceed from Disposal of Asset					-
<b>Total Inflow from Investing Activities</b>		-	-	-	-
Cashflow from Investing Activities					-
Administrative Sector	60	48,372,000.00	4,000,000.00	10,311,000.00	62,683,020.00
Economic Sector					-
<b>Total Outflow from Investing Activities</b>	61	48,372,000.00	4,000,000.00	10,311,000.00	48,372,000.00
<b>Net Cashflow from Investing Activities</b>		(48,372,000.00)	(4,000,000.00)	(10,311,000.00)	(48,372,000.00)
Inflow from Financing Activities					-
Bank Overdraft					
Soft Loan(Bank)					
Deduction Received	62	31,009,827.01	31,552,593.58	22,580,832.14	85,143,252.73
<b>Total Inflow from Financing Activities</b>	63	31,009,827.01	31,552,593.58	22,580,832.14	85,143,252.73
<b>OUFLOW (PAYMENT)</b>					
Bail Out Repayment					-
10km Road	64	17,224,551.55			17,224,551.55
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	26,401,270.25			26,401,270.25
Other Loan Repayment					-
Deduction Paid	70	31,077,190.63	17,104,184.10	21,439,427.00	69,620,801.73
<b>Total Outflow From Financing Activities</b>	71	77,617,577.47	17,104,184.10	21,439,427.00	116,161,188.57
<b>Net Cashflow from financing Activities</b>	72	(46,607,750.46)	14,448,409.48	1,141,405.14	(31,017,935.84)
<b>Cash and Cash Equivalent for the year</b>	73	(6,606,720.82)	7,665,690.74	22,747,847.32	23,806,817.24
<b>Cash and Cash Equivalent 01/01/2021</b>	74	10,094,870.68	3,946,125.37	3,715,633.98	17,756,630.03
<b>Cash and Cash Equivalent 31/12/2021</b>	75	3,488,149.86	11,611,816.11	26,463,481.30	41,563,447.27

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

**COMPARISM**

		OSOGBO CONSOLIDATED		
<b>PARTICULAR</b>	<b>NOTE</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
DEPENDENT REVENUE				
Government Share of FAAC(Statutory Revenue)	16	1,789,818,620.36	1,089,264,555.02	1,391,573,505.68
Government Share of VAT	17	534,853,858.70	671,592,865.87	706,446,724.57
<b>Sub-Total Dependent Revenue</b>	<b>18</b>	<b>2,324,672,479.06</b>	<b>1,760,857,420.89</b>	<b>2,098,020,230.25</b>
INDEPENDENT REVENUE				
Argumentation	19	55,154,490.09	5,386,786.00	49,767,704.09
Transfer from Main Council	20			
Tax Revenue	21	13,450,000.00	119,800.00	13,330,200.00
Non-Tax Revenue	22	53,654,999.91	36,629,245.00	23,305,662.91
Other Income		-	14,703,819.22	14,703,819.22
<b>Sub-Total Independent Revenue</b>		<b>122,259,490.00</b>	<b>56,839,650.22</b>	<b>101,107,386.22</b>
<b>Total Revenue</b>		<b>2,446,931,969.06</b>	<b>1,817,697,071.11</b>	<b>2,199,127,616.47</b>
EXPENDITURE				
Salaries & Wages	23	1,285,453,210.00	855,868,786.45	429,584,423.55
Social Benefits	24	3,000,000.00	9,032,416.67	(6,032,416.67)
Overhead Cost	25	292,252,000.00	110,307,568.46	181,944,431.55
Grants & Social Contribution	26	202,952,888.88	152,075,201.46	50,877,687.42
Transfer to Other Agencies	27	12,472,080.10	568,119,243.62	(555,647,163.52)
Depreciation	31	-	837,792,845.05	(837,792,845.05)
Allowances	32	133,259,890.00	94,274,448.67	38,985,441.33
Transfer to LCDA	33	-		(148,386,869.52)
Impairment	34	-	-	-
Revenue Refunded	35	-	58,500.00	(58,500.00)
Stationaries		-	-	-
<b>Total Expenditures</b>		<b>1,929,390,068.98</b>	<b>2,627,529,010.38</b>	<b>(846,525,810.91)</b>
<b>Net Surplus/Deficit</b>	<b>36</b>	<b>517,541,900.08</b>	<b>(809,831,939.26)</b>	<b>3,045,653,427.38</b>
<b>Net Surplus/Deficit 31/12/2020</b>	<b>37</b>	<b>-</b>	<b>(1,0s05,062,943.49)</b>	<b>-</b>
<b>Net Surplus/Deficit 31/12/2021</b>	<b>38</b>	<b>517,541,900.08</b>	<b>(1,814,894,882.75)</b>	<b>3,045,653,427.38</b>

# OSOGBO LOCAL GOVERNMENT, OSOGBO

## CONSOLIDATED STATEMENT OF COMPARISM BUDGET AND ACTUAL AS AT 31<sup>ST</sup> DECEMBER, 2021

		OSOGBO			OSOGBO WEST LCDA			OSOGBO SOUTH LCDA			OSOGBO CONSOLIDATED		
PARTICULAR	NOTE	FINAL BUDGET	ACTUAL	VARIANCE	FINAL BUDGET	ACTUAL	VARIANCE	FINAL BUDGET	ACTUAL	VARIANCE	FINAL BUDGET	ACTUAL	VARIANCE
DEPENDENT REVENUE													
Government Share of FAAC(Statutory Revenue)	16	669,561,400.09	1,089,264,555.02	419,703,154.93	554,466,000.00		479,965,377.74	565,791,220.27		491,904,973.01	1,789,818,620.36	1,089,264,555.02	1,391,573,505.68
Government Share of VAT	17	250,000,000.00	671,592,865.87	421,592,865.87	150,000,000.00		150,000,000.00	134,853,858.70		134,853,858.70	534,853,858.70	671,592,865.87	706,446,724.57
<b>Sub-Total Dependent Revenue</b>	<b>18</b>	<b>919,561,400.09</b>	<b>1,760,857,420.89</b>	<b>841,296,020.80</b>	<b>704,466,000.00</b>		<b>629,965,377.74</b>	<b>700,645,078.97</b>		<b>626,758,831.71</b>	<b>2,324,672,479.06</b>	<b>1,760,857,420.89</b>	<b>2,098,020,230.25</b>
INDEPENDENT REVENUE								-			-	-	
Argumentation	19	14,000,000.00	5,386,786.00	8,613,214.00	41,154,490.09		41,154,490.09			-	55,154,490.09	5,386,786.00	49,767,704.09
Transfer from Main Council	20					74,500,622.26			74,500,622.26		-	-	-
Tax Revenue	21	250,000.00	14,900.00	235,100.00	450,000.00		450,000.00	12,750,000.00	104,900.00	12,645,100.00	13,450,000.00	119,800.00	13,330,200.00
Non-Tax Revenue	22	23,499,999.91	10,304,417.00	13,195,582.91	19,555,000.00	12,584,874.00	6,970,126.00	10,600,000.00	13,739,954.00	3,139,954.00	53,654,999.91	36,629,245.00	23,305,662.91
Other Income						14,703,819.22	14,703,819.22			-	14,703,819.22	14,703,819.22	
<b>Sub-Total Independent Revenue</b>		<b>37,749,999.91</b>	<b>15,706,103.00</b>	<b>22,043,896.91</b>	<b>61,159,490.09</b>	<b>27,288,693.22</b>	<b>63,278,435.31</b>	<b>23,350,000.00</b>	<b>13,844,854.00</b>	<b>15,785,054.00</b>	<b>122,259,490.00</b>	<b>56,839,650.22</b>	<b>101,107,386.22</b>
<b>Total Revenue</b>		<b>957,311,400.00</b>	<b>1,776,563,523.89</b>	<b>863,339,917.71</b>	<b>765,625,490.09</b>	<b>101,789,315.48</b>	<b>693,243,813.05</b>	<b>723,995,078.97</b>	<b>87,731,101.26</b>	<b>642,543,885.71</b>	<b>2,446,931,969.06</b>	<b>1,817,697,071.11</b>	<b>2,199,127,616.47</b>
EXPENDITURE											-	-	-
Salaries & Wages	23	499,528,120.00	855,868,786.45	(356,340,666.45)	432,579,800.00		432,579,800.00	353,345,290.00		353,345,290.00	1,285,453,210.00	855,868,786.45	429,584,423.55
Social Benefits	24		1,397,000.00	(1,397,000.00)	3,000,000.00	519,500.00	2,480,500.00		7,115,916.67	(7,115,916.67)	3,000,000.00	9,032,416.67	(6,032,416.67)
Overhead Cost	25	150,000,000.00	55,214,692.33	94,785,307.67	78,500,000.00	17,544,626.79	60,955,373.21	63,752,000.00	37,548,249.33	26,203,750.67	292,252,000.00	110,307,568.46	181,944,431.55
Grants & Social Contribution	26	106,245,000.00	94,569,074.68	11,675,925.32	45,000,000.00	25,847,482.78	19,152,517.22	51,707,888.88	31,658,644.00	20,049,244.88	202,952,888.88	152,075,201.46	50,877,687.42
Transfer to Other Agencies	27		568,119,243.62	(568,119,243.62)	12,472,080.10		12,472,080.10	-		-	12,472,080.10	568,119,243.62	(555,647,163.52)
Depreciation	31		490,878,762.84	(490,878,762.84)		323,139,567.73	(323,139,567.73)		23,774,514.48	(23,774,514.48)	-	837,792,845.05	(837,792,845.05)
Allowances	32	51,538,280.00	50,067,474.94	1,470,805.06	26,573,610.00	26,950,663.73	(377,053.73)	55,148,000.00	17,256,310.00	37,891,690.00	133,259,890.00	94,274,448.67	38,985,441.33
Transfer to LCDA	33		148,386,869.52	(148,386,869.52)							-		(148,386,869.52)
Impairment	34										-	-	-
Revenue Refunded	35					58,500.00	(58,500.00)				-	58,500.00	(58,500.00)

Stationaries											-	-	-
Total Expenditures		807,311,400.00	2,264,501,904.38	(1,457,190,504.38)	598,125,490.10	394,060,341.03	204,065,149.07	523,953,178.88	117,353,634.48	406,599,544.40	1,929,390,068.98	2,627,529,010.38	(846,525,810.91)
Net Surplus/Deficit	36	150,000,000.00	(487,938,380.49)	2,320,530,422.09	167,499,999.99	(292,271,025.55)	489,178,663.98	200,041,900.09	(29,622,533.22)	235,944,341.31	517,541,900.08	(809,831,939.26)	3,045,653,427.38
Net Surplus/Deficit 31/12/2020	37		(548,901,607.61)			(616,087,160.42)			159,925,824.54		-	(1,005,062,943.49)	-
Net Surplus/Deficit 31/12/2021	38	150,000,000.00	(1,036,839,988.10)	2,320,530,422.09	167,499,999.99	(908,358,185.97)	489,178,663.98	200,041,900.09	130,303,291.32	235,944,341.31	517,541,900.08	(1,814,894,882.75)	3,045,653,427.38

### OSOGBO LOCAL GOVERNMENT, OSOGBO

NET ASSE AND EQUITY	OSOGBO CONSOLIDATED		
DETAILS	RESERVES	Accumulated Surplus/Deficit	TOTAL
<b>Opening Balance 1/1/2021</b>	3,817,667,304.18	(1,005,062,943.49)	2,812,604,360.69
<b>Adjusted Reserve</b>	-	-	-
<b>Adjusted Balance</b>	3,817,667,304.18	(1,005,062,943.49)	2,812,604,360.69
<b>Net Surplus Deficit for the year</b>	-	(400,394,572.78)	(400,394,572.78)
<b>Closing Balance as at 31/12/2021</b>	3,817,667,304.18	(1,814,894,882.76)	2,002,772,421.42
<b>Total comprehensive income</b>	637,145,828.13		637,145,828.13
<b>Closing Balance as at 31/12/2021</b>	4,454,813,132.21	1,405,457,516.27	3,049,355,616.04



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

	OSOGBO			OSOGBO SOUTH			OSOGBO WEST			OSOGBO CONSOLIDATED		
DETAILS	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL
Opening Balance 1/1/2021	250,416,302.44	(548,901,607.61)	(298,485,305.17)	161,952,487.92	159,925,824.54	321,878,312.46	3,405,298,513.82	(616,087,160.42)	2,789,211,353.40	3,817,667,304.18	(1,005,062,943.49)	2,812,604,360.69
Adjusted Reserve			-			-			-	-	-	-
Adjusted Balance	250,416,302.44	(548,901,607.61)	(298,485,305.17)	161,952,487.92	159,925,824.54	321,878,312.46	3,405,298,513.82	(616,087,160.42)	2,789,211,353.40	3,817,667,304.18	(1,005,062,943.49)	2,812,604,360.69
Net Surplus Deficit for the year	-	78,501,014.01	(78,501,014.01)		(29,622,533.22)	(29,622,533.22)		(292,271,025.55)	(292,271,025.55)		(400,394,572.78)	(400,394,572.78)
Total Comprehensive income	637,145,828.13		637,145,828.13							(637,145,828.13)		(637,145,828.13)
Closing Balance as at 31/12/2021	887,562,130.57	(627,402,621.62)	(260,159,508.95)	161,952,487.92	130,303,291.32	292,255,779.24	3,405,298,513.82	(908,358,185.97)	2,496,940,327.85	4,454,813,132.31	(1,405,457,516.27)	3,049,355,616.04



<b><u>OSOGBO LOCAL GOVERNMENT, OKE BAALE, OSOGBO</u></b>		
<b><u>NOTE TO THE ACCOUNT FOR THE</u></b>		
<b><u>YEAR 2021</u></b>		
<b>NOTE</b>		
<b>1</b>	<b>CASH AND CASH EQUIVALENT</b>	
	Balance b/f 01/01/21	17,756,630.03
	Add Receipt	2,202,087,073.13
		2,219,843,703.16
	Deduct: Payments	2,178,280,255.89
		<b>41,563,447.27</b>
<b>2</b>	<b>RECEIVABLE</b>	
	Statutory (Mandate)	62,490,044.94
	Payable Statutory (Jan. Dec. 2021)	27,839,969.44
	VAT	65,052,672.54
	Exchange Rate Gain	1,003,412.77
	Conserved Fund	11,208,807.23
	Salaries (Modulated)	1,666,666.66
		<b>119,261,573.58</b>
<b>3</b>	<b><u>PREPAYMENT/ADVANCE</u></b>	
	Bal. b/f: Housing	4,250,000.00
	Housing (2021)	1,400,000.00
		<b>5,650,000.00</b>
<b>4</b>	<b>INVENTORIES</b>	
	Balance b/f	55,001,340.00
	Office Consumable	1,517,300.00
	Office Materials	1,845,500.00
	Unissued Equipment	-
		<b>58,364,140.00</b>

<b>5</b>	<b>INVESTMENTS</b>		
	Omoluabi	13,132,942.00	
	Kajola Integrated	9,523,810.00	
	OSICOL	267,000.00	
	Preference shares	28,333,333.33	
	Others	241,198,036.12	
		<b>292,455,121.46</b>	
<b>7</b>	<b>INVESTMENT PROPERTY</b>		
	Others (NBV)	4,793,333.83	
	Open Market (NBV)	4,870,669.29	
		<b>9,664,003.12</b>	
<b>8</b>	<b>BIOLOGICAL ASSETS</b>	NILL	
<b>9</b>	<b>ASSETS UNDER CONSTRUCTION</b>		
	LOCAL GOVERNMENT SECRETARIAT	40,000,000.00	
<b>10</b>	<b>SHORT TERM LOAN &amp; DEBT</b>	NILL	
<b>11</b>	<b>UNREMITTED DEDUCTION</b>		
	Balance as at 1st Jan. 2021	85,038,019.92	
	Add: Deduction Received	<u>85,143,252.73</u>	
		170,181,272.65	
	Less: Deduction Paid	(69,620,801.73)	
		<b>100,560,470.92</b>	
<b>12</b>	<b>PAYABLES</b>		
	Unpaid Salaries Arrears	547,1-00,522.84	
	Unpaid Vouchers	199,752,945.04	
	Receivable (Statutory Revenue Jan-Dec. 2021)	27,839,969.44	
	Conserved Fund	68,708,807.23	
	Receivable (Modulated Arrears)	1,666,666.66	
	Overhead (Running Cost to JAAC)	100,000.00	
	Overhead (ALGON Imprest)	850,000.00	
	Overhead (Bank Charges)	159,521.70	

	Overhead (Consultancy fee)	500,109.94	
	Overhead (SUBEB stipend for 10 TEMP)	6,666.67	
	Overhead (Sch. Running Grant)	333,333.33	
	Salary & Wages (TNT Elementary)	21,314,390.56	
	Salary & Wages (SUBEB ADM & MON)	34,020.16	
	Salary & Wages (TNT Middle)	8,049,312.79	
	Salary & Wages (PHC)	15,363,416.57	
	Salary & Wages (L.G)	28,733,108.09	
	Salary & Wages (Loan Board)	81,671.29	
	Salary & Wages (Pension Bureau)	125,872.73	
	Transfer to Other Agencies (1% Training Fund)	1,051,534.13	
	Transfer to Other Agencies (5% Tradition)	5,411,156.51	
	Transfer to Other Agencies (5% Stabilization)	4,683,163.55	
	Transfer to Other Agencies (Audit fee)	1,752,257.33	
	Transfer to Other Agencies (SUBEB Contract Staff)	22,562.19	
	Transfer to Other Agencies (Gratuity)	6,666,666.57	
	Transfer to Other Agencies (Monthly Pension)	15,470,355.37	
	Transfer to Other Agencies (Contributory Pension, T/N)	3,465,988.53	
	Transfer to Other Agencies (Contributory Pension L.G.)	5,302,880.10	
	Transfer to Other Agencies (OHIS)	1,722,238.19	
	Transfer to Other Agencies (O'meal)	2,386,786.00	
	Transfer to Other Agencies (SUBEB Matching Grant)	6,467,695.03	
	Social Contributions	1,555,703.76	
	(Cash) December, 2020	-79,038,091.96	
	(Cash) Modulated Salaries	-13,333,333.28	
		<b>884,307,897.06</b>	

<b>13</b>	<b>LONG TERM BORROWING</b>		
	Balance b/f	2,866,832,780.57	
	10km Road Loan	-17,224,551.55	
	Intervention Loan	-26,401,270.25	
	Environmental Loan	-2,914,565.04	
		<b>2,820,292,393.73</b>	
<b>14</b>	<b>RESERVES</b>		
	Balance b/f	<b>4,454,813,132.31</b>	
<b>15</b>	<b>ACCUMULATED NET SURPLUS/DEFICIT</b>		
	Net Surplus/Deficit as at 1st (Jan, 2021)	-1,005,062,943.49	
	Additional Deficit for the year	-400,394,572.78	
		<b>-1,405,457,516.27</b>	
<b>16</b>	<b>STATUTORY ALLOCATION</b>		
	JAAC	1,042,941,216.42	
	Non-oil Revenue	32,631,246.05	
	Forex Equalisation	1,615,528.36	
	Exchange Rate	6,066,920.55	
	Eco Fund	4,525,899.75	
	Solid Minerals	1,483,743.89	
	Receivables		
		<b>1,089,264,555.02</b>	
<b>17</b>	<b>GOVERNMENT SHARE OF VAT</b>		
	Cash	671,592,865.87	
		<b>671,592,865.87</b>	

<b>18</b>	<b>DEPENDENT REVENUE</b>		
	Statutory Allocation	1,089,264,555.02	
	VAT	671,592,865.87	
		<b>1,760,857,420.89</b>	
<b>19</b>	<b>OTHER DEPENDENT REVENUE (GRANTS &amp; AIDS)</b>		
	Added from O'meal	386,786.00	
	Added from Augmentation	5,000,000.00	
		<b>5,386,786.00</b>	
<b>20</b>	<b>TRANSFER FROM MAIN COUNCIL</b>		
	OSOGBO SOUTH LCDA	73,886,247.26	
	OSOGBO WEST LCDA	74,500,622.26	
		<b>148,386,869.52</b>	
<b>21</b>	<b>TAX REVENUE</b>		
	Community Tax	43,100.00	
	Other Tax Revenue	76,700.00	
		<b>119,800.00</b>	
<b>22</b>	<b>NON-TAX REVENUE</b>		
	FEES	12,607,904.00	
	RENTAL INCOME	26,703,819.22	
	FINES & PENALTIES	2,584,874.00	
	MARKET RECEIPT	8,132,050.00	
	Sales of Good	1,000,000.00	
	Others	304,417.00	
		<b>51,333,064.22</b>	

<b>23</b>	<b>CENTRALLY EXPENDED</b>		
	<b>EMPLOYEE BENEFIT</b>		
	Staff Salaries & Wages		
	Teaching & Non-teaching Staff Elementary	257,112,710.42	
	Local Govt. Staff Salary	315,273,044.50	
	Pension Board Salary	1,432,202.95	
	PHC Staff Salary	-	
	Loan Board Salary	1,003,950.06	
	SUBEB ADM & MON	407,867.49	
	Teaching & Non-teaching Staff Elementary	-	
	Local Govt. Staff Salary	-	
	Pension Board Salary	-	
	PHC Staff Salary	182,227,156.65	
	Loan Board Salary	-	
	SUBEB ADM & MON	-	
	Teaching & Non-Teaching Staff (Middle)	98,411,854.38	
	Payable	-	
		<b>855,868,786.45</b>	
<b>24</b>	<b>SOCIAL BENEFITS</b>		
	Training of all Drivers	100,000.00	
	Others	-	
		<b>100,000.00</b>	
<b>25</b>	<b>OVERHEAD</b>		
	Running Cost (JAAC)	1,200,000.00	
	ALGON Imprest	10,200,000.00	
	Bank Charges	1,475,879.05	
	Consultancy Services	6,001,319.28	
	Magnium Trust	3,979,218.25	
	SUBEB Stipend	66,666.70	
	School Running Grant	2,999,999.97	
	Budget	2,100,000.00	
	Pension Bureau (L.G.)	1,432,202.95	
	Others (Payable)	19,977,472.16	
		<b>49,432,758.36</b>	

<b>26</b>	<b>GRANT &amp; SOCIAL CONTRIBUTION</b>		
	Osun Festival	37,393,714.92	
	SUBEB Special Need Sch.	1,983,214.66	
	2021 Xmas & New Year Gift	18,445,000.00	
	Other Exp. Grading (ALGON)	10,733,333.43	
	Pension Bureau Debt (Repayment)	14,001,333.84	
	PPE (mv)	2,400,000.00	
	Payable	-	
		<b>84,956,596.85</b>	
<b>27</b>	<b>TRANSFER TO OTHER AGENCIES</b>		
	1% Training Fund	10,934,564.40	
	5% Traditional Council	58,826,696.05	
	5% Stabilization Fund	48,698,707.76	
	Audit Fees	22,566,141.84	
	SUBEB Contract Staff	271,120.78	
	Gratuity	46,666,666.44	
	Monthly Pension	185,644,264.44	
	Contributory Pension TNT	41,591,862.36	
	Contributory Pension L.G.	63,634,561.20	
	OHIS	19,224,346.09	
	O'meal	23,867,860.00	
	RAMP Refund	7,386,282.06	
	SUBEB Matching Grant	38,806,170.18	
	Payable	-	
		<b>568,119,243.60</b>	
<b>28</b>	<b>LOCAL GOVERNMENT EXPENDITURE</b>		
	<b>SOCIAL BENEFITS</b>		
	Financial Assistance to Local Govt. Staff	8,932,416.67	
<b>29</b>	<b>OVERHEAD</b>		
	Repairs and Maintenance of Vehicles	15,465,643.63	
	Publication and Adverts	500,000.00	
	Printing & General Expenses	2,790,800.00	
	Electricity Bills	781,933.08	
	Hospitality and Entertainment	6,853,000.00	
	Bank Charges	177,306.07	
	Other Expenses	10,083,584.29	
	Running Cost (Monthly Imprest)	24,071,387.27	
	Tax Expenses	171,155.76	
		<b>60,874,810.10</b>	

<b>30</b>	<b>GRANTS AND SOCIAL CONTRIBUTION</b>		
	Sinking of Boreholes	3,000,000.00	
	Distilling of Culverts	1,200,000.00	
	Cleaning of dumpsite	4,300,000.00	
	Sensitization & Workshop	8,209,200.00	
	Training and Entertainment	28,186,050.19	
	Ileya Celebration	5,574,600.00	
	Christmas Gifts	7,510,000.00	
	Gifts (Motor Vehicles)	6,000,000.00	
	Easter Celebration	709,200.00	
	Ramadan	90,000.00	
	Grading	2,339,554.44	
		<b>67,118,604.63</b>	
<b>31</b>	<b>DEPRECIATION</b>		
	Building	2,674,642.87	
	Plants and Machinery	460,800.00	
	Infrastructural Assets	418,088,080.76	
	Mother Vehicle	15,845,866.06	
	Office Equipment	2,484,630.00	
	Furniture & Fitting	2,481,361.60	
	Investment Property	320,097.27	
		<b>428,355,478.56</b>	
<b>32</b>	<b>ALLOWANCES</b>		
	Allowance to Various Committee	54,645,000.00	
	NYSC	6,818,935.34	
	O'Tech Allowance	7,248,600.00	
	Personal Assistant to Politicians Allowance	1,821,849.60	
	Casual Workers	1,280,000.00	
	Others (Severance Allowance)	22,460,063.73	
		<b>94,274,448.67</b>	
<b>33</b>	<b>NET SURPLUS / DEFICIT</b>		
	Total Revenue	1,817,697,071.11	
	Total Expenditure	-2,218,091,643.89	
	Net Surplus/Deficit (31/12/2021)	-400,394,572.78	



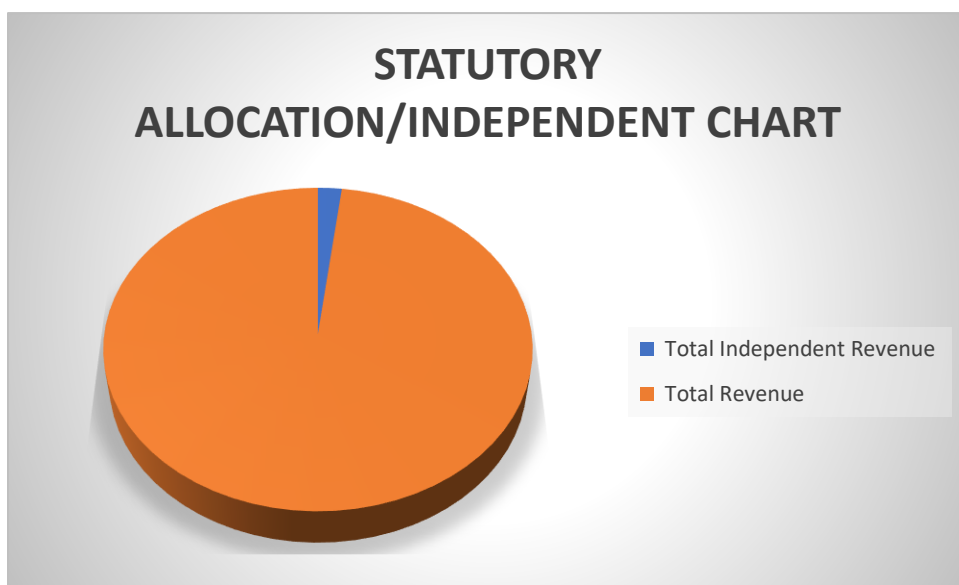


# OSOGBO LOCAL GOVERNMENT FISCAL OPERATION REPORT

## STATEMENT OF CASHFLOW RATIOS

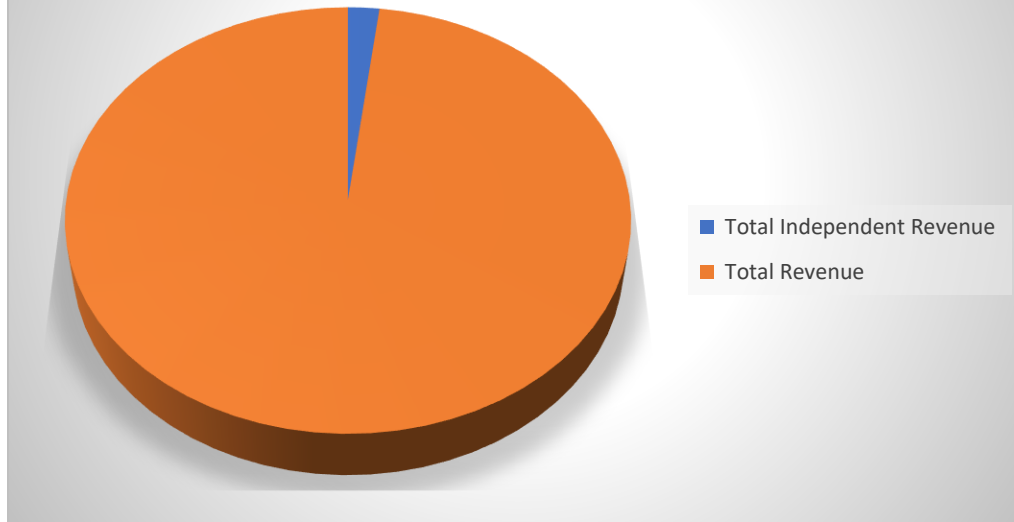
$$\begin{aligned}
 1. \quad & \text{DEPENDENT REVENUE/TOTAL REVENUE} \times 100 \\
 & = \frac{1,960,461.057.48}{2,002,596.888.48} = 97.90\%
 \end{aligned}$$

This indicated that Statutory Allocation took 97.90% of the Total Revenue of the Local Government and LCDA leaving 2.10% as Independence Revenue



$$\begin{aligned}
 2. \quad & \frac{\text{TOTAL INDEPENDENT REVENUE}}{\text{TOTAL REVENUE}} \times 100 \\
 & = \frac{42,135.831.00}{2,002,596,888.48} \times 100 = 2.10\%
 \end{aligned}$$

### STATUTORY ALLOCATION/INDEPENDENT CHART



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

$$\frac{932,023,528.24}{1,885,089,135.40} \times 100 = 49.4\%$$

Therefore, the Salaries and Wages took about 49.4% out of the Recurrent Expenditure in the Local Government while the remaining 50.6% was expended on other expenditure.

### STATEMENT OF FINANCIAL POSITION RATIOS

#### 6 CURRENT ASSET: CURRENT LIABILITIES

$$\frac{274,839,160.85}{984,868,367.98} = 0.28:1$$

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

#### 7. TOTAL ASSET : TOTAL LIABILITIES

$$\frac{6,854,516,377.75}{3,805,160,761.71} = 1.80 : 1$$

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

**8. EQUITY : TOTAL ASSET**

$$\frac{3,049,355,616.04}{6,854,516,377.75} = 0.44 : 1$$

**STATEMENT OF FINANCIAL PERFORMANCE RATIO**

**9. DEPENDENT REVENUE : TOTAL REVENUE**

$$\frac{1,760,857,426.89}{1,817,697,071.11} \times 100 = 96.87\%$$

**This indicated that the Dependent Revenue accounted for 96.87% of the Total Revenue of all the Local Government of the State leaving 3.13% as Independent Revenue.**

**10. INDEPENDENT REVENUE : TOTAL REVENUE**

$$\frac{56,839,650.22}{1,817,697,071.11} \times 100 = 3.12\%$$

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# **MANAGEMENT LETTER**

## **OSOGBO LOCAL GOVERNMENT, OSOGBO**

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

**1. DOUBTFUL EXPENDITURE (₦2,055,000.00):** It was observed that a total sum of Two Million and Fifty-five Thousand Naira (₦2,055,000.00) were spent on seminar symposium for the teeming youths, hosting of meeting of market women and entertainment of forum of secretary for youth, markets and secretary for women and children affairs on peace mission and 2-day enlightenment campaign on ways of controlling crime waves among youths. Audit examination showed that all the payment vouchers used to effect the payment were not supported with enough documentary evidence such as video clip, official receipts, group pictures, banner etc. to authenticate the genuineness of the expenditure contrary to Financial memorandum 14:16.

#### **RISK:**

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

#### **MANAGEMENT RESPONSE:**

Receipts, Sub-receipts, list of beneficiaries and photographs were not readily available before the arrival of the Audit team. However, supporting evidences such as sub-receipts, photographs, video tapes had been collected and would be presented for Audit scrutiny.

#### **RECOMMENDATION:**

The recipients must attach all necessary supporting evidence such as sub-receipts, evidence of participation, or video coverage to prove genuineness of the expenditure.

However, such occurrences should be guided against in the future by notifying Audit at the instance of the exercise.

**2. EXPENDITURE TAKEN ON CHARGE (N30,000.00):** It was observed that some replaced obsolete parts and some relevant store items were not taken on charge and could not be verified to authenticate the genuineness of the purchases made 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 e.t.c. against the Local purchase order, invoice of Government store issue voucher; if the stores delivered are found to be correct and in good condition, they will be taken on charge and entered as a receipt in the appropriate stores 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 ledger had not been updated as at the time of Audit Inspection, however, they had been updated retrospectively and available for Audit Scrutiny. The lateness was highly regretted.

**RECOMMENDATION:**

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

**3. UNRECEIPTED EXPENDITURE TALLING N250,000.00:** Payment voucher amounting to two hundred and fifty thousand naira (N250,000.00) being payment for environmental sanitation was not attached with official document like receipt, invoice, sub-receipt etc., to authenticate that the expenditure was actually incurred by the recipient on behalf of the Local Government. Contrary to Financial memoranda

14:17 which states that.” An official printed receipt must be obtained and attached to the payment voucher in respect of a payment to Government, another Local Government or a commercial firm”.

**RISK:**

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

**MANAGEMENT RESPONSE:**

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

**RECOMMENDATION:**

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

**4. VALUATION AND REVALUATION OF NON-CURRENT ASSETS:** It should be noted that the Office of the Auditor General for Local Governments has embarked on verification and compilation of all Non-Current Asset of the Local Government to ensure their existence, completeness of the lists of Assets and correctness of the provisional values of the Financial Position in the General Purpose Financial Statement.

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

**RISK:**

Non availability of comprehensive and reliable inventory/fixed asset register could make the Local Government Asset prone to theft, expropriation of assets

i.e. use of Local Government property without authorisation, pilfering, falsification of asset values in GPFS, duplication of services in terms of repairs and obsolete parts replacements.

**MANAGEMENT RESPONSE:**

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

**RECOMMENDATION:**

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

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

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

**RISK:**

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



**MANAGEMENT RESPONSE:**

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

**RECOMMENDATION:**

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

**OSOGBO SOUTH LOCAL COUNCIL DEVELOPMENT AREA, OJA-  
OBA, OSOGBO**

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

**1. UNRETIRED IMPREST TALLING (N90,000:00):** The recent Audit Inspection revealed that imprest made to some officers were not retired before subsequent ones were paid to the affected officers contrary to the provision of Financial Memoranda 14(16).

**RISK:**

Government Fund might not have been used for official purpose

**MANAGEMENT RESPONSE:**

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

**RECOMMENDATION:**

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

**2. EXPENDITURE NOT CHECKED AND PASSED BY THE INTERNAL AUDITOR (N62,700.00):** It was observed that the payment vouchers amounting to Sixty-two Thousand Seven Hundred Naira (N62,700.00) used to effect payments for light refreshments for PCRC/CDC meeting and also for the urgent repair of Rate bus between the month of May and October, 2021 were neither checked nor passed by the Internal Auditor. This contrary to the provision of F.M 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 authorised and correctly charged to the stated sub-head or account, and that sufficient funds are available to meet it”.

**RISK:**

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

**MANAGEMENT RESPONSE:**

The voucher was not checked and passed by the Internal Auditor due to exigence of the expenditure as at the time the Payment Voucher was raised. The approval for the expenditure had been sought in file before payment was effected. However, the Payment Voucher had now been processed with necessary attachment and submitted to the Office of the Auditor General for Local Government for further scrutiny.

**RECOMMENDATION:**

The Internal Auditor Should ensure that prepayment and post payment audit were carried out on all transactions of the Local Government.

**3. EXPENDITURE NOT SUPPORTED WITH PROPER RECORDS OR ACCOUNTS TOTALING [N10,000.00]:** Payment voucher amounting to N10,000.00 for the purchase of stationaries incurred on behalf of Oshogbo south LCDA was not supported with invoices, receipts and store receipt voucher to anticipate that the Payment was actually made contrary to the provision of Financial Memoranda 14:17 Which states that “An official printed receipt must be obtained and attached to the project voucher. In respect of a payment to Government, Local Government or Commercial Firm. If the printed receipt covers more than one payment voucher to which the receipt is attached shall be entered on the voucher”.

**Risk:**

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

**MANAGEMENT RESPONSE:**

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

**RECOMMENDATION**

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

**4. VALUATION AND REVALUATION OF NON-CURRENT ASSETS:** It should be noted that the Office of the Auditor General for Local Governments has embarked on verification and compilation of all Non-Current Asset of the Local Government to ensure their existence, completeness of the lists of Assets and correctness of the provisional values of the Financial Position in the General Purpose Financial Statement.

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

**RISK:**

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

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

**MANAGEMENT RESPONSE:**

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

**RECOMMENDATION:**

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

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

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

**RISK:**

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

**MANAGEMENT RESPONSE:**

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

**RECOMMENDATION:**

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

**6. SUBMISSION OF REVENUE RETURNS:** It was observed that your Local Government failed to remit quarterly returns on Internal Generated Revenue profile for the period of 3<sup>rd</sup> and 4<sup>th</sup> quarter 2021. Despite several effort made by the Director of Revenue of Office of the Auditor-General for Local Government.

**RISK:**

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

**MANAGEMENT RESPONSE:**

The preparation was in progress as at the time of Audit exercise and it had been prepared accordingly for further Audit verification.

**RECOMMENDATION:**

All the receipts booklets should be produced for audit check and verification.

## **OSOGBO WEST LOCAL COUNCIL DEVELOPMENT AREA, OKE- ARUNGBO**

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

**1. UNRETIRED IMPREST TALLING (₦147,500:00):** It was observed that the monthly imprest paid to Comrade Bolarinwa, some Honourable members and DSS were not retired before subsequent ones were obtained contrary to Financial Memoranda 14:27 which states that, "Imprest shall be retired when the purpose for which the imprest was granted is completed or at such intervals as are prescribed when the imprest is approved. However, all imprests shall be automatically be retired at the end of each financial year".

#### **RISK:**

Government Fund might not have been used for official purpose

#### **MANAGEMENT RESPONSE:**

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

#### **RECOMMENDATION:**

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

**2. UNRECEIPTED EXPENDITURE TALLING (₦116,000:00):** It was observed that a total sum of One Hundred and Sixteen Thousand Naira (#116,000.00) for the cleaning of overgrown weeds within the secretariat premises in the month of August 2021 was not supported with the required official document like receipt, invoice, sub-receipt etc., to authenticate that the expenditure was actually incurred by the recipient on behalf of the Local Council Development Area, Contrary to Financial memoranda 14:17 which states that." An official printed receipt must be obtained and

attached to the payment voucher in respect of a payment to Government, another Local Government or a commercial firm”.

**RISK:**

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

**MANAGEMENT RESPONSE:**

It was an oversight, the sub-receipts signed by artisans had been obtained and attached to the payment vouchers to be presented for further Audit verification.

**RECOMMENDATION:**

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

**3. STORE ITEM NOT TAKEN ON CHARGE (N85,500.00):** It was observed that amount paid in respect of purchased of reflective jacket, padlock and stamp to the store as against the Financial Memoranda. Chapter 34:17(1-2) which state 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 e.t.c. against the Local purchase order, invoice of Government store issue voucher; if the stores delivered are found to be correct and in good condition, they will be taken on charge and entered as a receipt in the appropriate stores ledger”.

**RISK:**

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



**MANAGEMENT RESPONSE:**

The store ledgers used had been exhausted. However, another ledger had been procured and update. Also, store receipt and issued vouchers had been issued accordingly which would be presented for further Audit verification.

**RECOMMENDATION:**

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

4. **EXPENDITURE NOT SUPPORTED BY PROPER RECORDS OR ACCOUNT (N25,000.00):** It was observed that the total sum of Twenty-five Thousand Naira only (N25,000.00) was paid for the entertainment during peace and security meeting, it was revealed that necessary documents like receipts and invoices were not attached to authenticate that the amount was actually spent on behalf of the Local Council contrary to the provision of Financial Memoranda 14:17 which states that ““An official printed receipt must be obtained and attached to the project voucher. In respect of a payment to Government, Local Government or Commercial Firm. If the printed receipt covers more than one payment voucher to which the receipt is attached shall be entered on the other voucher”.

**Risk:**

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

**MANAGEMENT RESPONSE:**

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

## **RECOMMENDATION**

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

**5. VALUATION AND REVALUATION OF NON-CURRENT ASSETS:** It should be noted that the Office of the Auditor General for Local Governments has embarked on verification and compilation of all Non-Current Asset of the Local Government to ensure their existence, completeness of the lists of Assets and correctness of the provisional values of the Financial Position in the General Purpose Financial Statement.

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

## **RISK:**

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

## **MANAGEMENT RESPONSE:**

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

## **RECOMMENDATION:**

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

**6. FINAL ACCOUNT:** The General-Purpose Financial Statement was submitted on the 27th May, 2022 contrary to the 29th April, 2022 deadline given for the submission, the idea which is considered not to be too good enough for timely presentation of Financial information to the appropriate user. The Head of Finance is admonished to be alive to his responsibility by ensuring adequate supervision of his subordinate towards ensuring timely preparation and presentation of Financial Statement henceforth.

## **RISK:**

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

## **MANAGEMENT RESPONSE:**

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

## **RECOMMENDATION:**

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

**7. SUBMISSION OF REVENUE RETURNS:** It was observed that your Local Government failed to remit quarterly returns on Internal Generated Revenue profile for the

period of 1<sup>st</sup> and 4<sup>th</sup> quarter 2021. Despite several effort made by the Director of Revenue of Office of the Auditor-General for Local Government.

**RISK:**

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

**MANAGEMENT RESPONSE:**

The preparation was in progress as at the time of Audit exercise and it had been prepared accordingly for further Audit verification.

**RECOMMENDATION:**

All the receipts booklets should be produced for audit check and verification.

## **REPORT ON INTERNAL AUDITOR'S REPORT**

1. The Internal Control Unit is effective to some extent. All the Revenue items of the Local Government should be revived and potential ones be identified and tapped to improve the IGR.
2. The Internal Control Unit is functioning well. The Finance, Rate Section and other Revenue Generating Department should put in more efforts on Revenue Generation to improve the IGR of the Council while the activities of the Marriage Unit be more monitored by the Internal Auditor.
3. The Internal Control Unit is very weak. There are various Revenue items of the Council that were abandoned and not tapped while other potential ones are not identified and tapped to improve the IGR of the Local Government.

**LIST OF PROJECTS**  
**OSOGBO LOCAL GOVERNMENT AREA, OKEBAALE**

S/N	DESCRIPTION OF PROJECTS	LOCATION	MODE OF EXECUTION	PROJECT COST	AMOUNT RELEASED	BALANCE	REMARK
1	Purchase of four (4) shock absorber spring, brake pad transmission oil and general servicing of Toyota corolla vehicle with reg no. LG 31 SGB	Secretariat		113,000.00	113,000.00	NILL	
2	Purchase of 75AH Dry cell battery and overhauling of air conditioning system of Honda CRV vehicle with reg no. LG 07 SGB	Secretariat	Direct	119,000.00	119,000.00	NILL	Completed
3	Purchase of 75AH Dry cell battery and servicing of Nissan Frontier vehicle with reg no. LG 11 SGB	Secretariat		71,500.00	71,500.00	NILL	completed
4	Purchase of 5 tires with number 226/65/R17 jack, wheel spanner, C-Caution, fire extinguishers and servicing of Honda CRV vehicle with reg no. LG 07 SGB	Secretariat		296,000.00	296,000.00	NILL	completed
5	Purchase of official vehicle for the office of the chairman	Secretariat		4,000,000.00	4,000,000.00	NILL	completed
6	Purchase of 5 tires with number 225/65/R16c C-Caution, fire extinguishers, tinting of glasses and servicing of Toyota camry muscle attached to the office of the chairman	Secretariat		253,000.00	253,000.00	NILL	completed
7	Purchase of 5 tires with number 205/65/R15 and complete brake drum of Toyota corolla vehicle with reg no. LG 31 SGB	Secretariat		118,000.00	118,000.00	NILL	completed
8	Overhauling of Komatsu Grader	Secretariat		850,000.00	850,000.00	NILL	completed

9	Repairs of steering pump, kick starter, purchase of rotating turning plate pump and hydraulic hose for komatsu Grader of the local government	Secretariat		230,000.00	230,000.00	NILL	completed
10	Reconstruction of damaged local government fence	Secretariat		200,000.00	200,000.00	NILL	completed
11	Purchase of consumable materials (tyres with lining flap, blade, shanks and batteries) for Komatsu Grader of the local government	Secretariat	Direct	585,000.00	585,000.00	NILL	completed
12	Renovation of the damaged roof of fire service section of new local government secretariat complex	Secretariat	Direct	71,000.00	71,000.00	NILL	completed
13	Purchase of official vehicle for the office of the Vice chairman	Secretariat	Direct	3,000,000.00	3,000,000.00	NILL	completed
14	Purchase of official vehicle for the office of the secretary	Secretariat	Direct	3,000,000.00	3,000,000.00	NILL	completed
15	Procurement of mattresses and standing fan for the office of the fire service in the local government	Secretariat		202,200.00	202,200.00	NILL	completed

**OSOGBO SOUTH LOCAL CONCIL DEVELOPMENT AREA,  
ISALE-OSUN, OSOGBO.**

**LIST OF PROJECTS EMBARKED ON IN THE YEAR 2021.**

<b>S/N</b>	<b>DESCRIPTION OF PROJECTS</b>	<b>LOCATION</b>	<b>MODE OF EXECUTION</b>	<b>PROJECT COST</b>	<b>AMOUNT RELEASED</b>	<b>BALANCE</b>	<b>REMARK</b>
1	Grading of Un-Tarred Road	At Akede Iyalaja, Osogbo	Direct Labour	5,000,000.00	5,000,000.00	NILL	
2	Grading of Un-Tarred Road	At Kunike at the back of Ilesa Garage, osogbo	Direct Labour	5,000,000.00	5,000,000.00	NILL	Completed
3	Patching of Pothole	Along Ayepe constain area, osogbo	Direct Labour	5,000,000.00	5,000,000.00	NILL	completed
4	Grading of Un-Tarred Road	At scheme Koledowo Community, Osogbo	Direct Labour	5,000,000.00	5,000,000.00	NILL	completed
5	Grading of Agric to Ajenisua	Alasinmi Alajaoge	Direct Labour	5,000,000.00	5,000,000.00	NILL	completed
6	Repaired of Local Government Grader	Local Government Premises	Direct Labour	900,000.00	710,000.00	190,000.00	completed
7	Repair of Local Government Roller	Local Government Premises	Direct Labour	35,000.00	35,000.00	NILL	completed
8	Purchasing of Official Vehicle	Local Government Premises	Contractor	6,000,000.00	6,000,000.00	NILL	completed
9	Purchasing of Official Vehicle for Vice-Chairman	Local Government Premises	Contractor	5,000,000.00	5,000,000.00	NILL	completed
10	Purchasing of Official Vehicle for Secretary	Local Government Premises	Contractor	4,000,000.00	4,000,000.00	NILL	completed



**LIST OF PROJECTS DONE IN THE YEAR 2021 IN OSOGBO WEST LCDA**

**OSOGBO WEST LCDA**

<b>S/N</b>	<b>DESCRIPTION OF PROJECTS</b>	<b>LOCATION</b>	<b>MODE OF EXECUTION</b>	<b>PROJECT COST</b>	<b>AMOUNT RELEASED</b>	<b>BALANCE</b>	<b>REMARK</b>
1	RE Tiling of Chairman's office and Ante room	Secretariat	Direct	228,000.00	228,000.00	NILL	Completed
2	Emergency response for flood control as a result of (non-functional line drainage)		Direct	600,000.00	600,000.00	NILL	Completed
3	Tentative measure to reduce Havoc of flood disaster		Direct	650,000.00	650,000.00	NILL	Completed
4	Palliative measure to reduce negative impact of flooding		Direct	750,000.00	750,000.00	NILL	DONE
5	Purchase of 2010 Toyota Camry (Muscle) for Chairman	Secretariat	Direct	4,000,000.00	4,000,000.00	NILL	DONE
6	Grading of selected roads within the LCDA	Township roads	Direct	2,000,000.00	2,000,000.00	NILL	DONE
7	Purchase of 2005 Toyota corolla for Vice chairman	Secretariat	Direct	3,000,000.00	3,000,000.00	NILL	DONE
8	Grading of various road within the LCDA	Township	Direct	1,000,000.00	1,000,000.00	NILL	DONE
9	Purchase of 2006 toyota corolla sport for the use of the LCDA Secretary		Direct	3,000,000.00	3,000,000.00	NILL	DONE
10	Grading of road from DSS office junction to SUBEB office immigration office to west bye-pass	Neco. Area	Direct	160,000.00	160,000.00	NILL	DONE

## OSOGB0 LOCAL GOVERNMENT, OSOGB0

S/N	SUBJECT	QUERIES NOS	NO. OF OFFICERS QUERIES	AMOUNT (₦)	REMARKS
1.	Doubtful Expenditure	LQ/AUD/OSO/01/2021	4	2,055,000.00	
2.	Non-Preparation of Bank Reconciliation Statement	LQ/AUD/OSO/02/2021	1	-	
3.	Expenditure not Taken on Charge	LQ/AUD/OSO/03/2021	2	30,000.00	
4.	Unreceipted Expenditure	LQ/AUD/OSO/04/2021	1	250,000.00	
	<b>TOTAL</b>		08	<b>2,335,000.00</b>	

## OSOGB0 SOUTH LCDA, OJA-OBA

S/N	SUBJECT	QUERIES NOS	NO. OF OFFICERS QUERIED	AMOUNT (₦)	REMARKS
1.	Unretired Imprest	LQ/AUD/OSSLCDA/01/2021	1	90,000.00	
2.	Expenditure not Checked and Passed	LQ/AUD/OSSLCDA/02/2021	5	62,700.00	
3.	Expenditure not Supported by Proper Records or Accounts	LQ/AUD/OSSLCDA/03/2021	2	10,000.00	
4.	Non-Preparation of Bank Reconciliation Statement	LQ/AUD/OSSLCDA/04/2021	1	-	
	<b>TOTAL</b>		9	<b>162,700.00</b>	

## OSOGBOWEST LCDA

S/N	SUBJECT	QUERIES NOS	NO. OF OFFICERS QUERIED	AMOUNT (₦)	REMARKS
1.	Unretired Imprest	LQ/AUD/OSW/LCDA/01/2021	6	147,500.00	
2.	Unreceipted Expenditure	LQ/AUD/OSW/LCDA/02/2021	7	116,000.00	
3.	Store Items not Take on Charge	LQ/AUD/OSW/LCDA/03/2021	2	85,000.00	
4.	Expenditure not Supported by Proper Records or Accounts	LQ/AUD/OSW/LCDA/04/2021	2	25,000.00	
5.	Non-Preparation of Bank Accounts	LQ/AUD/OSW/LCDA/05/2021	1	25,000.00	
	<b>TOTAL</b>		18	<b>373,500.00</b>	