

STATE GOVERNMENT OF OSUN, NIGERIA.

REPORT OF
THE
AUDITOR-GENERAL
FOR
LOCAL GOVERNMENTS
ON THE ACCOUNTS OF
OBOKUN LOCAL GOVERNMENT
IBOKUN
FOR THE YEAR ENDED
31ST DECEMBER, 2021.

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LIST OF ABBREVIATIONS

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

STATEMENT OF RESPONSIBILITY FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

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

Consequently, the General Purpose Financial Statement of:

Obokun Local Government and Obokun East L.C.D.A. have been prepared by the respective Heads of Finance and Supplies and subsequently Consolidated by the Head of Finance and Supplies of *Obokun Local Government*.


We hereby claim responsibility for the contents and correctness of the Financial Statement of the under listed LG/LCDA, for the Accounting period ended

31st December, 2021

CHAIRMAN
OBOKUN LOCAL GOVERNMENT

Date.....
Chairman

Obokun Local Government


Head of Finance & supplies,

Obokun Local Government

Obokun Local Government



Date.....
Chairman

Obokun Local Government

CHAIRMAN
OBOKUN EAST L.C.D.A.

Date.....
Chairman

Obokun East L.C.D.A

HEAD OF FINANCE & SUPPLIES
OBOKUN EAST LCDA

Obokun East L.C.D.A

Obokun East L.C.D.A



CHAIRMAN
OBOKUN EAST L.C.D.A.

Date.....
Chairman

Obokun East L.C.D.A

AUDIT CERTIFICATE

I have audited the accounts of Obokun Local Government, Ibokun 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 General Purpose Financial Statement comprising of Consolidated Statement of Financial Position, Consolidated Statement of Financial Performance, Consolidated Statement 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 Obokun Local Government, Ibokun for the accounting year ended 31st December, 2021 subject to the observations and comments, and resulting reservations, and disallowance as contained in this report.



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

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 Obokun 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 Local Government, the Head of Accounts in the Ministry of Local Government and various Institutions and all Agencies handling projects and Programmes funded by Local Government in the State inclusive of Obokun Local Government and Obokun East LCDA.

STATEMENT OF FINANCIAL RESPONSIBILITY

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

The Heads of Finance of Obokun Local Government is responsible for the consolidation of Financial Statements with the subsidiary Obokun 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 Statements signed by Heads of Finance and Chairmen the Local Governments is attached.

BASIS OF AUDIT OPINION

In the course of auditing the accounts of Obokun Local Governments Ibokun 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 Obokun 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 Obokun Local Government are constituents.

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

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

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

STATEMENT OF ACCOUNTING POLICIES

1. Basis of Preparation (IPSAS 1)

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

2. Accounting Period

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

3. Reporting Currency

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

4. Principal Statements in the General Purposes Financial Statements

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

5. Consolidation Policy- IPSAS 6

The Head of Finance of Obokun Local Government and Obokun East Central 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 was Obokun East Central which GPFS has been consolidated with that of Obokun Local Government. by the Heads 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.

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 COMMENTS

I have audited the accounts of Obokun Local Government, Ibokun (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 31st December 2021, as required by Cap 72, Part 10 of the Laws of Osun State 2002, (as amended).

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

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 contributed to centrally executed Projects and programmes of Local Governments, and Statutory remittances to Traditional Council by Obokun Local Government and Obokun East LCDA.

BUDGET PREPARATION / EXECUTION

The Budget for 2021 for Obokun 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

The Audit observed that the Procurement Office needs to be strengthened to further assist in promoting sound and transparent procurement practices in the Local Government.

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, involving team of a standing multi-disciplinary 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 yearly.

INTERNALLY REVENUE GENERATION AND FINANCIAL VIABILITY

The total Internally Generated Revenue by the Local Government for 2021 was ₦4,091,000.00 representing 0.25% 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 improving on the poor revenue profile.

INTERNAL CONTROL WEAKNESS IN THE LOCAL GOVERNMENT AND RELATED AGENCIES

At the conclusion of the Audit, 08 nos of Audit Queries were issued in respect of 2021 Accounts, involving a total sum of ₦3,433,750.00

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:

In line with the best practices, the Audit has verified the jointly executed projects at the JAAC level, in collaboration with reputable experts cut access disciplines, within the service at both State and Local Governments. 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.

It was observed that Obokun Local Government collaborated with other Local Government to embark on some jointly executed projects and programmes. Report on the joint project are contained in the Aggregated Statutory Report of the Auditor General.

COMMENTS ON FINANCIAL STATEMENTS

A. STATEMENT OF FINANCIAL PERFORMANCE

Share of FAAC AND VAT: The total sum of #1,011,018,612.85 was share of FAAC and VAT amounted to #613,451,687.12.

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
Obokun	952,074,593.69	450,190,102.48	30,844,458.07	25,834,558.08	782,868.81	13,796,089.14	21,439,095.08	1,594,406.55	13,403,945.36	1,509,960,117.26

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. #1,624,470,299.97 as fees, taxes and fines

SALARIES AND WAGES – ₦855,868,781.13

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

COMMENTS ON ITEMS OF FINANCIAL POSITION

CASH AND CASH EQUIVALENTS - ₦12,309,250.55

The Cash and Cash equivalents amounted to ₦12,309,250.55 for the Local Governments. The Bank Statements and Bank Reconciliation Statements of all Local Governments and Local Government Development Areas as at 31st December, 2021 were verified/examined to ascertain the bank balances. This balance does not include the balance in JAAC account which essentially should be a zero-balance account. Moreover any undistributed amount in the JAAC Account is treated as Receivable to the Local Governments.

RECEIVABLES – ₦114,967,095.54.

A total sum of ₦114,967,095.54 was standing as Receivables as at 31st December, 2021. The Receivables include, Revenue Recognised in December 2021 but received in January, 2021 from Joint Allocation Account Committee (JAAC).

INVENTORIES - ₦8,685,000.00

The sum of ₦8,685,000.00 represents inventories valued at historical cost in the Local Governments as at 31st December, 2021. These include unallocated stores both expendable and non-expendable; and consumable items.

INVESTMENTS - ₦66,592,319.83

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) - #2,545,830,912.06

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

Particulars	Rate%
Fixture and fitting	20
Motor Vehicle	20
Plant and Equipment	20

Infrastructural Asset	10
Buildings	2
Office Equipment	20

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

PAYABLES - ₦638,148,650.67

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

INVESTMENT PROPERTY – ₦55,240,410.00

The carrying amount of Investment Properties of the Local Governments stood at ₦55,240,410.00. 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 - ₦1,418,173,686.92

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

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

UNREMITTED DEDUCTIONS - ₦101,346,914.54

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

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

TRANSFER FROM MAIN COUNCILS TO LOCAL COUNCIL DEVELOPMENT AREAS:

Transfer from main councils to the tune of #71,772,449.01 was made to the Local Council Development Areas and Area Offices in the period under review and was set off in the Consolidated Account.

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

POSITION

PARTICULAR	NOTE	OBOKUN CONSOLIDATED
ASSETS		
Current Assets		
Cash & Cash Equivalents	1	12,309,250.55
Receivables	2	114,967,095.54
Prepayment/Advance	3	4,159,964.00
Inventories	4	8,685,000.00
Total Current Asset		140,121,310.09
Non-current Asset		-
Long Term Loan Granted		-
Investments	5	66,592,319.83
Property, Plant & Equipment	6	2,545,830,912.06
Investment Property	7	55,240,410.00
Biological Asset	8	-
Assets Under Construction (wip)	9	-
Total Non-Current Asset		2,667,663,641.89
Total Asset		2,807,784,951.98
LIABILITIES		-
Current Liabilities		-
Deposit		-
Short Term Loan & Debts	10	-
Unremitted Deduction	11	101,346,914.54
Payables	12	638,148,650.67
Short Terms Provisions		-
Total Current Liability		739,495,565.21
Non-Current Liabilities		-
Long Term Borrowing	13	1,418,173,686.92
Total Liabilities		2,157,669,252.13
Net Assets		650,115,699.85
Financed by		-
Reserve	14	649,392,249.08
Net Surplus/Deficit	15	723,450.77
Total		650,115,699.85

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

PARTICULAR	NOTE	OBOKUN	OBOKUN EAST	OBOKUN CONSOLIDATED
ASSETS				
Current Assets				
Cash & Cash Equipments	1	7,048,303.65	5,260,946.90	12,309,250.55
Receivables	2	114,967,095.54		114,967,095.54
Prepayment/Advance	3	4,159,964.00		4,159,964.00
Inventories	4	4,038,280.00	4,646,720.00	8,685,000.00
Total Current Asset		130,213,643.19	9,907,666.90	140,121,310.09
Non-current Asset				-
Long Term Loan Granted				-
Investments	5	43,285,007.89	23,307,311.94	66,592,319.83
Property, Plant & Equipment	6	1,653,588,958.47	892,241,953.59	2,545,830,912.06
Investment Property	7	35,390,160.00	19,850,250.00	55,240,410.00
Biological Asset	8			-
Assets Under Construction (wip)	9			-
Total Non-Current Asset		1,732,264,126.36	935,399,515.53	2,667,663,641.89
Total Asset		1,862,477,769.55	945,307,182.43	2,807,784,951.98
LIABILITIES				-
Current Liabilities				-
Deposit				-
Short Term Loan & Debts	10			-
Unremitted Deduction	11	82,572,361.85	18,774,552.69	101,346,914.54
Payables	12	560,226,812.26	77,921,838.41	638,148,650.67
Short Terms Provisions				-
Total Current Liability		642,799,174.11	96,696,391.10	739,495,565.21
Non-Current Liabilities				-
Long Term Borrowing	13	974,148,913.59	444,024,773.33	1,418,173,686.92
Total Liabilities		1,616,948,087.70	540,721,164.43	2,157,669,252.13
Net Assets		245,529,681.85	404,586,018.00	650,115,699.85
Financed by				-
Reserve	14	190,138,986.14	459,253,262.94	649,392,249.08
Net Surplus/Deficit	15	55,390,695.71	(54,667,244.94)	723,450.77
Total		245,529,681.85	404,586,018.00	650,115,699.85

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

PERFORMANCE		
PARTICULAR	NOTE	OBOKUN CONSOLIDATED
STATUTORY ALLOCATION		
Government share of FAAC (Statutory Revenue)	16	1,011,018,612.85
Government Share of VAT	17	613,451,687.12
Sub-Total Statutory Allocation	18	1,624,470,299.97
INDEPENDENT REVENUE		-
Grant & Aids	19	-
Transfer from main Council	20	
Tax Revenue	21	245,800.00
Non-Tax Revenue	22	3,845,200.00
Other Income		-
Overpayment Recovery		-
Sub-Total Independent Revenue		4,091,000.00
Total Revenue		1,628,561,299.97
EXPENDITURE		-
JOINTLY EXPENDED		-
Salaries & Wages	23	855,868,781.13
Social Benefits	24	300,000.00
Overhead Cost	25	24,728,657.99
Grants & Social Contribution	26	25,163,333.33
Transfer to other Agencies	27	455,952,653.80
L/GOVERNMENT EXPENDITURE		-
Social Benefits	28	22,175,380.69
Overhead Cost	29	71,889,599.05
Grants & Social Contribution	30	48,982,470.44
Depreciation	31	181,728,316.61
Allowances	32	54,396,288.21
Transfer to LCDA	33	
Impairment	34	-
Revenue Refunded	35	-
Public Debt Charges		
Stabilization Fund		
Refund to main Council		-
Stationeries		-
Severance Gratuity		-
Total Expenditures		1,741,185,481.25
Net Surplus/Deficit	36	(112,624,181.28)
Net Surplus/Deficit 01/01/2021	37	113,347,632.05
Net Surplus/Deficit 31/12/2021	38	723,450.77

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

PERFORMANCE				
PARTICULAR	NOTE	OBOKUN	OBOKUN EAST	OBOKUN CONSOLIDATED
STATUTORY ALLOCATION				
Government share of FAAC (Statutory Revenue)	16	1,011,018,612.85		1,011,018,612.85
Government Share of VAT	17	613,451,687.12		613,451,687.12
Sub-Total Statutory Allocation	18	1,624,470,299.97	-	1,624,470,299.97
INDEPENDENT REVENUE				
Grant & Aids	19			-
Transfer from main Council	20		71,772,449.01	
Tax Revenue	21	220,600.00	25,200.00	245,800.00
Non-Tax Revenue	22	2,925,469.00	919,731.00	3,845,200.00
Other Income				-
Overpayment Recovery				-
Sub-Total Independent Revenue		3,146,069.00	72,717,380.01	4,091,000.00
Total Revenue		1,627,616,368.97	72,717,380.01	1,628,561,299.97
EXPENDITURE				
JOINTLY EXPENDED				
Salaries & Wages	23	855,868,781.13		855,868,781.13
Social Benefits	24	300,000.00		300,000.00
Overhead Cost	25	24,728,657.99		24,728,657.99
Grants & Social Contribution	26	25,163,333.33		25,163,333.33
Transfer to other Agencies	27	455,952,653.80		455,952,653.80
L/GOVERNMENT EXPENDITURE				
Social Benefits	28	11,964,470.50	10,210,910.19	22,175,380.69
Overhead Cost	29	51,978,259.80	19,911,339.25	71,889,599.05
Grants & Social Contribution	30	26,213,378.94	22,769,091.50	48,982,470.44
Depreciation	31	126,359,563.33	55,368,753.28	181,728,316.61
Allowances	32	30,827,017.70	23,569,270.51	54,396,288.21
Transfer to LCDA	33	71,772,449.01		

Impairment	34			-
Revenue Refunded	35			-
Public Debt Charges				
Stabilization Fund				
Refund to main Council				-
Stationeries				-
Severance Gratuity				-
Total Expenditures		1,681,128,565.53	131,829,364.73	1,741,185,481.25
Net Surplus/Deficit	36	(53,512,196.56)	(59,111,984.72)	(112,624,181.28)
Net Surplus/Deficit 01/01/2021	37	108,902,892.27	4,444,739.78	113,347,632.05
Net Surplus/Deficit 31/12/2021	38	55,390,695.71	(54,667,244.94)	723,450.77

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

CASHFLOW

OPERATING ACTIVITIES	NOTE	OBOKUN CONSOLIDATED
INFLOW		
Statutory Revenue (JAAC)	39	1,120,997,660.98
Value Added Tax	40	399,274,343.46
Receivable		-
Sub Total Statutory Allocation	41	1,520,272,004.44
Aids and Grants	42	2,925,469.00
Transfer from Main Council	43	
Tax Revenue	44	25,200.00
Non Tax Revenue	45	1,140,331.00
Other Income		-
Overpayment Recovery		-
Sub Total Independent Revenue	46	4,091,000.00
Total Inflow Operating Activities	47	1,524,363,004.44
OUTFLOW		-
Salaries & Wages	48	755,313,664.95
Social Benefits	49	32,593,379.73
Overhead Cost	50	32,593,379.73
Social Contributions	51	88,203,958.68
Allowances	52	54,373,672.52
Modulated Salary Arrears	53	-
Inventories	54	110,000.00
Fund Conserved for Salary		-
Transfer to LCDA	55	
Transfer to other Govt. Agencies	56	473,910,065.47
Refund to Main Councils		-
Revenue Refunded		
Stabilization Fund		
Tax Expenses	57	-
Severance Gratuity		-
Total Outflow from Operating Activities	58	1,426,980,122.04
Net Cashflow from Operating Activities	59	97,382,882.40
INVESTING ACTIVITIES		-
Proceed from Disposal of Asset		-
Total Inflow from Investing Activities		-
Cashflow from Investing Activities		-
Administrative Sector	60	59,068,333.33
Economic Sector		-
Total Outflow from Investing Activities	61	59,068,333.33

Net Cashflow from Investing Activities		(59,068,333.33)
Inflow from Financing Activities		-
Bank Overdraft		
Soft Loan(Bank)		
Deduction Received	62	-
Total Inflow from Financing Activities	63	-
OUFLOW (PAYMENT)		-
Bail Out Repayment		-
10km Road	64	12,855,742.25
Water Project	65	-
Environmental Sanitation Loan	66	2,914,565.04
Loan Repayment (Inherited)	67	-
Bank Loan	68	-
Intervention Loan	69	8,873,187.88
Other Loan Repayment		
Deduction Paid	70	13,671,440.90
Total Outflow From Financing Activities	71	38,314,936.07
Net Cashflow from financing Activities	72	(38,314,936.07)
Cash and Cash Equivalent for the year	73	(387.00)
Cash and Cash Equivalent 01/01/2021	74	12,309,637.55
Cash and Cash Equivalent 31/12/2021	75	12,309,250.55

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

OPERATING ACTIVITIES	NOTE	OBOKUN	OBOKUN EAST	OBOKUN CONSOLIDATED
INFLOW				
Statutory Revenue (JAAC)	39	1,120,997,660.98		1,120,997,660.98
Value Added Tax	40	399,274,343.46		399,274,343.46
Receivable				-
Sub Total Statutory Allocation	41	1,520,272,004.44	-	1,520,272,004.44
Aids and Grants	42	2,925,469.00		2,925,469.00
Transfer from Main Council	43		71,772,449.01	
Tax Revenue	44	-	25,200.00	25,200.00
Non Tax Revenue	45	220,600.00	919,731.00	1,140,331.00
Other Income				-
Overpayment Recovery				-
Sub Total Independent Revenue	46	3,146,069.00	72,717,380.01	4,091,000.00
Total Inflow Operating Activities	47	1,523,418,073.44	72,717,380.01	1,524,363,004.44
OUTFLOW				-
Salaries & Wages	48	755,313,664.95		755,313,664.95
Social Benefits	49	12,264,470.50	10,210,910.19	22,475,380.69
Overhead Cost	50	16,535,271.92	16,058,107.81	32,593,379.73
Social Contributions	51	65,434,867.18	22,769,091.50	88,203,958.68
Allowances	52	30,804,402.01	23,569,270.51	54,373,672.52
Modulated Salary Arrears	53			-
Inventories	54		110,000.00	110,000.00
Fund Conserved for Salary				-
Transfer to LCDA	55	71,772,449.01		
Transfer to other Govt. Agencies	56	473,910,065.47		473,910,065.47
Refund to Main Councils				-
Revenue Refunded				
Stabilization Fund				
Tax Expenses	57			-
Severance Gratuity				-
Total Outflow from Operating Activities	58	1,426,035,191.04	72,717,380.01	1,426,980,122.04

Net Cashflow from Operating Activities	59	97,382,882.40	-	97,382,882.40
INVESTING ACTIVITIES				-
Proceed from Disposal of Asset				-
Total Inflow from Investing Activities		-	-	-
Cashflow from Investing Activities				-
Administrative Sector	60	59,068,333.33		59,068,333.33
Economic Sector				-
Total Outflow from Investing Activities	61	59,068,333.33	-	59,068,333.33
Net Cashflow from Investing Activities		(59,068,333.33)	-	(59,068,333.33)
Inflow from Financing Activities				-
Bank Overdraft				-
Soft Loan(Bank)				-
Deduction Received	62			-
Total Inflow from Financing Activities	63	-	-	-
OUFLOW (PAYMENT)				-
Bail Out Repayment				-
10km Road	64	12,855,742.25		12,855,742.25
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	8,873,187.88		8,873,187.88
Other Loan Repayment				
Deduction Paid	70	13,671,440.90		13,671,440.90
Total Outflow From Financing Activities	71	38,314,936.07	-	38,314,936.07
Net Cashflow from financing Activities	72	(38,314,936.07)	-	(38,314,936.07)
Cash and Cash Equivalent for the year	73	(387.00)	-	(387.00)
Cash and Cash Equivalent 01/01/2021	74	7,048,690.65	5,260,946.90	12,309,637.55
Cash and Cash Equivalent 31/12/2021	75	7,048,303.65	5,260,946.90	12,309,250.55

OBOKUN LOCAL GOVERNMENT, IBOKUN
CONSOLIDATED STATEMENT OF COMPARISM AS AT 31ST DECEMBER, 2021

		OBOKUN CONSOLIDATED		
PARTICULAR	NOTE	FINAL BUDGET	ACTUAL	VARIANCE
STATUTORY ALLOCATION				
Government Share of FAAC(Statutory Revenue)	16	1,305,050,396.39	1,011,018,612.85	802,349,576.46
Government Share of VAT	17	487,762,570.00	613,451,687.12	544,614,257.12
Sub-Total Statutory Allocation	18	1,792,812,966.39	1,624,470,299.97	1,346,963,833.58
INDEPENDENT REVENUE				
Grants & Aids	19	20,812,381.82	-	20,812,381.82
Transfer from Main Council	20			-
Tax Revenue	21	2,700,000.00	245,800.00	2,454,200.00
Non-Tax Revenue	22	33,145,000.00	3,845,200.00	29,299,800.00
Other Income				
Sub-Total Independent Revenue		56,657,381.82	4,091,000.00	52,566,381.82
Total Revenue		1,849,470,348.21	1,628,561,299.97	1,399,530,215.40
EXPENDITURE				
Salaries & Wages	23	964,948,810.00	855,868,781.13	109,080,028.87
Social Benefits	24	12,340,900.00	300,000.00	(10,134,480.69)
Overhead Cost	25	24,728,657.09	96,618,257.04	50,235,832.96
Grants & Social Contribution	26	25,163,333.33	74,145,803.77	164,626,324.44
Transfer to Other Agencies	27	15,334,780.00	455,952,653.80	(440,617,873.80)
Depreciation	31	-	181,728,316.61	(181,728,316.61)
Allowances	32	132,219,640.00	54,396,288.21	77,823,351.79
Transfer to LCDA	33	-		(71,772,449.01)
Impairment	34	-	-	-
Revenue Refunded	35	-	-	-
Stationaries		-	-	-
Total Expenditures		1,510,470,348.21	1,741,185,481.25	(302,487,582.05)
Net Surplus/Deficit	36	339,000,000.00	(112,624,181.28)	1,702,017,797.45
Net Surplus/Deficit 31/12/2020	37	-	113,347,632.05	-
Net Surplus/Deficit 31/12/2021	38	339,000,000.00	723,450.77	1,702,017,797.45

OBOOKUN LOCAL GOVERNMENT, IBOKUN
CONSOLIDATED STATEMENT OF COMPARISM BUDGET AND ACTUAL AS AT 31ST DECEMBER, 2021

PARTICULAR	NOTE	OBOKUN LG			OBOKUN EAST LCDA			OBOKUN CONSOLIDATED		
		FINAL BUDGET	ACTUAL	VARIANCE	FINAL BUDGET	ACTUAL	VARIANCE	FINAL BUDGET	ACTUAL	VARIANCE
STATUTORY ALLOCATION										
Government Share of FAAC(Statutory Revenue)	16	756,859,716.39	1,011,018,612.85	254,158,896.46	548,190,680.00		548,190,680.00	1,305,050,396.39	1,011,018,612.85	802,349,576.46
Government Share of VAT	17	278,300,000.00	613,451,687.12	335,151,687.12	209,462,570.00		209,462,570.00	487,762,570.00	613,451,687.12	544,614,257.12
Sub-Total Statutory Allocation	18	1,035,159,716.39	1,624,470,299.97	589,310,583.58	757,653,250.00	-	757,653,250.00	1,792,812,966.39	1,624,470,299.97	1,346,963,833.58
INDEPENDENT REVENUE								-	-	-
Grants & Aids	19	13,372,891.82		13,372,891.82	7,439,490.00		7,439,490.00	20,812,381.82	-	20,812,381.82
Transfer from Main Council	20					71,772,449.01		-		-
Tax Revenue	21	1,200,000.00	220,600.00	979,400.00	1,500,000.00	25,200.00	1,474,800.00	2,700,000.00	245,800.00	2,454,200.00
Non-Tax Revenue	22	19,130,000.00	2,925,469.00	16,204,531.00	14,015,000.00	919,731.00	13,095,269.00	33,145,000.00	3,845,200.00	29,299,800.00
Other Income								-	-	-
Sub-Total Independent Revenue		33,702,891.82	3,146,069.00	30,556,822.82	22,954,490.00	72,717,380.01	22,009,559.00	56,657,381.82	4,091,000.00	52,566,381.82
Total Revenue		1,068,862,608.21	1,627,616,368.97	619,867,406.40	780,607,740.00	72,717,380.01	779,662,809.00	1,849,470,348.21	1,628,561,299.97	1,399,530,215.40
EXPENDITURE								-	-	-
Salaries & Wages	23	545,533,380.00	855,868,781.13	(310,335,401.13)	419,415,430.00		419,415,430.00	964,948,810.00	855,868,781.13	109,080,028.87
Social Benefits	24		12,264,470.50	(12,264,470.50)	12,340,900.00	10,210,910.19	2,129,989.81	12,340,900.00	22,475,380.69	(10,134,480.69)
Overhead Cost	25	103,500,000.00	76,706,917.79	26,793,082.21	43,354,090.00	19,911,339.25	23,442,750.75	146,854,090.00	96,618,257.04	50,235,832.96
Grants & Social Contribution	26	72,022,128.21	51,376,712.27	20,645,415.94	166,750,000.00	22,769,091.50	143,980,908.50	238,772,128.21	74,145,803.77	164,626,324.44
Transfer to Other Agencies	27		455,952,653.80	(455,952,653.80)	15,334,780.00		15,334,780.00	15,334,780.00	455,952,653.80	(440,617,873.80)
Depreciation	31		126,359,563.33	(126,359,563.33)		55,368,753.28	(55,368,753.28)	-	181,728,316.61	(181,728,316.61)
Allowances	32	67,807,100.00	30,827,017.70	36,980,082.30	64,412,540.00	23,569,270.51	40,843,269.49	132,219,640.00	54,396,288.21	77,823,351.79
Transfer to LCDA	33		71,772,449.01	(71,772,449.01)				-		(71,772,449.01)
Impairment	34							-	-	-
Revenue Refunded	35							-	-	-

Stationaries								-	-	-
Total Expenditures		788,862,608.21	1,681,128,565.53	(892,265,957.32)	721,607,740.00	131,829,364.73	589,778,375.27	1,510,470,348.21	1,741,185,481.25	(302,487,582.05)
Net Surplus/Deficit	36	280,000,000.00	(53,512,196.56)	1,512,133,363.72	59,000,000.00	(59,111,984.72)	189,884,433.73	339,000,000.00	(112,624,181.28)	1,702,017,797.45
Net Surplus/Deficit	37		108,902,892.27			4,444,739.78		-	113,347,632.05	-
Net Surplus/Deficit	38	280,000,000.00	55,390,695.71	1,512,133,363.72	59,000,000.00	(54,667,244.94)	189,884,433.73	339,000,000.00	723,450.77	1,702,017,797.45

OBOKUN LOCAL GOVERNMENT, IBOKUN

NET ASSET AND EQUITY	OBOKUN CONSOLIDATED		
DETAILS	RESERVES	Accumulated Surplus/Deficit	TOTAL
Opening Balance 1/1/2021	649,392,249.08	113,347,632.05	762,739,881.13
Adjusted Reserve	-	-	-
Adjusted Balance	649,392,249.08	113,347,632.05	762,739,881.13
Net Surplus Deficit for the year	-	(112,624,181.28)	(112,624,181.28)
Closing Balance as at 31/12/2021	649,392,249.08	723,450.77	650,115,699.85

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

DETAILS	OBOKUN			OBOKUN EAST			OBOKUN CONSOLIDATED		
	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL	RESERVES	Accumulated Surplus/Deficit	TOTAL
Opening Balance 1/1/2021	190,138,986.14	108,902,892.27	299,041,878.41	459,253,262.94	4,444,739.78	463,698,002.72	649,392,249.08	113,347,632.05	762,739,881.13
Adjusted Reserve			-			-	-	-	-
Adjusted Balance	190,138,986.14	108,902,892.27	299,041,878.41	459,253,262.94	4,444,739.78	463,698,002.72	649,392,249.08	113,347,632.05	762,739,881.13
Net Surplus Deficit for the year		(53,512,196.56)	(53,512,196.56)		(59,111,984.72)	(59,111,984.72)	-	(112,624,181.28)	(112,624,181.28)
Closing Balance as at 31/12/2021	190,138,986.14	55,390,695.71	245,529,681.85	459,253,262.94	(54,667,244.94)	404,586,018.00	649,392,249.08	723,450.77	650,115,699.85

	OBOKUN LOCAL GOVERNMENT		
	Consolidated Notes to the Account for the year Ended 31st December, 2021		
Notes			
		CONSOLIDATED	
1 Cash and Cash Equivalent			
Balance b/f 01/01/2020		12,309,637.55	
Add Receipt		1,524,363,004.44	
Total Receipt		1,536,672,641.99	
Total Payment		1,524,363,391.44	
		12,309,250.55	
2 Receivables			
Statutory Allocation		68,980,257.32	
VAT		45,986,838.22	
		114,967,095.54	
3 Prepayment/Advances			
Housing		2,700,000.00	
Vehicle		1,459,964.00	
		4,159,964.00	
4 Inventory			
Office Consumables		2,623,510.00	
Office Material		6,061,490.00	
		8,685,000.00	
5 Investment			
Omoluabi		6,000,000.00	
Kajola Integrated		4,500,000.00	
OSICOL		2,307,311.94	
Preference Shares		7,000,000.00	
Others		46,785,007.89	
Total		66,592,319.83	
6 Property Plant & Equipment			
Building		1,234,990,054.28	
Infrastructural Asset		1,218,973,482.05	

	Motor Vehicle	77,903,432.00	
	Equipment	13,963,943.73	
		2,545,830,912.06	
7	Investment Property		
	Lock up Stall	4,400,250.00	
	Open Market	50,840,160.00	
		55,240,410.00	
8	Biological Asset	Nil	
9	Asset Under Construction (WIP)	Nil	
10	Short term Loan & Debt	NIL	
11	Unremitted Deduction		
	Balance as at 1st of Jan, 2021	101,648,477.86	
	Deduction Received	60,369,075.15	
	Deduction Paid	(60,670,638.47)	
		101,346,914.54	
12	Payable		
	Unpaid Vouchers	112,607,492.52	
	Salary Arears	77,921,838.41	
	Modulated Salary	1,666,666.66	
	Transfer to other Agencies	445,952,653.08	
		638,148,650.67	
13	Loan Term Loan		
	Balance b/f	1,442,817,182.09	
	10km Road	(12,855,742.25)	
	Intervention	(2,914,565.04)	
	Environmental	(8,873,187.88)	
		1,418,173,686.92	
14	Reserve		
	Balance b/f	649,392,249.08	
	Revaluation Surplus-PPE	-	
	Revaluation Surplus-Inv. Property	-	

		649,392,249.08	
15	Accumulated Surplus/(Deficit)		
	Balance b/forward 01/01/2021	113,347,632.05	
	Surplus during the year	(112,624,181.28)	
	Balance C/forward 31/12/2021	723,450.77	
16	Statutory Allocation		
	JAAC	954,245,267.95	
	Non-Oil Revenue	30,415,273.16	
	Forex Equalization	1,505,843.33	
	Exchange Rate Gain	5,655,011.68	
	Eco Fund	4,218,617.33	
	Solid Minerals	1,383,006.27	
	O'Meal	386,786.00	
	Argumentation	5,000,000.00	
	Conserved Forsal	8,208,807.13	
		1,011,018,612.85	
17	VAT		
	Cash	613,451,687.12	
		613,451,687.12	
18	Dependent Revenue		
	FAAC	1,011,018,612.85	
	VAT	613,451,687.12	
	Total	1,624,470,299.97	
21	Tax Revenue		
	Community Tax	245,800.00	
22	Non-Tax Revenue	3,845,200.00	
	CENTRALLY EXPENDED		
23	Employee Benefit (Staff Salaries & Wages)	N	

	Elementary	257,112,710.42	
	SUBEB (Admin& Mon)	407,867.49	
	TNT Middle	98,411,854.38	
	PHC	182,227,151.33	
	Local Government Staff Salary	315,273,044.50	
	Loan's Board Staff Salary	1,003,950.06	
	Pension Board Salary	1,432,202.95	
		855,868,781.13	
24	Social Benefits		
	Training of Staff (Drivers)	300,000.00	
		300,000.00	
25	Overhead		
	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	405,574.71	
	Budget Fee	1,400,000.00	
		24,728,657.99	
26	Grant & Social Contribution		
	IWUDE Debt. Repmt	3,500,000.00	
	Xmas & New Year Gift	10,930,000.00	
	Grading (Algon)	10,733,333.33	
		25,163,333.33	
27	Transfer to Other Agencies		
	1 % Training Fund	9,189,446.17	
	5% Traditional Council	49,438,162.05	
	5% Stabilization Fund	48,698,707.76	

	Audit Fees	19,854,483.82	
	SUBEB Contract Staff	271,120.78	
	Gratuity	46,666,666.64	
	Monthly Pension	139,030,053.84	
	Contributory Pension(TNT)	31,148,384.16	
	Contributory Pension(LG)	34,482,160.20	
	O'HIS	10,655,681.13	
	O'Meal	19,094,288.00	
	RAMP Refund	8,617,329.07	
	SUBEB Matching Grant	38,806,170.18	
		455,952,653.80	
28	Social Benefits		
	Local Govt Expenditure		
	Financial Assistance to Local Govt Staff	22,175,380.69	
		22,175,380.69	
29	Overhead		
	Local Govt Expenditure		
	Repair and Maintenance of Vehicle	32,301,027.52	
	Publication & Advert	3,834,961.49	
	Printing and General Expenses	22,628,984.82	
	Electricity Bills	6,215,647.00	
	Hospitality & Entertainment	6,460,600.99	
	Bank Charges	448,377.23	
		71,889,599.05	
30	Grants and Social Contribution		
	Local Govt Expenditure		
	Ileya	5,720,660.32	
	Xmas Celebration	14,464,736.14	
	Training and Entertainment	14,280,635.00	
	Sensitization & Workshop	14,516,438.98	
		48,982,470.44	
31	Depreciation Charge		
	Building	24,699,801.00	
	Infrastrual Assets	122,417,348.18	
	Motor Vehicle	15,580,686.00	

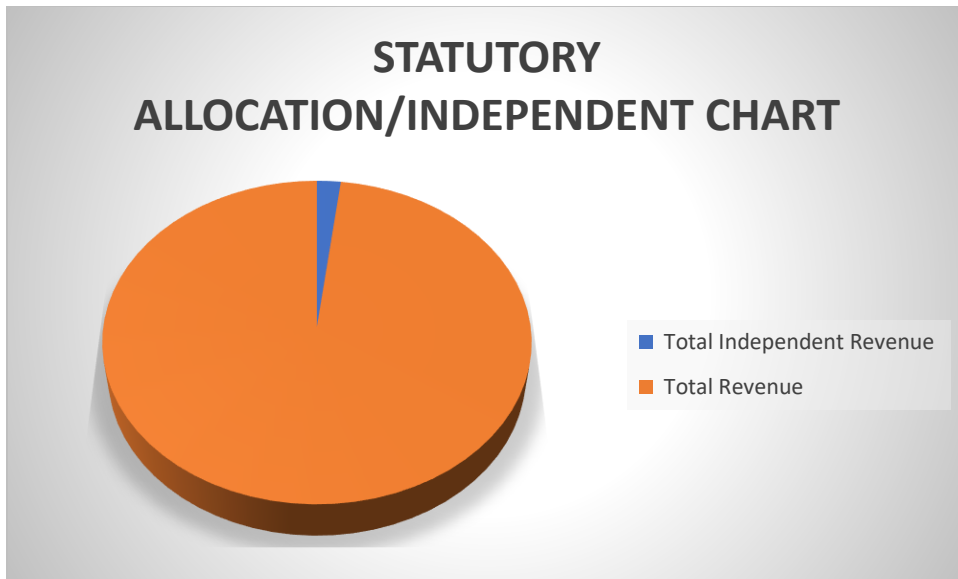
	Investment Property	19,030,481.43	
		181,728,316.61	
32	Allowance		
	Allowance to Various Committee	47,046,152.35	
	NYSC Allowance	1,922,000.00	
	O' Tech Allowance	4,560,000.00	
	PA Allowance	868,135.86	
		54,396,288.21	

OBOOKUN LOCAL GOVERNMENT FISCAL OPERATION REPORT

STATEMENT OF CASHFLOW RATIOS

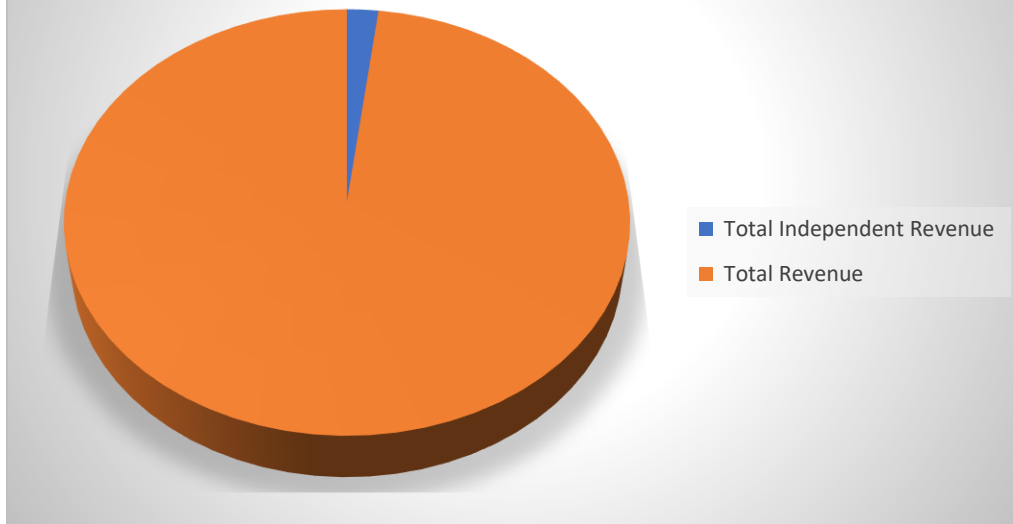
1.
$$\frac{\text{STATUTORY ALLOCATION}}{\text{TOTAL REVENUE}} \times 100$$
$$= \frac{1,520,272,004.44}{1,524,363,004.44} = 99.73\%$$

This indicated that Statutory Allocation took 99.73% of the Total Revenue of the Local Government and LCDA leaving 0.27% as Independence Revenue



2.
$$\frac{\text{TOTAL INDEPENDENT REVENUE}}{\text{TOTAL REVENUE}} \times 100$$
$$\frac{4,091,000.00}{1,524,363,004.44} \times 100 = 0.27\%$$

STATUTORY ALLOCATION/INDEPENDENT CHART



3. SALARY & WAGES: TOTAL RECURRENT EXPENDITURE

$$\frac{755,313,664.95}{1,426,980,122.04} \times 100 = 52.93\%$$

Therefore, the Salaries and Wages took about 51.68% out of the Recurrent Expenditure in the Local Government while the remaining 47.07% was expended on other expenditure.

4 INVENTORIES: TOTAL RECURRENT EXPENDITURE

$$\frac{110,000.00}{1,426,980,122.04} \times 100 = 0.007\%$$

STATEMENT OF FINANCIAL POSITION RATIOS

6 CURRENT ASSET: CURRENT LIABILITIES

$$\frac{140,121,310.09}{739,495,565.21} = 0.19 : 1$$

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

7. TOTAL ASSET : TOTAL LIABILITIES

$$\frac{2,807,784,951.98}{2,157,669,252.13} = 1.3 : 1$$

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

8. EQUITY : TOTAL ASSET
$$\frac{650,115,699.85}{2,807,784,951.98} = 0.23 : 1$$

STATEMENT OF FINANCIAL PERFORMANCE RATIO

9. STATUTORY ALLOCATION : TOTAL REVENUE
$$\frac{1,624,470,299.97}{1,628,561,299.97} \times 100 = 99.75\%$$

This indicated that the Statutory Allocation accounted for 99.75% of the Total Revenue of all the Local Government of the State leaving 0.25% as Independent Revenue.

10. INDEPENDENT REVENUE : TOTAL REVENUE
$$\frac{4,091,000.00}{1,628,561,299.97} \times 100 = 0.25\%$$

MANAGEMENT LETTER
OBOKUN LOCAL GOVERNMENT, IBOKUN

Observation and internal control review for the financial year ended 31st December, 2021.

1. EXPENDITURE NOT SUPPORTED WITH PROPER RECORDS OR ACCOUNTS TALLING ₦1,730,000:00: It was observed that payment amounting to one million, seven hundred and thirty Thousand Naira was not supported with necessary attachments such as receipts, bills, invoices to prove the authenticity of the expenditure contrary to Financial Memoranda 14:16 & 14:17 which state that “Payment Vouchers shall be receipted by the payee or authorized agent, and the receipt must state clearly in words and figure the actual amount received and not “Simply received the above amount” and paragraph 14:17 stipulate that “An official receipt must be obtained and attached to payment voucher in respect of a payment to Government, another Local Government or a commercial firm.”.

***RISK:** Payment 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 to be presented for audit verification.*

***RECOMMENDATION:** The recipient / authorizing officer should ensure that all supporting documents were collected while incurring the expenditure.*

2. UNREASONABLE EXPENDITURE TALLING ₦570,000:00: It was observed that the sum of five hundred and seventy thousand naira only was released to staffers of the council for various programmes purportedly organized. The fund was majorly expended on entertainment and transportation which was wasteful, unreasonable and unjustifiable. It is advisable that frivolous spending must be avoided at all cost.

The Local Council management is advised to judiciously expend tax payers money on a project that would add value and improve the standard of living of the community dwellers.

***RISK:** This is an indication of financial indiscipline and lack of prudence in the management of Local Government fund.*

***MANAGEMENT RESPONSE:** The ministry's approved and authorised the expenditure and the evidences such video clips, photograph, list of participant, sub-receipts are ready for audit verification that the programs were done and expenditure was incurred would be presented to the Auditor General office for further audit verification.*

***RECOMMENDATION:** Expenditure incurred should be justified and reasonable as there should not be frivolous expenses so as to exhibit financial discipline.*

3. EXPENDITURE NOT TAKEN ON CHARGE ₦45,000:00: Audit examination of records showed that a sum of forty-five thousand naira only ₦45,000:00 was released to the staffer of the Council vide Payment Voucher No 36/ May/2021, Pv No 38/May/2021 for the printing of Local Government Identification Certificate, printing of increment certificate and request form. The purportedly identification certificate, increment certificate and request form could not be traced or verify into store Contrary to Provision of Financial Memoranda 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 etc 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 is an indication that purported document might not have been printed, thereby resulting to loss of Local Government fund*

MANAGEMENT RESPONSE: *It was an oversight and document printed had been taken on charge by recording them in the appropriate store ledgers and store receipt vouchers had been issued and attached to the payment vouchers to be presented for further audit scrutiny.*

RECOMMENDATION: *When documents were printed and brought to the store, proper recording in the appropriate ledgers must be done by following laid down procedures*

4. NON-PRODUCTION OF OBSOLETE PARTS AMOUNTING TO (₦100,000.00): It was discovered during the inspection that a sum of One hundred thousand naira only was released for the repairs and procurement of spare parts of the council official vehicle, obsolete parts purportedly removed were not produced for audit scrutiny.

RISK: *This is an indication that purported obsolete materials/parts might not have been replaced thereby resulting to defraud or loss of Local Government fund.*

MANAGEMENT RESPONSE: *Effort has been made to produce the removed obsolete spare parts and would be presented for further audit verification*

RECOMMENDATION: *All the spare parts/obsolete purported removed should be produce on demand and all necessary supporting document such as SRV and SIV for the purportedly bought for replacement must be attached to the payment vouchers.*

5. FINAL ACCOUNTS: Arithmetic errors were observed in the statement of comparism of Budget and Actual during the year ended 31st December, 2021. However, all these input errors were corrected at the instance of Audit officer. The Head of Finance and Supplies is

advised to step up his supervisory role on the Financial Statement of your council. Also, there is need for improvement in weak Internal control system of the Local Government.

RISK: *This can affect the reliability of the statement to the end users*

MANAGEMENT RESPONSE: *The officer in charge of the preparation of General Purpose Financial Statement will be supervised thoroughly and checked work done before the presentation of General Purpose Financial Statement for audit verification*

RECOMMENDATION: *The Director of Finance and Supplies should make sure the statement are well prepared in order to avoid sanction from Auditor.*

6. VALUATION AND REVALUATION OF NON-CURRENT ASSETS: Audit examination of the Assets Register submitted to the office of the Auditor General for Local Government showed that your council devoid of comprehensive/detailed fixed asset register. To this end, this office is embarking on verification exercise on the non-current assets of your council to substantiate the existence, completeness of compilation and correctness of their disclosure as stated in your GPFS

RISK: *Non availability of comprehensive and reliable inventory/fixed asset register could made the Local Government Asset prone to theft, expropriation of assets (i.e use of Local Government property without authorisation, pilfering, falsification of asset values in GPFS, duplication of service in term of repairs and obsolete parts replacements*

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

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

MANAGEMENT LETTER
OBOKUN EAST LOCAL DEVELOPMENT AREA, ILARE IJESA

Observation and internal control review for the financial year ended 31st December, 2021.

1. UNCLAIMED EXPENDITURE (₦330,000:00): It was observed that a sum of three hundred and thirty thousand naira only stood as unclaimed allowance because it was not acknowledged by the beneficiary as having been received, an indication which suggested that the amount involved might not have been paid to the beneficiary nor remitted into Government Coffers. Therefore, it rendered the expenditure to be doubtful in nature contrary to Financial Memoranda 14:13.

***RISK:** This was an indication that purported recipient might not have been paid thereby resulting to loss of Local Government fund.*

***MANAGEMENT RESPONSE:** Action had been taken, the sub-receipt attached to the Payment Voucher had been signed by the recipients and would be presented for further audit verification.*

***RECOMMENDATION:** The sub-receipt must be obtained and attached to the payment voucher as this proved the authenticity that the expenditure was carried out.*

2. EXPENDITURE NOT TAKEN ON CHARGE (₦52,000.00): It was observed that the marriage certificates and seal purportedly purchased had not been taken on charge into the store to authenticate the genuineness of the purchase made contrary to 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, 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 is an indication that purported items might not have been purchased, thereby resulting to loss of Local Government fund*

***MANAGEMENT RESPONSE:** It was an oversight and items procured had been taken on charge by recording them in the appropriate store ledgers, store issued voucher and store receipt vouchers had been issued and attached to the payment vouchers to be presented for further audit scrutiny.*

***RECOMMENDATION:** When items were bought and brought to the store, proper recording in the appropriate ledgers must be done by following laid down procedures*

3. EXPENDITURE NOT SUPPORTED WITH PROPER RECORDS OR ACCOUNTS TOTALING ₦366,750:00: It was observed that the sum of three hundred and sixty-six thousand, seven hundred and fifty Naira Only was not supported by proper records or account during the period under review contrary to Financial Memoranda No. 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: *Payment 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 scrutiny.*

RECOMMENDATION: *The recipient / authorizing officer should ensure that all supporting documents were collected while incurring the expenditure.*

4. ASSET LISTING VALUATION AND REVALUATION: Kindly note that the office of the Auditor-General for the Local Governments is embarking on verification exercise of non-current Assets of the Local Government to substantiate the existences of assets, completeness of listing and the correctness of the provision values stated in your council GPFS.

The Internal Auditor is expected to maintain comprehensive and reliable assets Register of both serviceable and non-serviceable assets, updating when necessary and safeguarding the assets as its being used by various department of the Local Government.

RISK: *Non availability of comprehensive and reliable inventory/fixed asset register could made the Local Government Asset prone to theft, expropriation of assets (i.e use of Local Government property without authorisation, pilfering, falsification of asset values in GPFS, duplication of service in term of repairs and obsolete parts replacements*

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

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

5. FINAL ACCOUNT: Arithmetic errors were observed in the statement of comparison of Budget and Actual during the year ended 31st December, 2021. However, all this input errors were corrected at the instance of the Audit officer. The Head of Finance and Supplies is advise to step up in supervisory role in the preparation of the Financial Statement.

RISK: *This can affect the reliability of the statement to the end users*

MANAGEMENT RESPONSE: *The officer in charge of the preparation of General Purpose Financial Statement will be supervised thoroughly and checked work done before the presentation of General Purpose Financial Statement for audit verification*

RECOMMENDATION: *The Director of Finance and Supplies should make sure the statement are well prepared in order to avoid sanction from Auditor.*

6. UNPRODUCED REVENUE EARNING RECEIPT (#105,000.00): The Back duty investigation/ assignment on the revenue of Obokun East LCDA, Ilare revealed that one of the Revenue Collectors failed to submit the Revenue Earning Booklet in his possession for audit checking. The Head of Finance should ensure prompt payment/remittance for all receipts issued, checked and passed by the Internal Auditor and returned to store for safe keeping before issuance of a new ones.

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

MANAGEMENT RESPONSE: *The concerned Revenue Collectors had been called upon to immediately produce all the receipt booklets under their coffers and duly accounted for them to be presented for further audit verification.*

RECOMMENDATION: *All the receipt booklets should be produced for audit check and verification.*

REPORT ON INTERNAL AUDITOR'S REPORT

- i. The Internal Audit Mechanism is very weak. The Internal Audit is found of late submission of quarterly report and his activities were of no impact on the administration of the council. Both pre and post audit exercise were carried out-of-time
- ii. The Internal Control Unit is not functioning well due to the inability of the Management to give it the necessary supports and logistics. All the observations emanating from the Internal Units were not implemented.

OBOKUN LOCAL GOVERNMENT, IBOKUN.

S/N	SUBJECT	QUERIES NO	NO OF OFFICER QUERIED	AMOUNT	REMARKS
1	Expenditure not supported with proper records or accounts	LQ/AUD/OBK/O1A/2021	2	900,000	
2	Expenditure not taken on charge	LQ/AUD/OBK/O2A/2021	2	45,000	
3	Expenditure not supported with proper records or accounts accounts	LQ/AUD/OBK/O1B/2021	4	830,000	
4	Non production of obsolete parts	LQ/AUD/OBK/O2A/2021	1	100,000	
5	Expenditure not taken on charge	LQ/AUD/OBK/O2B/2021	2	100,000	

OBOKUN EAST LOCAL COUNCIL DEVELOPMENT AREA, ILARE.

S/N	SUBJECT	QUERIES NO	NO OF OFFICER QUERIED	AMOUNT	REMARKS
1	Expenditure not supported with proper records or accounts	LQ/AUD/OBK/LCDA/O1/2021	1	250,000	
2	Unclaimed allowance/ expenditure	LQ/AUD/OBK/LCDA/O2/2021	2	100,000	
3	Doubtful expenditure	LQ/AUD/OBK/LCDA/O1/2021	2	750,000	
4	Unclaimed allowance	LQ/AUD/OBK/LCDA/O3/2021	2	190,000	
5	Expenditure not taken on charge	LQ/AUD/OBK/LCDA/O4/2021	2	52,000	
6	Expenditure not supported with proper records or accounts	LQ/AUD/OBK/LCDA/O5/2021	4	116,750	

OBOKUN LOCAL GOVERNMENT, IBOKUN.

LIST OF PROJECTS FROM JANUARY – DECEMBER 2021

S/N	DESCRIPTION OF PROJECT	LOCATION	MODE OF EXECUTION	AMOUNT APPROVED (₦ : K)	AMOUNT PAID (₦ : K)	REMARKS
1,	Repair of grader	LG Premises	Direct Purchases	1,500,000.00	1,200,000.00	Completed
2,	Replacement of spoilt transformer	Idoka Community	Direct Purchases	4,930,000.00	2,340,000.00	Supplied
3,	Procurement of official vehicle (Toyota Camry Muscle)	Office of the chairman	Direct Purchases	4,000,000.00	4,000,000.00	Supplied
4.	Procurement of official vehicle (Toyota Big Daddy)	Office of the vice chairman	Direct Purchases	3,000,000.00	3,000,000.00	Supplied
5.	Procurement of official vehicle (Toyota Corolla)	Office of the Secretary	Direct Purchases	3,000,000.00	3,000,000.00	Supplied
6.	Burglary roof	Local Government Secretariat	Direct Labour	100,000.00	100,000.00	Completed

OBOKUN EAST LOCAL COUNCIL DEVELOPMENT AREA, ILARE

LIST OF PROJECTS FROM JANUARY – DECEMBER 2021

S/N	DESCRIPTION OF PROJECT	LOCATION	MODE OF EXECUTION	AMOUNT UP APPROVED (₦ : K)	PAYMENT TO DATE (₦ : K)	Remarks
1,	Procurement of Toyota Muscle Camry Car	LCDA Secretariat	Direct Purchases	4,000,000.00	4,000,000.00	Supplied
2,	Procurement of Toyota Corolla Car	LCDA Secretariat	Direct Purchases	3,000,000.00	3,000,000.00	Supplied
3,	Procurement of Toyota Corolla Car	LCDA Secretariat	Direct Purchases	3,000,000.00	3,000,000.00	Supplied