

REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL

GOVERNMENTS

ON THE

ACCOUNTS OF ADO LOCAL GOVERNMENT,

ADO-EKITI,

FOR THE YEAR ENDED,

31ST DECEMBER, 2018.

AUDIT CERTIFICATE

I have examined the General Purpose Financial Statements of Ado Local Government as at 31st December, 2019 in accordance with Sections 123(2) of the Constitution of the Federal Republic of Nigeria 1989; 316(1) of the Constitution of the Federal Republic of Nigeria 1999, 32 (2) of the Local Government Administration Law No 2 of 1999, and section 26(2) of Ekiti State Audit Law 2014. The audit was conducted in compliance with International Standards on Auditing (ISA) and International Organisation of Supreme Audit Institutions (INTOSAI) Auditing Standards. The Financial Statements were prepared in line with IPSAS Accrual. I have obtained information and explanations that I required for my audit. In my opinion, the General Purpose Financial Statements and the supporting Accounts and Statements give a true and fair view of the Local Government as at 31st December, 2019 subject to the observations in this report.



Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF ADO LOCAL GOVERNMENT, ADO-EKITI FOR THE YEAR ENDED
31ST DECEMBER, 2018.**

The General Purpose Financial Statements of Ado Local Government have been examined in accordance with sections 123(2) and 316 of the Constitution of the Federal Republic of Nigeria, 1989 and 1999 respectively, section 32(2) of the Local Government Administration Law No 2 of 1999. The General Purpose Financial Statements were correct subject to the comments in this report and the existence of the Assets have also been substantiated.

2. STATEMENT OF FINANCIAL RESPONSIBILITY

It is the responsibility of Director of Finance of Ado Local Government to prepare and present the Financial Statements to the Auditor-General in accordance with the provisions of the Constitutions of the Federal Republic of Nigeria within 90 days after the expiration of the financial year.

This section was grossly violated by the Local Government as their account was presented on 1st August, 2019, more than 4 months behind schedule. This led to my late reporting on the Account.

3. STATEMENT OF RESPONSIBILITY OF AUDITOR-GENERAL

It is my responsibility to form an independent opinion, based on General Purpose Financial Statements and accompanying Accounts prepared and submitted to me by the Director of Finance of the Local Government and to report thereupon in consonance with the Constitution of the Federal Republic of Nigeria.

4. RESPONSIBILITY OF THE PUBLIC ACCOUNTS COMMITTEE (PAC)

It is the responsibility of the Public Accounts Committee of the State House of Assembly to review the Auditor-General's Report with a view to ensuring enforcement of the recommendations made and impose sanctions where necessary.

5. BASIS OF OPINION

The Audit was conducted in compliance with International Standards on Auditing (ISA) and Generally Accepted Public Sector and INTOSAI Auditing Standards.

These standards require that I comply with ethical requirements, plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements whether due to fraud or error. I also evaluated the overall adequacy of the presentation of information in the financial statements.

In the course of the Audit, I have obtained all the information and explanation that to the best of my knowledge and belief were necessary for the purpose of audit and I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for independent opinion.

6. OPINION

In my opinion, the Financial Statements which included Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flow, Statement of Comparison of Budget and Actual and Statement of Changes in Net Assets/Equity as at 31st December, 2019 with supporting notes, give a true and fair view of the State of Affairs And Financial Positions of the Local Governments for the fiscal year ended on that date subject to the observations and comments in the other parts of this report.

7. BUDGET OVERVIEW AND PERFORMANCE

Statement of Comparism for Budget Estimates and Actual Performance for the year ended 31st December, 2018 prepared and presented showed the following shortfalls:

- i. The budget was not prepared in compliance with the National Chart of Accounts (NCOA) put in place by IPSAS for budget preparation.
- ii. The estimate made for Revenue in the 2018 budget recorded a low performance. An estimate was made for N2,686,780,000.00 while actual Revenue recorded stood at N917,460,181.11. This is about 34.15% performance. Equally, the IGR of N21,468,299.58 represents only 2.35% of

the total Revenue for the period, meaning the Local Government relied unduly on the Statutory allocation for survival.

- iii. The sum of N941,168,349.60 only was budgeted for expenditure but only N990,721,706.31 was actually incurred, resulting to deficit of N49,553,356.71 for the period. This is considered extract budgetary spending

8. REVENUE ACCOUNT

A total sum of N917,460,181.11 was earned as total Revenue as at 31st December, 2018 out of which only 2.35%- N21,468,299.58 was generated as IGR, which showed that the Local Government solely depends on the Statutory allocation.

On the basis of comparison, the IGR for the current year recorded a deficit of 37.00% over that of previous year. Details of this is contained in the statement of Budget Comparism for the year 2018.

9. AUTHORITY FOR EXPENDITURE

All expenditure shown in the statement of actual expenditure for the year have been authorized as provided for by section 22(i) of the Local Government Administration Law 1999 with the exceptions of paragraph 6, of this report

10. EXPENDITURE CONTRARY TO LAW

The following expenditure appears to be contrary to law.

S/N	QUERY	SUBJECT	AMOUNT (N)
1	AUD/ADLG/AQ/01/18	Unaudited and Unreceipted Payments	908,500.00
2	AUD/ADLG/AQ/02/18	Unaudited Payment I	3,900,000.00
3	AUD/ADLG/AQ/03/18	Unaudited Payment II	1,425,000.00
4	AUD/ADLG/AQ/04/18	Expenditure not supported with Proper Records	1,450,000.00
5	AUD/ADLG/AQ/05/18	Unaudited and Unretired Payments	7,500,000.00
6	AUD/ADLG/AQ/06/18	Unaudited Unretired/ Unreceipted Payment	4,653,000.00

7	AUD/ADLG/AQ/07/18	Expenditure Contrary to Financial Regulation I	2,980,000.00
8	AUD/ADLG/AQ/08/18	Expenditure Contrary to Financial Regulation II	740,000.00
9	AUD/ADLG/AQ/09/18	Un-produced Revenue Earning Receipts	Various
10	AUD/ADLG/AQ/10/18	Un-produced Payment Vouchers	2,448,000.00
		TOTAL	26,004,500.00

11. **STATEMENTS OF ASSETS AND LIABILITIES**

The statements of Assets and Liabilities were correct and existence of the Assets have been substantiated.

12. **DISALLOWANCE** Allowance has been reserved in respect of the expenditure detailed in paragraph 6 of this report pending a satisfactory explanations or the sanction of the State House of Assembly.

13. **STATE OF ACCOUNT**

The Accounts of Ado Local Government have been examined up to 31st December, 2018 and detailed observations have been forwarded to the Director of Administration, Ado Local Government, Ado-Ekiti. Particular attention is required to the followings:

- (i) Revenue Accounts
- (ii) Audit Report and Queries
- (iii) Capital Projects

14. **OUTSTANDING MATTERS FROM PREVIOUS REPORTS**

The following audit queries still remained outstanding in my previous report

	N
a) Loss of Fund (2015) involving Miss. Lola Oladepo	1,153,600.00
b) Loss of fund (2016)	9,228,710.00
c) Receipt in custody of Political Office Holders and Consultant 2015	various
d) Liquor License receipts not traceable to store 2015	various
e) Difference in JAAC releases	69,710,518.96

f) **2015 AUDIT QUERIES**

i.	AQ/ADKLG/01/15	Unreasonable Expenditure	490,000.00
ii.	AQ/ADKLG/02/15	Items not taken on store ledger charge	677,000.00
iii.	AQ/ADKLG/06/15	Doubtful payment/fake receipts	290,000.00
iv.	AQ/ADKLG/07/15	Expenditure retired with fake receipts	1,503,000.00
v.	AQ/ADKLG/012/15	Unreasonable Expenditure	1,317,810.00
vi.	AQ/ADKLG/013/15	Irregular payment of Security maintenance	14,650,000.00
vii.	AQ/ADKLG/018/15	Contact retired with fake receipts	5,000,000.00
viii.	AQ/ADKLG/019/15	Cash Defalcation	1,153,600.00
ix.	AQ/ADKLG/21/15	Printing of fake revenue earning receipt	assorted
x.	AQ/ADKLG/22/15	Mission/Loss of Revenue Earning Receipts	<u>various</u>
Total			24,820,410.00

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g) **2016 AUDI QUERIES**

i.	AQ/ADKLG/01/16	Unproduced revenue earning receipts	various
ii.	AQ/ADKLG/05/16	Unproduced payment vouchers	14,864,341.00
iii.	AQ/ADKLG/07/16	Double payment	650,000.00
iv.	AQ/ADKLG/08/16	Un-receipted expenditure	1,001,000.00
v.	AQ/ADKLG/10/16	Expenditure not supported with proper records	812,000.00
vi.	AQ/ADKLG/16/16	Nugatory payment	<u>200,000.00</u>
			17,527,341.00

h) **2017 AUDIT QUERIES**

i.	AQ/ADKLG/01/17	Expenditure not supported by proper records	2,745,000.00
ii.	AQ/ADKLG/02/17	Expenditure not supported by proper records	5,645,409.78
iii.	AQ/ADKLG/03/17	Items not taken on store ledger charge	80,000.00
iv.	AQ/ADKLG/04/17	Doubtful expenditure	4,056,870.00
v.	AQ/ADKLG/05/17	Nugatory payment	4,311,000.00
vi.	AQ/ADKLG/06/17	Unvouched expenditure	9,228,710.00
vii.	AQ/ADKLG/07/17	Unproduced payment vouchers	<u>11,817,300.00</u>
TOTAL			37,884,309.78

 17/10/2019

Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

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**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF ADO LOCAL GOVERNMENT, ADO-EKITI FOR THE YEAR ENDED
31ST DECEMBER, 2018.**

1. RESPONSIBILITY FOR FINACIAL STATEMENTS

The Financial Statements have been prepared by the Director of Finance Ado Local Government based on the available records and in compliance with the IPSAS Accrual Accounting for all Public Sectors Entities (PSE) in Nigeria.

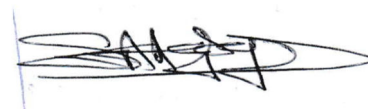
To the best of our knowledge, the system of internal control had operated adequately throughout the reporting period, and the statements represent a true and fair view of the Financial Positions of the Local Government.

The Director of Finance accepts responsibility for the integrity of these Financial Statements, the information they contain and their compliance with International Public Sector Accounting Standards (IPSAS) Accrual Accounting for all public sector entities (PSE) in Nigeria.

In my opinion, these General Purpose Financial Statements fairly reflect the financial position of Ado Local Government as at the year ended 31st December, 2018.



**Hon. Motunde Fajuyi,
Executive Chairman.**



**Mr Agbaje S.A.
Director of Finance.**

STATEMENT OF ACCOUNTING POLICIES (IPSAS 1)

(i) BASIS OF PREPARATION

The General Purpose Financial Statements have been prepared in compliance with IPSAS Accrual Accounting basis that recognizes transactions and events occurred whether expenses are paid for or not and revenue received or outstanding, and under the guidelines of Financial Memoranda in conformity with National Chart of Account (NCOA) and the Nigeria Accounting Standard Board for Public Sector Reporting.

(ii) BASIS OF MEASUREMENT

The Financial Statements have been prepared on historical cost unless stated otherwise.

(iii) REPORTING CURRENCY

The Financial Statements were presented in Nigerian Naira, which is the functional currency of the Local Government Council.

(iv) GOING CONCERN

The Financial Statements have been prepared on a going concern basis.

(v) ACCOUNTING PERIOD

The Accounting period is from 1st January to 31st December, 2018.

(vi) REVENUE

This presented both the exchange and non-exchange revenue from Internally Generated Revenue and Statutory Allocation from the Federation Account during the year.

(vii) EXPENDITURE

This represented both recurrent and capital expenditure during the year.

(viii) NON-CURRENT ASSETS/ DEPRECIATION

Property Plant and Equipment were recognized less accumulated depreciation.

(ix) BUDGET INFORMATION

The Annual Budget was prepared on Accrual Basis. All planned costs and incomes were presented in a single statement to determine the needs of the Local Government Council.

(x). INVESTMENT PROPERTIES

Investment properties were measured initially at cost, including transaction costs. The carrying amount included the replacement cost of components of an existing investment properly at the end time that cost was incurred if the recognition criteria were met and excluded the cost of day to day maintenance of an investment properly.

ADO LOCAL GOVERNMENT, ADO-EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2018

2017	DETAILS	NOTES	2018	
N	Represented By:		N	N
	ASSETS			
	Current Assets			
4,937,260.63	Cash and equivalent	1	7,983,838.63	
1,153,180.00	Inventories	2	415,200.00	
-	WIP	3	-	
444,945,628.65	Receivables	4	533,014,860.82	
-	Prepayment	5	-	
451,036,069.28	Total Current Assets			541,413,899.45
	Non-Current Assets			
-	Loans Granted	6		
-	Investments	7	-	
939,367,481.90	Fixed Assets-Property, Plant & Equip	8	863,747,414.21	
-	Investment Property	9	-	
-	Biological Assets	10	-	
939,367,481.90	Total Non-current Assets			863,747,414.21
	Total Assets			1,405,161,313.66
	LIABILITIES			
	Current Liabilities			
-	Accumulated Depreciation	11	-	
-	Loan & Debts (Short-Term)	12	-	
1,500,000.00	Unremitted Deductions	13	-	
429,273,323.78	Payables	14	529,469,321.05	
430,733,323.78	Total Current Liabilities		529,469,321.05	
	Non - Current Liabilities			
-	Public funds	15	-	
-	Borrowings	16	-	
	Total Non- Current Liabilities		-	
430,773,323.78	Total Liabilities			529,469,321.05
959,630,227.40	NET ASSETS/EQUITY:			875,691,992.61
	Financed By:			
882,483,410.06	Reserves	17		928,690,772.32
-	Capital Grants	18	-	
20,262,745.50	Net Surpluses/(Deficits)	19	(73,266,525.21)	
56,884,071.84	Accumulated Surpluses(Deficits)	20	20,262,745.50	(52,998,779.71)
959,630,227.40	Total Net Assets/Equity:			875,691,992.61

ADO LOCAL GOVERNMENT, ADO- EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER,
2018

2017	DETAILS	NOTE	2018
N	REVENUE		ACTUAL (N)
775,147,362.55	Statutory Revenue	21	895,888,296.95
877,152.90	Tax Revenue	22	103,584.57
33,201,851.10	Non-Tax Revenue	23	21,468,299.58
-	Aid & Grants	24	-
-	Investment Income	25	-
-	Expenditure Recovery	26	-
-	Other Capital Receipts	27	-
-	Debt Forgiveness	28	-
809,226,366.55	Total Revenue		917,460,181.10
	EXPENDITURE:		
640,763,003.67	Salaries & Wages	29	786,441,735.45
12,299,052.64	Social Contribution	30	7,150,000.00
17,256,049.37	Social Benefits	31	27,899,243.86
84,392,155.82	Overhead Cost	32	81,800,123.31
-	Gratuity	32	-
-	Pension Allowances	33	-
-	Stationeries	35	-
-	Impairment Charges	36	-
34,253,359.55	Depreciation charges	37	87,430,603.69
-	Transfer to Other Government Entities	38	-
-	Public Debt Charge	39	-
-	Allowance (Leave Bonus)	40	-
788,963,745.05	Total Expenditure		990,721,706.31
20,262,745.50	Surplus/(deficit) from operating activities for the period		(73,261,525.21)
	Total Non-Operating Revenue (Expenses)		11,944,578.39
	Non-Operating Activities		
-	Gain/Loss on Assets Disposal	41	-
-	Refund Revenue	42	-
-	Revaluation Grain	43	-
-	Net Surplus/(Deficit) from Operating Activities		-
	Surplus/(Deficit) from operating activities		-
-	Purchases/Construction of Assets	44	-
	Minority Interest Share of Surplus/Deficits)	45	-
	Accumulated Surplus/(Deficit) 01/1/2018)		20,262,745.50
20,262,745.50	Accumulated Surplus/(Deficit 31/12/2018)		(52,998,779.71)

ADO LOCAL GOVERNMENT, ADO-EKITI, EKITI STATE, NIGERIA
STATEMENT CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2018.

2017	DETAILS	NOTES	2018	
N	CASH FLOWS FROM OPERATING ACTIVITIES		N	N
	Inflows			
775,147,362.55	Statutory Revenue	21	895,888,296.95	
877,152.90	Tax Revenue	22	103,584.57	
33,201,851.10	Non-Tax Revenue	23	21,468,299.59	
-	Aid & Grants	24	-	
-	Investment	25	-	
-	Expenditure Recovery	26	-	
-	Other Capital Receipts	27	-	
-	Debt Forgiveness	28	-	
809,226,366.55	Total flow from Operating Activities			917,460,181.11
	outflows			
640,768,003.67	Salary & Wages	29	786,441,735.45	
12,299,052.64	Social Contribution	30	7,150,000.00	
17,256,049.37	Social Benefit	31	27,899,243.86	
84,392,155.82	Overheads Cost	32	81,800,123.31	
-	Gratuity	33	-	
-	Pension Allowances	34	-	
-	Transfer to other Government Entities	38	-	
-	Allowance	40	-	
-	Deductions	49	-	
-	Refund	50	-	
-	Inventory	51	-	
-	Loan	52	-	
754,710,261.50	Total Outflow from Operating Activities			903,291,102.62
54,516,105.05	Net Cash Inflow/(outflow) from operating Activities			14,169,078.49
	CASH FLOW FROM INVESTING ACTIVITIES			
-	Proceeds for Sale of PPE	53	-	
-	Proceeds from Sales Property	54	-	
-	Proceeds from Sales of Intangible Assets	55	-	
-	Proceeds from Sales of Investment	56	-	
-	Dividend Received	57	-	
-	Total Inflow			
	Outflows			
73,157,688.84	Purchase/construction of Assets PPE	58	11,122,500.49	
-	Purchase/construction of Assets-Investment Property	59	-	
-	Investment in Private companies	60	-	
-	Loan Granted	61	-	
-	Purchase of Intangible Assets	62	-	
-	Acquisition of Investment	63	-	
73,157,688.84	Total Outflow		-	11,122,500.49
(18,641,583.79)	Net cash flow from Investing		-	3,046,578.00

	Activities			
	CASH FLOW FROM FINANCING ACTIVITIES		-	
	Inflows		-	
-	Capital Grant Received	64	-	
-	Proceeds from Borrowing	65	-	
-	Total Inflow		-	
	Outflows		-	
-	Repayment of borrowing	66	-	
-	Distribution of surplus/Dividends Paid	67	-	
-	TOTAL OUTFLOW		-	
(18,641,583.79)	Net Cash Flow from financial Activities			3,046,578.00
(18,641,583.79)	Net cash flow from All Activities		-	3,046,578.00
23,578,844.42	Cash & Equivalent As at 1/1/ 2018			4,937,260.63
4,937,260.63	Cash & Equivalent as at 31/12/2018	1		7,983,838.63

ADO LOCAL GOVERNMENT, ADO EKITI, EKITI STATE NIGERIA

**STATEMENT OF COMPARISM OF BUDGET AND ACTUAL FOR THE YEAR ENDED
31ST DECEMBER, 2018.**

2017	REVENUE		2018	FINAL BUDGET 2018 N	VARIANCE ON FINAL BUDGET ON (%)
N	N	NOTE	ACTUAL N	N	
775,147,362.55	Statutory Revenue	21	895,888,296.95	2,260,000,000.00	(66.20)
877,152.90	Tax Revenue	22	103,584.57	2,800,000.00	(96.40)
33,201,851.10	Non- Tax Revenue	23	21,468,299.58	33,000,000.00	(45.17)
	Aid & Grants	24	-		
	Investment Income	25	-	-	
-	Expenditure Recovery	26	-	-	
-	Other Capital Receipts	27	-	-	
-	Debt forgiveness	28	-	-	
809,226,366.55	Total Revenue		917,460,181.11	2,686,780,000.00	(207.77)
	EXPENDITURE:				
640,763,003.67	Salaries & Wages	29	786,441,735.45	834,468,349.60	5.76
12,299,052.64	Social Contribution	30	7,150,000.00		(100.00)
17,256,049.37	Social Benefit	31	27,899,243.86	-	(100.00)
84,392,155.83	Overhead cost	32	81,800,123.31	106,700,000.00	23,34
-	Gratuity	33	-	-	
-	Pension Allowance	34	-	-	
-	Stationeries	35	-	-	
-	Impairment Charges	36	-	-	
34,253,359.55	Depreciation Charges	37	87,430,603.69	-	(100.00)
-	Transfer to other Government Entities	38	-	-	
-	Public Debt Charge	39	-	-	
-	Allowance (Leave Bonus)	40	-	-	
788,963,621.05	Total Expenditure		990,721,706.31	941,168,349.60	(270.90)
20,262,745.50	Surplus (Deficit) from operating activities for the period		(73,261,525.21)	1,745,611,650.40	(478.67)
	Total Non-operating Revenue (Expenses)				
	Non-operating Activities				
-	Gain/loss on Asset Disposal	41		-	
-	Refunded Revenue	42		-	
-	Revaluation Gain	43		-	

-	Net Surplus/(Deficit) from Non-operating Activities	44		-	
	Purchases/Construction of Assets	44			
-	Monitoring interest share of surplus (Deficit)	45			
	Accumulated surplus/Deficit) 1/1/2018				
20,262,745.50	Accumulated surplus (Deficit) 31/12/2018		(73,261,525.21)	1,745,611,650.40	(478.67)

ADO LOCAL GOVERNMENT, ADO-EKITI, EKITI STATE, NIGERIA

STATEMENT OF CHANGES IN NET ASSET/EQUITY AS AT 31/12/2018

DETAILS	NOTE	RECEIVABLES	PAYABLES	RUNNING GRANT (O/H)	ACCUMULATED SURPLUS/(DEFICITS)	TOTAL
		N	N	N	N	N
Balance b/f (1/1/2018)		<u>444,945,628.65</u>	<u>429,273,323.78</u>	-	<u>20,262,745.50</u>	<u>894,481,697.93</u>
Increase/(Decrease) in Revenue not recognized in financial performance		-	-	-	(-)	-
Increase/(Decrease) in Salaries & Wages not recognized	-	-	-	-	-	-
Total Actual 2017		<u>444,945,628.65</u>	<u>429,273,323.78</u>	-	<u>20,262,745.50</u>	<u>894,481,697.93</u>
Balance as at (31/12/2018)		<u>533,014,860.82</u>	<u>529,469,321.05</u>	-	(73,261,525.21)	989,222,656.66
Total		533,014,860.82	529,469,321.05	-		
Increase/Decrease in Salaries & Wages not recognized in Receivables/Payables				-		-
Gain on Revaluation				-		-
Accumulated surplus (Deficit) as at 31/12/2017					20,262,745.50	20,262,745.50
Balance as at 31/12/2018		<u>533,014,860.82</u>	<u>529,469,321.05</u>		<u>(52,998,779.71)</u>	<u>1,009,485,402.16</u>

ADO LOCAL GOVERNMENT, ADO EKITI

EKITI STATE, NIGERIA

POSITION OF REVEENUE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	EXPENDITURE JANUARY-DECEMBER 2018 (N)
Statutory allocation	21	895,888,296.95
Tax Revenue	22	103,584.57
Non-Tax Revenue	23	21,468,299.58
Total		917,460,181.10

ADO LOCAL GOVERNMENT, ADO EKITI

EKITI STATE, NIGERIA

POSITION OF EXPENDITURE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	EXPENDITURE JANUARY-DECEMBER 2018 (N)
Salaries and wages	29	786,441,735.45
Social contribution	30	7,150,000.00
Social benefit	31	27,899,243.86
Overhead cost	32	81,800,123.31
Depreciation Charge	37	87,430,603.69
Total		990,721,706.31

INVENTORIES AS AT 31ST DECEMBER, 2018

S/N	MATERIALS	BALANC	FOLIO	AMOUNT (N)
1	Photocopier catridge	4	196	100,000.00
2	File jacket	150	1	22,500.00
3	Okada sticker	1,000	24	5,500.00
4	Tax sticker	1,000	26	50,000.00
5	Lorries sticker	200	28	10,000.00
6	Napep sticker	100	39	5,000.00
7	Tipper sticker	100	42	5,000.00
8	Poll sticker	200	44	10,000.00
9	Coaster sticker	100	46	10,000.00
10	Drivers' log book	9	80	11,700.00
11	Bus sticker	200	29	10,000.00
12	Headed/liquor	2	120	24,000.00
13	Bank schedule	3	85	28,000.00
14	Seizure note	3	114	6,000.00
15	Big office ledger	10	116	30,000.00
16	Small office ledger	52	118	78,000.00
17	Revenue Cashbook	4	49	10,000.00
				415,700.00

NOTE 4**RECEIVABLES**

1.	JAAC	517,806,744.90
2.	Independent Revenue	<u>15,081,115.84</u>
	TOTAL	533,014,860.82
		=====

NOTES 8 & 37**PROPERTY, PLANT & EQUIPMENT (PP&E)**

	NOTES	VEHICLES & MACHINERIES (N)	LAND & BUILDING (N)	AGRIC EQUIPMENT (N)	FURNITURE & FITTINGS (N)	TOTAL (N)
Value as at 1 st Jan. 2018		45,698,360.00	889,709,715.20	1,363,196.00	3,284,246.70	939,367,481.90
Add PPE acquired during the year		11,122,500.00	-	-	-	11,122,500.00
		56,820,860.00	889,709,715.20	1,363,196.00	3,284,246.70	950,189,901.90
Less accumulated depreciation	37	29,356,740.09	54,946,857.20	1,250,294.00	-	87,430,603.69
NET	8	27,464,119.91	834,762,858.00	112,902.00	1,407,534.30	863,747,414.21

NOTE 14**PAYABLES**

1.	Salary arrears (March-September, 2018)	517,806,744.98
2.	Contractors	<u>11,662,576.55</u>
		529,469,321.05
		=====

NOTE 21**MONTHLY STATUTORY ALLOCATION**

MONTHS	N
JANUARY	63,168,242.63
FEBRUARY	94,636,954.36
MARCH	87,355,663.02
APRIL	79,815,707.81
MAY	80,220,524.23
JUNE	79,736,469.14
JULY	18,654,263.93
AUGUST	86,572,820.54
SEPTEMBER	86,863,449.43
OCTOBER	72,680,384.90
NOVEMBER	72,680,384.90
DECEMBER	72,680,384.65
TOTAL	895,888,296.95

NOTE 22**TAX REVENUE**

S/N	PARTICULARS	ACTUAL (N)
1.	25% Local Govt. Tax	103,584.57

NON TAX REVENUE

S/N	PARTICULARS	ACTUAL (N)
1	Operational fees	2,515,000.00
2	Birth & Death registration fees	84,000.00
3	Attestation fees	512,000.00
4	Marriage	1,185,000.00
5	Mobile Advertisement	2,850,000.00
6	Tenement rates	63,137.93
7	Earnings (Commercial)	254,500.00
8	Squatter; Hawking; food vendor	106,430.00
9	Liquor license	89,000.00
10	Parking	342,000.00
11	Registration of organizations	157,000.00
12	Earning from sales of farm produce	10,547,578.66
13	Naming of streets	287,000.00
14	Rent	1,181,000.00
15	Expenditure recovery	20,000.00
16	Tender fees	60,000.00
17	Compensation	1,179,653.00
18.	Sales of assets	35,000.00
	Total	21,468,299.59

NOTE 29**SALARIES AND WAGES**

MONTHS	STAFF	POHs/ POLITICAL COMMITTEE	MIDWIVES	PALACE STAFF	LABOUR & SWEEPERS	TEMPORARY STAFF	TOTAL
JANUARY	73,707,427.92	6,069,320.66	90,000.00	473,807.18	-	-	80,340,535.76
FEBRUARY	73,029,532.16	6,719,320.66	90,000.00	436,508.65	-	-	80,275,361.47
MARCH	72,081,895.88	6,119,320.66	30,000.00	436,508.65	315,000.00	-	78,982,725.19
APRIL	73,029,532.16	6,719,320.66	30,000.00	436,508.65	-	-	80,215,361.47
MAY	72,835,991.07	6,719,320.66	30,000.00	436,508.65	-	270,000.00	74,221,419.72
JUNE	-	3,719,861.98	30,000.00	436,508.65	315,000.00	270,000.00	4,770,370.63
JULY	-	760,000.00	160,000.00	-436,508.65	-	-	920,000.00
AUGUST	73,677,197.36	6,731,320.66	120,000.00	436,508.65	-	270,000.00	81,235,026.67
SEPTEMBER	73,967,826.25	6,719,320.66	120,000.00	436,508.65	-	-	81,243,655.56
OCTOBER	74,124,876.00	-	120,000.00	436,508.65	-	-	74,680,384.65
NOVEMBER	74,710,394.09	-	-	-	-	-	74,710,394.09
DECEMBER	74,606,480.24	-	240,000.00	-	-	-	74,846,480.24
TOTAL	736,486,312.66	46,365,106.60	1,060,000.00	3,962,876.38	630,000.00	810,000.00	786,441,735.40

SUMMARY OF OVERHEAD COSTS

S/N	PARTICULARS	ACTUAL (N)
1	Transport & Travelling	21,307,967.43
2	Utility services	463,208.00
3	Stationery & printing	5,202,000.00
4	maintenance of Office furniture	1,893,000.00
5	Maintenance of vehicle	4,321,909.78
6	Consultancy services	4,245,500.00
7	Grants constitution	2,852,000.00
8	Training & staff development	6,052,900.00
9	Entertainment & Hospitality	9,831,000.00
10	Miscellaneous	3,863,740.00
11	Security votes	8,250,000.00
12	Welfare Packages (xmas & salah)	8,246,398.10
13	Publicity & advertisements	2,216,600.00
14	Repair of plants & Generators	3,053,900.00
	TOTAL	81,800,123.31

REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL

GOVERNMENTS

ON THE

ACCOUNTS OF EFON LOCAL GOVERNMENT,

EFON-ALAAYE-EKITI,

FOR THE YEAR ENDED,

31ST DECEMBER, 2018.

AUDIT CERTIFICATE

I have examined the General Purpose Financial Statements of Efon Local Government as at 31st December, 2018 in accordance with Sections 123(2) of the Constitution of the Federal Republic of Nigeria 1989; 316(1) of the Constitution of the Federal Republic of Nigeria 1999, 32 (2) of the Local Government Administration Law No 2 of 1999, and section 26(2) of Ekiti State Audit Law 2014. The audit was conducted in compliance with International Standards on Auditing (ISA) and International Organisation of Supreme Audit Institutions (INTOSAI) Auditing Standards. The Financial Statements were prepared in line with IPSAS Accrual. I have obtained information and explanations that I required for my audit. In my opinion, the General Purpose Financial Statements and the supporting Accounts and Statements give a true and fair view of the Local Government as at 31st December, 2018 subject to the observations in this report.



Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF EFON LOCAL GOVERNMENT, EFON-ALAAYE-EKITI FOR THE YEAR
ENDED 31ST DECEMBER, 2018.**

The General Purpose Financial Statements of Efon Local Government have been examined in accordance with, sections 123(2) and 316 of the Constitution of the Federal Republic of Nigeria, 1989 and 1999 respectively and Section 26(2) of Ekiti State Audit Law, 2014 and section 32(2) of the Local Government Administration Law No 2 of 1999. The General Purpose Financial Statements were correct subject to the comments in this report and the existence of the Assets have also been substantiated.

2. STATEMENT OF FINANCIAL RESPONSIBILITY

It is the responsibility of Director of Finance of Efon Local Government to prepare and present the General purpose Financial Statements to the Auditor-General in accordance with the provisions of the constitutions of the Federal Republic of Nigeria within 90 days after the expiration of the financial year.

This section was grossly violated by the Local Government as their account was presented on 27th June, 2019 almost 3 months behind schedule. This led to my late reporting on the Account.

3. STATEMENT OF RESPONSIBILITY OF AUDITOR-GENERAL

It is my responsibility to form an independent opinion, based on General Purpose Financial Statements and accompanying Accounts prepared and submitted to me by the Director of Finance of the Local Government and to report thereupon in consonance with the Constitution of the Federal Republic of Nigeria.

4. RESPONSIBILITY OF THE PUBLIC ACCOUNTS COMMITTEE (PAC)

It is the responsibility of the Public Accounts Committee of the State House of Assembly to review the Auditor-General's Report with a view to ensuring enforcement of the recommendations made and impose sanctions where necessary.

5. **BASIS OF OPINION**

The Audit was conducted in compliance with International Standards on Auditing (ISA) and Generally Accepted Public Sector and INTOSAI Auditing Standards.

These standards require that I comply with ethical requirements, plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements whether due to fraud or error. I also evaluated the overall adequacy of the presentation of information in the financial statements.

In the course of the Audit, I have obtained all the information and explanation that to the best of my knowledge and belief were necessary for the purpose of audit and I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for independent opinion.

6. **OPINION**

In my opinion, the Financial Statements which included Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flow, Statement of Comparison of Budget and Actual and Statement of Changes in Net Assets/Equity as at 31st December, 2019 with supporting notes, give a true and fair view of the State of Affairs And Financial Positions of the Local Governments for the fiscal year ended on that date subject to the observations and comments in the other parts of this report.

8. **BUDGET OVERVIEW AND PERFORMANCE**

Statement of Comparism for Budget Estimates and Actual Performance for the year ended 31st December, 2018 prepared and presented showed the following shortfalls:

- i. The budget was not prepared in compliance with the National Chart of Accounts (NCOA) put in place by IPSAS for budget preparation.
- ii. The estimate made for Revenue in the 2018 budget recorded a low performance. An estimate was made for N2,244,974,415.67, while actual Revenue recorded stood at N1,357,895,659.54. This is about. 60.49% performance. Equally, the IGR of N3,077,350.00 represents only 0.23% of the total Revenue for the period,

meaning the Local Government relied unduly on the Statutory allocation for survival.

- iii. The sum of N1,409,274,409.70 only was budgeted for expenditure but only N1,369,820,812.68 was actually incurred, resulting to saving of N39,453,597.02 for the period.

9. REVENUE ACCOUNT

A total sum of N1,357,895,659.54 was earned as total Revenue as at 31st December, 2018 out of which only 0.23%- N3,077,350.00 was generated as IGR, which showed that the Local Government solely depends on the Statutory allocation.

On the basis of comparism, the IGR for the current year recorded a surplus of 14.39% over that of previous year. Details of this is contained in the statement of Budget Comparism for the year 2018.

10. AUTHORITY FOR EXPENDITURE

All expenditure shown in the statement of actual expenditure for the year have been authorized as provided for by section 22(i) of the Local Government Administration Law 1999 with the exceptions of paragraph 6 of this report.

11. EXPENDITURE CONTRARY TO LAW

The following expenditure appears to be contrary to law.

S/N	QUERY NO	SUBJECT	AMOUNT
1	AUD/EFLG/AQ/01/18	Unproduced Revenue Earning Receipts	Assorted
2	AUD/ EFLG/AQ/02/18	Expenditure Contrary to Regulations	2,006,500.00
3	AUD/ EFLG/AQ/03/18	Expenditure not supported with Proper Records of Accounts/Items not taken on Store Ledger Charge	4,621,100.00
4	AUD/ EFLG/AQ/04/18	Expenditure not support with proper Records of Accounts	848,750.00

5	AUD/ EFLG/AQ/05/18	Expenditure Not Supported with proper Records of Accounts	8,500,000.00
6	AUD/ EFLG/AQ/06/18	Expenditure Not Supported with proper Records of Accounts	1,658,500.00
7	AUD/ EFLG/AQ/07/18	Unreceipted payment	807,000.00
8	AUD/ EFLG/AQ/08/18	Uproduced payment Vouchers	4,914,000.00
	TOTAL		23,355,850.00

12. **STATEMENTS OF ASSETS AND LIABILITIES**

The statements of Assets and Liabilities were correct and existence of the Assets have been substantiated.

13. **DISALLOWANCE** Allowance has been reserved in respect of the expenditure detailed in paragraph 6 of this report pending a satisfactory explanations or the sanction of the State House of Assembly.

14. **STATE OF ACCOUNT**

The Accounts of Efon Local Government have been examined up to 31st December, 2018 and detailed observations have been forwarded to the Director of Administration, Efon Local Government, Efon-Alaaye-Ekiti. Particular attention is required to the followings:

- (i) Cash books and subsidiary ledgers
- (ii) Attendance to Audit Query
- (iii) Loan Register
- (iv) Internal Generated Revenue
- (v) Capital Accounts
- (vi) Discrepancy between the Local Government receipt and the JAAC releases
- (vii) Loss of Public Fund involving the Management of the council
- (viii) Loss of Fund involving Mrs. Anjorin Stella N101,400.00

15. **OUTSTANDING MATTERS FROM PREVIOUS REPORTS**

The following matters remained outstanding in my previous report

N

a) Salary received from JAAC Palace Staff (Difference) 2015) 1,197,561.75

b) **2014 AUDIT QUERIES**

i.	AUD/EFY/AQ/05/15	Double Payments	1,750,000.00
ii.	AUD/EFY/AQ/06/15	Unretired payment	<u>350,000.00</u>
		Total	2,100,000.00

c) **2016 AUDIT QUERIES**

1. AUD/EFY/AQ/06/16 Expenditure not supported by proper records 385,000.00

d) **2017 AUDIT QUERIES**

i.	AUD/EFY/AQ/1/17	Expenditure not supported with proper records of a/c	1,580,000.00
ii.	AUD/EFY/AQ/2/17	Expenditure contrary to regulations	1,335,000.00
iii.	AUD/EFY/AQ/3/17	Expenditure contrary to regulations	938,500.00
iv.	AUD/EFY/AQ/4/17	Items not taken on ledger charge	1,368,936.81
v.	AUD/EFY/AQ/5/17	Doubtful expenditure	1,073,000.00
vi.	AUD/EFY/AQ/6/17	Fictitious receipts	593,500.00
vii.	AUD/EFY/AQ/7/17	Nugatory payment	7,770,618.90
viii.	AUD/EFY/AQ/8/17	Expenditure contrary to regulation	5,125,000.00
ix.	AUD/EFY/AQ/9/17	Doubtful expenditure	14,592,000.00
x.	AUD/EFY/AQ/10/17	Nugatory	11,270,000.00
xi.	AUD/EFY/AQ/11/17	Doubtful expenditure	600,000.00
xii.	AUD/EFY/AQ/12/17	Doubtful expenditure	3,945,000.00
xiii.	AUD/EFY/AQ/13/17	Inflated project cost	2,710,000.00
xiv.	AUD/EFY/AQ/14/17	Expenditure not supported by proper records	10,000,000.00
xv.	AUD/EFY/AQ/15/17	Doubtful expenditure	14,080,000.00
xvi.	AUD/EFY/AQ/16/17	Nugatory payment	6,375,000.00
xvii.	AUD/EFY/AQ/17/17	Inflated cost of Vehicles	600,000.00

xviii. AUD/EFY/AQ/18/17 Nugatory payments

2,113,154.27

86,069,710.01

=====

 17/10/2019

Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF EFON LOCAL GOVERNMENT, EFON-ALAAYE FOR THE YEAR ENDED
31ST DECEMBER, 2018.**

1. RESPONSIBILITY FOR FINACIAL STATEMENTS

The Financial Statements have been prepared by the Director of Finance Efon Local Government based on the available records and in compliance with the IPSAS Accrual Accounting for all Public Sectors Entities (PSE) in Nigeria.

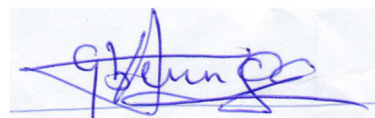
To the best of our knowledge, the system of internal control had operated adequately throughout the reporting period, and the statements represent a true and fair view of the Financial Positions of the Local Government.

The Director of Finance accepts responsibility for the integrity of these Financial Statements, the information they contain and their compliance with International Public Sector Accounting Standards (IPSAS) Accrual Accounting for all public sector entities (PSE) in Nigeria.

In my opinion, these General Purpose Financial Statements fairly reflect the financial position of Efon Local Government as at the year ended 31st December, 2018.



Hon. (Engr) Stephen Olabobe Adetunji
Executive Chairman.



Mr Adetifa Gbenga
Director of Finance.

STATEMENT OF ACCOUNTING POLICIES (IPSAS 1)

(x) BASIS OF PREPARATION

The General Purpose Financial Statements have been prepared in compliance with IPSAS Accrual Accounting basis that recognizes transactions and events occurred whether expenses are paid for or not and revenue received or outstanding, and under the guidelines of Financial Memoranda in conformity with National Chart of Account (NCOA) and the Nigeria Accounting Standard Board for Public Sector Reporting.

(xi) BASIS OF MEASUREMENT

The Financial Statements have been prepared on historical cost unless stated otherwise.

(xii) REPORTING CURRENCY

The Financial Statements were presented in Nigerian Naira, which is the functional currency of the Local Government Council.

(xiii) GOING CONCERN

The Financial Statements have been prepared on a going concern basis.

(xiv) ACCOUNTING PERIOD

The Accounting period is from 1st January to 31st December, 2018.

(xv) REVENUE

This presented both the exchange and non-exchange revenue from Internally Generated Revenue and Statutory Allocation from the Federation Account during the year.

(xvi) EXPENDITURE

This represented both recurrent and capital expenditure during the year.

(xvii) NON-CURRENT ASSETS/ DEPRECIATION

Property Plant and Equipment were recognized less accumulated depreciation.

(xviii) BUDGET INFORMATION

The Annual Budget was prepared on Accrual Basis. All planned costs and incomes were presented in a single statement to determine the needs of the Local Government Council.

(x). INVESTMENT PROPERTIES

Investment properties were measured initially at cost, including transaction costs. The carrying amount included the replacement cost of components of an existing investment properly at the end time that cost was incurred if the recognition criteria were met and excluded the cost of day to day maintenance of an investment properly.

EFON LOCAL GOVERNMENT, EFON-ALAAYE-EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2018

2017	DETAILS	NOTES	2018	
N	Represented By:		N	N
	ASSETS			
	Current Assets			
268,249,608.41	Cash and equivalent	1	280,805,798.55	
516,100.00	Inventories	2	680,100.00	
-	WIP	3	-	
38,352,251.40	Receivables	4	806,669,199.98	
-	Prepayment	5	-	
307,117,959.81	Total Current Assets			1,088,155,098.53
	Non-Current Assets			
	Loans Granted	6		
526,209.00	Investments	7	526,209.00	
845,563,500.00	Fixed Assets-Property, Plant & Equip	8	890,865,000.00	
106,080,000.00	Investment Property	9	108,301,600.00	
-	Biological Assets	10	-	
952,169,709.00	Total Non-current Assets			999,692,809.00
1,259,287,668.81	Total Assets			2,087,847,907.53
	LIABILITIES			
	Current Liabilities			
-	Accumulated Depreciation	11	-	
-	Loan & Debts (Short-Term)	12	7,876,229.72	
6,557,980.00	Unremitted Deductions	13	13,465,160.00	
631,953,414.16	Payables	14	805,669,199.98	
638,531,394.16	Total Current Liabilities		827,010,589.70	
	Non - Current Liabilities			
-	Public funds	15	-	
(103,706,396.81)	Borrowings	16	90,274,795.08	
(103,706,396.81)	Total Non- Current Liabilities		90,274,795.08	
742,237,790.97	Total Liabilities			917,285,384.78
517,049,877.84	NET ASSETS/EQUITY:			1,170,562,522.75
	Financed By:			
18,318,422.63	Reserves	17		969,504,804.02
-	Capital Grants	18	-	
212,982,971.87	Net Surpluses/Deficits	19	(11,925,153.14)	
285,748,583.34	Accumulated Surpluses(Deficits)	20	212,982,871.87	201,057,718.73
517,049,877.84	Total Net Assets/Equity:			1,170,562,522.75

EFON LOCAL GOVERNMENT, EFON-ALAAYE- EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2018

2017	DETAILS	NOTE	2018
N	REVENUE		ACTUAL (N)
902,920,476.22	Statutory Revenue	21	1,354,656,309.54
516,010.42	Tax Revenue	22	100,000.00
2,174,200.00	Non-Tax Revenue	23	2,977,350.00
-	Aid & Grants	24	-
86,828.56	Investment Income	25	162,000.00
-	Expenditure Recovery	26	-
-	Other Capital Receipts	27	-
-	Debt Forgiveness	28	-
905,697,512.20	Total Revenue		1,357,895,659.54
	EXPENDITURE:		
572,226,569.26	Salaries & Wages	29	1,135,522,425.23
-	Social Contribution	30	-
31,512,713.82	Social Benefits	31	-
88,787,857.25	Overhead Cost	32	94,099,871.68
-	Gratuity	32	-
-	Pension Allowances	33	-
-	Stationeries	35	-
-	Impairment Charges	36	-
-	Depreciation charges	37	99,522,775.78
187,500.00	Transfer to Other Government Entities	38	24,522,110.55
-	Public Debt Charge	39	5,555,372.01
-	Allowance (Leave Bonus)	40	10,598,257.43
692,714,640.33	Total Expenditure		1,369,820,812.68
212,982,871.87	Surplus/(Deficit) from operating activities for the period		(11,925,153.14)
	Total Non-Operating Revenue (Expenses)		
	Non-operating Activities		
-	Gain/Loss on Assets Disposal	41	-
-	Refund Revenue	42	-
-	Revaluation Grain	43	-
-	Net Surplus/(Deficit) from Operating Activities		-
	Surplus/(Deficit) from operating activities		-
-	Purchases/Construction of Assets	44	-
	Minority Interest Share of Surplus/Deficits)	45	-
	Accumulated Surplus/(Deficit) 01/01/2018		212,982,871.87
212,982,871.87	Accumulated Surplus/(Deficit) 31/12/2018		201,057,718.73

EFON LOCAL GOVERNMENT, EFON-ALAAYE-EKITI, EKITI STATE, NIGERIA
STATEMENT CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2018.

2017	DETAILS	NOTES	2018	
N	CASH FLOWS FROM OPERATING ACTIVITIES		N	N
	Inflows			
864,568,224.82	Statutory Revenue	21	1,354,656,309.54	
516,010.42	Tax Revenue	22	100,000.00	
2,174,200.00	Non Tax Revenue	23	2,977,350.00	
-	Aid & Grants	24	-	
86,828.56	Investment	25	162,000.00	
-	Expenditure Recovery	26	-	
	Other Capital Receipts	27	-	
	Debt Forgiveness	28	-	
-	Interest Earned	46	-	
867,345,263.80	Total flow from Operating Activities			1,357,895,659.54
	outflows			
551,013,148.59	Salary & Wages	29	1,135,522,425.25	
-	Social Contribution	30	-	
31,512,713.82	Social Benefit	31	-	
88,787,857.25	Overheads Cost	32	94,099,871.68	
-	Gratuity	33	-	
-	Pension Allowances	34	-	
187,500.00	Transfer to other Government Entities	38	24,522,110.55	
-	Allowance	40	10,598,257.43	
-	Deductions	49	-	
-	Refund	50	-	
-	Inventory	51	-	
-	Loan	52	-	
671,501,219.66	Total Outflow from Operating Activities			1,264,742,664.89
195,844,044.14	Net Cash Inflow/(outflow) from operating Activities			93,152,994.65
	CASH FLOW FROM INVESTING ACTIVITIES			
-	Proceeds for Sale of PPE	53	-	
-	Proceeds from Sales Property	54	-	
-	Proceeds from Sales of Intangible Assets	55	-	
-	Proceeds from Sales of Investment	56	-	
-	Dividend Received	57	-	
-	Total Inflow			
	Outflows			
107,627,161.59	Purchase/construction of Assets PPE	58	75,041,432.50	
-	Purchase/construction of Assets-Investment Property	59	-	
-	Investment in Private companies	60	-	
-	Loan Granted	61	-	
-	Purchase of Intangible Assets	62	-	
-	Acquisition of Investment	63	-	
107,627,161.59	Total Outflow		-	75,041,432.50
88,216,882.55	Net cash flow from Investing Activities		-	18,111,562.15

	CASH FLOW FROM FINANCING ACTIVITIES		-	
	Inflows		-	
-	Capital Grant Received	64	-	
-	Proceeds from Borrowing	65	-	
-	Total Inflow		-	
	Outflows		-	
5,555,372.01	Repayment of borrowing	66	5,555,372.01	
-	Distribution of surplus/Dividends Paid	67	-	
5,555,372.01	TOTAL OUTFLOW		-	5,555,372.01
82,661,510.54	Net Cash Flow from financial Activities			12,556,190.14
82,661,510.54	Net cash flow from All Activities		-	12,556,190.14
185,588,097.87	Cash & Equivalent As at 1/1/ 2018			268,249,608.41
268,249,608.41	Cash & Equivalent as at 1/1/2018	1		280,805,798.55

EFON LOCAL GOVERNMENT, EFON-ALAAYE-EKITI, EKITI STATE NIGERIA

**STATEMENT OF COMPARISM OF BUDGET AND ACTUAL FOR THE YEAR ENDED 31ST
DECEMBER, 2018.**

2017	REVENUE		2018	FINAL BUDGET 2018 (N)	VARIANCE ON FINAL BUDGET IN (%)
N	N	NOTE	ACTUAL N	N	
902,920,476.22	Statutory Revenue	21	1,354,656,309.54	2,192,519,415.67	(38.21)
516,010.42	Tax Revenue	22	100,000.00	2,000,000.00	(95.00)
2,174,200.00	Non- Tax Revenue	23	2,977,350.00	19,950,000.00	
-	Aid & Grants	24	-	30,000,000.00	(100.00)
86,828.56	Investment Income	25	162,000.00	1,010,000.00	(83.96)
-	Expenditure Recovery	26		-	
-	Other Capital Receipts	27		-	
-	Debt forgiveness	28		-	
905,697,512.20	Total Revenue		1,357,895,659.54	2,244,974,415.67	(317.17)
	EXPENDITURE:				
572,226,569.26	Salaries & Wages	29	1,135,522,425.23	1,145,324,324,409.70	4.51
-	Social Contribution	30	-	-	
31,512,713.82	Social Benefit	31	-		
88,787,857.25	Overhead cost	32	94,099,871.68	172,950,000.00	58.47
-	Gratuity	33	-	-	
-	Pension Allowance	34	-	-	
-	Stationeries	35	-	-	
-	Impairment Charges	36	-	-	
-	Depreciation Charges	37	99,522,775.78	-	(100.00)
187,500.00	Transfer to other Government Entities	38	24,522,110.55	25,000,000.00	1.91
-	Public Debt Charge	39	5,555,372.01	10,000,000.00	44.45
-	Allowance (Leave Bonus)	40	10,598,257.43	55,000,000.00	19.11
692,714,640.33	Total Expenditure		1,369,820,812.68	1409,274,409.70	28.45
212,982,871.87	Surplus (Deficit) from operating activities for the period		(11,925,153.14)	835,700,005.97	(288.72)
	Total Non- operating Revenue (Expenses)				
	Non-operating Activities				
-	Gain/loss on Asset	41		-	

	Disposal				
-	Refunded Revenue	42		-	
-	Revaluation Gain	43		-	
-	Net Surplus/(Deficit) from Non- operating Activities				
	Purchase/Construction of Assets	44			
-	Monitoring interest share of surplus (Deficit)	45			
	Accumulated surplus/Deficit) 1/1/2018		212,982,871.87		
212,982,871.87	Accumulated surplus (Deficit) 31/12/2018		201,057,718.73	835,700,005.97	(288.72)

EFON LOCAL GOVERNMENT, EFON-ALAAYE-EKITI, EKITI STATE, NIGERIA

STATEMENT OF CHANGES IN NET ASSET/EQUITY AS AT 31/12/2018

DETAILS	NOTE	RECEIVABLES	PAYABLES	RUNNING GRANT (O/H)	ACCUMULATED SURPLUS/(DEFICITS)	TOTAL
		N	N	N	N	N
Balance b/f (1/1/2018)		<u>38,352,251.40</u>	<u>631,953,414.16</u>	-	<u>212,982,871.87</u>	<u>883,288,537.43</u>
Increase/(Decrease) in Revenue not recognized in financial performance		-	-	-	(-)	-
Increase/(Decrease) in Salaries & Wages not recognized	-	-	-	-	-	-
Total Actual 2017		<u>38,352,251.40</u>	<u>631,953,414.16</u>	<u>-</u>	<u>212,982,871.87</u>	<u>883,288,537.43</u>
Balance as at (31/12/2018)		806,669,199.98	805,669,199.98	-	(11,925,153.14)	1,600,413,246.82
Total		806,669,199.98	805,669,199.98	-		1,612,338,399.96
Increase/Decrease in Salaries & Wages not recognized in Receivables/Payables				-		-
Gain on Revaluation				-		-
Accumulated surplus (Deficit) as at 31/12/2017					212,982,871.87	212,982,871.87
Balance as at 31/12/2018		<u>484,956,421.22</u>	<u>479,956,241.66</u>		<u>201,057,718.73</u>	<u>1,813,296,118.69</u>

EFONLOCAL GOVERNMENT, EFON-ALAAYE-EKITI

EKITI STATE, NIGERIA

POSITION OF REVEENUE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	EXPENDITURE JANUARY-DECEMBER 2018 (N)
Statutory allocation	21	1,354,656,309.54
Tax Revenue	22	100,000.00
Non-Tax Revenue	23	2,977,350.00
Investment Income	25	162,000.00
Interest earned		
Total		1,357,895,659.54

EFON LOCAL GOVERNMENT, EFON-ALAAYE- EKITI

EKITI STATE, NIGERIA

POSITION OF EXPENDITURE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	EXPENDITURE JANUARY-DECEMBER 2018 (N)
Salaries and wages	29	1,135,522,425.23
Overhead cost	32	94,099,871.68
Depreciation charges	37	99,522,775.78
Transfer to other Govt. Entities	38	24,522,110.55
Purchase of PPE	58	75,041,432.50
Repayment of Borrowing	39	5,555,372.01
Leave Bonus	40	10,598,257.43
Total		1,444,862,245.18

NOTE 2**INVENTORIES**

1. Store	101,500.00
2. Medical store	468,000.00
3. Mechanical (scrap)	<u>11,500.00</u>

680,000.00

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NOTE 8**PLANT, PROPERTY AND EQUIPMENT**

1. Buildings	655,037,775.78
2. Vehicle & Equipment's	<u>335,350,000.00</u>
	990,387,775.78
Depreciation (Note 37)	(99,522,775.78)
Total	890,865,000.00

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NOTE 9**INVESTMENT PROPERTY**

1.	Erekesan market, Efon with about 26 lock up shops & many Open stalls	51,040,000.00
2.	Alajo Market (Open stall)	2,000,400.00
3.	Alagbamesan market (open stall)	2,000,400.00
4.	Itawure Market (open stall)	2,000,400.00
5.	Fayose Market @ Ado Ekiti (1 locked up shop)	1,610,400.00
6.	Ita Ido Market (open stall)	2,000,400.00
7.	Neighbourhood modern market (under Construction)	40,008,000.00
8.	Ojodi Market (4 lock up shop)	5,420,000.00
	Revaluation of 2%	<u>2,121,600.00</u>
		108,201,600.00
9.	Teak Plantation at Obake	100,000.00
		108,301,600.00

NOTE 12**SHORT TERM LOAN**

Outstanding loan from Sunbeam Microfinance bank	7,876,229.72
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NOTE 13**UNREMITTED DEDUCTION**

1.	VAT	6,732,580.00
2.	WHT	<u>6,732,580.00</u>
		13,465,160.00

NOTE 14**ACCURED EXPENSES (PAYABLES)**

1.	Staff Salaries (LG & Pry School Teachers)	311,902,411.30
2.	PHO Salaries & Allowances	16,864,082.64
3.	Leave Bonuses (LG & Pry school Teachers)	80,610,312.38
4.	Pension & Gratuity	380,892,393.66
5.	Outstanding Audit fee	75,000.00
6.	Utility (BEDC)	1,638,420.67
7.	Outstanding contractual obligations	14,000,000.00
8.	Outstanding claims	<u>1,400,000.00</u>
	Total	805,669,199.98

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LOAN TERM BORROWING

1.	Bailout Fund	90,274,795.08
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Note: This is the share of bailout fund granted the Local Government in Ekiti State to offset salaries arrears. It is to be re-paid in 240 monthly installments out of which 40 months has been paid as at 31st December, 2018

STATUTORY REVENUE

S/N	CODE	DETAILS	SHARE OF EFON LG
1	11010101	Statutory Allocation	1,032,841,916.96
2	11010201	Value Added Tax	241,072,793.66
3		Additional Funds	2,106,443.18
4		Exchange Rate Gain	25,852,045.05
5	22020904	Excess Bank charges	3,075,798.20
6		MDG Refund	3,532,099.50
7		Forex Equalization	27,045,364.52
8		NNPC Refund	2,243,015.98
9		Paris Club refund	16,886,832.49
		Total	1,354,656,309.54

Sources:

Monthly JAAC papers

TAX REVENUE

S/N	DETAILS	AMOUNT
1	Community/Poll Tax	15,500.00
2	LG Tax on contract	-
3	Tenement Rates	84,500.00
	Total	100,000.00

NON TAX REVENUE

S/N	CODE	DETAILS	AMOUNT (N)
1	12101-01	Flat Rate	24,200.00
2	220202	Special Rate	6,200.00
3	12021-05	Water/Elect rate	482,000.00
4	12021-06	Employment form	121,500.00
5	12021-20	Hackney permit fee	48,200.00
6	120204-19	Attestation	1,992,000.00
7	12024-18	Marriage fee	176,000.00
8	120201-53	Naming of street	62,000.00
9	120291-37	Trading permit fee	3,000.00
10	120201-09	Club Registration	10,000.00
11	12201-05	Radio/Television licence fee	14,200.00
12	120204-54	Blocking of road	38,000.00
		Total	2,977,350.00

NOTE 25**INVESTMENT INCOME**

S/N	CODE	DETAILS	AMOUNT (N)
1	120207-11	Market	128,000.00
2	120204-48	Shop and shopping centres	34,000.00
		Total	162,000.00

NOTE 29**SALARIES & WAGES**

S/N	CODE	DETAILS	AMOUNT (N)
1	0112	Local Government Workers	439,802,512.32
2	22040101	Primary Education Fund	278,298,649.62
3		Political Office Holder	60,803,589.68
4	22040102	Traditional Council Allocation	64,875,637.15
5		Pension and Gratuity	291,742,036.46
		Total	1,135,522,425.23

Source: (1) Monthly JAAC papers

NOTE 32**OVERHEAD EXPENSES**

S/N	CODE	DETAILS	AMOUNT(N)
1	220201	Travelling & Transport	19,802,421.68
2	22020301	Stationeries & Printing	7,008,200.00
3	220202	Utility	644,000.00
4	22021006	Telephone & Postal Services	-
5	22020402	Maintenance of Office Furniture	261,000.00
6	22020401	Maintenance of vehicle & Capital Asset	4,572,950.00
7	220207	Consultancy services	-
8	210202	Grants, Contribution & Subvention	3,608,700.00
9	220205	Training & Workshop	5,150,200.00
10	22021001	Entertainment & Hospitality	11,303,000.00
11	220210	Miscellaneous Expenses	-
12	220203	Provision of service materials	454,000.00
13	22020604	Imprest & Security vote	39,651,400.00
14		Consultancy services & Special Committee	1,500,000.00
15		Christmas Gift	144,000.00
		Total	94,099,871.68

NOTE 37

Property (Building)	655,037,775.78
Vehicles & Equipment	<u>335,350,000.00</u>
Total	990,387,775.78
Depreciation @ 10.0488%	99,522,775.78

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NOTE 38**TRANSFER TO OTHER GOVERNMENT ENTITIES**

S/N	CODE	DETAILS	AMOUNT (N)
1	22040103	LGSC Parastatals & Agancies	24,522,110.55
		Total	24,522,110.55

NOTE 39**DEBTS AND LOAN REPAYMENT**

S/N	DETAILS	AMOUNT (N)
1	Repayment of bailout fund	5,555,372.01
	Total	5,555,372.01

Sources: See January to December 2018 JAAC papers.

LEAVE BONUSES FURNITURE AND SEVERANCE ALLOWANCES

1.	Leave Bonus	-	10,588,257.43
2.	Leave Bonus (Political Office Holders)	-	
3.	Severance Allowances (POH)	-	1,000,000.00
4.	Furniture Allowance (POH)	-	_____
			10,598,257.43
			=====

PURCHASE/CONSTRUCTION OF ASSET**SUMMARY****N**

1.	Administration Section (A)	-	19,253,932.50
2.	Social Services Section (B)	-	36,816,000.00
3.	Economic Section ©	-	4,801,000.00
4.	Area Development (D)	-	<u>14,170,500.00</u>
	Total	-	75,041,432.50

=====

PURCHASE/CONSTRUCTION OF ASSET – ADMINISTRATIVE SECTION

S/N	DETAILS	AMOUNT (N)
1	Purchase/maintenance of official car for Chairman	10,048,500.00
2	Maintenance of official cars	486,562.50
3	Computer set maintenance	12,870.00
4	Renovation of Local Government Secretariat	225,500.00
5	In house training	3,200,000.00
6	Training	4,000,000.00
7	Insurance of Local Government vehicle (KIA CERATO)	850,500.00
8	Repairs of Local Government project vehicle	220,000.00
9	Repair of motorcycle	60,000.00
10	Repairs and purchase of battery	150,000.00
	Total	19,253,932.50

PURCHASE/CONSTRUCTION OF ASSET – SOCIAL SERVICES

S/N	DETAILS	AMOUNT (N)
1	Construction of classroom block outstanding	650,000.00
2	Immunization programmes	2,900,000.00
3	Fumigation & Epidemic control and prevention	5,300,000.00
4	Repairs of ambulance for emergency	140,000.00
5	Free health programme	2,435,500.00
6	Stomach infrastructure	4,000,000.00
7	Publicity/advertisement/publication	2,650,000.00
8	Payment of Bursary	1,350,500.00
9	Women Empowerment	8,900,000.00
10	Xmas gift/Salah & decoration	8,200,000.00
11	Purchase of health kits	290,000.00
	Total	36,816,000.00

PURCHASE/CONSTRUCTION OF ASSETS-ECONOMIC SECTION

S/N	DETAILS	AMOUNT (N)
1	Youth Empowerment	1,500,000.00
2	Provision of Office Furniture	200,000.00
3	Repair of street light in Efon township	650,000.00
4	Purchase of Diesel for street light Generator	251,000.00
5	Maintenance of township Road	1,550,000.00
6	Repair of grader and Truck	250,000.00
7	Installation of damaged electric poles IBEDC	400,000.00
	Total	4,801,000.00

NOTE 58 D**PURCHASE/CONSTRUCTION OF ASSETS-AREA DEVELOPMENT**

S/N	DETAILS	AMOUNT (N)
1.	Installation of pumping machine and repairs of submersible machine	65,000.00
2.	Maintenance of borehold	105,500.00
5	Desilting of blocked drainages	78,000.00
6	Social security	4,322,000.00
7	Security matters	8,975,000.00
8	2018 International Women Day Celebration	625,000.00
	Total	14,170,500.00

REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL

GOVERNMENTS

ON THE

ACCOUNTS OF EKITI EAST LOCAL GOVERNMENT,

OMUO-EKITI,

FOR THE YEAR ENDED,

31ST DECEMBER, 2018.

AUDIT CERTIFICATE

I have examined the General Purpose Financial Statements of Ekiti East Local Government as at 31st December, 2018 in accordance with Sections 123(2) of the Constitution of the Federal Republic of Nigeria 1989; 316(1) of the Constitution of the Federal Republic of Nigeria 1999, 32 (2) of the Local Government Administration Law No 2 of 1999, and section 26(2) of Ekiti State Audit Law 2014. The audit was conducted in compliance with International Standards on Auditing (ISA) and International Organisation of Supreme Audit Institutions (INTOSAI) Auditing Standards. The Financial Statements were prepared in line with IPSAS Accrual. I have obtained information and explanations that I required for my audit. In my opinion, the General Purpose Financial Statements and the supporting Accounts and Statements give a true and fair view of the Local Government as at 31st December, 2018 subject to the observations in this report.

 17/10/2019

Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF EKITI EAST LOCAL GOVERNMENT, OMO-OKITI FOR THE YEAR
ENDED 31ST DECEMBER, 2018.**

The General Purpose Financial Statements of Ekiti East Local Government have been examined in accordance with, sections 123(2) and 316 of the Constitution of the Federal Republic of Nigeria, 1989 and 1999 respectively, section 26(2) of Ekiti State Audit Law, 2014 and Section 32(2) of the Local Government Administration Law No 2 of 1999. The General Purpose Financial Statements were correct subject to the comments in this report and the existence of the Assets have also been substantiated.

2. STATEMENT OF FINANCIAL RESPONSIBILITY

It is the responsibility of Director of Finance of Ekiti East Local Government to prepare and present the General Purpose Financial Statements to the Auditor-General in accordance with the provisions of the Constitutions of the Federal Republic of Nigeria within 90 days after the expiration of the financial year.

This section was grossly violated by the Local Government as the account was presented on 30th August, 2019, more than 5 months behind schedule. This led to my late reporting on the Account.

3. STATEMENT OF RESPONSIBILITY OF AUDITOR-GENERAL

It is my responsibility to form an independent opinion, based on General Purpose Financial Statements and accompanying Accounts prepared and submitted to me by the Director of Finance of the Local Government and to report thereupon in consonance with the Constitution of the Federal Republic of Nigeria.

4. RESPONSIBILITY OF THE PUBLIC ACCOUNTS COMMITTEE (PAC)

It is the responsibility of the Public Accounts Committee of the State House of Assembly to review the Auditor-General's Report with a view to ensuring enforcement of the recommendations made and impose sanctions where necessary.

5. **BASIS OF OPINION**

The Audit was conducted in compliance with International Standards on Auditing (ISA) and Generally Accepted Public Sector and INTOSAI Auditing Standards.

These standards require that I comply with ethical requirements, plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements whether due to fraud or error. I also evaluated the overall adequacy of the presentation of information in the financial statements.

In the course of the Audit, I have obtained all the information and explanation that to the best of my knowledge and belief were necessary for the purpose of audit and I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for independent opinion.

6. **OPINION**

In my opinion, the Financial Statements which included Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flow, Statement of Comparison of Budget and Actual and Statement of Changes in Net Assets/Equity as at 31st December, 2019 with supporting notes, give a true and fair view of the State of Affairs And Financial Positions of the Local Governments for the fiscal year ended on that date subject to the observations and comments in the other parts of this report.

7. **BUDGET OVERVIEW AND PERFORMANCE**

Statement of Comparism for Budget Estimates and Actual Performance for the year ended 31st December, 2018 prepared and presented showed the following shortfalls:

- i. The budget was not prepared in compliance with the National Chart of Accounts (NCOA) put in place by IPSAS for budget preparation.
- ii. The estimate made for Revenue in the 2018 budget recorded a low performance. An estimate was made for N1,975,947,841.66, while actual Revenue recorded stood at N832,755,183.54. This is about 42.15% performance. Equally, the IGR of N5,411,000.00 represents only 0.65% of the

total Revenue for the period, meaning the Local Government relied unduly on the Statutory allocation for survival.

- iii. The sum of N1,610,963,550.77 only was budgeted for expenditure but only N808,437,182.26 was actually incurred, resulting to saving of N802,526,368.51 for the period.

8. **REVENUE ACCOUNT**

A total sum of N832,755,183.54 was earned as total Revenue as at 31st December, 2018 out of which only 0.65%- N5,411,000.00 was generated as IGR, which showed that the Local Government solely depends on the Statutory allocation.

On the basis of comparison, the IGR for the current year recorded a surplus of 1.30% over that of previous year. Details of this is contained in the statement of Budget Comparism for the year 2018.

9. **AUTHORITY FOR EXPENDITURE**

All expenditure shown in the statement of actual expenditure for the year have been authorized as provided for by section 22(i) of the Local Government Administration Law 1999 with the exceptions of paragraph 6, of this report.

10. **EXPENDITURE CONTRARY TO LAW:**

The following expenditure appears to be contrary to Law.

S/N	QUERIES	SUBJECT	AMOUNT (₦)
1	AUD/AQ/EELG/01/2018	Exp. Cont. to Regulation I	9,562,500.00
2	AUD/AQ/EELG/02/2018	Exp. Cont. to Regulation II	3,486,400.00
3	AUD/AQ/EELG/03/2018	Exp. Not supported with Proper Records/Accounts I	3,914,000.00
4	AUD/AQ/EELG/04/2018	Exp. Not supported with Proper Records/Accounts II	10,688,000.00
5	AUD/AQ/EELG/05/2018	Items not taken on Store Ledger Charge	236,000.00

6	AUD/AQ/EELG/06/2018	Doubtful Payments	1,665,000.00
7	AUD/AQ/EELG/07/2018	Nugatory Payments	4,724,700.00
8	AUD/AQ/EELG/08/2018	Unproduced Payment vouchers	1,153,600.00
9	AUD/AQ/EELG/09/2018	Unretired Security Vote	8,500,000.00
10	AUD/AQ/EELG/10/2018	Unreasonable Expenditure	687,000.00
11	AUD/AQ/EELG/11/2018	Irregular Payments	182,500.00
12.	AUD/AQ/EELG/12/2018	EXP.No supported with proper records /Accounts III	7,170,000.00
		Total	43,088,700.00

11. STATEMENTS OF ASSETS AND LIABILITIES

The statements of Assets and Liabilities were correct and existence of the Assets have been substantiated.

8. **DISALLOWANCE** Allowance has been reserved in respect of the expenditure detailed in paragraph 6 of this report pending a satisfactory explanations or the sanction of the State House of Assembly.

12. STATE OF ACCOUNT

The Accounts of Ekiti East Local Government have been examined up to 31st December, 2018 and detailed observations have been forwarded to the Director of Administration, Ekiti East Local Government, Omuo-Ekiti. Particular attention is required to the followings:

- (i) Cash books and subsidiary ledgers
- (ii) Bank reconciliation statements
- (iii) Attendance to Audit Query
- (iv) Internally Generated Revenue
- (v) Capital Projects

(f) **PROPERTY PLANT AND EQUIPMENT**

The Local Government is yet to value its property Plant and Equipment. The assets are not disclosed in the statement of financial position since its fair value is not known yet. Exception to this is the construction/Purchase of Property, Plant and Equipment at N137,929,398.88 was disclosed.

(h) Loss of Fund involving the Council Management N7,959,688.51

13. **OUTSTANDING MATTERS FROM PREVIOUS REPORTS**

	N
(a) Outstanding revenue from Petrol Station, 2016	190,000.00
(b) Outstanding revenue from Hotel, 2016	165,000.00
(c) Outstanding revenue rom Sawmill, 2016	375,000.00
(d) Loss of fund involving Mr. Ajayi Adebawale (2015)	674,000.00
(e) Unproduced Revenue Earning Receipt (2015)	various
(f) Revenue Earning Receipt not traceable to store 2015	(26) booklets
(g) Revenue Earning Receipt paid for but not purchased (2015) Involving Bello Abdul	733,750.00
(h) Unproduced Treasury Receipt 345 101-348 150 involving Mr. Adediran A.A. (2015) 12 booklet	
(i) Non-salary related expenditure from salary accounts (2015)	3,543,690.00
(j) Revenue Earning Receipts not traceable to Store in 2016 involving Bello Adbul	

(k) 2014 AUDIT QUERIES	#
i. AUD/EELG/AQ/2/14 Expenditure not supported with proper records/Account	185,000.00
ii. AUD/EELG/AQ/3/14 Nugatory payments	8,120,250.00
iii. AUD/EELG/AQ/5/14 Un-audited payment vouchers	<u>490,000.00</u>
	9,795,250.00

(l). 2015 AUDIT QUERIES

i. AUD/EELG/AQ/2/15 Unreceipted/Unaudited payment	1,251,300.00
ii. AUD/EELG/AQ/4/15 Conversion of statutory deductions	760,000.00
iii. AUD/EELG/AQ/6/15 Seminar not supported by proper paper/ Unaudited payments	245,000.00

iv.	AUD/EELG/AQ/7/15	Expenditure not supported by proper records/ Accounts	1,150,500.00
v.	AUD/EELG/AQ/8/15	Unaudited payment vouchers	1,451,000.00
vi.	AUD/EELG/AQ/10/15	Doubtful payments	<u>451,000.00</u>
			5,372,800.00
			=====

m. 2016 AUDIT QUERIES

i.	AUD/EELG/AQ/3/16	Unreasonable expenditure	506,000.00
ii.	AUD/EELG/AQ/5/16	Unvouched expenditure	<u>9,669,335.48</u>
			10,171,335.48
			=====

(n) 2017 AUDIT QUERIES

i.	EELG/AQ/01/2017	Unretired imprest	1,070,000.00
ii.	EELG/AQ/02/2017	Unreceipted payments I	1,230,000.00
iii.	EELG/AQ/03/2017	Unreceipted payments II	1,060,000.00
iv.	EELG/AQ/04/2017	Unreceipted payments III	1,283,000.00
v.	EELG/AQ/05/2017	unaudited payment vouchers	1,044,000.00
vi.	EELG/AQ/06/2017	Unaudited payment vouchers	540,000.00
vii.	EELG/AQ/07/2017	Doubtful expenditure	630,000.00
viii.	EELG/AQ/08/2017	Article not taken on ledger charge	495,000.00
ix.	EELG/AQ/09/2017	Expenditure not supported with proper records I	2,630,000.00
x.	EELG/AQ/10/2017	Expenditure not supported with proper records II	3,121,000.00
xi.	EELG/AQ/11/2017	Expenditure contrary to regulations I	1,541,000.00
xii.	EELG/AQ/12/2017	Expenditure contrary to regulations II	1,200,000.00
xiii.	EELG/AQ/13/2017	Expenditure not supported with proper records of account III	10,000,000.00
xiv.	EELG/AQ/14/2017	Nugatory payment I	28,202,412.95
xv.	EELG/AQ/15/2017	Nugatory payment II	3,129,000.00
xvi.	EELG/AQ/16/2017	Nugatory payment III	6,578,367.95
vii.	EELG/AQ/17/2017	Expenditure not supported with proper records of account IV	5,625,000.00
xviii.	EELG/AQ/18/2017	Expenditure not supported with proper records of account V	3,445,000.00
xix.	EELG/AQ/19/2017	Nugatory payment IV	3,120,000.00
xx.	EELG/AQ/20/2017	Nugatory payment V	6,078,474.14
xxi.	EELG/AQ/21/2017	Expenditure contrary to regulations	8,125,000.00
xxii.	EELG/AQ/22/2017	Double payment	300,000.00
xxiii.	EELG/AQ/23/2017	Inflated purchases	300,000.00
xxiv.	EELG/AQ/24/2017	Expenditure not supported with proper records VI	2,320,500.00
xxv.	EELG/AQ/25/2017	Nugatory payments	5,094,012.60
xxvi.	EELG/AQ/26/2017	Expenditure not supported with proper records VII	760,000.00
xxvii.	EELG/AQ/27/2017	Expenditure not supported with proper records VIII	880,000.00
xxviii.	EELG/AQ/28/2017	Cash defalcation/payments not accounted for	<u>10,500,000.00</u>
			110,301,767.64



Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF EKITI EAST LOCAL GOVERNMENT, OMO-OKITI FOR THE YEAR
ENDED 31ST DECEMBER, 2018.**

1. RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Financial Statements have been prepared by the Director of Finance Ekiti East Local Government based on the available records and in compliance with the IPSAS Accrual Accounting for all Public Sector Entities (PSE) in Nigeria.

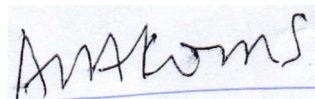
To the best of our knowledge, the system of internal control had operated adequately throughout the reporting period, and the statements represent a true and fair view of the Financial Positions of the Local Government.

The Director of Finance accepts responsibility for the integrity of these Financial Statements, the information they contain and their compliance with International Public Sector Accounting Standards (IPSAS) Accrual Accounting for all public sector entities (PSE) in Nigeria.

In my opinion, these General Purpose Financial Statements fairly reflect the financial position of Ekiti East Local Government as at the year ended 31st December, 2018.



Hon. Ogunjobi Esan Temitope
Executive Chairman.



Mr Akomolede A.I.
Director of Finance.

STATEMENT OF ACCOUNTING POLICIES (IPSAS 1)

(xix) BASIS OF PREPARATION

The General Purpose Financial Statements have been prepared in compliance with IPSAS Accrual Accounting basis that recognizes transactions and events occurred whether expenses are paid for or not and revenue received or outstanding, and under the guidelines of Financial Memoranda in conformity with National Chart of Account (NCOA) and the Nigeria Accounting Standard Board for Public Sector Reporting.

(xx) BASIS OF MEASUREMENT

The Financial Statements have been prepared on historical cost unless stated otherwise.

(xxi) REPORTING CURRENCY

The Financial Statements were presented in Nigerian Naira, which is the functional currency of the Local Government Council.

(xxii) GOING CONCERN

The Financial Statements have been prepared on a going concern basis.

(xxiii) ACCOUNTING PERIOD

The Accounting period is from 1st January to 31st December, 2018.

(xxiv) REVENUE

This presented both the exchange and non-exchange revenue from Internally Generated Revenue and Statutory Allocation from the Federation Account during the year.

(xxv) EXPENDITURE

This represented both recurrent and capital expenditure during the year.

(xxvi) NON-CURRENT ASSETS/ DEPRECIATION

Property Plant and Equipment were recognized less accumulated depreciation.

(xxvii) BUDGET INFORMATION

The Annual Budget was prepared on Accrual Basis. All planned costs and incomes were presented in a single statement to determine the needs of the Local Government Council.

(x). INVESTMENT PROPERTIES

Investment properties were measured initially at cost, including transaction costs. The carrying amount included the replacement cost of components of an existing investment property at the end time that cost was incurred if the recognition criteria were met and excluded the cost of day to day maintenance of an investment property.

EKITI EAST LOCAL GOVERNMENT, OMUO-EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2018

2017	DETAILS	NOTES	2018	
N	Represented By:		N	N
	ASSETS			
	Current Assets			
28,109,521.31	Cash and equivalent	1	37,979,200.57	
-	Inventories	2	12,150,000.00	
-	WIP	3	-	
-	Receivables	4	<u>269,497,688.96</u>	
-	Prepayment	5	-	
28,109,521.31	Total Current Assets			319,626,889.53
	Non-Current Assets			
-	Loans Granted	6	-	
880,250.00	Investments	7	836,237.50	
137,929,398.88	Fixed Assets-Property, Plant & Equip	8	130,719,720.90	
-	Investment Property	9	-	
-	Biological Assets	10	-	
138,809,648.88	Total Non-current Assets			131,555,958.40
166,919,170.19	Total Assets			451,182,847.93
	LIABILITIES			
	Current liabilities			
-	Accumulated Depreciation	11	-	
-	Loan & Debts (Short-Term)	12	-	
3,885,950.20	Unremitted Deductions	13	3,201,407.20	
-	Payables	14	269,497,688.96	
3,885,950.20	Total Current Liabilities		272,699,096.16	
	Non - Current Liabilities			
-	Public funds	15	-	
-	borrowings	16	-	
-	Public Funds		-	
3,885,950.20	Total Non- Current Liabilities		-	
3,885,950.20	Total Liabilities			<u>272,699,096.16</u>
163,033,219.99	NET ASSETS/EQUITY:			178,483,751.77
	Financed By:			
10,580,670.35	Reserves	17		21,085,412.20
	Capital Grants	18	-	
133,080,338.29	Net Surpluses/(Deficits)	19	24,318,001.28	
19,372,211.35	Accumulated Surpluses(Deficits)	20	133,080,338.29	<u>157,398,339.57</u>
163,033,219.99	Total Net Assets/Equity:			178,483,751.77

EKITI EAST LOCAL GOVERNMENT, OMOU EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER,
2018

2017	DETAILS	NOTE	2018
N	REVENUE		ACTUAL (N)
690,090,930.89	Statutory Revenue	21	827,256,158.54
1,082,034.29	Tax Revenue	22	1,748,500.00
4,400,000.00	Non-Tax Revenue	23	3,662,500.00
-	Aid & Grants	24	-
-	Investment Income	25	88,025.00-
-	Expenditure Recovery	26	-
-	Other Capital Receipts	27	-
-	Debt Forgiveness	28	-
695,572,965.18	Total Revenue		832,755,183.54
	EXPENDITURE:		
470,810,791.67	Salaries & Wages	29	671,319,229.50
-	Social Contribution	30	-
-	Social Benefits	31	109,289,774.78
91,681,835.22	Overhead Cost	32	20,618,500.00
-	Gratuity	32	-
-	Pension Allowances	33	-
-	Stationeries	35	-
-	Impairment Charges	36	-
-	Depreciation charges	37	7,209,677.98
-	Transfer to Other Government Entities	38	-
-	Public Debt Charge	39	-
-	Allowance (Leave Bonus)	40	-
562,492,626.89	Total Expenditure		808,437,182.26
133,080,338.29	Surplus/(Deficit) from operating activities for the period		24,318,001.28
	Total Non-Operating Revenue (Expenses)		
	Non-Operating Activities		
-	Gain/Loss on Assets Disposal	41	-
-	Refund Revenue	42	-
-	Revaluation Grain	43	-
-	Net Surplus/(Deficit) from Operating Activities		-
	Surplus/(Deficit) from operating activities		-
-	Purchases/Construction of Assets	44	-
	Minority Interest Share of Surplus/Deficits)	45	-
	Accumulated Surplus/(Deficit) 01/01/2018		133,080,338.29
133,080,338.29	Accumulated Surplus/(Deficit) 31/12/2018		157,398,339.57

EKITI EAST LOCAL GOVERNMENT, OMUO-EKITI, EKITI STATE, NIGERIA
STATEMENT CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2018.

2017	DETAILS	NOTES	2018	
N	CASH FLOWS FROM OPERATING ACTIVITIES		N	N
	Inflows			
690,090,930.89	Statutory Revenue	21	827,256,158.54	
1,082,034.29	Tax Revenue	22	3,662,500.00	
4,400,000.00	Non Tax Revenue	23	1,748,500.00	
-	Aid & Grants	24	-	
-	Investment	25	88,025.00	
	Expenditure Recovery	26		
	Other Capital Receipts	27		
	Debt Forgiveness	28		
695,572,965.18	Total flow from Operating Activities			832,755,183.54
	Outflows			
470,810,791.67	Salary & Wages	29	671,319,229.50	
-	Social Contribution	30	-	
-	Social Benefit	31	109,289,774.78	
91,681,835.22	Overheads Cost	32	20,618,500.00	
-	Gratuity	33	-	
-	Pension Allowances	34	-	
-	Transfer to other Government Entities	38	-	
-	Allowance	40	-	
-	Deductions	49	-	
-	Refund	50	-	
-	Inventory	51	-	
-	Loan	52	-	
562,492,626.89	Total Outflow from Operating Activities			801,227,504.28
133,080,338.29	Net Cash Inflow/(outflow) from operating Activities			31,527,679.26
	CASH FLOW FROM INVESTING ACTIVITIES			
-	Proceeds for Sale of PPE	53	-	
-	Proceeds from Sales Property	54	-	
-	Proceeds from Sales of Intangible Assets	55	-	
-	Proceeds from Sales of Investment	56	-	
-	Dividend Received	57	-	
-	Total Inflow			-
	Outflows			
117,209,193.79	Purchase/construction of Assets PPE	58	21,658,000.00	
-	Purchase/construction of Assets-Investment Property	59	-	
-	Investment in Private companies	60	-	
-	Loan Granted	61	-	
-	Purchase of Intangible Assets	62	-	
-	Acquisition of Investment	63	-	
117,209,193.79	Total Outflow		-	21,658,000.00
	Net cash flow from Investing Activities		-	9,869,679.26

	CASH FLOW FROM FINANCING ACTIVITIES		-	
	Inflows		-	
-	Capital Grant Received	64	-	
-	Proceeds from Borrowing	65	-	
-	Total Inflow			-
	Outflows		-	
-	Repayment of borrowing	66	-	
-	Distribution of surplus/Dividends Paid	67	-	
-	TOTAL OUTFLOW			-
-	Net Cash Flow from financial Activities			9,869,679.26
15,871,144.50	Net cash flow from All Activities		-	9,869,679.26
12,238,376.81	Cash & Equivalent As at 1/1/ 2018			28,109,521.31
28,109,521.31	Cash & Equivalent as at 31/12/2018	1		37,979,200.57

EKITI EAST LOCAL GOVERNMENT, OMUO EKITI, EKITI STATE NIGERIA
STATEMENT OF COMPARISM OF BUDGET AND ACTUAL FOR THE YEAR ENDED
31ST DECEMBER, 2018.

2017	REVENUE		2018	FINAL BUDGET 2018 (N)	VARIANCE ON FINAL BUDGET IN (%)
N	N	NOTE	ACTUAL N	N	
690,090,930.89	Statutory Revenue	21	827,256,158.54	1,943,300,000.00	(30.68)
1,082,034.29	Tax Revenue	22	1,748,500.00	11,767,591.66	(85.14)
4,400,000.00	Non- Tax Revenue	23	3,662,500.00	20,000,000.00	(81.69)
-	Aid & Grants	24	-	-	
	Investment Income	25	88,025.00	880,250.00	(90.00)
-	Expenditure Recovery	26	-	-	
-	Other Capital Receipts	27	-	-	
-	Debt forgiveness	28	-	-	
695,572,965.18	Total Revenue		832,755,183.54	1,975,947,841.66	(287.51)
	EXPENDITURE:				
470,810,791.67	Salaries & Wages	29	671,319,229.50	1,535,097,582.77	86.38
-	Social Contribution	30	-	-	
-	Social Benefit	31	109,289,774.78	-	(100.00)
91,681,835.22	Overhead cost	32	20,618,500.00	75,865,968.00	72.82
-	Gratuity	33	-	-	
-	Pension Allowance	34	-	-	
-	Stationeries	35	-	-	
-	Impairment Charges	36	-	-	
-	Depreciation Charges	37	7,209,677.98	-	(100.00)
-	Transfer to other Government Entities	38	-	-	
-	Public Debt Charge	39	-	-	
-	Allowance (Leave Bonus)	40	-	-	
562,492,626.89	Total Expenditure		808,437,182.26	1,610,963,550.77	(40.80)
133,080,338.29	Surplus (Deficit) from operating activities for the period		24,318,001.28	364,984,290.89	(246.71)
	Total Non- operating Revenue (Expenses)				
	Non-operating Activities				
	Gain/loss on Asset Disposal	41		-	
-	Refunded Revenue	42		-	
-	Revaluation Gain	43		-	
	Net				

	Surplus/(Deficit) from Non- operating Activities				
-	Purchase/Construction of Assets	44		-	
-	Monitoring interest share of surplus (Deficit)	45			
	Accumulated surplus/Deficit) 1/1/2018		133,080,338.29		
133,080,338.297	Accumulated surplus (Deficit) 31/12/2018		157,398,339.57	364,984,290.89	(246.71)

EKITI EAST LOCAL GOVERNMENT, OMUO-EKITI, EKITI STATE, NIGERIA

STATEMENT OF CHARGES IN NET ASSET/EQUITY AS AT 31/12/2018

DETAILS	NOTE	RECEIVABLES	PAYABLES	RUNNING GRANT (O/H)	ACCUMULATED SURPLUS/(DEFICITS)	TOTAL
		N	N	N	N	N
Balance b/f (1/1/2018)		-	-	-	<u>133,080,338.29</u>	<u>133,080,338.29</u>
Increase/(Decrease) in Revenue not recognized in financial performance		-	-	-	-	-
Increase/(Decrease) in Salaries & Wages not recognized	-	-	-	-	-	-
Total Actual 2017		-	-	-	<u>133,080,338.29</u>	<u>133,080,338.29</u>
Balance as at (31/12/2018)		269,497,688.96	269,497,688.96		24,318,001.28	563,313,379.20
Total		269,497,688.96	269,497,688.96	-	-	360,835,464.94
Increase/Decrease in Salaries & Wages not recognized in Receivables/Payables		-	-	-	-	-
Gain on Revaluation		-	-	-	-	-
Accumulated surplus (Deficit) as at 31/12/2017					<u>133,080,338.29</u>	<u>133,080,338.29</u>
Balance as at 31/12/2018		269,497,688.96	269,497,688.96		<u>157,398,339.57</u>	<u>696,393,717.49</u>

EKITI EAST LOCAL GOVERNMENT, OMUO EKITI

EKITI STATE, NIGERIA

POSITION OF REVENUE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	REVENUE JANUARY- DECEMBER 2018 (N)
Statutory Allocation	21	827,256,158.54
Tax Revenue	22	1,748,500.00
Non – Tax Revenue	23	3,662,500.00
Investment Income	25	88,025.00
Interest earned	6	-
Debts forgiveness	9	-
Total		832,755,183.54

EKITI EAST LOCAL GOVERNMENT, OMUO EKITI

EKITI STATE, NIGERIA

POSITION OF EXPENDITURE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	EXPENDITURE JANUARY-DECEMBER 2018 (N)
Salaries and wages	29	671,319,229.50
Social Benefits	31	109,289,774.78
Overhead cost	32	20,618,500.00
Depreciation Charges	37	7,209,677.98
Purchase of PPE	58	21,658,000.00
Total		808,437,182.26

NOTE 22**TAX REVENUE**

S/N	REVENUE ITEMS	AMOUNT (N)
1	TENEMENT RATE	1,072,420.00
2	MARKET RATE	175,620.00
3	PROCEEDS FROM AGRIC	94,000.00
4	MISCELANEOUS (TRAILER PARK)	406,460.00
		1,748,500.00

STATUTORY ALLOCATION FOR YEAR 2018

S/N	MONTH	AMOUNT (N)
1	FLAT RATE	63,050.00
2	SLAUGHTER FEES	55,400.00
3	MARRIAGE FEES	1,217,950.00
4	CLUB REGISTRATION	40,000.00
5	HACKNEY PERMIT	15,100.00
6	BIRTH REGISTRATION	429,000.00
7	EMBLEM ON ADVERT	50,000.00
8	ATESTATION	818,000.00
9	LOADING PERMIT	607,900.00
10	LOCK UP SHOP	366,100.00
	TOTAL	3,662,500.00

SOCIAL BENEFIT 2018

S/N	DETAILS	AMOUNT (N)
1	TRAVELLING & TOUR	7,213,125.13
2	UTILITY, TELEPHONE & POSTAGE	3,453,556.88
3	CONSULTANCY SERVICES	9,158,483.13
4	TRAINING, STAFF DEVELOPMNET & WELFARE	77,267,879.77
5	ENTERTAINMENT & HOSPITALITY	9,825,150.75
6	ARMED FORCES REMEMBRANCE DAY	469,946.04
7	STATE ENVIRONMENTAL SANITATION	1,901,642.80
		109,289,774.78

NOTE 32**OVERHEAD COST**

S/N	DETAILS	AMOUNT (N)
1	STATIONERY & PRINTING	5,251,531.95
2	MAINTANCE OF FURNITURE	1,567,006.00
3	MAINTANCE OF VEHICLE & CAPITAL ASEETS	13,799,962.05
	TOTAL	20,618,500.00

REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL

GOVERNMENTS

ON THE

ACCOUNTS OF EKITI WEST LOCAL GOVERNMENT,

ARAMOKO-EKITI,

FOR THE YEAR ENDED,

31ST DECEMBER, 2018.

AUDIT CERTIFICATE

I have examined the General Purpose Financial Statements of Ekiti West Local Government as at 31st December, 2018 in accordance with Sections 123(2) of the Constitution of the Federal Republic of Nigeria 1989; 316(1) of the Constitution of the Federal Republic of Nigeria 1999, 32 (2) of the Local Government Administration Law No 2 of 1999, and section 26(2) of Ekiti State Audit Law 2014. The audit was conducted in compliance with International Standards on Auditing (ISA) and International Organisation of Supreme Audit Institutions (INTOSAI) Auditing Standards. The Financial Statements were prepared in line with IPSAS Accrual. I have obtained information and explanations that I required for my audit. In my opinion, the General Purpose Financial Statements and the supporting Accounts and Statements give a true and fair view of the Local Government as at 31st December, 2018 subject to the observations in this report.

 17/10/2019

Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF EKITI WEST LOCAL GOVERNMENT, ARAMOKO-EKITI FOR THE
YEAR ENDED 31ST DECEMBER, 2018.**

The General Purpose Financial Statements of Ekiti West Local Government have been examined in accordance with sections 123(2) and 316 of the Constitution of the Federal Republic of Nigeria, 1989 and 1999 respectively Section 26(2) of Ekiti State Audit Law 2014 and Section 32(2) of the Local Government Administration Law No 2 of 1999. The General Purpose Financial Statements were correct subject to the comments in this report and the existence of the Assets have also been substantiated.

2. STATEMENT OF FINANCIAL RESPONSIBILITY

It is the responsibility of Director of Finance of Ekiti West Local Government to prepare and present the General purpose Financial Statements to the Auditor-General in compliance with the provisions of the Constitutions of the Federal Republic of Nigeria within 90 days after the expiration of the financial year.

This section was grossly violated by the Local Government as their account was presented on 27th August, 2019 almost 5 months behind schedule. This led to my late reporting on the Account.

3. STATEMENT OF RESPONSIBILITY OF AUDITOR-GENERAL

It is my responsibility to form an independent opinion, based on General Purpose Financial Statements and accompanying Accounts prepared and submitted to me by the Director of Finance of the Local Government and to report thereupon in consonance with the Constitution of the Federal Republic of Nigeria.

4. RESPONSIBILITY OF THE PUBLIC ACCOUNTS COMMITTEE (PAC)

It is the responsibility of the Public Accounts Committee of the State House of Assembly to review the Auditor-General's Report with a view to ensuring enforcement of the recommendations made and impose sanctions where necessary.

5. **BASIS OF OPINION**

The Audit was conducted in compliance with International Standards on Auditing (ISA) and Generally Accepted Public Sector and INTOSAI Auditing Standards.

These standards require that I comply with ethical requirements, plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements whether due to fraud or error. I also evaluated the overall adequacy of the presentation of information in the financial statements.

In the course of the Audit, I have obtained all the information and explanation that to the best of my knowledge and belief were necessary for the purpose of audit and I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for independent opinion.

6. **OPINION**

In my opinion, the Financial Statements which included Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flow, Statement of Comparison of Budget and Actual and Statement of Changes in Net Assets/Equity as at 31st December, 2019 with supporting notes, give a true and fair view of the State of Affairs And Financial Positions of the Local Governments for the fiscal year ended on that date subject to the observations and comments in the other parts of this report.

7. **BUDGET OVERVIEW AND PERFORMANCE**

Statement of Comparism for Budget Estimates and Actual Performance for the year ended 31st December, 2018 prepared and presented showed the following shortfalls:

- i. The budget was not prepared in compliance with the National Chart of Accounts (NCOA) put in place by IPSAS for budget preparation.
- ii. The estimate made for Revenue in the 2018 budget recorded a low performance. An estimate was made for N1,602,988,620.33, while actual Revenue recorded

stood at N805,375,072.22. This is about 52.24% performance. Equally, the IGR of N6,243,678.00 represents only 0.78% of the total Revenue for the period,

meaning the Local Government relied unduly on the Statutory allocation for survival.

- iii. The sum of N862,771,796.61 only was budgeted for expenditure but only N815,460,528.71 was actually incurred, resulting to saving of N47,311,267.90 for the period.

8. REVENUE ACCOUNT

A total sum of N805,375,072.22 was earned as total Revenue as at 31st December, 2018 out of which only 0.78%- N6,243,678.00.00 was generated as IGR, which showed that the Local Government solely depends on the Statutory allocation.

On the basis of comparism, the IGR for the current year recorded a surplus of 78.05% over that of previous year. Details of this is contained in the statement of Budget Comparism for the year 2018.

9. AUTHORITY FOR EXPENDITURE

All expenditure shown in the statement of actual expenditure for the year have been authorized as provided for by section 22(i) of the Local Government Administration Law 1999 with the exceptions of paragraph 6 of this report.

10. EXPENDITURE CONTRARY TO LAW

The following expenditure appears to be contrary to law.

S/NO	QUERY NO	SUBJECT	AMOUNT
1	AQ/EWLG/01/18	Exp. Contrary to Regulations	4,392,500.00
2	AQ/EWLG/02/18	Exp. Not supported with proper records	3,103,500.00
3	AQ/EWLG/03/18	Items not taken on Store ledger Charge	662,000.00
4	AQ/EWLG/04/18	Unreasonable Expenditure	220,000.00
5	AQ/EWLG/05/18	Un-retired Expenditure (Security vote)	8,250,000.00
6	AQ/EWLG/07/18	Unproduced Revenue earning receipt	Various
		TOTAL	16,628,004.00

11. STATEMENTS OF ASSETS AND LIABILITIES

The statements of Assets and Liabilities were correct and existence of the Assets have been substantiated.

8. **DISALLOWANCE** Allowance has been reserved in respect of the expenditure detailed in paragraph 6 of this report pending a satisfactory explanations or the sanction of the State House of Assembly.

12. STATE OF ACCOUNT

The Accounts of Ekiti West Local Government have been examined up to 31st December, 2018 and detailed observations have been forwarded to the Director of Administration, Ekiti West Local Government, Aramoko-Ekiti. Particular attention is required to the followings:

- (i) Prompt attention to Audit Queries
- (ii) Loan Register
- (iii) Inventory Register/Cards

- (iv) Internally Generated Revenue
- (v) Discrepancy between the Local Government receipts and JAAC releases
- (vi) Capital Projects

13. **OUTSTANDING MATTERS FROM PREVIOUS REPORTS**

The following matters remained outstanding in my previous reports.

	N
(a) 2015 AUDIT QUERIES	
i. AQ/EWLG/11/2015 Nugatory Payments	580,000.00
(b) 2016 AUDIT QUERIES	
i. AQ/EWLG/03/16 Unretired Expenditure	92,000.00
ii. AQ/ EWLG/04/16 Expenditure contrary to regulations	<u>1,514,789.93</u>
	1,606,789.93
(c) 2017 AUDIT QUERIES	
i. AUD/EWLG/AQ/1/17 Expenditure not supported with proper records	5,125,000.00
ii. AUD/EWLG/AQ/2/17 Expenditure not supported with proper records	9,798,250.00
iii. AUD/EWLG/AQ/3/17 Items not taken on ledger charge	3,609,300.00
iv. AUD/EWLG/AQ/4/17 Expenditure not supported with proper records	4,000,000.00
v. AUD/EWLG/AQ/5/17 Expenditure not supported with proper records	2,593,920.00
vi. AUD/EWLG/AQ/6/17 Unproduced Revenue Earning Receipts	assorted
vii. AUD/EWLG/AQ/7/17 Cash not accounted for	9,444,050.01
viii. AUD/EWLG/AQ/8/17 Expenditure contrary to regulation	58,256,255.01
ix. AUD/EWLG/AQ/9/17 Nugatory payments	15,625,000.00
x. AUD/EWLG/AQ/10/17 Nugatory/Expenditure contrary to regulations	9,500,000.00
xi. AUD/EWLG/AQ/11/17 Nugatory/Expenditure contrary to regulations	17,717,012.60
xii. AUD/EWLG/AQ/12/17 Nugatory/Expenditure contrary to regulations	8,125,000.00
xiii. AUD/EWLG/AQ/13/17 Inflated/Doubtful Expenditure	2,776,367.95

xiv.	AUD/EWLG/AQ/14/17 Expenditure not supported with proper records	20,000,000.00
xv.	AUD/EWLG/AQ/15/17 Doubtful Expenditure	8,750,000.00
xvi.	AUD/EWLG/AQ/16/17 Spurious/unapproved expenditure	<u>5,389,250.00</u>

180,709,405.57

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 17/10/2019

Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF EKITI WEST LOCAL GOVERNMENT, ARAMOKO-EKITI FOR THE
YEAR ENDED 31ST DECEMBER, 2018.**

1. RESPONSIBILITY FOR FINACIAL STATEMENTS

The Financial Statements have been prepared by the Director of Finance Ekiti West Local Government based on the available records and in compliance with the IPSAS Accrual Accounting for all Public Sectors Entities (PSE) in Nigeria.

To the best of our knowledge, the system of internal control had operated adequately throughout the reporting period, and the statements represent a true and fair view of the Financial Positions of the Local Government.

The Director of Finance accepts responsibility for the integrity of these Financial Statements, the information they contain and their compliance with International Public Sector Accounting Standards (IPSAS) Accrual Accounting for all public sector entities (PSE) in Nigeria.

In my opinion, these General Purpose Financial Statements fairly reflect the financial position of Ekiti West Local Government as at the year ended 31st December, 2018.



**Hon. Kazeem Agunbiade,
Executive Chairman.**



**Mr Babalola A. Adebola.
Director of Finance.**

STATEMENT OF ACCOUNTING POLICIES (IPSAS 1)

(xxviii) BASIS OF PREPARATION

The General Purpose Financial Statements have been prepared in compliance with IPSAS Accrual Accounting basis that recognizes transactions and events occurred whether expenses are paid for or not and revenue received or outstanding, and under the guidelines of Financial Memoranda in conformity with National Chart of Account (NCOA) and the Nigeria Accounting Standard Board for Public Sector Reporting.

(xxix) BASIS OF MEASUREMENT

The Financial Statements have been prepared on historical cost unless stated otherwise.

(xxx) REPORTING CURRENCY

The Financial Statements were presented in Nigerian Naira, which is the functional currency of the Local Government Council.

(xxxi) GOING CONCERN

The Financial Statements have been prepared on a going concern basis.

(xxxii) ACCOUNTING PERIOD

The Accounting period is from 1st January to 31st December, 2018.

(xxxiii) REVEUNE

This presented both the exchange and non-exchange revenue from Internally Generated Revenue and Statutory Allocation from the Federation Account during the year.

(xxxiv) EXPENDITURE

This represented both recurrent and capital expenditure during the year.

(xxxv) NON-CURRENT ASSETS/ DEPRECIATION

Property Plant and Equipment were recognized less accumulated depreciation.

(xxxvi) BUDGET INFORMATION

The Annual Budget was prepared on Accrual Basis. All planned costs and incomes were presented in a single statement to determine the needs of the Local Government Council.

(x). INVESTMENT PROPERTIES

Investment properties were measured initially at cost, including transaction costs. The carrying amount included the replacement cost of components of an existing investment property at the end time that cost was incurred if the recognition criteria were met and excluded the cost of day to day maintenance of an investment property.

EKITI WEST LOCAL GOVERNMENT, ARAMOKO-EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2018

2017	DETAILS	NOTES	2018	
N	Represented By:		N	N
	ASSETS			
	Current Assets			
37,336,482.80	Cash and equivalent	1	60,237,641.51	
13,015,450.00	Inventories	2	12,760,800.00	
-	WIP	3	-	
1,043,919,077.63	Receivables	4	1,622,389,131.58	
2,083,333.34	Prepayment	5	-	-
1,096,354,343.77	Total Current Assets			1,695,387,573.09
	Non-Current Assets			
	Loans Granted	6		
1,650,000.00	Investments	7	1,650,000.00	
257,066,366.19	Fixed Assets-Property, Plant & Equip	8	253,201,637.27	
88,351,250.00	Investment Property	9	86,985,626.10	
90,942,657.81	Biological Assets	10	-	
438,010,274.00	Total Non-current Assets			341,837,263.37
1,534,364,617.77	Total Assets			2,037,224,836.46
	LIABILITIES			
	Current Liabilities			
-	Accumulated Depreciation	11	-	
4,250,000.00	Loan & Debts (Short-Term)	12	-	
7,625,834.17	Unremitted Deductions	13	7,749,374.17	
1,137,333,587.16	Payables	14	1,414,668,129.28	
1,149,209,421.33	Total Current Liabilities		1,422,417,503.45	
	Non - Current Liabilities			
-	Public funds	15	1,875,000.00	
-	Borrowings	16	-	
	Total Non- Current Liabilities		1,875,000.00	
1,149,209,421.33	Total Liabilities			1,424,292,503.45
385,155,196.44	NET ASSETS/EQUITY:			612,932,333.01
	Financed By:			
165,980,234.46	Reserves	17		582,144,588.18
187,779,637.60	Capital Grants	18	-	38,462,857.23
2,410,344.09	Net Surpluses/(Deficits)	19	(10,085,456.49)	
28,984,980.29	Accumulated Surpluses(Deficits)	20	2,410,344.09	(7,675,112.40)
385,155,196.44	Total Net Assets/Equity:			612,932,333.01

EKITI WEST LOCAL GOVERNMENT, ARAMOKO- EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2018

2017	DETAILS	NOTE	2018
N	REVENUE		ACTUAL (N)
563,048,253.29	Statutory Revenue	21	798,538,830.92
1,153,150.00	Tax Revenue	22	2,601,678.00
2,353,550.00	Non-Tax Revenue	23	3,642,000.00
-	Aid & Grants	24	-
466,180.00	Investment Income	25	592,563.33
-	Expenditure Recovery	26	-
-	Other Capital Receipts	27	-
-	Debt Forgiveness	28	-
567,021,133.29	Total Revenue		805,375,072.22
	EXPENDITURE:		
500,314,104.33	Salaries & Wages	29	695,757,205.03
1,825,000.00	Social Contribution	30	1,750,000.00
27,295,597.33	Social Benefits	31	-
35,175,987.54	Overhead Cost	32	31,933,002.78
-	Gratuity	32	-
-	Pension Allowances	33	-
-	Stationeries	35	-
-	Impairment Charges	36	-
-	Depreciation charges	37	24,614,135.65
-	Transfer to Other Government Entities	38	-
-	Public Debt Charge	39	-
-	Allowance (Leave Bonus)	40	61,406,185.25
564,610,789.20	Total Expenditure		815,460,528.71
2,410,344.09	Surplus/(Deficit) from operating activities for the period		(10,085,456.49)
	Total Non-Operating Revenue (Expenses)		
	Non-operating Activities		
-	Gain/Loss on Assets Disposal	41	-
-	Refund Revenue	42	-
-	Revaluation Grain	43	-
-	Net Surplus/(Deficit) from Operating Activities		-
	Surplus/(Deficit) from operating activities		-
-	Purchases/Construction of Assets	44	-
	Minority Interest Share of Surplus/Deficits)	45	-
	Accumulated Surplus/(Deficit) 01/01/2018		2,410,344.09
2,410,344.09	Accumulated Surplus/(Deficit) 31/12/2018		(7,675,112.40)

EKITI WEST LOCAL GOVERNMENT, ARAMOKO-EKITI, EKITI STATE, NIGERIA
STATEMENT CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2018.

2017	DETAILS	NOTES	2018	
N	CASH FLOWS FROM OPERATING ACTIVITIES		N	N
	Inflows			
563,048,253.29	Statutory Revenue	21	798,538,830.92	
1,153,150.00	Tax Revenue	22	2,601,678.00	
5,353,550.00	Non Tax Revenue	23	3,642,000.00	
-	Aid & Grants	24	-	
466,180.00	Investment Income	25	592,563.33	
	Expenditure Recovery	26		
	Other Capital Receipts	27		
	Debt Forgiveness	28		
567,021,133.29	Total flow from Operating Activities			805,375,072.22
	Outflows			
500,314,204.33	Salary & Wages	29	695,757,205.03	
1,825,000.00	Social Contribution	30	1,750,000.00	
27,297,597.57	Social Benefit	31	-	
35,175,987.58	Overheads Cost	32	31,933,002.78	
-	Gratuity	33	-	
-	Pension Allowances	34	-	
-	Transfer to other Government Entities	38	-	
-	Allowance	40	61,406,185.25	
-	Deductions	49	-	
-	Refund	50	-	
-	Inventory	51	-	
-	Loan	52	-	
564,610,789.44	Total Outflow from Operating Activities			790,846,393.06
2,410,243.85	Net Cash Inflow/(outflow) from operating Activities			14,528,679.16
	CASH FLOW FROM INVESTING ACTIVITIES			
-	Proceeds for Sale of PPE	53	-	
-	Proceeds from Sales Property	54	-	
-	Proceeds from Sales of Intangible Assets	55	-	
-	Proceeds from Sales of Investment	56	-	
-	Dividend Received	57	-	
-	Total Inflow			
	Outflows			
177,180,052.37	Purchase/construction of Assets PPE	58	30,090,377.68	
-	Purchase/construction of Assets-Investment Property	59	-	
-	Investment in Private companies	60	-	
-	Loan Granted	61	-	
-	Purchase of Intangible Assets	62	-	
-	Acquisition of Investment	63	-	
177,180,052.37	Total Outflow		-	30,090,377.68
(174,769,708.52)	Net cash flow from Investing Activities		-	(15,561,698.52)

	CASH FLOW FROM FINANCING ACTIVITIES		-	
	Inflows		-	
187,779,637.60	Capital Grant Received	64	38,462,857.23	
-	Proceeds from Borrowing	65	-	
187,779,637.60	Total Inflow		-	38,462,857.33
	Outflows		-	
-	Repayment of borrowing	66	-	
-	Distribution of surplus/Dividends Paid	67	-	
-	TOTAL OUTFLOW		-	
13,009,929.08	Net Cash Flow from financial Activities			22,901,158.71
13,009,929.08	Net cash flow from All Activities		-	22,901,158.71
24,326,553.72	Cash & Equivalent As at 1/1/ 2018			37,336,482.80
37,336,482.80	Cash & Equivalent as at 31/12/2018	1		60,237,641.51

EKITI WEST LOCAL GOVERNMENT, ARAMOKO EKITI, EKITI STATE NIGERIA

**STATEMENT OF COMPARISM OF BUDGET AND ACTUAL FOR THE YEAR ENDED 31ST
DECEMBER, 2018.**

2017	REVENUE		2018	FINAL BUDGET 2018 (N)	VARIANCE ON FINAL BUDGET IN (%)
N	N	NOTE	ACTUAL N	N	
563,043,253.29	Statutory Revenue	21	798,538,830.92	1,595,132,295.59	(49.94)
1,153,150.00	Tax Revenue	22	2,601,678.00	440,000.00	491.29
2,353,550.00	Non- Tax Revenue	23	3,642,000.00	5,912,894.74	(38.41)
-	Aid & Grants	24	-	-	-
466,180.00	Investment Income	25	592,563.33	1,503,430.00	(61.18)
-	Expenditure Recovery	26	-	-	-
-	Other Capital Receipts	27	-	-	-
-	Debt forgiveness	28	-	-	-
567,021,133.29	Total Revenue		805,375,072.22	1,602,988,620.33	341.76
	EXPENDITURE:				
500,314,104.33	Salaries & Wages	29	695,757,205.03	663,294,053.10	(4.89)
1,825,000.00	Social Contribution	30	1,750,000.00	3,500,000.00	50.00
27,295,597.33	Social Benefit	31	-	-	-
35,175,987.54	Overhead cost	32	31,933,002.78	166,600,000.00	80.83
-	Gratuity	33	-	-	-
-	Pension Allowance	34	-	-	-
-	Stationeries	35	-	-	-
-	Impairment Charges	36	-	-	-
-	Depreciation Charges	37	24,614,135.65	-	(100.00)
-	Transfer to other Government Entities	38	-	-	-
-	Public Debt Charge	39	-	-	-
-	Allowance (Leave Bonus)	40	61,406,185.25	29,377,743.51	(109.02)
564,610,789.20	Total Expenditure		815,460,528.71	862,771,796.61	(83.08)
2,410,344.09	Surplus (Deficit) from operating activities for the period		(10,085,456.49)	740,216,823.72	258.68
	Total Non- operating Revenue (Expenses)				
	Non-operating Activities				
-	Gain/loss on Asset Disposal	41	-	-	-

-	Refunded Revenue	42	-	-	-
-	Revaluation Gain	43	-	-	-
-	Net Surplus/(Deficit) from Non-operating Activities				
	Purchase/Construction of Assets	44			
	Monitoring interest share of surplus (Deficit)	45			
	Accumulated surplus/Deficit 1/1/2018		2,410,344.09		
2,410,344.09	Accumulated surplus (Deficit) 31/12/2018		(7,675,112.40)	740,216,623.72	258.68

EKITI WEST LOCAL GOVERNMENT, ARAMOKO-EKITI, EKITI STATE, NIGERIA

STATEMENT OF CHANGES IN NET ASSET/EQUITY AS AT 31/12/2018

DETAILS	NOTE	RECEIVABLES	PAYABLES	RUNNING GRANT (O/H)	ACCUMULATED SURPLUS/(DEFICITS)	TOTAL
		N	N	N	N	N
Balance b/f (1/1/2018)		<u>1,043,919,077.63</u>	<u>1,137,337,587.16</u>		<u>2,410,344.09</u>	<u>2,183,667,008.88</u>
Increase/(Decrease) in Revenue not recognized in financial performance		-	-	-	(-)	-
Increase/(Decrease) in Salaries & Wages not recognized	-	-	-	-	-	-
Total Actual 2017		<u>1,043,919,077.63</u>	<u>1,137,337,587.16</u>		<u>2,410,344.09</u>	<u>2,183,667,008.88</u>
Balance as at (31/12/2018)		1,622,389,131.58	1,414,668,129.28	-	(10,085,456.49)	3,026,971,804.37
Total		<u>1,622,389,131.58</u>	<u>1,414,668,129.28</u>	-		3,037,057,260.86
Increase/Decrease in Salaries & Wages not recognized in Receivables/Payables				-		-
Gain on Revaluation				-		-
Accumulated surplus (Deficit) as at 31/12/2017					2,410,344.09	2,410,344.09
Balance as at 31/12/2018		<u>1,622,389,131.58</u>	<u>1,414,668,129.28</u>		<u>(7,675,112.40)</u>	<u>3,029,382,148.46</u>

EKITI WEST LOCAL GOVERNMENT, ARAMOKO EKITI

EKITI STATE, NIGERIA

POSITION OF REVEENUE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	REVENUE JANUARY- DECEMBER 2018 (N)
Statutory allocation	21	798,538,830.92
Tax Revenue	22	2,601,678.00
Non-Tax Revenue	23	3,642,000.00
Investment Income	25	592,563.33
Total		805,375,072.22

EKITI WEST LOCAL GOVERNMENT, ARAMOKO EKITI

EKITI STATE, NIGERIA

POSITION OF EXPENDITURE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	EXPENDITURE JANUARY-DECEMBER 2018 (N)
Salaries and wages	29	695,757,205.03
Leave Allowance	40	61,406,185.25
Overhead cost	32	31,933,002.78
Social Contribution	30	1,750,000.00
Depreciation	37	24,614,135.65
Purchase of PPE	58	30,462,857.23
Total		845,923,385.94

NOTE 2**INVENTORIES**

S/N	ITEMS	OPENING BALANCE 1/1/2018	ADDITIONAL PURCHASES	ISSUED CONSUMED	BALANCE AS AT 31/12/18
1	Office Equipment	208,900.00	740,000.00	914,300.00	34,600.00
2	Consumables	196,550.00	6,838,500.00	6,918,850.00	116,200.00
3	Estate Building	12,000,000.00	0.00	0.00	12,000,000.00
4	Medical Equipment	600,000.00	0.00	0.00	600,000.00
5	Mech. Workshop materials	10,000.00	0.00	0.00	10,000.00
	Total	13,015,450.00	7,578,500.00	7,752,800.00	12,760,800.00

NOTE 4**RECEIVABLES:**

S/N	ITEMS	OPENING BAL. 1/1/2018 (N)	ADDITIONAL RECEIVABLES (N)	OUTSTANDING SETTLED (N)	BALANCE AS AT 31/12/2018 (N)
1.	Staff salary	423,416,154.76	615,708,388.13	664,862,257.29	374,262,285.60
2.	Palace staff	8,398,090.11	14,513,684.50	15,827,052.95	7,084,721.66
3.	Political Office Holder	283,902,898.20	66,048,169.68	64,095,132.40	285,855,935.48
4.	MSS	240,000.00	1,440,000.00	1,440,000.00	240,000.00
5.	Leave allow: staff	73,730,340.49	61,406,185.25	61,406,185.25	73,730,340.49
6.	10% IGR from State	287,806,700.00	28,572,000.00	0.00	316,378,700.00
7.	L.G IGR outstanding	706,000.00	6,243,678.00	6,503,678.00	446,000.00
8	Furniture allow. 150% Basic)	330,881,812.12	99,072,254.52	0.00	429,954,066.40
9.	2009-2011 POH sal & Allow.	134,437,081.95	0.00	0.00	134,437,081.95
		TOTAL			1,622,389,131.58

NOTE 7**INVESTMENT IN SECURITY****LOCAL GOVERNMENT INVESTMENT IN SECURITY**

WEMA BANK	1,000,000.00
HERITAGE BANK	<u>650,000.00</u>
TOTAL	1,650,000.00
	=====

NOTE 8**PP & E**

ITEMS	OPENING BAL. 1/10/2018	ADDITIONAL PURHCASES (N)	TOTAL (N)	DEPR. RATE %	DEPR FOR THE YEAR (N)	NET BOOK VALUE 31/12/2018 (N)
Motor Vehicle	17,088,000.00	9,342,831.56	26,430,881.66	20	5,286,176.33	21,144,705.33
Building	170,873,780.00	1,225,000.00	172,098,780.00	2	3,441,975.60	168,656,804.40
Furniture & Equipment	67,378,086.15	740,000.00	68,118,086.15	10	6,811,808.62	61,306,277.54
Plant & Mach.	2,326,500.00	0.00	2,326,500.00	10	232,650.00	2,093,850.00
					15,772,610.55	253,201,637.27

NOTE 9**INVESTMENT PROPERTY:**

S/N	ITEMS	OPENING BAL. 1/1/2018 (N)	DEPR. RATE %	DEPR (N)	NET BOOK VALUE (N) 31/12/2018
1.	Lock-up Shops	36,150,500.70	10	3,615,050.07	32,535,450.63
2.	Open Market Stalls	27,282,374.10	10	2,728,237.41	24,554,136.69
3.	Poultry Pens	8,149,500.00	10	814,950.00	7,334,550.00
4.	Filling Station	10,142,775.00	10	1,014,277.50	9,128,497.70
5.	Women Deve. Centre	3,011,785.20	10	301,178.52	2,710,606.68
6.	L.G Restaurant	2,790,216.00	10	279,021.60	2,511,194.40
7.	Fayose Market Stall	830,000.00	10.7	88,810.00	8,211,190.00
	Total			8,841,525.10	86,985,626.10

NOTE 13**UNREMITTED DEDUCTION:**

S/N	ITEM	BALANCE AS AT 31/12/2018 (N)
1	5% VAT	3,080,615.58
2	5% WHT	2,954,908.89
3	2% ETF	735,736.24
4	CREDIT DIRECT	344,502.35
5	PAYEE	630,611.11
	TOTAL	7,749,374.17

NOTE 14**PAYABLES**

ITEM	OPENING BAL. 1/1/2018 (N)	ADDITIONAL COMMITMENT (N)	TOTAL (N)	AMOUNT PAID (N)	OUTSTADING 31/12/2018 (N)
Salary	630,028,098.07	696,270,242.31	1,326,298,341.38	774,784,442.64	577,429,176.08
Leave Allowance	73,730,340.49	29,337,743.51	103,068,084.00	61,406,185.25	41,661,898.75
Other allowance	138,217,330.79	1,555,00.00	139,772,330.79	1,440,000.00	138,332,330.79
Contractual obligation	511,827,156.96	0.00	511,827,156.96	0.00	511,827,165.96
General claims	73,132,327.70	68,535,230.00	141,667,557.70	250,000.00	141,417,557.70
Others	4,250,000.00	800,000.00	5,050,000.00	1,050,000.00	4,000,000.00
Total					1,414,668,129.28

NOTE 15**PUBLIC FUND**

Filling Station Lease for 12 years @ N2,500,000.00

Lease payment for the year 2016, 2017 & 2018 = N208,333.33 x 3years

$$2,500,000.00 - (208,333.33 \times 3\text{yrs})$$

Public Fund as at Year 2018 = N1,875,000.01

STATUTORY ALLOCATION

MONTHS	AMOUNT (N)
JANUARY	61,890,358.40
FEBRUARY	71,583,390.72
MARCH	66,271,605.39
APRIL	57,951,994.35
MAY	58,870,711.75
JUNE	58,165,945.92
JULY	63,608,395.27
AUGUST	81,803,658.37
SEPTEMBER	63,985,399.95
OCTOBER	50,587,237.61
NOVEMBER	51,803,845.20
DECEMBER	50,610,102.76
TOTAL	798,538,830.92

The Statutory Allocation includes staff Leave Allowances of N61,406,185.23

TAX REVENUE

		N
1.	Commercial Tax	2,431,478.00
2.	Tenement Rate	<u>170,200.00</u>
		2,601,678.00
		=====

NOTE 23**NON TAX REVENUE****N**

Local licenses, fine & Rate	3,312,500.00
Miscellaneous Income	<u>329,500.00</u>
Total	<u>3,642,000.00</u>

NOTE 25**INVESTMENT INCOME****N**

1.	Proceed from the lease of petrol station	
	Attributable to 2017	208,333.33
2.	Proceed from the lease of poultry pens for 2017	120,000.00
3.	Dividend for shares	0.00
4.	Rent from Local Government investment properties	<u>264,230.00</u>
		<u>592,563.33</u>

NOTE 29**SALARIES AND WAGES**

1.	Staff salary	615,708,388.13
2.	Political Office Holders Salary	64,095,132.40
3.	Palace Staff Salary	14,513,684.50
4.	Mid Wives salary	<u>1,440,000.00</u>
		<u>695,757,205.03</u>

NOTE 30**SOCIAL CONTRIBUTION**

	#
Monthly contribution to ALGON for the year 2018	
(January-September) @ the rate of N50,000.00 per month	450,000.00
Donation towards Ido-Ile Day	250,000.00
Logistic for N/Power Programme	600,000.00
Social contribution to NULGE	<u>450,000.00</u>
Total	<u>1,750,000.00</u>

NOTE 32**OVERHEAD COST**

	#
1. Security Vote	8,250,000.00
2. Transport and Travelling	4,716,820.00
3. Stationery and Printing	1,094,500.00
4. Maintenance of Office	9,641,350.00
5. Maintenance of Vehicles	1,586,582.78
6. Entertainment and Hospitality	2,753,250.00
7. Staff Training and Welfare	<u>3,890,500.00</u>
	<u>31,933,002.78</u>

NOTE 37**DEPRECIATION**

DETAILS	OPENING BALANCE	DEPRECIATION	NET BOOK VALUE (N)
Investment property	95,827,151.20	8,841,525.10	86,985,626.10
PP & E	268,974,247.82	15,772,610.55	253,201,637.27
Total	364,801,399.02	24,614,135.65	340,187,263.37

NOTE 40**LEAVE ALLOWANCE**

Leave Bonus from JAAC

N61,406,185.25

REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL

GOVERNMENTS

ON THE ACCOUNTS OF EMURE LOCAL GOVERNMENT,

EMURE-EKITI,

FOR THE YEAR ENDED,

31ST DECEMBER, 2018.

AUDIT CERTIFICATE

I have examined the General Purpose Financial Statements of Emure Local Government as at 31st December, 2018 in accordance with Sections 123(2) of the Constitution of the Federal Republic of Nigeria 1989; 316(1) of the Constitution of the Federal Republic of Nigeria 1999, 32 (2) of the Local Government Administration Law No 2 of 1999, and section 26(2) of Ekiti State Audit Law 2014. The audit was conducted in compliance with International Standards on Auditing (ISA) and International Organisation of Supreme Audit Institutions (INTOSAI) Auditing Standards. The Financial Statements were prepared in line with IPSAS Accrual. I have obtained information and explanations that I required for my audit. In my opinion, the General Purpose Financial Statements and the supporting Accounts and Statements give a true and fair view of the Local Government as at 31st December, 2018 subject to the observations in this report.

 17/10/2019

Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF EMURE LOCAL GOVERNMENT, EMURE-EKITI FOR THE YEAR ENDED
31ST DECEMBER, 2018.**

The General Purpose Financial Statements of Emure Local Government have been examined in accordance with sections 123(2) and 316 of the Constitution of the Federal Republic of Nigeria, 1989 and 1999 respectively Section 26(2) of Ekiti State Audit Law 2014 and Section 32(2) of the Local Government Administration Law No 2 of 1999. The General Purpose Financial Statements were correct subject to the comments in this report and the existence of the Assets have also been substantiated.

2. STATEMENT OF FINANCIAL RESPONSIBILITY

It is the responsibility of Director of Finance of Emure Local Government to prepare and present the General purpose Financial Statements to the Auditor-General in accordance with the provisions of the Constitutions of the Federal Republic of Nigeria within 90 days after the expiration of the financial year.

This section was grossly violated by the Local Government as their account was presented on 29th August, 2019, about 5 months behind schedule. This led to my late reporting on the Account.

3. STATEMENT OF RESPONSIBILITY OF AUDITOR-GENERAL

It is my responsibility to form an independent opinion, based on General Purpose Financial Statements and accompanying Accounts prepared and submitted to me by the Director of Finance of the Local Government and to report thereupon in consonance with the Constitution of the Federal Republic of Nigeria.

4. RESPONSIBILITY OF THE PUBLIC ACCOUNTS COMMITTEE (PAC)

It is the responsibility of the Public Accounts Committee of the State House of Assembly to review the Auditor-General's Report with a view to ensuring enforcement of the recommendations made and impose sanctions where necessary.

5. **BASIS OF OPINION**

The Audit was conducted in compliance with International Standards on Auditing (ISA) and Generally Accepted Public Sector and INTOSAI Auditing Standards.

These standards require that I comply with ethical requirements, plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements whether due to fraud or error. I also evaluated the overall adequacy of the presentation of information in the financial statements.

In the course of the Audit, I have obtained all the information and explanation that to the best of my knowledge and belief were necessary for the purpose of audit and I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for independent opinion.

6. **OPINION**

In my opinion, the Financial Statements which included Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flow, Statement of Comparison of Budget and Actual and Statement of Changes in Net Assets/Equity as at 31st December, 2018 with supporting notes, give a true and fair view of the State of Affairs And Financial Positions of the Local Governments for the fiscal year ended on that date subject to the observations and comments in the other parts of this report

7. **BUDGET OVERVIEW AND PERFORMANCE**

Statement of Comparism for Budget Estimates and Actual Performance for the year ended 31st December, 2018 prepared and presented showed the following shortfalls:

- i. The budget was not prepared in compliance with the National Chart of Accounts (NCOA) put in place by IPSAS for budget preparation.
- ii. The estimate made for Revenue in the 2018 budget recorded a low performance. An estimate was made for N2,080,770,000.00, while actual Revenue recorded stood at N1,168,347,353.79. This is about 56.15% performance. Equally, the IGR of N7,893,346.32 represents only 0.68% of the total Revenue for the period,

meaning the Local Government relied unduly on the Statutory allocation for survival.

- iii. The sum of N1,293,624,975.04 only was budgeted for expenditure but only N1,128,671,791.82 was actually incurred, resulting to saving of N164,953,183.22 for the period.

8. REVENUE ACCOUNT

A total sum of N1,168,347,353.79 was earned as total Revenue as at 31st December, 2018 out of which only 0.68%- N7,893,346.32 was generated as IGR, which showed that the Local Government solely depends on the Statutory allocation.

On the basis of comparism, the IGR for the current year recorded a surplus of 69.33% over that of previous year. Details of this is contained in the statement of Budget Comparism for the year 2018.

9. AUTHORITY FOR EXPENDITURE

All expenditure shown in the statement of actual expenditure for the year have been authorized as provided for by section 22(i) of the Local Government Administration Law 1999 with the exceptions of paragraph 6 of this report.

10. EXPENDITURE CONTRARY TO LAW

The following expenditure appears to be contrary to law.

S/N	QUERY NO	SUBJECT	AMOUNT ₦
1	AQ/EMLG/01/2018	Nugatory	37,610,499.61
2	AQ/EMLG/02/2018	Items not taken on store ledger charge	280,000.00
3	AQ/EMLG/03/2018	Expenditure contrary to regulations	6,021,922.55
4	AQ/EMLG/04/2018	Unaudited payment vouchers	180,000.00

5	AQ/EMLG/05/2018	Unreceipted expenditure	150,000.00
6	AQ/EMLG/06/2018	Unretired security vote	7,000,000.00
7	AQ/EMLG/07/2018	Unproduced revenue earning receipts	Various
		Total	51,242,492.16

11. **STATEMENTS OF ASSETS AND LIABILITIES**

The statements of Assets and Liabilities were correct and existence of the Assets have been substantiated.

12. **DISALLOWANCE** Allowance has been reserved in respect of the expenditure detailed in paragraph 6 of this report pending a satisfactory explanations or the sanction of the State House of Assembly.

13. **STATE OF ACCOUNT**

The Accounts of Emure Local Government have been examined up to 31st December, 2018 and detailed observations have been forwarded to the Director of Administration, Emure Local Government, Emure-Ekiti. Your attention is invited to the following issues:

- (i) Internal Control N
- (ii) Lapses in the keeping of financial records
- (iii) Loss of fund involving the Council Management 1,500,000.00
- (iv) Expenditure contrary to regulations
- (v) Internally Generated Revenue
- (vi) Differences in JAAC releases and Local Government receipts 8,489,587.95
- (vii) Capital Projects
- (viii) No depreciation was charged for the period.

14. OUTSTANDING MATTERS FROM PREVIOUS REPORTS

The following matters remained outstanding in my previous reports.

			N
a)	Difference in JAAC releases (2015)		5,774,838.23
b)	Outstanding balance from GLO Networks		70,000.00
c)	outstanding balance of N70,000.00 that was not paid by GLO and Etisalat (2015)		
d)	2015 AUDIT QUERIES		
i.	EMLG/AQ/03/15	Expenditure not supported with proper records	777,000.00
ii.	EMLG/AQ/04/15	Unvouched expenditure	275,000.00
iii.	EMLG/AQ/05/15	Expenditure contrary to regulations	388,000.00
iv.	EMLG/AQ/06/15	Nugatory payment	2,593,023.00
v.	EMLG/AQ/07/15	Missing items from the Director of Finance	
		Official Quarter	96,800.00
vi.	EMLG/AQ/10/15	Doubtful/irregular payment	3,000,000.00
vii.	EMLG/AQ/11/15	Illegal withdraws/misappropriation of	
		fund from the salary/running accounts	10,647,000.00
vii.	EMLG/AQ/12/15	Unproduced Revenue Earning Receipts	<u>Assorted</u>
			17,776,823.00

=====

e) 2016 AUDIT QUERIES

i.	EMLG/AQ/01/16	Unproduced payment vouchers	9,759,949.01
ii.	EMLG/AQ/02/16	Expenditure contrary to regulations	530,000.00
iii.	EMLG/AQ/08/16	Nugatory payment	9,319,595.43
iv.	EMLG/AQ/09/16	Unreasonable expenditure	233,000.00
v.	EMLG/AQ/10/16	Unproduced revenue receipts	various.

f) 2017 AUDIT QUERIES

			N
i.	EMLG/AQ/01/17	Unproduced payment vouchers	5,132,000.00
ii.	EMLG/AQ/02/17	Expenditure not accounted for	768,000.00
iii.	EMLG/AQ/03/17	Expenditure contrary to regulations	12,981,609.00
iv.	EMLG/AQ/04/17	Items not taken on ledger charge	1,938,000.00

v.	EMLG/AQ/05/17	Doubtful expenditure	1,586,500.00
vi.	EMLG/AQ/06/17	Expenditure retired with fake receipts	980,000.00
vii.	EMLG/AQ/07/17	Unretired expenditure	4,892,000.00
viii.	EMLG/AQ/08/17	Expenditure not supported with proper records	980,000.00
ix.	EMLG/AQ/09/17	Unreasonable expenditure	668,057.13
x.	EMLG/AQ/10/17	Expenditure not supported with proper records	8,750,000.00
xi.	EMLG/AQ/11/17	Unproduced Revenue Earning Receipts	various
xii.	EMLG/AQ/12/17	Expenditure not accounted for from Paris Club Refund	<u>131,046,877.00</u>
			169,723,043.52
			=====

 17/10/2019

Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF EMURE LOCAL GOVERNMENT, EMURE-EKITI FOR THE YEAR ENDED
31ST DECEMBER, 2018.**

1. RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Financial Statements have been prepared by the Director of Finance Emure Local Government based on the available records and in compliance with the IPSAS Accrual Accounting for all Public Sectors Entities (PSE) in Nigeria.

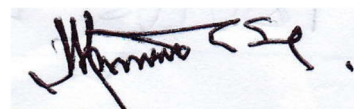
To the best of our knowledge, the system of internal control had operated adequately throughout the reporting period, and the statements represent a true and fair view of the Financial Positions of the Local Government.

The Director of Finance accepts responsibility for the integrity of these Financial Statements, the information they contain and their compliance with International Public Sector Accounting Standards (IPSAS) Accrual Accounting for all public sector entities (PSE) in Nigeria.

In my opinion, these General Purpose Financial Statements fairly reflect the financial position of Emure Local Government as at the year ended 31st December, 2018.



**Hon. Awopetu Paul O,
Executive Chairman.**



**Mr Oluwasanmi J.O.
Director of Finance.**

STATEMENT OF ACCOUNTING POLICIES (IPSAS 1)

(xxxvii) BASIS OF PREPARATION

The General Purpose Financial Statements have been prepared in compliance with IPSAS Accrual Accounting basis that recognizes transactions and events occurred whether expenses are paid for or not and revenue received or outstanding, and under the guidelines of Financial Memoranda in conformity with National Chart of Account (NCOA) and the Nigeria Accounting Standard Board for Public Sector Reporting.

(xxxviii) BASIS OF MEASUREMENT

The Financial Statements have been prepared on historical cost unless stated otherwise.

(xxxix) REPORTING CURRENCY

The Financial Statements were presented in Nigerian Naira, which is the functional currency of the Local Government Council.

(xl) GOING CONCERN

The Financial Statements have been prepared on a going concern basis.

(xli) ACCOUNTING PERIOD

The Accounting period is from 1st January to 31st December, 2018.

(xlii) REVEUNE

This presented both the exchange and non-exchange revenue from Internally Generated Revenue and Statutory Allocation from the Federation Account during the year.

(xlili) EXPENDITURE

This represented both recurrent and capital expenditure during the year.

(xliv) NON-CURRENT ASSETS/ DEPRECIATION

Property Plant and Equipment were recognized less accumulated depreciation.

(xlv) BUDGET INFORMATION

The Annual Budget was prepared on Accrual Basis. All planned costs and incomes were presented in a single statement to determine the needs of the Local Government Council.

(x). INVESTMENT PROPERTIES

Investment properties were measured initially at cost, including transaction costs. The carrying amount included the replacement cost of components of an existing investment properly at the end time that cost was incurred if the recognition criteria were met and excluded the cost of day to day maintenance of an investment properly.

EMURE LOCAL GOVERNMENT, EMURE-EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2018

2017	DETAILS	NOTES	2018	
N	Represented By:		N	N
	ASSETS			
	Current Assets			
29,828,438.30	Cash and equivalent	1	40,761,567.14	
2,742,152.00	Inventories	2	1,420,240.00	
-	WIP	3	-	
319,034,579.27	Receivables	4	-	
-	Prepayment	5	-	
351,605,169.57	Total Current Assets			<u>42,181,807.14</u>
	Non-Current Assets			
-	Loans Granted	6	-	
-	Investments	7	-	
476,915,720.00	Fixed Assets-Property, Plant & Equip	8	683,133,334.00	
-	Investment Property	9	730,000.00	
-	Biological Assets	10	-	
476,915,720.00	Total Non-current Assets			<u>683,863,334.00</u>
828,520,889.57	Total Assets			<u>726,045,141.14</u>
	LIABILITIES			
	Current Liabilities			
-	Accumulated Depreciation	11	-	
-	Loan & Debts (Short-Term)	12	12,510,000.00	
35,825,022.79	Unremitted Deductions	13	1,243,000.00	
41,468,817.58	Payables	14	505,022,896.55	
77,293,840.37	Total Current Liabilities		<u>518,775,896.55</u>	
-	Non - Current Liabilities			
29,828,438.30	Public funds	15	-	
-	Borrowings	16	-	
29,828,438.30	Total Non- Current Liabilities		<u>-</u>	
107,122,278.67	Total Liabilities			<u>518,775,896.55</u>
721,398,618.90	NET ASSETS/EQUITY:			<u>207,269,244.59</u>
	Financed By:			
608,539,819.29	Reserves	17		94,196,715.05
-	Capital Grants	18	-	
73,396,967.57	Net Surpluses/(Deficits)	19	39,675,561.97	
39,461,832.04	Accumulated Surpluses(Deficits)	20	73,396,967.57	<u>113,072,529.54</u>
721,398,618.90	Total Net Assets/Equity:			<u>207,269,244.59</u>

EMURE LOCAL GOVERNMENT, EMURE- EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2018

2017	DETAILS	NOTE	2018
N	REVENUE		ACTUAL (N)
676,251,721.40	Statutory Revenue	21	1,160,454,007.47
39,880.00	Tax Revenue	22	1,097,657.67
3,664,114.91	Non-Tax Revenue	23	6,795,688.65
-	Aid & Grants	24	-
957,320.00	Investment Income	25	-
-	Expenditure Recovery	26	-
-	Other Capital Receipts	27	-
-	Debt Forgiveness	28	-
680,913,036.31	Total Revenue		1,168,347,353.79
	EXPENDITURE:		
457,874,522.64	Salaries & Wages	29	989,595,922.48
-	Social Contribution	30	-
-	Social Benefits	31	-
119,813,107.80	Overhead Cost	32	80,831,382.14
-	Gratuity	33	-
-	Pension Allowances	34	-
-	Stationeries	35	-
-	Impairment Charges	36	-
28,828,438.30	Depreciation charges	37	-
-	Transfer to Other Government Entities	38	32,000,000.00
-	Public Debt Charge	39	-
-	Allowance (Leave Bonus)	40	26,244,487.20
607,396,068.74	Total Expenditure		1,128,671,791.82
73,396,967.57	Surplus/(Deficit) from operating activities for the period		39,675,561.97
	Total Non-Operating Revenue (Expenses)		
	Non-operating Activities		
-	Gain/Loss on Assets Disposal	41	-
-	Refund Revenue	42	-
-	Revaluation Grain	43	-
-	Net Surplus/(Deficit) from Operating Activities		-
	Surplus/(Deficit) from operating activities		-
-	Purchases/Construction of Assets	44	-
	Minority Interest Share of Surplus/Deficits)	45	-
	Accumulated Surplus/(Deficit) 01/01/2018		73,396,967.57
73,396,967.57	Accumulated Surplus/(Deficit) 31/12/2018		113,072,529.54

EMURE LOCAL GOVERNMENT, EMURE-EKITI, EKITI STATE, NIGERIA
STATEMENT CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2018.

2017	DETAILS	NOTES	2018	
N	CASH FLOWS FROM OPERATING ACTIVITIES		N	N
	Inflows			
676,211,841.40	Statutory Revenue	21	1,160,454,007.47	
39,880.00	Tax Revenue	22	1,097,657.67	
3,364,114.91	Non Tax Revenue	23	6,795,688.65	
-	Aid & Grants	24	-	
957,320.00	Investment Income	25	-	
	Expenditure Recovery	26		
	Other Capital Receipts	27		
	Debt Forgiveness	28		
680,573,156.31	Total flow from Operating Activities			1,168,347,353.79
	outflows			
457,874,522.64	Salary & Wages	29	989,595,922.48	
-	Social Contribution	30	-	
-	Social Benefit	31	-	
117,813,107.80	Overheads Cost	32	80,831,382.14	
-	Gratuity	33	-	
-	Pension Allowances	34	-	
-	Transfer to other Government Entities	38	32,000,000.00	
-	Allowance	40	26,244,487.20	
-	Deductions	49	-	
-	Refund	50	-	
-	Inventory	51	-	
-	Loan	52	-	
577,687,630.44	Total Outflow from Operating Activities			<u>1,128,671,791.82</u>
102,885,525.87	Net Cash Inflow/(outflow) from operating Activities			39,675,561.97
	CASH FLOW FROM INVESTING ACTIVITIES			
-	Proceeds for Sale of PPE	53	-	
-	Proceeds from Sales Property	54	-	
-	Proceeds from Sales of Intangible Assets	55	-	
-	Proceeds from Sales of Investment	56	-	
-	Dividend Received	57	-	
-	Total Inflow			
	Outflows			
92,544,257.73	Purchase/construction of Assets PPE	58	28,742,433.13	
-	Purchase/construction of Assets-Investment Property	59	-	
-	Investment in Private companies	60	-	
-	Loan Granted	61	-	
-	Purchase of Intangible Assets	62	-	
-	Acquisition of Investment	63	-	
92,544,257.73	Total Outflow		-	<u>28,742,433.13</u>
10,341,268.14	Net cash flow from Investing Activities		-	10,933,128.84
	CASH FLOW FROM FINANCING		-	

	ACTIVITIES			
	Inflows		-	
-	Capital Grant Received	64	-	
-	Proceeds from Borrowing	65	-	
-	Total Inflow		-	
	Outflows		-	
-	Repayment of borrowing	66	-	
-	Distribution of surplus/Dividends Paid	67	-	
-	TOTAL OUTFLOW		-	
10,341,268.14	Net Cash Flow from financial Activities			10,933,128.84
10,341,268.14	Net cash flow from All Activities		-	10,933,128.84
19,487,170.16	Cash & Equivalent As at 1/1/ 2018			29,828,438.30
29,829,438.30	Cash & Equivalent as at 31/12/2018	1		40,761,567.14

EMURE LOCAL GOVERNMENT, EMURE EKITI, EKITI STATE NIGERIA

**STATEMENT OF COMPARISM OF BUDGET AND ACTUAL FOR THE YEAR ENDED 31ST
DECEMBER, 2018.**

2017	REVENUE		2018	FINAL BUDGET 2018 (N)	VARIANCE ON FINAL BUDGET IN (%)
N	N	NOTE	ACTUAL N	N	
676,251,721.40	Statutory Revenue	21	1,160,454,007.47	2,067,000,000.00	(43.86)
39,880.00	Tax Revenue	22	1,097,657.67	850,000.00	29.14
3,664,114.91	Non- Tax Revenue	23	6,795,688.65	12,920,000.00	(47.40)
-	Aid & Grants	24	-	-	-
957,320.00	Investment Income	25	-	-	
-	Expenditure Recovery	26	-	-	
-	Other Capital Receipts	27	-	-	
-	Debt forgiveness	28	-	-	
680,913,036.31	Total Revenue		1,168,347,353.79	2,080,770,000.00	(62.12)
	EXPENDITURE:				
457,874,522.64	Salaries & Wages	29	989,595,922.48	996,679,417.80	0.71
-	Social Contribution	30	-	-	
-	Social Benefit	31	-	-	
119,813,107.80	Overhead cost	32	80,831,382.14	125,000,000.00	35.34
-	Gratuity	33	-	-	
-	Pension Allowance	34	-	-	
-	Stationeries	35	-	-	
-	Impairment Charges	36	-	-	
28,828,438.30	Depreciation Charges	37	-	-	
-	Transfer to other Government Entities	38	32,000,000.00	131,945,557.24	75.75
-	Public Debt Charge	39	-	-	-
-	Allowance (Leave Bonus)	40	26,244,487.20	40,000,000.00	34.39
607,516,068.74	Total Expenditure		1,128,671,791.82	1,293,624,975.04	146.19
73,396,967.57	Surplus (Deficit) from operating activities for the period		39,675,561.97	787,145,024.60	84.07
	Total Non- operating Revenue (Expenses)				
	Non-operating Activities				
-	Gain/loss on Asset	41		-	

	Disposal				
-	Refunded Revenue	42		-	
-	Revaluation Gain	43		-	
-	Net Surplus/(Deficit) from Non- operating Activities				
	Purchase/Construction of Assets	44			
	Monitoring interest share of surplus (Deficit)	45			
	Accumulated surplus/Deficit) 1/1/2018		73,396,967.57		
73,396,967.57	Accumulated surplus (Deficit) 31/12/2018		113,072,529.54	787,145,024.60	84.07

EMURE LOCAL GOVERNMENT, EMURE-EKITI, EKITI STATE, NIGERIA

STATEMENT OF CHANGES ON NET ASSET/EQUITY AS AT 31/12/2018

DETAILS	NOTE	RECEIVABLES	PAYABLES	RUNNING GRANT (O/H)	ACCUMULATED SURPLUS/(DEFICITS)	TOTAL
		N	N	N	N	N
Balance b/f (1/1/2018)		<u>319,034,579.27</u>	<u>41,468,817.58</u>	=	<u>73,396,967.57</u>	<u>433,900,364.42</u>
Increase/(Decrease) in Revenue not recognized in financial performance		-	-	-	(-)	-
Increase/(Decrease) in Salaries & Wages not recognized	-	-	-	-	-	-
Total Actual 2017		<u>319,034,579.27</u>	<u>41,468,817.58</u>	=	<u>73,396,967.57</u>	
Balance as at (31/12/2018)		-	505,022,896.55	-	39,675,561.97	544,698,458.52
Total		-	505,022,896.55	-		505,022,896.55
Increase/Decrease in Salaries & Wages not recognized in Receivables/Payables		-		-		-
Gain on Revaluation		-		-		-
Accumulated surplus (Deficit) as at 31/12/2017		-			73,396,967.57	73,396,967.57
Balance as at 31/12/2018		-	505,022,896.55	=	<u>113,072,529.54</u>	<u>618,095,426.09</u>

EMURE LOCAL GOVERNMENT, EMURE EKITI

EKITI STATE, NIGERIA

POSITION OF REVEENUE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	REVENUE JANUARY- DECEMBER 2018 (N)
Statutory allocation	21	1,160,454,007.47
Tax Revenue	22	1,097,657.67
Non-Tax Revenue	23	6,795,688.65
Total		1,168,347,353.79

EMURE LOCAL GOVERNMENT, EMURE EKITI

EKITI STATE, NIGERIA

POSITION OF EXPENDITURE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	EXPENDITURE JANUARY-DECEMBER 2018 (N)
Salaries and wages		989,595,922.48
Overhead cost		80,831,382.14
Transfer to other Govt.		32,000,000.00
Purchase of PPE		28,742,433.13
Total		1,131,169,737.75

REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL

GOVERNMENTS

ON THE

ACCOUNTS OF GBONYIN LOCAL GOVERNMENT,

ODE-EKITI,

FOR THE YEAR ENDED,

31ST DECEMBER, 2018.

AUDIT CERTIFICATE

I have examined the General Purpose Financial Statements of Gbonyin Local Government as at 31st December, 2018 in accordance with Sections 123(2) of the Constitution of the Federal Republic of Nigeria 1989; 316(1) of the Constitution of the Federal Republic of Nigeria 1999, 32 (2) of the Local Government Administration Law No 2 of 1999, and section 26(2) of Ekiti State Audit Law 2014. The audit was conducted in compliance with International Standards on Auditing (ISA) and International Organisation of Supreme Audit Institutions (INTOSAI) Auditing Standards. The Financial Statements were prepared in line with IPSAS Accrual. I have obtained information and explanations that I required for my audit. In my opinion, the General Purpose Financial Statements and the supporting Accounts and Statements give a true and fair view of the Local Government as at 31st December, 2018 subject to the observations in this report.

 17/10/2019

Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF GBONYIN LOCAL GOVERNMENT, ODE-EKITI FOR THE YEAR ENDED
31ST DECEMBER, 2018.**

The General Purpose Financial Statements of Gbonyin Local Government have been examined in accordance with sections 123(2) and 316 of the Constitution of the Federal Republic of Nigeria, 1989 and 1999 respectively Section 26(2) of Ekiti State Audit Law 2014 and Section 32(2) of the Local Government Administration Law No 2 of 1999, The General Purpose Financial Statements were correct subject to the comments in this report and the existence of the Assets have also been substantiated.

2. STATEMENT OF FINANCIAL RESPONSIBILITY

It is the responsibility of Director of Finance of Gbonyin Local Government to prepare and present the General purpose Financial Statements to the Auditor-General in accordance with the provisions of the Constitutions of the Federal Republic of Nigeria within 90 days after the expiration of the financial year.

This section was grossly violated by the Local Government as their account was presented on 6th June, 2019 more than 2 months behind schedule. This led to my late reporting on the Account.

3. STATEMENT OF RESPONSIBILITY OF AUDITOR-GENERAL

It is my responsibility to form an independent opinion, based on General Purpose Financial Statements and accompanying Accounts prepared and submitted to me by the Director of Finance of the Local Government and to report thereupon in consonance with the Constitution of the Federal Republic of Nigeria.

4. RESPONSIBILITY OF THE PUBLIC ACCOUNTS COMMITTEE (PAC)

It is the responsibility of the Public Accounts Committee of the State House of Assembly to review the Auditor-General's Report with a view to ensuring enforcement of the recommendations made and impose sanctions where necessary.

5. **BASIS OF OPINION**

The Audit was conducted in compliance with International Standards on Auditing (ISA) and Generally Accepted Public Sector and INTOSAI Auditing Standards.

These standards require that I comply with ethical requirements, plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements whether due to fraud or error. I also evaluated the overall adequacy of the presentation of information in the financial statements.

In the course of the Audit, I have obtained all the information and explanation that to the best of my knowledge and belief were necessary for the purpose of audit and I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for independent opinion.

6. **OPINION**

In my opinion, the Financial Statements which included Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flow, Statement of Comparison of Budget and Actual and Statement of Changes in Net Assets/Equity as at 31st December, 2018 with supporting notes, give a true and fair view of the State of Affairs And Financial Positions of the Local Governments for the fiscal year ended on that date subject to the observations and comments in the other parts of this report.

7. **BUDGET OVERVIEW AND PERFORMANCE**

Statement of Comparism for Budget Estimates and Actual Performance for the year ended 31st December, 2018 prepared and presented showed the following shortfalls:

- i. The budget was not prepared in compliance with the National Chart of Accounts (NCOA) put in place by IPSAS for budget preparation.
- ii. The estimate made for Revenue in the 2018 budget recorded a low performance. An estimate was made for N1,527,880,000.00, while actual Revenue recorded stood at N804,766,227.51. This is about 52.67% performance. Equally, the IGR of N5,608,500.00 represents only 0.70% of the total Revenue for the period,

meaning the Local Government relied unduly on the Statutory allocation for survival.

- iii. The sum of N1,412,238,070.22 only was budgeted for expenditure but only N695,605,214.07 was actually incurred, resulting to saving of N716,632,856.15 for the period.

7. REVENUE ACCOUNT

A total sum of N804,766,227.51 was earned as total Revenue as at 31st December, 2018 out of which only 0.70%- N5,608,500.00 was generated as IGR, which showed that the Local Government solely depends on the Statutory allocation.

On the basis of comparism, the IGR for the current year recorded a deficit of 23.67% over that of previous year. Details of this is contained in the statement of Budget Comparism for the year 2018.

8. AUTHORITY FOR EXPENDITURE

All expenditure shown in the statement of actual expenditure for the year have been authorized as provided for by section 22(i) of the Local Government Administration Law 1999 with the exceptions of paragraph 6 of this report.

9. EXPENDITURE CONTRARY TO LAW

The following expenditure appears to be contrary to law.

S/N	QUERY NO	SUBJECT	AMOUNT (N)
1	AUD/GBLG/AQ/01/18	Unproduced Revenue Earning Receipts	Assorted
2	AUD/GBLG/AQ02/18	Unreasonable Expenditure	1,250,000.00
3	AUD/GBLG/AQ/03/18	Unretired Security Vote	7,750,000.00
4	AUD/GBLG/AQ/04/18	Nugatory Payment	123,000.00
5	AUD/GBLG/AQ/05/18	Items not Taken on a Store Ledger Charge	488,900.00
6	AUD/GBLG/AQ/06/18	Doubtful Expenditure	2,080,000.00
7	AUD/GBLG/AQ/07/18	Expenditure not Supported with Proper Record or Accounts	410,000.00
8	AUD/GBLG/AQ/08/18	Unreceipted/ Nugatory Payment	150,000.00

9	AUD/GBLG/AQ/0918	Expenditure Contrary to Regulation	663,000.00
		TOTAL	12,914,900.00

10. **STATEMENTS OF ASSETS AND LIABILITIES**

The statements of Assets and Liabilities were correct and existence of the Assets have been substantiated.

11. **DISALLOWANCE** Allowance has been reserved in respect of the expenditure detailed in paragraph 6 of this report pending a satisfactory explanations or the sanction of the State House of Assembly.

12. **STATE OF ACCOUNT**

The Accounts of Gbonyin Local Government have been examined up to 31st December, 2018 and detailed observations have been forwarded to the Director of Administration, Gbonyin Local Government, Ode-Ekiti. Particular attention is required to the followings:

- (i) Internally Generated Revenue
- (ii) Unproduced Revenue Receipts
- (iii) Capital Projects
- (iv) All Outstanding matters from previous report

13. **OUTSTANDING MATTERS FROM PREVIOUS REPORTS**

	N
i. Loss of fund involving Mr. Olarewanju Oladimeji (2015)	4,881,128.88
ii. Non-salary related Expenditure from salary account (2015)	6,633,000.00
iii. Rehabilitation of Basic Health Centre (inflation of contract (2015)	1,700,000.00
iv. Receipts purchased but not traceable to store (143) (2014) involving Mr. Peter Adelusi	-

2016 AUDIT QUERIES

i. AQ/GBLG/02/14	Illegal withdrawal from salary account	7,550,028.72
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ii.	AQ/GBLG/07/14	Unvouched Expenditure	2,365,000.00
iii.	AQ/GBLG/12/14	Falsification/Doubtful Expenditure	2,365,000.00
iv.	AQ/GBLG/14/14	Debits in bank not in cash book	<u>179,256,433.84</u>
			186,772,433.84

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2015 AUDIT QUERIES

i.	AQ/GBLG/03/15	Expenditure contrary to regulations	6,633,000.00
ii.	AQ/GBLG/04/15	Expenditure not supported by proper records a/c	470,000.00
iii.	AQ/GBLG/06/15	Unretired/audited security vote	2,900,000.00
iv.	AQ/GBLG/07/15	Rehabilitation of Health Centre	<u>1,700,000.00</u>
			11,703,000.00

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2016 AUDIT QUERIES

i.	AQ/GBLG/04/16	Cash defalcation involving Mrs Rotimi Taibat	192,750.00
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2017 AUDIT QUERIES

i.	AQ/GBLG/01/2017	Doubtful payments	150,000.00
ii.	AQ/GBLG/02/2017	Items not taken on store ledger charge I	162,700.00
iii.	AQ/GBLG/03/2017	Items not taken on store ledger charge II	1,115,000.00
iv.	AQ/GBLG/04/2017	Unproduced payment vouchers	21,424,268.36
v.	AQ/GBLG/05/2017	Unproduced Revenue Earning Receipts	Assorted
vi.	AQ/GBLG/06/2017	Unretired Security Vote	9,000,000.00
vii.	AQ/GBLG/07/2017	Double payment of Security Vote	9,000,000.00
viii.	AQ/GBLG/08/2017	Double expenditure	872,000.00
ix.	AQ/GBLG/09/2017	Nugatory payment	3,125,000.00
x.	AQ/GBLG/10/2017	Expenditure not supported with proper records	10,000,000.00

xi. AQ/GBLG/11/2017 Nugatory payment II

7,426,550.00

54,775,518.36

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 17/10/2019

Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF GBONYIN LOCAL GOVERNMENT, ODE-EKITI FOR THE YEAR ENDED
31ST DECEMBER, 2018.**

1. RESPONSIBILITY FOR FINACIAL STATEMENTS

The Financial Statements have been prepared by the Director of Finance Gbonyin Local Government based on the available records and in compliance with the IPSAS Accrual Accounting for all Public Sectors Entities (PSE) in Nigeria.

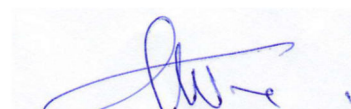
To the best of our knowledge, the system of internal control had operated adequately throughout the reporting period, and the statements represent a true and fair view of the Financial Positions of the Local Government.

The Director of Finance accepts responsibility for the integrity of these Financial Statements, the information they contain and their compliance with International Public Sector Accounting Standards (IPSAS) Accrual Accounting for all public sector entities (PSE) in Nigeria.

In my opinion, these General Purpose Financial Statements fairly reflect the financial position of Gbonyin Local Government as at the year ended 31st December, 2018.



**Hon. Prince Fadumiye Ayodele,
Executive Chairman.**



**Mrs Ogundele C.O.
Director of Finance.**

STATEMENT OF ACCOUNTING POLICIES (IPSAS 1)

(xlvi) BASIS OF PREPARATION

The General Purpose Financial Statements have been prepared in compliance with IPSAS Accrual Accounting basis that recognizes transactions and events occurred whether expenses are paid for or not and revenue received or outstanding, and under the guidelines of Financial Memoranda in conformity with National Chart of Account (NCOA) and the Nigeria Accounting Standard Board for Public Sector Reporting.

(xlvii) BASIS OF MEASUREMENT

The Financial Statements have been prepared on historical cost unless stated otherwise.

(xlviii) REPORTING CURRENCY

The Financial Statements were presented in Nigerian Naira, which is the functional currency of the Local Government Council.

(xlix) GOING CONCERN

The Financial Statements have been prepared on a going concern basis.

(I) ACCOUNTING PERIOD

The Accounting period is from 1st January to 31st December, 2018.

(li) REVEUNE

This presented both the exchange and non-exchange revenue from Internally Generated Revenue and Statutory Allocation from the Federation Account during the year.

(lii) EXPENDITURE

This represented both recurrent and capital expenditure during the year.

(liii) NON-CURRENT ASSETS/ DEPRECIATION

Property Plant and Equipment were recognized less accumulated depreciation.

(liv) BUDGET INFORMATION

The Annual Budget was prepared on Accrual Basis. All planned costs and incomes were presented in a single statement to determine the needs of the Local Government Council.

(x). INVESTMENT PROPERTIES

Investment properties were measured initially at cost, including transaction costs. The carrying amount included the replacement cost of components of an existing investment properly at the end time that cost was incurred if the recognition criteria were met and excluded the cost of day to day maintenance of an investment properly.

GBONYIN LOCAL GOVERNMENT, ODE-EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2018

2017	DETAILS	NOTES	2018	
N	Represented By:		N	N
	ASSETS			
	Current Assets			
38,240,532.84	Cash and equivalent	1	97,700,656.70	
-	Inventories	2	-	
-	WIP	3	-	
342,485,234.25	Receivables	4	484,956,421.22	
-	Prepayment	5	-	
380,725,767.09	Total Current Assets			<u>582,657,077.92</u>
	Non-Current Assets			
	Loans Granted	6		
1,000,000.00	Investments	7	1,000,000.00	
485,946,565.12	Fixed Assets-Property, Plant & Equip	8	511,350,126.44	
-	Investment Property	9	-	
-	Biological Assets	10	-	
486,946,565.12	Total Non-current Assets			<u>512,350,126.44</u>
905,912,865.05	Total Assets			<u>1,095,007,204.36</u>
	LIABILITIES			
	Current Liabilities			
-	Accumulated Depreciation	11	-	
-	Loan & Debts (Short-Term)	12	-	
-	Unremitted Deductions	13	-	
341,567,256.27	Payables	14	479,956,241.66	
341,567,256.27	Total Current Liabilities		479,956,241.66	
	Non - Current Liabilities			
38,240,532.84	Public funds	15	-	
-	Borrowings	16	42,146,480.58	
38,240,532.84	Total Non- Current Liabilities		<u>42,146,480.58</u>	
379,807,789.11	Total Liabilities			<u>522,102,722.24</u>
526,105,075.94	NET ASSETS/EQUITY:			<u>572,904,482.12</u>
	Financed By:			
459,168,401.47	Reserves	17		425,502,935.84
-	Capital Grants	18	-	
38,240,532.84	Net Surpluses/(Deficits)	19	109,161,013.44	
28,696,141.63	Accumulated Surpluses(Deficits)	20	38,240,532.84	<u>147,401,546.28</u>
526,105,075.94	Total Net Assets/Equity:			<u>572,904,482.12</u>

GBONYIN LOCAL GOVERNMENT, ODE- EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2018

2017	DETAILS	NOTE	2018
N	REVENUE		ACTUAL (N)
643,375,853.44	Statutory Revenue	21	799,157,727.51
2,665,833.91	Tax Revenue	22	3,306,800.00
4,682,040.00	Non-Tax Revenue	23	2,301,700.00
-	Aid & Grants	24	-
-	Investment Income	25	-
-	Expenditure Recovery	26	-
-	Other Capital Receipts	27	-
-	Debt Forgiveness	28	-
650,723,727.35	Total Revenue		804,766,227.51
	EXPENDITURE:		
397,399,917.72	Salaries & Wages	29	624,248,510.18
-	Social Contribution	30	-
-	Social Benefits	31	-
121,738,584.32	Overhead Cost	32	71,256,703.89
-	Gratuity	32	-
-	Pension Allowances	33	-
-	Stationeries	35	-
-	Impairment Charges	36	-
-	Depreciation charges	37	-
-	Transfer to Other Government Entities	38	-
-	Public Debt Charge	39	-
-	Allowance (Leave Bonus)	40	-
519,138,502.04	Total Expenditure		695,605,214.07
131,585,225.31	Surplus/(Deficit) from operating activities for the period		109,161,013.44
	Total Non-Operating Revenue (Expenses)		109,161,013.44
	Non-operating Activities		
-	Gain/Loss on Assets Disposal	41	-
-	Refund Revenue	42	-
-	Revaluation Grain	43	-
-	Net Surplus/(Deficit) from Operating Activities		-
	Surplus/(Deficit) from operating activities		-
-	Purchases/Construction of Assets	44	-
	Minority Interest Share of Surplus/Deficits)	45	-
	Accumulated Surplus/(Deficit) 01/01/2018		131,585,225.31
131,585,225.31	Accumulated Surplus/(Deficit) 31/12/2018		240,746,238.75

GBONYIN LOCAL GOVERNMENT, ODE-EKITI, EKITI STATE, NIGERIA
STATEMENT CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2018.

2017	DETAILS	NOTES	2018	
N	CASH FLOWS FROM OPERATING ACTIVITIES		N	N
	Inflows			
643,375,853.44	Statutory Revenue	21	799,157,727.51	
2,665,833.91	Tax Revenue	22	3,306,800.00	
4,682,040.00	Non Tax Revenue	23	2,301,700.00	
-	Aid & Grants	24	-	
-	Investment	25	-	
	Expenditure Recovery	26		
	Other Capital Receipts	27		
	Debt Forgiveness	28		
650,723,727.35	Total flow from Operating Activities			804,766,227.51
	outflows	29		
-	Pension Allowances	30	-	
-	Social Contribution	31	-	
379,399,917.72	Salary & Wages	32	624,248,510.18	
-	Social Benefit	33	-	
121,738,584.32	Overheads Cost	34	71,356,703.89	
-	Loan	38	-	
-	Transfer to other Government Entities	40	-	
-	Gratuity	49	-	
-	Deductions	50	-	
-	Refund	51	-	
-	Inventory	52	-	
519,138,502.04	Total Outflow from Operating Activities			695,605,214.07
131,585,225.31	Net Cash Inflow/(outflow) from operating Activities			109,161,013.44
	CASH FLOW FROM INVESTING ACTIVITIES			
-	Proceeds for Sale of PPE	53	-	
-	Proceeds from Sales Property	54	-	
-	Proceeds from Sales of Intangible Assets	55	-	
-	Proceeds from Sales of Investment	56	-	
-	Dividend Received	57	-	
-	Total Inflow			
	Outflows			
124,946,565.12	Purchase/construction of Assets PPE	58	49,700,889.58	
-	Purchase/construction of Assets-Investment Property	59	-	
-	Investment in Private companies	60	-	
-	Loan Granted	61	-	
-	Purchase of Intangible Assets	62	-	
-	Acquisition of Investment	63	-	
124,946,565.12	Total Outflow		-	49,700,889.58
6,638,660.19	Net cash flow from Investing Activities		-	59,460,123.86
	CASH FLOW FROM FINANCING ACTIVITIES		-	

	Inflows		-	
-	Capital Grant Received	64	-	
-	Proceeds from Borrowing	65	-	
-	Total Inflow		-	
	Outflows		-	
-	Repayment of borrowing	66	-	
-	Distribution of surplus/Dividends Paid	67	-	
-	TOTAL OUTFLOW		-	
6,638,660.19	Net Cash Flow from financial Activities			59,460,123.86
6,638,660.19	Net cash flow from All Activities		-	59,460,123.86
31,601,872.65	Cash & Equivalent As at 1/1/ 2018			38,240,532.84
38,240,532.84	Cash & Equivalent as at 31/12/2018	1		97,700,656.70

GBONYIN LOCAL GOVERNMENT, ODE EKITI, EKITI STATE NIGERIA

**STATEMENT OF COMPARISM OF BUDGET AND ACTUAL FOR THE YEAR ENDED 31ST
DECEMBER, 2018.**

2017	REVENUE		2018	FINAL BUDGET 2018 (N)	VARIANCE ON FINAL BUDGET IN (%)
N	N	NOTE	ACTUAL N	N	
643,375,853.44	Statutory Revenue	21	799,157,727.51	1,507,880,000.00	(47.00)
2,665,833.91	Tax Revenue	22	3,306,800.00	8,000,000.00	(58.67)
4,682,040.00	Non- Tax Revenue	23	2,301,700.00	12,000,000.00	(80.82)
-	Aid & Grants	24	-	-	
-	Investment Income	25	-	-	
-	Expenditure Recovery	26	-	-	
-	Other Capital Receipts	27	-	-	
-	Debt forgiveness	28	-	-	
650,723,727.35	Total Revenue		804,766,227.51	1,527,880,000.00	(186.49)
	EXPENDITURE:	29	624,248,510.18	1,279,113,523.40	51.20
397,399,917.72	Salaries & Wages	30	-	-	
-	Social Contribution	31	-	-	
-	Social Benefit	32	71,256,703.89	133,124,546.82	46.40
121,738,584.32	Overhead cost	33	-	-	
-	Gratuity	34	-	-	
-	Pension Allowance	35	-	-	
-	Stationeries	36	-	-	
-	Impairment Charges	37	-	-	
-	Depreciation Charges	38	-	-	
-	Transfer to other Government Entities	39	-	-	
-	Public Debt Charge	40	-	-	
-	Allowance (Leave Bonus)		-	-	
519,138,502.04	Total Expenditure		695,605,214.07	1,412,238,070.22	97.60
131,585,225.31	Surplus (Deficit) from operating activities for the period		109,161,013.44	115,641,929.78	(88.89)
	Total Non- operating Revenue (Expenses)				
	Non-operating Activities				
-	Gain/loss on Asset Disposal	41		-	
-	Refunded Revenue	42		-	
-	Revaluation Gain	43		-	

-	Net Surplus/(Deficit) from Non- operating Activities				
	Purchase/Construction of Assets	44			
	Monitoring interest share of surplus (Deficit)	45			
	Accumulated surplus/Deficit) 1/1/2018		131,585,225.31		
131,585,225.31	Accumulated surplus (Deficit) 31/12/2018		240,746,238.75	115,641,929.78	(88.89)

GBONYIN LOCAL GOVERNMENT, ODE-EKITI, EKITI STATE, NIGERIA

STATEMENT OF CHANGES ON NET ASSET/EQUITY AS AT 31/12/2018

DETAILS	NOTE	RECEIVABLES	PAYABLES	RUNNING GRANT (O/H)	ACCUMULATED SURPLUS/(DEFICITS)	TOTAL
		N	N	N	N	N
Balance b/f (1/1/2018)		<u>342,485,234.25</u>	<u>341,567,256.27</u>	-	<u>131,585,225.31</u>	<u>815,637,715.83</u>
Increase/(Decrease) in Revenue not recognized in financial performance		-	-	-	(-)	-
Increase/(Decrease) in Salaries & Wages not recognized	-	-	-	-	-	-
Total Actual 2017		<u>342,485,234.25</u>	<u>341,567,256.27</u>	<u>-</u>	<u>131,585,225.31</u>	<u>815,637,715.83</u>
Balance as at (31/12/2018)		484,956,421.22	479,956,241.66	-	109,161,013.44	1,074,073,676.32
Total		<u>484,956,421.22</u>	<u>479,956,241.66</u>	-		964,912,662.88
Increase/Decrease in Salaries & Wages not recognized in Receivables/Payables				-		-
Gain on Revaluation				-		-
Accumulated surplus (Deficit) as at 31/12/2017					131,585,225.31	131,585,225.31
Balance as at 31/12/2018		<u>484,956,421.22</u>	<u>479,956,241.66</u>		<u>240,746,238.75</u>	<u>1,205,658,901.63</u>

NOTE 8**GBONYIN LOCAL GOVERNMENT, ODE EKITI****EKITI STATE, NIGERIA****VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

Valuation as at 31 st December 2017	485,946,565.12
Less: 5% depreciation	<u>24,297,328.26</u>
Valuation as at 1/1/2018	461,649,236.86
Add:	
Additional Purchase of property	
Plant and Equipment for year 2018	<u>49,700,889.58</u>
Total	511,350,126.44

GBONYIN LOCAL GOVERNMENT, ODE EKITI

EKITI STATE, NIGERIA

POSITION OF REVEENUE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	EXPENDITURE JANUARY-DECEMBER 2018 (N)
Statutory allocation	21	799,157,727.51
Tax Revenue	22	3,306,800.00
Non-Tax Revenue	23	2,301,700.00
Investment Income	25	-
Total		804,766,227.51

GBONYIN LOCAL GOVERNMENT, ODE EKITI

EKITI STATE, NIGERIA

POSITION OF EXPENDITURE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	EXPENDITURE JANUARY-DECEMBER 2018 (N)
Salaries and wages	29	624,248,510.18
Overhead cost	32	71,356,703.89
Grants and contribution	-	-
Purchase of PPE	58	49,700,889.58
Total		745,305,103.65

PERSONNEL COST (SALARIES & WAGES)

MONTH	SALARY PAID	STAFF SALARY	POLITICAL SALARY	PALACE SALARY	MID WIFE SALARY
JAN 2018	JUNE 2017	29,885,597.40	5,221,360.88	691,418.46	90,000.00
FEB 2018	JULY	27,906,784.67	5,221,360.88	691,418.46	90,000.00
MARCH 2018	AUGUST	49,487,825.53	5,221,360.88	691,418.46	90,000.00
APRIL	SEPTEMBER	49,487,825.53	5,221,360.88	691,418.46	90,000.00
MAY	OCTOBER	49,487,825.53	10,42,721.76	691,418.46	90,000.00
JUNE	NOV.	49,487,825.53	5,221,360.88	691,418.46	90,000.00
JULY	DEC.	49,282,149.74		691,418.46	90,000.00
AUGUST	JAN	49,960,531.56	5,221,360.88	691,418.46	90,000.00
SEPTEMBER	FEB.	49,714,010.81	5,221,360.88	691,418.46	90,000.00
OCTOBER	OCT.	49,714,010.81	-	697,678.39	-
NOVEMBER	NOV.	49,714,010.81	-	697,678.39	90,000.00
DECEMBER	DEC.	49,714,010.81	-	697,678.39	90,000.00
TOTAL		553,842,408.73	60,803,589.60	8,612,511.85	990,000.00

SUM TOTAL:

553,842,408.73+60,803,589.60+8,612,511.85+990,000.0 = 624,248,510.18

OVERHEAD COST:

S/N	PARTICULAR	CODES	AMOUNT (N)
1.	TRANSPORT AND TRAVELLING	220201	22,117,500.00
2.	MATERIAL AND SUPPLIES	220203	4,185,000.00
3.	MAINTENANCE SERVICE GENERAL	220204	3,142,000.00
4.	CONSULTING AND PROFESSIONAL SERVICE GENERAL	220207	5,630,000.00
5.	GRANT AND CONTRIBUTION GENERAL	220401	4,749,000.00
6.	TRAINING GENERAL	220205	2,953,000.00
7.	MISCELLANEOUS EXPENSES	220204	12,596,403.89
8.	OTHER SERVICES	220206	14,318,500.00
9.	FUEL AND LUBRICAN	220208	1,099,000.00
10.	FINANCIAL CHARGES	220209	16,300.00
11.	TRADITIONAL COUNCIL		550,000.00
	TOTAL		71,356,703.89

STATUTORY ALLOCATION:

S/N	MONTH ALLOCATION	SALARY PAID	AMOUNT (N)
1	JANUARY 2018	JUNE 2017	103,476,336.74
2	FEB. 2018	JULY 2017	55,677,277.05
3	MARCH 2018	AUGUST 2017	66,290,064.07
4	APRIL 2018	SEPT. 2017	72,838,181.54
5	MAY 2018	OCT. 2017	73,111,382.85
6	JUNE 2018	NOV. 2017	68,330,142.26
7	JULY 2018	DEC. 2017	66,161,928.65
8	AUGUST 2018	JAN. 2017	62,836,888.36
9	SEPTEMBER 2018	FEB. 2017	62,090,367.55
10	OCTOBERM 2018	OCT. 2018	67,341,779.80
11	NOVEMBER 2018	NOV. 2018	50,501,689.20
12	DECEMBER 2018	DEC. 2018	50,501,689.20
	TOTAL		799,157,727.51

REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL

GOVERNMENTS

ON THE ACCOUNTS OF IDO/OSI LOCAL

GOVERNMENT,

IDO-EKITI,

FOR THE YEAR ENDED,

31ST DECEMBER, 2018.

AUDIT CERTIFICATE

I have examined the General Purpose Financial Statements of Ido/Osi Local Government as at 31st December, 2018 in accordance with Sections 123(2) of the Constitution of the Federal Republic of Nigeria 1989; 316(1) of the Constitution of the Federal Republic of Nigeria 1999, 32 (2) of the Local Government Administration Law No 2 of 1999, and section 26(2) of Ekiti State Audit Law 2014. The audit was conducted in compliance with International Standards on Auditing (ISA) and International Organisation of Supreme Audit Institutions (INTOSAI) Auditing Standards. The Financial Statements were prepared in line with IPSAS Accrual. I have obtained information and explanations that I required for my audit. In my opinion, the General Purpose Financial Statements and the supporting Accounts and Statements give a true and fair view of the Local Government as at 31st December, 2018 subject to the observations in this report.

 17/10/2019

Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF IDO/OSI LOCAL GOVERNMENT, IDO-EKITI FOR THE YEAR ENDED
31ST DECEMBER, 2018.**

The General Purpose Financial Statements of Ido/Osi Local Government have been examined in accordance with sections 123(2) and 316 of the Constitution of the Federal Republic of Nigeria, 1989 and 1999 respectively Section 26(2) of Ekiti State Audit Law 2014 and Section 32(2) of the Local Government Administration Law No 2 of 1999. The General Purpose Financial Statements were correct subject to the comments in this report and the existence of the Assets have also been substantiated.

2. STATEMENT OF FINANCIAL RESPONSIBILITY

It is the responsibility of Director of Finance of Irepodun/Ifelodun Local Government to prepare and present the General purpose Financial Statements to the Auditor-General in accordance with the provisions of the Constitutions of the Federal Republic of Nigeria within 90 days after the expiration of the financial year.

This section was grossly violated by the Local Government as their account was presented on 28th August, 2019, almost 5 months behind schedule. This led to my late reporting on the Account.

3. STATEMENT OF RESPONSIBILITY OF AUDITOR-GENERAL

It is my responsibility to form an independent opinion, based on General Purpose Financial Statements and accompanying Accounts prepared and submitted to me by the Director of Finance of the Local Government and to report thereupon in consonance with the Constitution of the Federal Republic of Nigeria.

4. RESPONSIBILITY OF THE PUBLIC ACCOUNTS COMMITTEE (PAC)

It is the responsibility of the Public Accounts Committee of the State House of Assembly to review the Auditor-General's Report with a view to ensuring enforcement of the recommendations made and impose sanctions where necessary.

5. **BASIS OF OPINION**

The Audit was conducted in compliance with International Standards on Auditing (ISA) and Generally Accepted Public Sector and INTOSAI Auditing Standards.

These standards require that I comply with ethical requirements, plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements whether due to fraud or error. I also evaluated the overall adequacy of the presentation of information in the financial statements.

In the course of the Audit, I have obtained all the information and explanation that to the best of my knowledge and belief were necessary for the purpose of audit and I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for independent opinion.

6. **OPINION**

In my opinion, the Financial Statements which included Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flow, Statement of Comparison of Budget and Actual and Statement of Changes in Net Assets/Equity as at 31st December, 2018 with supporting notes, give a true and fair view of the State of Affairs And Financial Positions of the Local Governments for the fiscal year ended on that date subject to the observations and comments in the other parts of this report.

7. **BUDGET OVERVIEW AND PERFORMANCE**

Statement of Comparism for Budget Estimates and Actual Performance for the year ended 31st December, 2018 prepared and presented showed the following shortfalls:

- i. The budget was not prepared in compliance with the National Chart of Accounts (NCOA) put in place by IPSAS for budget preparation.
- ii. The estimate made for Revenue in the 2018 budget recorded a low performance. An estimate was made for N2,625,000,000.00, while actual Revenue recorded stood at N912,314,366.97. This is about 34.76% performance. Equally, the IGR of N6,324,855.81 represents only 0.69% of the total Revenue for the period,

meaning the Local Government relied unduly on the Statutory allocation for survival.

- iii. The sum of N1,395,803,013.00 only was budgeted for expenditure but only N1,011,577,604.43 was actually incurred, resulting to saving of N384,225,408.57 for the period.

8. REVENUE ACCOUNT

A total sum of N912,314,366.97 was earned as total Revenue as at 31st December, 2018 out of which only 0.69%- N6,324,855.81 was generated as IGR, which showed that the Local Government solely depends on the Statutory allocation.

On the basis of comparism, the IGR for the current year recorded a deficit of 13.39% over that of previous year. Details of this is contained in the statement of Budget Comparism for the year 2018.

9. AUTHORITY FOR EXPENDITURE

All expenditure shown in the statement of actual expenditure for the year have been authorized as provided for by section 22(i) of the Local Government Administration Law 1999 with the exceptions of paragraph 6 of this report.

10. EXPENDITURE CONTRARY TO LAW

The following expenditure appears to be contrary to law.

S/N	QUERY NUMBER	SUBJECT	AMOUNT
s1	AQ\IDLG/01/2018	Expenditure Contrary to Financial Regulation	3,600,100.00
2	AQ\IDLG/02/2018	Unreasonable Expenditure	615,000.00
3	AQ\IDLG/03/2018	Unaudited Expenditure	1,942,900.00
4	AQ\IDLG/04/2018	Expenditure Not Supported by Proper Record	1,175,000.00
5	AQ\IDLG/05/2018	Illegal Expenditure	340,000.00

6	AQ\IDLG/06/2018	Nugatory Payment	9,266,894.62
7	AQ\IDLG/07/2018	Items Not Taken on Ledger Charge	1,191,600.00
8	AQ\IDLG/08/2018	Unproduced Payment Vouchers	23,103,584.09
9.	AQ\IDLG/09/2018	Unproduced Revenue Earning Receipts	Various
	TOTAL		41,385,078.71

11. **STATEMENTS OF ASSETS AND LIABILITIES**

The statements of Assets and Liabilities were correct and existence of the Assets have been substantiated.

12. **DISALLOWANCE** Allowance has been reserved in respect of the expenditure detailed in paragraph 6 of this report pending a satisfactory explanations or the sanction of the State House of Assembly.

13. **STATE OF ACCOUNT**

The Accounts of Ido/Osi Local Government have been examined up to 31st December, 2018 and detailed observations have been forwarded to the Director of Administration, Ido/Osi Local Government, Ido-Ekiti. Particular attention is required to the followings:

- (i) Attendance to Audit Query
- (ii) Loan Register
- (iii) Inventory Register/Cards
- (iv) Internally Generated Revenue
- (v) Discrepancy between the Local Government receipts and JAAC releases N75,542,513.36
- (vi) Capital Projects
- (vii) Loss of Fund involving the Management of the Council N14,860,950.00

14. OUTSTANDING MATTERS FROM PREVIOUS REPORTS

The following matters remained outstanding in my previous reports.

		N
a)	Loss of fund involving Mr. Ajayi Olubayo and Mr. Victor Ogunje (2015)	1,607,357.48
b)	Outstanding bills of MTN, Airtel and Glo (2015)	600,000.00
c)	Doubtful expenses (Query No 14) 2015	110,000.00
d)	Doubtful/Nugatory payment (Query No 13) 2015	1,260,000.00
e)	2016 AUDIT QUERIES	
i.	AQ/IOLG/01/2016 Expenditure contrary to regulations	260,000.00
ii.	AQ/IOLG/08/2016 Unproduced revenue earning receipts	various
f)	2017 AUDIT QUERIES	
i.	AQ/IDLG/1/2017 Expenditure not supported by proper records/accounts	1,515,000.00
ii.	AQ/IDLG/2/2017 Expenditure not supported by proper records/accounts	780,000.00
iii.	AQ/IDLG/3/2017 Expenditure contrary to regulations	2,619,378.38
iv.	AQ/IDLG/4/2017 Irregular payments	160,000.00
v.	AQ/IDLG/5/2017 Unproduced payment vouchers	5,937,500.00
vi.	AQ/IDLG/6/2017 Unproduced revenue earning receipts	-
vii.	AQ/IDLG/7/2017 Nugatory payment (i)	2,366,000.00
viii.	AQ/IDLG/8/2017 Nugatory payment (ii)	4,000,000.00
ix.	AQ/IDLG/9/2017 Nugatory payment (i) (Paris)	5,000,000.00
x.	AQ/IDLG/10/2017 Unproduced payment voucher	2,000,000.00
xi.	AQ/IDLG/11/2017 Nugatory payment (ii)	16,024,512.00
xii.	AQ/IDLG/12/2017 Inflated cost of Project	4,146,867.43
xiii.	AQ/IDLG/13/2017 Nugatory payments (iii)	16,123,500.00
xiv.	AQ/IDLG/14/2017 Doubtful payment	1,473,476.00
xv.	AQ/IDLG/15/2017 Inflated price	3,749,857.08
xvi.	AQ/IDLG/16/2017 Unproduced payment voucher	11,883,155.11
xvii.	AQ/IDLG/17/2017 Inflated price	1,800,000.00
xviii.	AQ/IDLG/18/2017 Doubtful expenditure	749,000.00
xix.	AQ/IDLG/19/2017 Expenditure not supported by proper records	10,000,000.00
xx.	AQ/IDLG/20/2017 Nugatory payment (iv)	4,124,000.00
xxi.	AQ/IDLG/21/2017 Unproduced payment voucher	2,990,835.00
xxii.	AQ/IDLG/22/2017 Doubtful expenditure	1,501,000.00
xxiii.	AQ/IDLG/23/2017 Doubtful expenditure	1,944,700.00

xxiv.	AQ/IDLG/24/2017	Doubtful Expenditure	1,519,100.00
xxv.	AQ/IDLG/25/2017	Unproduced payment voucher	833,500.00
xxvi.	AQ/IDLG/26/2017	Inflated price	1,552,000.00
xxvii.	AQ/IDLG/27/2017	Doubtful/Un-vouched expenditure	<u>3,191,910.19</u>
			105,430,699.58

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Ade-Ojo 17/10/2019

Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF IDO/OSI LOCAL GOVERNMENT, IDO-EKITI FOR THE YEAR ENDED
31ST DECEMBER, 2018.**

1. RESPONSIBILITY FOR FINACIAL STATEMENTS

The Financial Statements have been prepared by the Director of Finance Ido/Osi Local Government based on the available records and in compliance with the IPSAS Accrual Accounting for all Public Sectors Entities (PSE) in Nigeria.

To the best of our knowledge, the system of internal control had operated adequately throughout the reporting period, and the statements represent a true and fair view of the Financial Positions of the Local Government.

The Director of Finance accepts responsibility for the integrity of these Financial Statements, the information they contain and their compliance with International Public Sector Accounting Standards (IPSAS) Accrual Accounting for all public sector entities (PSE) in Nigeria.

In my opinion, these General Purpose Financial Statements fairly reflect the financial position of Ido/Osi Local Government as at the year ended 31st December, 2018.



Hon. Adeola Ayodimeji L,
Executive Chairman.



Mr Babalola A. Adebola.
Director of Finance.

STATEMENT OF ACCOUNTING POLICIES (IPSAS 1)

(Iv) BASIS OF PREPARATION

The General Purpose Financial Statements have been prepared in compliance with IPSAS Accrual Accounting basis that recognizes transactions and events occurred whether expenses are paid for or not and revenue received or outstanding, and under the guidelines of Financial Memoranda in conformity with National Chart of Account (NCOA) and the Nigeria Accounting Standard Board for Public Sector Reporting.

(Ivi) BASIS OF MEASUREMENT

The Financial Statements have been prepared on historical cost unless stated otherwise.

(Ivii) REPORTING CURRENCY

The Financial Statements were presented in Nigerian Naira, which is the functional currency of the Local Government Council.

(Iviii) GOING CONCERN

The Financial Statements have been prepared on a going concern basis.

(Iix) ACCOUNTING PERIOD

The Accounting period is from 1st January to 31st December, 2018.

(Ix) REVEUNE

This presented both the exchange and non-exchange revenue from Internally Generated Revenue and Statutory Allocation from the Federation Account during the year.

(Ixi) EXPENDITURE

This represented both recurrent and capital expenditure during the year.

(Ixii) NON-CURRENT ASSETS/ DEPRECIATION

Property Plant and Equipment were recognized less accumulated depreciation.

(Ixiii) BUDGET INFORMATION

The Annual Budget was prepared on Accrual Basis. All planned costs and incomes were presented in a single statement to determine the needs of the Local Government Council.

(x). INVESTMENT PROPERTIES

Investment properties were measured initially at cost, including transaction costs. The carrying amount included the replacement cost of components of an existing investment properly at the end time that cost was incurred if the recognition criteria were met and excluded the cost of day to day maintenance of an investment properly.

IDO/OSI LOCAL GOVERNMENT, IDO-EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2018

2017	DETAILS	NOTES	2018	
N	Represented By:		N	N
	ASSETS			
	Current Assets			
8,251,805.57	Cash and equivalent	1	27,313,338.24	
-	Inventories	2	1,855,322.00	
-	WIP	3	-	
953,591,242.64	Receivables	4	407,309,749.39	
582,322.00	Prepayment	5	-	
962,426,370.21	Total Current Assets			436,478,410.23
	Non-Current Assets			
-	Loans Granted	6		
40,235,948.00	Investments	7	1,650,000.00	
1,364,787,675.00	Fixed Assets-Property, Plant & Equip	8	1,217,931,907.50	
26,001,600.00	Investment Property	9	203,015,440.00	
-	Biological Assets	10	-	
1,431,025,223.00	Total Non-current Assets			1,422,597,347.50
2,393,450,593.21	Total Assets			1,859,075,757.73
	LIABILITIES			
	Current Liabilities			
-	Accumulated Depreciation	11	-	
-	Loan & Debts (Short-Term)	12	-	
21,623,069.23	Unremitted Deductions	13	19,595,906.50	
1,125,489,706.47	Payables	14	1,354,060,518.07	
1,147,112,775.70	Total Current Liabilities		1,373,656,419.57	
-	Non - Current Liabilities			
-	Public funds	15	-	
-	Borrowings	16	-	
-	Total Non- Current Liabilities		-	
1,147,112,775.70	Total Liabilities			1,373,656,419.57
1,246,337,817.57	NET ASSETS/EQUITY:			485,419,338.16
	Financed By:			
1,115,199,155.70	Reserves	17		488,432,151.37
-	Capital Grants	18	-	
96,250,424.25	Net Surpluses/(Deficits)	19	(99,263,237.46)	
34,888,237.62	Accumulated Surpluses(Deficits)	20	96,250,424.25	(3,012,813.21)
1,246,337,817.57	Total Net Assets/Equity:			485,419,338.16

IDO/OSI LOCAL GOVERNMENT, IDO- EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2018

2017	DETAILS	NOTE	2018
N	REVENUE		ACTUAL (N)
751,905,327.55	Statutory Revenue	21	904,845,281.16
975,080.00	Tax Revenue	22	963,655.81
6,330,145.07	Non-Tax Revenue	23	5,361,200.00
-	Aid & Grants	24	-
1,591,113.00	Investment Income	25	1,144,200.00
-	Expenditure Recovery	26	-
-	Other Capital Receipts	27	-
-	Debt Forgiveness	28	-
760,801,665.62	Total Revenue		912,314,366.97
	EXPENDITURE:		
579,176,633.83	Salaries & Wages	29	770,341,043.05
-	Social Contribution	30	-
-	Social Benefits	31	-
85,374,607.54	Overhead Cost	32	65,117,233.88
-	Gratuity	33	-
-	Pension Allowances	34	-
-	Stationeries	35	-
-	Impairment Charges	36	-
-	Depreciation charges	37	176,119,327.75
-	Transfer to Other Government Entities	38	-
-	Public Debt Charge	39	-
-	Allowance (Leave Bonus)	40	-
664,551,241.37	Total Expenditure		1,011,577,604.43
96,250,424.25	Surplus/(Deficit) from operating activities for the period		(99,263,237.46)
	Total Non-Operating Revenue (Expenses)		
	Non-operating Activities		
-	Gain/Loss on Assets Disposal	41	-
-	Refund Revenue	42	-
-	Revaluation Grain	43	-
-	Net Surplus/(Deficit) from Operating Activities		-
	Surplus/(Deficit) from operating activities		-
-	Purchases/Construction of Assets	44	-
	Minority Interest Share of Surplus/Deficits)	45	-
	Accumulated Surplus/(Deficit) 01/01/2018		96,250,424.25
96,250,424.25	Accumulated Surplus/(Deficit) 31/12/2018		(3,012,813.21)

IDO/OSI LOCAL GOVERNMENT, IDO-EKITI, EKITI STATE, NIGERIA
STATEMENT CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2018.

2017	DETAILS	NOTES	2018	
N	CASH FLOWS FROM OPERATING ACTIVITIES		N	N
	Inflows			
751,805,327.55	Statutory Revenue	21	904,845,281.16	
975,080.00	Tax Revenue	22	963,685.81	
6,330,145.07	Non Tax Revenue	23	5,361,200.00	
-	Aid & Grants	24	-	
1,591,113.00	Investment Income	25	1,144,200.00	
	Expenditure Recovery	26		
	Other Capital Receipts	27		
	Debt Forgiveness	28		
760,801,665.62	Total flow from Operating Activities			912,314,366.97
	outflows			
579,176,633.83	Salary & Wages	29	770,341,041.05	
-	Social Contribution	30	-	
-	Social Benefit	31	-	
85,374,607.54	Overheads Cost	32	65,117,233.88	
-	Gratuity	33	-	
-	Pension Allowances	34	-	
-	Transfer to other Government Entities	38	-	
-	Allowance	40	-	
-	Deductions	49	-	
-	Refund	50	-	
-	Inventory	51	-	
-	Loan	52	-	
664,551,241.37	Total Outflow from Operating Activities			835,458,276.93
96,150,424.25	Net Cash Inflow/(outflow) from operating Activities			76,856,090.04
	CASH FLOW FROM INVESTING ACTIVITIES			
-	Proceeds for Sale of PPE	53	-	
-	Proceeds from Sales Property	54	-	
-	Proceeds from Sales of Intangible Assets	55	-	
-	Proceeds from Sales of Investment	56	-	
-	Dividend Received	57	-	
-	Total Inflow			
	Outflows			
107,012,324.74	Purchase/construction of Assets PPE	58	57,794,556.77	
-	Purchase/construction of Assets-Investment Property	59	-	
-	Investment in Private companies	60	-	
-	Loan Granted	61	-	
-	Purchase of Intangible Assets	62	-	
-	Acquisition of Investment	63	-	
107,012,324.74	Total Outflow		-	57,794,556.77
(10,861,900.49)	Net cash flow from Investing Activities		-	19,061,533.27
	CASH FLOW FROM FINANCING		-	

	ACTIVITIES			
	Inflows		-	
-	Capital Grant Received	64	-	
-	Proceeds from Borrowing	65	-	
-	Total Inflow		-	
	Outflows		-	
-	Repayment of borrowing	66	-	
-	Distribution of surplus/Dividends Paid	67	-	
-	TOTAL OUTFLOW		-	
(10,861,900.49)	Net Cash Flow from financial Activities			19,061,533.27
10,861,900.49)	Net cash flow from All Activities		-	19,061,533.27
19,113,706.06	Cash & Equivalent As at 1/1/ 2018			8,251,805.57
8,251,805.57	Cash & Equivalent as at 31/12/2018	1		27,313,338.84

IDO/OSI LOCAL GOVERNMENT, IDO EKITI, EKITI STATE NIGERIA

**STATEMENT OF COMPARISM OF BUDGET AND ACTUAL FOR THE YEAR ENDED 31ST
DECEMBER, 2018.**

2017	REVENUE		2018	FINAL BUDGET 2018 (N)	VARI- ANCE ON FINAL BUDGET IN (%)
N	N	NOTE	ACTUAL N	N	
751,905,327.55	Statutory Revenue	21	904,845,281.16	2,595,000,000.00	(65.13)
972,080.00	Tax Revenue	22	963,655.81	7,480,000.00	(87.12)
6,330,145.07	Non- Tax Revenue	23	5,361,200.00	15,410,000.00	(62.21)
-	Aid & Grants	24	-	-	-
1,591,113.00	Investment Income	25	1,144,200.00	7,110,000.00	(83.91)
-	Expenditure Recovery	26	-	-	-
-	Other Capital Receipts	27	-	-	-
-	Debt forgiveness	28	-	-	-
760,801,665.62	Total Revenue		912,314,366.97	2,625,000,000.00	(298.37)
	EXPENDITURE:				
579,176,633.83	Salaries & Wages	29	770,341,043.05	1,270,803,013.00	39.38
-	Social Contribution	30	-	-	-
-	Social Benefit	31	-	-	-
85,374,607.54	Overhead cost	32	65,117,233.88	125,000,000.00	47.91
-	Gratuity	33	-	-	-
-	Pension Allowance	34	-	-	-
-	Stationeries	35	-	-	-
-	Impairment Charges	36	-	-	-
-	Depreciation Charges	37	176,119,327.75	-	(100.00)
-	Transfer to other Government Entities	38	-	-	-
-	Public Debt Charge	39	-	-	-
-	Allowance (Leave Bonus)	40	-	-	-
664,551,241.37	Total Expenditure		1,011,577,604.43	1,395,803,013.00	(12.71)
96,250,424.25					
	Surplus (Deficit) from operating activities for the period		(99,263,237.46)	1,229,196,987.00	(311.08)
	Total Non- operating Revenue (Expenses)				
	Non-operating Activities				

-	Gain/loss on Asset Disposal	41		-	
-	Refunded Revenue	42		-	
-	Revaluation Gain	43		-	
-	Net Surplus/(Deficit) from Non-operating Activities				
	Purchase/Construction of Assets	44			
	Monitoring interest share of surplus (Deficit)	45			
	Accumulated surplus/Deficit) 1/1/2018		96,250,424.25		
96,250,424.25	Accumulated surplus (Deficit) 31/12/2018		(3,012,813.21)	1,229,196,987.00	(311.08)

IDO/OSI LOCAL GOVERNMENT, IDO-EKITI, EKITI STATE, NIGERIA

STATEMENT OF CHANGES ON NET ASSET/EQUITY AS AT 31/12/2018

DETAILS	NOTE	RECEIVABLES	PAYABLES	RUNNING GRANT (O/H)	ACCUMULATED SURPLUS/(DEFICITS)	TOTAL
		N	N	N	N	N
Balance b/f (1/1/2018)		<u>953,591,242.64</u>	<u>1,125,489,706.47</u>	=	<u>96,250,424.25</u>	<u>2,175,331,373.36</u>
Increase/(Decrease) in Revenue not recognized in financial performance		-	-	-	(-)	-
Increase/(Decrease) in Salaries & Wages not recognized	-	-	-	-	-	-
Total Actual 2017		<u>953,591,242.64</u>	<u>1,125,489,706.47</u>	=	<u>96,250,424.25</u>	<u>2,175,331,373.36</u>
Balance as at (31/12/2018)		407,309,749.39	1,354,060,513.07	-	(99,263,237.46)	1,662,107,025.00
Total		407,309,749.39	1,354,060,513.07	-		1,761,370,262.46
Increase/Decrease in Salaries & Wages not recognized in Receivables/Payables				-		-
Gain on Revaluation				-		-
Accumulated surplus (Deficit) as at 31/12/2017					96,250,424.25	96,250,424.25
Balance as at 31/12/2018		407,309,749.39	1,354,060,513.07		(3,012,813.21)	1,758,357,449.25

IDO/OSI LOCAL GOVERNMENT, IDO EKITI

EKITI STATE, NIGERIA

POSITION OF REVEENUE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	REVENUE JANUARY- DECEMBER 2018 (N)
Statutory allocation	21	904,845,281.16
Tax Revenue	22	963,655.81
Non-Tax Revenue	23	5,361,200.00
Investment Income	25	1,144,200.00
Total		912,314,366.97

IDO/OSI LOCAL GOVERNMENT, IDO EKITI

EKITI STATE, NIGERIA

POSITION OF EXPENDITURE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	EXPENDITURE JANUARY-DECEMBER 2018 (N)
Salaries and wages	29	770,341,043.05
Overhead cost	32	65,117,233.88
Depreciation charge	37	176,119,327.75
Purchase of PPE	58	57,794,556.77
Total		1,012,077,132.76

NOTE 2**INVENTORIES**

1.	Store	1,855,322.00
----	-------	--------------

NOTE 4**RECEIVABLE**

1.	Staff Salaries	330,290,591.70
2.	Political Office Holders	33,024,084.84
3.	Palace Staff	9,848,807.40
4.	Leave Bonuses	31,537,532.30
5.	Midwives	900,000.00
6.	Local Government IGR outstanding	210,000.00
7.	Political Office Holders L/B	<u>1,498,733.15</u>

407,309,749.39

=====

NOTE 7**INVESTMENT IN SECURITY****N**

1.	Investment in shares at Wema Bank	1,000,000.00
2.	Investment in Shares at Heritage Bank	<u>650,000.00</u>

1,650,000.00

=====

NOTE 8**PLANT, PROPERTY AND EQUIPMENT**

S/N	DETAILS	AMOUNT (N)	%	DEPRECIATION	ACTUAL VALUE (N)
1	Buildings	1,235,520,675.00	10	123,552,067.50	1,111,968,607.50
2	Motor Vehicles	71,860,900.00	25	17,965,225.00	53,895,165.00
3	Furniture & Equipment	63,378,000.00	25	15,844,500.00	47,533,500.00
4	Plant and Machinery	6,045,500.00	25	1,511,375.00	4,534,125.00
	Total	1,376,805,075.00		158,873,167.50	1,217,931,907.50

NOTE 9**INVESTMENT PROPERTY**

S/N	DETAILS	AMOUNT (N)	%	DEPRECIATION	ACTUAL VALUE (N)
1.	Lock up shop	118,972,800.00	10%	11,897,280.00	107,075,520.00
2.	Open market stalls	16,156,800.00	10%	1,615,680.00	14,541,120.00
3.	Poultry pens	5,100,000.00	10%	510,000.00	4,590,000.00
4.	Fayose Market shop	3,672,000.00	10%	367,200.00	3,304,800.00
5.	Irewolede Estate	28,560,000.00	10%	2,856,000.00	25,704,000.00
6.	Teak plantation at Ifishin	10,200,000.00	-	-	10,200,000.00
7.	Neighborhood modern market (under construction)	37,600,000.00	-	-	37,600,000.00
	Total	220,261,600.00		17,246,160.00	203,015,440.00

NOTE 13**UNREMITTED DEDUCTION**

1.	VAT	8,863,149.05
2.	WHT	<u>10,732,757.45</u>
	TOTAL	19,595,906.50
		=====

PAYABLES

	N
1. Staff Salaries	330,290,591.70
2. PHO Salaries and allowances	33,024,085.56
3. Leave Bonuses	106,281,560.04
4. Mid Wives	900,000.00
5. Palace Staff	9,848,807.40
6. Former Political Office Holders	225,299,595.64
7. Outstanding for Auditor General Office	75,000.00
8. Utility (BEDC)	3,924,730.00
9. Outstanding Contractual obligations	613,238,526.09
10. Outstanding claims	<u>31,177,616.64</u>
Total	1,354,060,513.07

NOTE 21**SHARE OF STATUTORY ALLOCATION**

S/N	MONTH	AMOUNT (N)
1	JANUARY	127,794,765.24
2	FEBRUARY	70,375,160.16
3	MARCH	78,960,037.4
4	APRIL	73,469,349.07
5	MAY	69,524,149.78
6	JUNE	78,424,898.34
7	JULY	-
8	AUGUST	142,629,375.19
9	SEPTEMBER	66,261,572.60
10	OCTOBER	84,105,683.67
11	NOVEMBER	54,035,375.79
12	DECEMBER	59,264,913.68
	TOTAL	904,845,281.01

NOTE 22**TAX REVENUE**

S/N	PARTICULARS	AMOUNT (N)
1	COMMERCIAL TAX	107,235.81
2	TENEMENT RATE	856,450.00
	Total	963,685.81

NOTE 23**NON TAX REVENUE**

S/N	PARTICULARS	AMOUNT (N)
1	LOCAL LICENSE, FINE AND RATE	1,038,200.00
2	MISCELLANEOUS INCOME	4,323,000.00
	Total	5,361,200.00

NOTE 25**INVETMENT INCOME**

S/N	PARTICULARS	AMOUNT (N)
1	RENT FROM L.G INVESTMENT PROPERTIES	972,700.00
2	HIRING OF L.G. PROPERTIES	171,500.00
	Total	1,144,200.00

NOTE 29**SALARIES AND WAGES**

S/N	PARTICULARS	AMOUNT (N)
1	Staff salary	636,717,567.62
2	Political Office Holder	67,058,264.58
3	Palace staff	13,242,328.95
4	Midwives	1,320,000.00
5	Leave Bonus	51,997,881.90
	Total	770,341,043.05

NOTE 32**OVERHEAD EXPENSES**

S/N	DETAILS	AMOUNT (N)
1	Travelling and Transport	3,091,600.00
2	Utilities	441,000.00
3	Materials and supplies	3,780,000.00
4	Maintenance services	2,598,600.00
5	Training	2,509,000.00
6	Other services	14,078,733.88
7	Consultancy services	150,000.00
8	Fuel and lubricants	5,897,000.00
9	Miscellaneous expenses	32,571,300.00
	Total	65,081,263.38

NOTE 37**DEPRECIATION**

DETAILS	OPENING BALANCE (N)	DEPRECIATION
PP & E	1,376,805,075.00	158,873,167.75
INVESTMENT PROPERTY	220,261,600.00	17,246,160.00
TOTAL		176,119,327.75

NOTE 58**PURHCASE OF PP & E**

1	Administrative Sector	12,877,600.00
2	Social sector	27,574,399.77
3	Economic sector	8,806,965.00
4	Area development	8,535,592.00
	Total	57,794,556.77

REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL

GOVERNMENTS

ON THE ACCOUNTS OF IREPODUN/IFELODUN

LOCAL GOVERNMENT,

IGEDE-EKITI,

FOR THE YEAR ENDED,

31ST DECEMBER, 2018.

AUDIT CERTIFICATE

I have examined the General Purpose Financial Statements of Irepodun/Ifelodun Local Government as at 31st December, 2018 in accordance with Sections 123(2) of the Constitution of the Federal Republic of Nigeria 1989; 316(1) of the Constitution of the Federal Republic of Nigeria 1999, 32 (2) of the Local Government Administration Law No 2 of 1999, and section 26(2) of Ekiti State Audit Law 2014. The audit was conducted in compliance with International Standards on Auditing (ISA) and International Organisation of Supreme Audit Institutions (INTOSAI) Auditing Standards. The Financial Statements were prepared in line with IPSAS Accrual. I have obtained information and explanations that I required for my audit. In my opinion, the General Purpose Financial Statements and the supporting Accounts and Statements give a true and fair view of the Local Government as at 31st December, 2018 subject to the observations in this report.

 17/10/2019

Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF IREPODUN/IFELODUN LOCAL GOVERNMENT, IGEDE-EKITI FOR
THE YEAR ENDED 31ST DECEMBER, 2018.**

The General Purpose Financial Statements of Irepodun/Ifelodun Local Government have been examined in accordance with sections 123(2) and 316 of the Constitution of the Federal Republic of Nigeria, 1989 and 1999 respectively Section 26(2) of Ekiti State Audit Law 2014 and Section 32(2) of the Local Government Administration Law No 2 of 1999. The General Purpose Financial Statements were correct subject to the comments in this report and the existence of the Assets have also been substantiated.

2. STATEMENT OF FINANCIAL RESPONSIBILITY

It is the responsibility of Director of Finance of Irepodun/Ifelodun Local Government to prepare and present the General purpose Financial Statements to the Auditor-General in accordance with the provisions of the Constitutions of the Federal Republic of Nigeria within 90 days after the expiration of the financial year.

This section was grossly violated by the Local Government as their account was presented on 28th August, 2019 about 5 months behind schedule. This led to my late reporting on the Account.

3. STATEMENT OF RESPONSIBILITY OF AUDITOR-GENERAL

It is my responsibility to form an independent opinion, based on General Purpose Financial Statements and accompanying Accounts prepared and submitted to me by the Director of Finance of the Local Government and to report thereupon in consonance with the Constitution of the Federal Republic of Nigeria.

4. RESPONSIBILITY OF THE PUBLIC ACCOUNTS COMMITTEE (PAC)

It is the responsibility of the Public Accounts Committee of the State House of Assembly to review the Auditor-General's Report with a view to ensuring enforcement of the recommendations made and impose sanctions where necessary.

5. **BASIS OF OPINION**

The Audit was conducted in compliance with International Standards on Auditing (ISA) and Generally Accepted Public Sector and INTOSAI Auditing Standards.

These standards require that I comply with ethical requirements, plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements whether due to fraud or error. I also evaluated the overall adequacy of the presentation of information in the financial statements.

In the course of the Audit, I have obtained all the information and explanation that to the best of my knowledge and belief were necessary for the purpose of audit and I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for independent opinion.

6. **OPINION**

In my opinion, the Financial Statements which included Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flow, Statement of Comparison of Budget and Actual and Statement of Changes in Net Assets/Equity as at 31st December, 2018 with supporting notes, give a true and fair view of the State of Affairs And Financial Positions of the Local Governments for the fiscal year ended on that date subject to the observations and comments in the other parts of this report.

7. **BUDGET OVERVIEW AND PERFORMANCE**

Statement of Comparism for Budget Estimates and Actual Performance for the year ended 31st December, 2018 prepared and presented showed the following shortfalls:

- i. The budget was not prepared in compliance with the National Chart of Accounts (NCOA) put in place by IPSAS for budget preparation.
- ii. The estimate made for Revenue in the 2018 budget recorded a low performance. An estimate was made for N1,892,770,000.00, while actual Revenue recorded stood at N1,038,372,750.00. This is about 54.86% performance. Equally, the IGR of N3,437,450.00 represents only 0.33% of the total Revenue for the period,

meaning the Local Government relied unduly on the Statutory allocation for survival.

- iii. The sum of N1,124,874,828.38 only was budgeted for expenditure but only N978,105,637.76 was actually incurred, resulting to saving of N146,769,190.62 for the period.

8. REVENUE ACCOUNT

A total sum of N1,038,372,750.00 was earned as total Revenue as at 31st December, 2018 out of which only 0.33%- N3,437,450.00 was generated as IGR, which showed that the Local Government solely depends on the Statutory allocation.

On the basis of comparism, the IGR for the current year recorded a deficit of 22.60% over that of previous year. Details of this is contained in the statement of Budget Comparism for the year 2018.

9. AUTHORITY FOR EXPENDITURE

All expenditure shown in the statement of actual expenditure for the year have been authorized as provided for by section 22(i) of the Local Government Administration Law 1999 with the exceptions of paragraph 6 of this report.

10. EXPENDITURE CONTRARY TO LAW

The following expenditure appears to be contrary to law.

S/N	QUERY NUMBER	SUBJECT	AMOUNT ₦
1.	IILG/AQ/01/2018	Expenditure not supported with proper records	2,460,400.00
2.	IILG/AQ/02/2018	Expenditure Contrary to Regulation (I)	10,000,000.00
3.	IILG/AQ/03/2018	Expenditure Contrary to Regulation (II)	17,117,995.00
4.	IILG/AQ/04/2018	Expenditure Contrary to Regulation (III)	1,172,500.00
5.	IILG/AQ/05/2018	Unproduced Payment Vouchers	2,210,000.00
6.	IILG/AQ/06/2018	Nugatory Payment	21,639,794.65
7.	IILG/AQ/07/2018	Unaudited Payment Vouchers	780,500.00
8.	IILG/AQ/08/2018	Items not taken on Ledger Charge	2,871,200.00
9.	IILG/AQ/09/2018	Unreasonable Expenditure	1,180,000.00

10.	IILG/AQ/10/2018	Doubtful Expenditure (I)	654,000.00
11.	IILG/AQ/11/2018	Doubtful Expenditure (II)	335,000.00
12.	IILG/AQ/12/2018	Unproduced Revenue Earning Receipts	Various
		TOTAL	57,960,989.65

11. STATEMENTS OF ASSETS AND LIABILITIES

The statements of Assets and Liabilities were correct and existence of the Assets have been substantiated.

12. **DISALLOWANCE** Allowance has been reserved in respect of the expenditure detailed in paragraph 6 of this report pending a satisfactory explanations or the sanction of the State House of Assembly.

13. STATE OF ACCOUNT

The Accounts of Irepodun/Ifelodun Local Government have been examined up to 31st December, 2018 and detailed observations have been forwarded to the Director of Administration, Irepodun/Irepodun Local Government, Igede-Ekiti. Particular attention is required to the followings:

- (a) Loss of fund involving the Management of the Council N9,964,506.78
- (b) Bank Reconciliation Statements
- (c) Internal Control and Internal checks
- (d) Discrepancy between the Local Government receipts and JAAC releases for the period N175,341,860.47
- (e) Outstanding audit queries

(f) **PROPERTY PLANT AND EQUIPMENT:** The Local Government is yet to value its Property Plant and Equipment. The assets are not disclosed in the statement of financial position, since its fair value is not known yet. Exception to this is the purchase of Property

Plant and Equipment made in 2016, 2017 and 2018 that was disclosed. No depreciation was charged for the year.

14. **OUTSTANDING MATTERS FROM PREVIOUS REPORTS**

The following matters remained outstanding in my previous reports.

N

- | | | |
|----|--|--------------|
| a) | Loss of fund from salary A/C involving Arowolo F.O and Omolade J.O. (2015) | 6,242,399.15 |
|----|--|--------------|

2015 AUDIT QUERIES

- | | | | |
|------|----------------|-------------------------------|----------------------|
| i. | IILG/AUD/05/15 | Unremitted taxes | 1,711,671.93 |
| ii. | IILG/AUD/06/15 | Unproduced PVC | 5,964,250.00 |
| iii. | IILG/AUD/09/15 | Expenditure not accounted for | 5,911,109.00 |
| iv. | IILG/AUD/10/15 | Fake expenditure | <u>10,000,000.00</u> |
| | | Total | 23,587,030.93 |

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- c)** Missing Revenue Earning Receipts against the store officer Mrs. Iyabo Fagbohun (2015) 9 GRR & 8 Birth Certificates.

- d) Unproduced RVs N1,480,340.00 Revenue not accounted for no proof of payment of revenue to bank involving various officers (2015)

- e) Unpaid revenue of N144,600.00 from Lock-up shops

f) 2016 AUDIT QUERIES

- | | | | |
|------|----------------|-----------------------------|---------------------|
| i. | IILG/AUD/01/16 | Nugatory payment | 904,950.00 |
| ii. | IILG/AUD/02/16 | Unproduced payment vouchers | 1,914,500.00 |
| iii. | IILG/AUD/06/16 | Unremitted taxes | <u>3,185,390.02</u> |
| | | | 6,004,840.02 |

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g) 2017 AUDIT QUERIES

- | | | | |
|------|------------------|--|--------------|
| i. | IILG/AUD/01/2017 | Nugatory payment I | 1,211,600.00 |
| ii. | IILG/AUD/02/2017 | Items not taken on store ledger charge | 1,341,000.00 |
| iii. | IILG/AUD/03/2017 | Unaudited/Unreceipted payment vouchers | 1,757,600.00 |

iv.	IILG/AUD/04/2017	Unaudited payment vouchers	975,000.00
v.	IILG/AUD/5/2017	Unproduced payment vouchers	1,873,600.00
vi.	IILG/AUD/6/2017	Expenditure not supported with proper records/account	10,000,000.00
vii.	IILG/AUD/7/2017	Doubtful expenditure	26,890,006.43
viii.	IILG/AUD/8/2017	Unexecuted Capital Projects	20,141,315.55
ix.	IILG/AUD/9/2017	Nugatory payment I	9,375,000.00
x.	IILG/AUD/10/2017	Nugatory payment II	9,151,367.95
xi.	IILG/AUD/11/2017	Nugatory payment III	8,125,000.00
xii.	IILG/AUD/12/2017	Nugatory payment IV	<u>9,500,000.00</u>
Total			100,341,489.93
			=====

 17/10/2019

Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF IREPODUN/IFELODUN LOCAL GOVERNMENT, IGEDE-EKITI FOR
THE YEAR ENDED 31ST DECEMBER, 2018.**

1. RESPONSIBILITY FOR FINACIAL STATEMENTS

The Financial Statements have been prepared by the Director of Finance Irepodun/Ifelodun Local Government based on the available records and in compliance with the IPSAS Accrual Accounting for all Public Sectors Entities (PSE) in Nigeria.

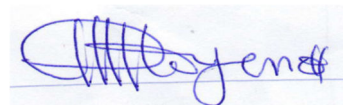
To the best of our knowledge, the system of internal control had operated adequately throughout the reporting period, and the statements represent a true and fair view of the Financial Positions of the Local Government.

The Director of Finance accepts responsibility for the integrity of these Financial Statements, the information they contain and their compliance with International Public Sector Accounting Standards (IPSAS) Accrual Accounting for all public sector entities (PSE) in Nigeria.

In my opinion, these General Purpose Financial Statements fairly reflect the financial position of Irepodun/Ifelodun Local Government as at the year ended 31st December, 2018.



**Hon. Ogunleye Shina O,
Executive Chairman.**



**Mrs Akinola O.O.
Director of Finance.**

STATEMENT OF ACCOUNTING POLICIES (IPSAS 1)

(Ixiv) BASIS OF PREPARATION

The General Purpose Financial Statements have been prepared in compliance with IPSAS Accrual Accounting basis that recognizes transactions and events occurred whether expenses are paid for or not and revenue received or outstanding, and under the guidelines of Financial Memoranda in conformity with National Chart of Account (NCOA) and the Nigeria Accounting Standard Board for Public Sector Reporting.

(I xv) BASIS OF MEASUREMENT

The Financial Statements have been prepared on historical cost unless stated otherwise.

(I xvi) REPORTING CURRENCY

The Financial Statements were presented in Nigerian Naira, which is the functional currency of the Local Government Council.

(I xvii) GOING CONCERN

The Financial Statements have been prepared on a going concern basis.

(I xviii) ACCOUNTING PERIOD

The Accounting period is from 1st January to 31st December, 2018.

(I xix) REVEUNE

This presented both the exchange and non-exchange revenue from Internally Generated Revenue and Statutory Allocation from the Federation Account during the year.

(I xx) EXPENDITURE

This represented both recurrent and capital expenditure during the year.

(I xxi) NON-CURRENT ASSETS/ DEPRECIATION

Property Plant and Equipment were recognized less accumulated depreciation.

(I xxii) BUDGET INFORMATION

The Annual Budget was prepared on Accrual Basis. All planned costs and incomes were presented in a single statement to determine the needs of the Local Government Council.

(x). INVESTMENT PROPERTIES

Investment properties were measured initially at cost, including transaction costs. The carrying amount included the replacement cost of components of an existing investment properly at the end time that cost was incurred if the recognition criteria were met and excluded the cost of day to day maintenance of an investment properly.

IREPODUN/IFELODUN LOCAL GOVERNMENT, IGEDE-EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2018

2017	DETAILS	NOTES	2018	
N	Represented By:		N	N
	ASSETS			
	Current Assets			
6,101,159.26	Cash and equivalent	1	32,398,776.50	
-	Inventories	2	-	
-	WIP	3	-	
-	Receivables	4	502,541,534.97	
-	Prepayment	5	-	
6,101,159.26	Total Current Assets			<u>534,940,311.47</u>
	Non-Current Assets			
-	Loans Granted	6		
-	Investments	7	-	
32,348,627.73	Fixed Assets-Property, Plant & Equip	8	98,446,085.91	
-	Investment Property	9	-	
-	Biological Assets	10	-	
32,348,627.73	Total Non-current Assets			<u>98,446,085.91</u>
38,449,786.89	Total Assets			<u>633,386,397.38</u>
	LIABILITIES			
	Current Liabilities			
-	Accumulated Depreciation	11	-	
-	Loan & Debts (Short-Term)	12	-	
-	Unremitted Deductions	13	-	
-	Payables	14	502,541,534.97	
-	Total Current Liabilities		502,541,534.97	
-	Non - Current Liabilities			
6,101,159.26	Public funds	15	8,182,811.96	
-	Borrowings	16	-	
6,101,159.26	Total Non- Current Liabilities		<u>8,182,811.96</u>	
6,101,159.26	Total Liabilities			<u>520,724,346.93</u>
32,348,637.73	NET ASSETS/EQUITY:			<u>122,662,050.45</u>
	Financed By:			
-	Reserves	17		29,889,375.60
-	Capital Grants	18	-	
32,505,562.61	Net Surpluses/(Deficits)	19	60,267,112.24	
(156,924.88)	Accumulated Surpluses(Deficits)	20	32,505,562.61	<u>92,772,674.85</u>
32,348,637.73	Total Net Assets/Equity:			<u>122,662,050.45</u>

IREPODUN/IFELODUN LOCAL GOVERNMENT, IGEDE- EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2018

2017	DETAILS	NOTE	2018
N	REVENUE		ACTUAL (N)
1,040,108,346.40	Statutory Revenue	21	1,034,861,497.43
-	Tax Revenue	22	-
4,440,905.29	Non-Tax Revenue	23	3,437,450.00
-	Aid & Grants	24	-
-	Investment Income	25	73,802.57
-	Expenditure Recovery	26	-
-	Other Capital Receipts	27	-
-	Debt Forgiveness	28	-
1,044,549,521.69	Total Revenue		1,038,372,750.00
	EXPENDITURE:		
891,818,093.06	Salaries & Wages	29	898,778,929.11
-	Social Contribution	30	-
-	Social Benefits	31	-
120,225,866.02	Overhead Cost	32	79,328,708.65
-	Gratuity	33	-
-	Pension Allowances	34	-
-	Stationeries	35	-
-	Impairment Charges	36	-
-	Depreciation charges	37	-
-	Transfer to Other Government Entities	38	-
-	Public Debt Charge	39	-
-	Allowance (Leave Bonus)	40	-
1,012,043,959.08	Total Expenditure		978,105,637.76
32,505,562.61	Surplus/(Deficit) from operating activities for the period		60,267,112.24
	Total Non-Operating Revenue (Expenses)		
	Non-operating Activities		
-	Gain/Loss on Assets Disposal	41	-
-	Refund Revenue	42	-
-	Revaluation Grain	43	-
-	Net Surplus/(Deficit) from Operating Activities		-
	Surplus/(Deficit) from operating activities		-
-	Purchases/Construction of Assets	44	-
	Minority Interest Share of Surplus/Deficits)	45	-
	Accumulated Surplus/(Deficit) 01/01/2018		32,505,562.61
32,505,562.61	Accumulated Surplus/(Deficit) 31/12/2018		92,772,674.85

IREPODUN/IFELODUN LOCAL GOVERNMENT, IGEDE-EKITI, EKITI STATE, NIGERIA
STATEMENT CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2018.

2017	DETAILS	NOTES	2018	
N	CASH FLOWS FROM OPERATING ACTIVITIES		N	N
	Inflows			
1,040,108,346.40	Statutory Revenue	21	1,034,861,497.48	
-	Tax Revenue	22	-	
4,440,905.29	Non Tax Revenue	23	3,437,450.00	
-	Aid & Grants	24	-	
-	Investment	25	73,802.57	
	Expenditure Recovery	26		
	Other Capital Receipts	27		
	Debt Forgiveness	28		
1,044,549,521.69	Total flow from Operating Activities			1,038,372,750.00
	outflows	29		
-	Pension Allowances	30	-	
-	Social Contribution	31	-	
891,818,093.06	Salary & Wages	32	898,776,929.11	
-	Social Benefit	33	-	
120,225,866.02	Overheads Cost	34	79,328,708.65	
-	Loan	38	-	
-	Transfer to other Government Entities	40	-	
-	Gratuity	49	-	
-	Deductions	50	-	
-	Refund	51	-	
-	Inventory	52	-	
1,012,043,959.08	Total Outflow from Operating Activities			<u>978,105,637.76</u>
32,505,562.61	Net Cash Inflow/(outflow) from operating Activities			60,267,112.24
	CASH FLOW FROM INVESTING ACTIVITIES			
-	Proceeds for Sale of PPE	53	-	
-	Proceeds from Sales Property	54	-	
-	Proceeds from Sales of Intangible Assets	55	-	
-	Proceeds from Sales of Investment	56	-	
-	Dividend Received	57	-	
-	Total Inflow			
	Outflows			
32,348,627.73	Purchase/construction of Assets PPE	58	33,969,495.00	
-	Purchase/construction of Assets-Investment Property	59	-	
-	Investment in Private companies	60	-	
-	Loan Granted	61	-	
-	Purchase of Intangible Assets	62	-	
-	Acquisition of Investment	63	-	
32,348,627.73	Total Outflow		-	<u>33,969,495.00</u>
156,934.88	Net cash flow from Investing Activities		-	26,297,617.24
	CASH FLOW FROM FINANCING		-	

	ACTIVITIES			
	Inflows		-	
-	Capital Grant Received	64	-	
-	Proceeds from Borrowing	65	-	
-	Total Inflow		-	
	Outflows		-	
-	Repayment of borrowing	66	-	
-	Distribution of surplus/Dividends Paid	67	-	
-	TOTAL OUTFLOW		-	
156,934.88	Net Cash Flow from financial Activities			26,297,617.24
156,934.88	Net cash flow from All Activities		-	26,297,617.24
5,944,224.38	Cash & Equivalent As at 1/1/ 2018			6,101,159.26
6,101,159.26	Cash & Equivalent as at 31/12/2018	1		32,398,776.50

IREPODUN/IFELODUN LOCAL GOVERNMENT, IGEDE EKITI, EKITI STATE NIGERIA

**STATEMENT OF COMPARISM OF BUDGET AND ACTUAL FOR THE YEAR ENDED 31ST
DECEMBER, 2018.**

2017	REVENUE		2018	FINAL BUDGET 2018 (N)	VARIANCE ON FINAL BUDGET IN (%)
N	N	NOTE	ACTUAL N	N	
1,040,108,346.40	Statutory Revenue	21	1,034,861,497.43	1,870,000,000.00	(47.72)
-	Tax Revenue	22	-	500,000.00	(100.00)
4,440,905.29	Non- Tax Revenue	23	3,437,450.00	20,270,000.00	(83.04)
-	Aid & Grants	24	-	-	
-	Investment Income	25	73,802.57	2,000,000.00	(96.31)
-	Expenditure Recovery	26	-	-	
-	Other Capital Receipts	27	-	-	
-	Debt forgiveness	28	-	-	
1,044,549,521.69	Total Revenue		1,038,372,750.00	1,892,770,000.00	(327.07)
	EXPENDITURE:				
891,818,093.06	Salaries & Wages	29	898,778,929.11	945,774,728.38	4.97
-	Social Contribution	30	-	-	
-	Social Benefit	31	-	-	
120,225,866.02	Overhead cost	32	79,328,708.65	179,100,100.00	55.71
-	Gratuity	33	-	-	
-	Pension Allowance	34	-	-	
-	Stationeries	35	-	-	
-	Impairment Charges	36	-	-	
-	Depreciation Charges	37	-	-	
-	Transfer to other Government Entities	38	-	-	
-	Public Debt Charge	39	-	-	
-	Allowance (Leave Bonus)	40	-	-	
1,012,043,959.08	Total Expenditure		978,105,637.76	1,124,874,828.38	60.68
32,505,562.61	Surplus (Deficit) from operating activities for the period		60,267,112.24	767,895,171.62	(266.39)
	Total Non- operating Revenue (Expenses)				
	Non-operating Activities				
-	Gain/loss on Asset	41		-	

	Disposal				
-	Refunded Revenue	42		-	
-	Revaluation Gain	43		-	
-	Net Surplus/(Deficit) from Non- operating Activities				
	Purchase/Construction of Assets	44			
	Monitoring interest share of surplus (Deficit)	45			
	Accumulated surplus/Deficit) 1/1/2018		32,505,562.61		
32,505,562.61	Accumulated surplus (Deficit) 31/12/2018		92,772,674.85	767,895,171.62	(266.39)

IREPODUN/IFELODUN LOCAL GOVERNMENT, IGEDE-EKITI, EKITI STATE, NIGERIA

STATEMENT OF CHANGES ON NET ASSET/EQUITY AS AT 31/12/2018

DETAILS	NOTE	RECEIVABLES	PAYABLES	RUNNING GRANT (O/H)	ACCUMULATED SURPLUS/(DEFICITS)	TOTAL
		N	N	N	N	N
Balance b/f (1/1/2018)				-	<u>32,505,562.61</u>	<u>32,505,526.61</u>
Increase/(Decrease) in Revenue not recognized in financial performance		-	-	-	(-)	-
Increase/(Decrease) in Salaries & Wages not recognized	-	-	-	-	-	-
Total Actual 2017				-	<u>32,505,562.61</u>	<u>32,505,526.61</u>
Balance as at (31/12/2018)		502,541,534.97	502,541,534.97	-	60,267,112.24	1,065,350,182.18
Total		502,541,534.97	502,541,534.97	-		1,005,083,069.94
Increase/Decrease in Salaries & Wages not recognized in Receivables/Payables				-		-
Gain on Revaluation				-		-
Accumulated surplus (Deficit) as at 31/12/2017					32,505,562.61	32,505,562.61
Balance as at 31/12/2018		502,541,534.97	502,541,534.97		<u>92,772,674.85</u>	<u>1,097,855,744.79</u>

IREPODUN/IFELODUN LOCAL GOVERNMENT, IGEDE EKITI

EKITI STATE, NIGERIA

POSITION OF REVEENUE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	REVENUE JANUARY- DECEMBER 2018 (N)
Statutory allocation	21	1,034,861,497.43
Tax Revenue	22	-
Non-Tax Revenue	23	3,437,450.00
Investment Income	25	73,802.57
Total		1,038,372,750.00

IREPODUN/IFELODUN LOCAL GOVERNMENT, IGEDE EKITI

EKITI STATE, NIGERIA

POSITION OF EXPENDITURE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	EXPENDITURE JANUARY-DECEMBER 2018 (N)
Salaries and wages	29	898,778,929.11
Overhead cost	32	79,328,708.65
Social Contribution	30	-
Social Benefit	31	-
Purchase of PPE	58	33,969,495.00
Total		1,012,077,132.76

NOTES 4 & 14

**IREPODUN/IFELODUN LOCAL GOVERNMENT, IGEDE EKITI, EKITI STATE,
NIGERIA ARREARS OF 2018 STAFF SALARIES**

RECEIVABLES & PAYABLES

S/N	MONTHS	CAREER STAFF (N)	POLITICAL OFFICE HOLDERS (N)	PALACE STAFF (N)	TOTAL (N)
1	APRIL	63,162,010.63		1,237,822.73	64,399,833.36
2	MAY	63,114,165.95		1,237,822.73	64,351,988.68
3	JUNE	62,752,554.89		1,237,822.73	63,990,377.62
4	JULY	63,570,776.59	5,504,294.53	1,237,822.73	70,313,893.85
5	AUGUST	63,560,301.37	5,504,294.53	1,237,822.73	70,302,418.63
6	SEPTEMBER	63,460,212.04	5,504,294.53	1,237,822.73	70,202,329.30
TOTAL		379,620,021.47	16,512,883.59	7,426,936.38	403,559,841.44

ARREARS OF STAFF LEAVE BONUS

PARTICULARS	AMOUNT (N)
BALANCE OF 2016 LEAVE BONUS	14,901,476.74
2017 LEAVE BONUS	40,038,198.47
2018 LEAVE BONUS	44,042,018.32
TOTAL	98,981,693.53

SUMMARY**N**

ARREARS OF SALARY = 403,559,841.44

ARREARS OF LEAVE BONUS = 98,981,693.53

GRAND TOTAL = **502,541,534.97**

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TOTAL STATUTORY ALLOCATION 2018

S/N	MONTH	TOTAL
1	JANUARY	145,784,891.20
2	FEBRUARY	81,886,758.14
3	MARCY	81,267,549.08
4	APRIL	83,513,769.97
5	MAY	79,59,569.96
6	JUNE	89,285,980.62
7	JULY	63,570,776.59
8	AUGUST	99,679,119.27
9	SEPTEMBER	81,255,335.66
10	OCTOBER	97,292,964.75
11	NOVEMBER	63,415,030.27
12	DECEMBER	68,249,751.90
		1,034,861,297.43

NOTE 23**SUMMARY OF INTERNALLY GENERATED REVENUE (IGR) 2018**

S/N	PARTICULARS	AMOUNT (N)
1	Community development poll tax	
2	Marriage registration fees	490,000.00
3	Local Government attestation fees	566,000.00
4	Birth, death registration fees	144,500.00
5	Communication mast fees	840,000.00
6	Flat rate	7,700.00
7	Earnings from Agric products	112,000.00
8	Market stall	146,450.00
9	Shop/shopping centre	319,500.00
10	Squatter	118,950.00
11	Tenement rate	335,000.00
12	UNAD hostel	357,350.00
13	Bank interest received	73,802,257.00
	Total	3,437,450.00

SALARY PAYMENT FOR YEAR 2018

S/N	MONTH	TOTAL
1	JANUARY	101,966,657.53
2	FEBRUARY	70,408,421.39
3	MARCH	63,334,687.68
4	APRIL	70,843,483.22
5	MAY	70,056,283.21
6	JUNE	75,198,405.90
7	JULY	71,385,064.22
8	AUGUST	86,658,538.44
9	SEPTEMBER	70,902,048.91
10	OCTOBER	91,359,678.00
11	NOVEMBER	63,415,030.29
12	DECEMBER	63,249,751.90
	TOTAL	898,776,929.11

OVERHEAD COST

S/N	PARTICULARS	AMOUNT (N)
1	Travel and Transport – General	12,320,914.00
2	Utilities – General	7,865,500.00
3	Materials and supplies General	5,260,250.00
4	Maintenance service – General	2,079,700.00
5	Training – General	6,354,000.00
6	Other Services – General	19,114,794.65
7	Consulting & Professional – General	1,450,000.00
9	Fuel & Lubricants – General	598,000.00
10	Financial charges – General	332,000.00
11	Miscellaneous expenses - General	23,953,550.00
	Total	79,328,708.65

REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL

GOVERNMENTS

ON THE

ACCOUNTS OF IJERO LOCAL GOVERNMENT,

IJERO-EKITI,

FOR THE YEAR ENDED,

31ST DECEMBER, 2018.

AUDIT CERTIFICATE

I have examined the General Purpose Financial Statements of Ijero Local Government as at 31st December, 2018 in accordance with Sections 123(2) of the Constitution of the Federal Republic of Nigeria 1989; 316(1) of the Constitution of the Federal Republic of Nigeria 1999, 32 (2) of the Local Government Administration Law No 2 of 1999, and section 26(2) of Ekiti State Audit Law 2014. The audit was conducted in compliance with International Standards on Auditing (ISA) and International Organisation of Supreme Audit Institutions (INTOSAI) Auditing Standards. The Financial Statements were prepared in line with IPSAS Accrual. I have obtained information and explanations that I required for my audit. In my opinion, the General Purpose Financial Statements and the supporting Accounts and Statements give a true and fair view of the Local Government as at 31st December, 2018 subject to the observations in this report.

 17/10/2019

Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF IJERO LOCAL GOVERNMENT, IJERO-EKITI FOR THE YEAR ENDED
31ST DECEMBER, 2018.**

The General Purpose Financial Statements of Ijero Local Government have been examined in accordance with, sections 123(2) and 316 of the Constitution of the Federal Republic of Nigeria, 1989 and 1999 respectively, section 26(2) of Ekiti State Audit Law, 2014 and Section 32(2) of the Local Government Administration Law No 2 of 1999. The General Purpose Financial Statements were correct subject to the comments in this report and the existence of the Assets have also been substantiated.

2. STATEMENT OF FINANCIAL RESPONSIBILITY

It is the responsibility of Director of Finance of Ijero Local Government to prepare and present the General Purpose Financial Statements to the Auditor-General in accordance with the provisions of the Constitutions of the Federal Republic of Nigeria within 90 days after the expiration of the financial year.

This section was grossly violated by the Local Government as the account was presented on 17th August, 2018, more than 2 months behind schedule. This led to my late reporting on the Account.

3. STATEMENT OF RESPONSIBILITY OF AUDITOR-GENERAL

It is my responsibility to form an independent opinion, based on General Purpose Financial Statements and accompanying Accounts prepared and submitted to me by the Director of Finance of the Local Government and to report thereupon in consonance with the Constitution of the Federal Republic of Nigeria.

4. RESPONSIBILITY OF THE PUBLIC ACCOUNTS COMMITTEE (PAC)

It is the responsibility of the Public Accounts Committee of the State House of Assembly to review the Auditor-General's Report with a view to ensuring enforcement of the recommendations made and impose sanctions where necessary.

5. **BASIS OF OPINION**

The Audit was conducted in compliance with International Standards on Auditing (ISA) and Generally Accepted Public Sector and INTOSAI Auditing Standards.

These standards require that I comply with ethical requirements, plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements whether due to fraud or error. I also evaluated the overall adequacy of the presentation of information in the financial statements.

In the course of the Audit, I have obtained all the information and explanation that to the best of my knowledge and belief were necessary for the purpose of audit and I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for independent opinion.

6. **OPINION**

In my opinion, the Financial Statements which included Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flow, Statement of Comparison of Budget and Actual and Statement of Changes in Net Assets/Equity as at 31st December, 2018 with supporting notes, give a true and fair view of the State of Affairs And Financial Positions of the Local Governments for the fiscal year ended on that date subject to the observations and comments in the other parts of this report.

7. **BUDGET OVERVIEW AND PERFORMANCE**

Statement of Comparism for Budget Estimates and Actual Performance for the year ended 31st December, 2018 prepared and presented showed the following shortfalls:

- i. The budget was not prepared in compliance with the National Chart of Accounts (NCOA) put in place by IPSAS for budget preparation.
- ii. The estimate made for Revenue in the 2018 budget recorded a low performance. An estimate was made for N1,870,072,000.00, while actual Revenue recorded stood at N815,096,244.93. This is about 43.59% performance. Equally, the IGR of N4,433,500.00 represents only 0.54% of the

total Revenue for the period, meaning the Local Government relied unduly on the Statutory allocation for survival.

- iii. The sum of N1,081,824,240.00 only was budgeted for expenditure but only N970,433,948.12 was actually incurred, resulting to saving of N111,390,291.88 for the period.

8. REVENUE ACCOUNT

A total sum of N815,096,244.93 was earned as total Revenue as at 31st December, 2018 out of which only 0.54%- N4,433,500.00 was generated as IGR, which showed that the Local Government solely depends on the Statutory allocation.

On the basis of comparism, the IGR for the current year recorded a surplus of 5.34% over that of previous year. Details of this is contained in the statement of Budget Comparism for the year 2018.

9. AUTHORITY FOR EXPENDITURE

All expenditure shown in the statement of actual expenditure for the year have been authorized as provided for by section 22(i) of the Local Government Administration Law 1999 with the exceptions of paragraph 6, of this report.

10. EXPENDITURE CONTRARY TO LAW:

The following expenditure appears to be contrary to Law.

S/N	QUERY NO	SUBJECT	AMOUNT (N)
1	AQ/IJLG/01/18	Unproduced Revenue Earning Receipts	Assorted
2	AQ/IJLG/02/18	Expenditure Contrary to Regulation	9,798,500.00
3	AQ/IJLG/03/18	Expenditure not Supported with proper Records	8,548,796.00
4	AQ/IJLG/04/18	Items not taken on a Store Ledger	3,018,200.00
5	AQ/IJLG/05/18	Nugatory Expenditure	3,793,200.00
6	AQ/IJLG/06/18	Spurious Expenditure (Store)	8,553,675.00
7	AQ/IJLG/07/18	Spurious Expenditure (Agric)	4,187,500.00

8	AQ/IJLG/08/18	Expenditure not Accounted for	3,614,894.65
9	AQ/IJLG/09/18	Unproduced payment vouchers	5,501,000.00
		TOTAL	47,015,765.65

11. **STATEMENTS OF ASSETS AND LIABILITIES**

The statements of Assets and Liabilities were correct and existence of the Assets have been substantiated.

12. **DISALLOWANCE** Allowance has been reserved in respect of the expenditure detailed in paragraph 6 of this report pending a satisfactory explanations or the sanction of the State House of Assembly.

13. **STATE OF ACCOUNT**

The Accounts of Ijero Local Government have been examined up to 31st December, 2018 and detailed observations have been forwarded to the Director of Administration, Ijero Local Government, Ijero-Ekiti. Particular attention is required to the followings:

- (i) Cash books and subsidiary ledgers
- (ii) Bank Reconciliation Statement
- (iii) Attendance of Audit Queries
- (iv) Internal Generated Revenue
- (v) No depreciation was charged for the year under review.
- (vi) Loss of fund involving the Management of the Council amounting to N16,971,000.00
- (vii) Discrepancy of N30,903,683.08 between the Local Government receipts and JAAC releases for the period.

14. **OUTSTANDING MATTERS FROM PREVIOUS REPORTS**

	N
1. Payment for logistics and security (2015)	5,000,000.00
2. Debits in Bank not in cashbook (2015)	4,179,000.00
3. Unproduced payment vouchers (2015)	617,000.00

4. Differences in JAAC releases (2015) 63,924,495.68

5. Loss of Fund 2017 -

2016 AUDIT QUERIES

i. AQ/IJLG/03/16 Unvouched expenditure 7,550,028.72

ii. AQ/IJLG/05/16 Doubtful expenditure II 700,000.00

iii. AQ/IJLG/10/16 Expenditure contrary to regulations 1,500,000.00

2017 AUDIT QUERIES

i. AUD/IJLG/AQ/1/017 Unproduced Revenue Earning Receipts assorted

ii. AUD/IJLG/AQ/2/01 Expenditure contrary to regulation/unaudited vouchers 981,250.00

iii. AUD/IJLG/AQ/3/017 Items not taken on store ledger charge/unaudited vouchers 894,400.00

iv. AUD/IJLG/AQ/4/017 Unaudited/Un receipted payments 1,406,877.61

v. AUD/IJLG/AQ/5/017 Unretired, uncontrolled and unaudited expenditure 120,000.00

vi. AUD/IJLG/AQ/6/017 Doubtful payments I 700,000.00

vii. AUD/IJLG/AQ/7/017 Doubtful payment II 888,000.00

viii. AUD/IJLG/AQ/8/017 Expenditure not supported with proper records accounts 130,000.00

ix. AUD/IJLG/AQ/9/017 Nugatory payments 2,576,903.01

x. AUD/IJLG/AQ/10/017 Nugatory payment I 3,000,000.00

xi. AUD/IJLG/AQ11//017 Nugatory payment II 3,000,000.00

xii. AUD/IJLG/AQ/12/017 Expenditure contrary to financial regulation 3,765,000.00

xiii. AUD/IJLG/AQ/13/017 Doubtful payment/Expend. not supported with proper reco. 4,000,000.00

xiv. AUD/IJLG/AQ/14/017 doubtful payment 525,000.00

xv. AUD/IJLG/AQ/15/017 Items not taken on ledger charge 5,059,200.00

xvi. AUD/IJLG/AQ/16/017 Expenditure contrary to regulations 10,000,000.00

Total

37,046,630.62

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Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF IJERO LOCAL GOVERNMENT, IJERO-EKITI FOR THE YEAR ENDED
31ST DECEMBER, 2018.**

1. RESPONSIBILITY FOR FINACIAL STATEMENTS

The Financial Statements have been prepared by the Director of Finance Ijero Local Government based on the available records and in compliance with the IPSAS Accrual Accounting for all Public Sectors Entities (PSE) in Nigeria.

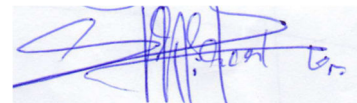
To the best of our knowledge, the system of internal control had operated adequately throughout the reporting period, and the statements represent a true and fair view of the Financial Positions of the Local Government.

The Director of Finance accepts responsibility for the integrity of these Financial Statements, the information they contain and their compliance with International Public Sector Accounting Standards (IPSAS) Accrual Accounting for all public sector entities (PSE) in Nigeria.

In my opinion, these General Purpose Financial Statements fairly reflect the financial position of Ijero Local Government as at the year ended 31st December, 2018.



**Hon. Ropo Ige,
Executive Chairman.**



**Mr Falayi Tope.
Director of Finance.**

STATEMENT OF ACCOUNTING POLICIES (IPSAS 1)

(Ixxiii) BASIS OF PREPARATION

The General Purpose Financial Statements have been prepared in compliance with IPSAS Accrual Accounting basis that recognizes transactions and events occurred whether expenses are paid for or not and revenue received or outstanding, and under the guidelines of Financial Memoranda in conformity with National Chart of Account (NCOA) and the Nigeria Accounting Standard Board for Public Sector Reporting.

(Ixxiv) BASIS OF MEASUREMENT

The Financial Statements have been prepared on historical cost unless stated otherwise.

(Ixxv) REPORTING CURRENCY

The Financial Statements were presented in Nigerian Naira, which is the functional currency of the Local Government Council.

(Ixxvi) GOING CONCERN

The Financial Statements have been prepared on a going concern basis.

(Ixxvii) ACCOUNTING PERIOD

The Accounting period is from 1st January to 31st December, 2018.

(Ixxviii) REVEUNE

This presented both the exchange and non-exchange revenue from Internally Generated Revenue and Statutory Allocation from the Federation Account during the year.

(Ixxix) EXPENDITURE

This represented both recurrent and capital expenditure during the year.

(Ixxx) NON-CURRENT ASSETS/ DEPRECIATION

Property Plant and Equipment were recognized less accumulated depreciation.

(Ixxxi) BUDGET INFORMATION

The Annual Budget was prepared on Accrual Basis. All planned costs and incomes were presented in a single statement to determine the needs of the Local Government Council.

(x). INVESTMENT PROPERTIES

Investment properties were measured initially at cost, including transaction costs. The carrying amount included the replacement cost of components of an existing investment properly at the end time that cost was incurred if the recognition criteria were met and excluded the cost of day to day maintenance of an investment properly.

IJERO LOCAL GOVERNMENT, IJERO-EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2018

2017	DETAILS	NOTES	2018	
N	Represented By:		N	N
	ASSETS			
	Current Assets			
227,229,239.33	Cash and equivalent	1	860,807.56	
-	Inventories	2	-	
-	WIP	3	-	
304,167,200.42	Receivables	4	492,478,045.24	
-	Prepayment	5	-	
531,396,439.75	Total Current Assets			493,338,852.80
	Non-Current Assets			
	Loans Granted	6	-	
-	Investments	7	-	
622,214,577.51	Fixed Assets-Property, Plant & Equip	8	780,512,601.22	
-	Investment Property	9	-	
-	Biological Assets	10	-	
622,214,577.51	Total Non-current Assets			780,512,601.22
1,153,611,017.26	Total Assets			1,273,851,454.02
	LIABILITIES			
	Current liabilities			
-	Accumulated Depreciation	11	-	
-	Loan & Debts (Short-Term)	12	-	
-	Unremitted Deductions	13	63,255.05	
302,672,452.27	Payables	14	490,224,922.40	
302,672,452.27	Total Current Liabilities		490,288,177.45	
	Non - Current Liabilities			
-	Public funds	15	-	
-	borrowings	16	-	
-	Public Funds		-	
	Total Non- Current Liabilities		-	
302,672,452.27	Total Liabilities			490,288,177.45
850,850,319.47	NET ASSETS/EQUITY:			783,563,276.57
	Financed By:			
24,810,255.04	Reserves	17		108,875,833.78
	Capital Grants	18	-	
830,025,181.91	Net Surpluses/(Deficits)	19	(155,337,739.12)	
(3,985,117.48)	Accumulated Surpluses(Deficits)	20	830,025,181.91	674,687,442.79
850,850,319.47	Total Net Assets/Equity:			783,563,276.57

IJERO LOCAL GOVERNMENT, IJERO EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER,
2018

2017	DETAILS	NOTE	2018
N	REVENUE		ACTUAL (N)
1,155,159,263.44	Statutory Revenue	21	810,662,744.93
3,952,900.00	Tax Revenue	22	2,625,700.00
730,505.00	Non-Tax Revenue	23	1,807,800.00
-	Aid & Grants	24	-
-	Investment Income	25	-
-	Expenditure Recovery	26	-
-	Other Capital Receipts	27	-
-	Debt Forgiveness	28	-
1,555,842,668.44	Total Revenue		815,096,244.93
	EXPENDITURE:		
665,955,940.37	Salaries & Wages	29	641,991,827.23
-	Social Contribution	30	-
-	Social Benefits	31	228,090,046.89
59,891,546.16	Overhead Cost	32	100,352,109.93
-	Gratuity	32	-
-	Pension Allowances	33	-
-	Stationeries	35	-
-	Impairment Charges	36	-
-	Depreciation charges	37	-
-	Transfer to Other Government Entities	38	-
-	Public Debt Charge	39	-
-	Allowance (Leave Bonus)	40	-
725,817,486.53	Total Expenditure		970,433,948.12
830,025,181.91	Surplus/(Deficit) from operating activities for the period		(155,387,739.12)
	Total Non-Operating Revenue (Expenses)		(155,387,739.12)
	Non-Operating Activities		
-	Gain/Loss on Assets Disposal	41	-
-	Refund Revenue	42	-
-	Revaluation Grain	43	-
-	Net Surplus/(Deficit) from Operating Activities		-
	Surplus/(Deficit) from operating activities		-
-	Purchases/Construction of Assets	44	-
	Minority Interest Share of Surplus/Deficits)	45	-
	Accumulated Surplus/(Deficit) 01/01/2018		830,025,181.91
830,025,181.91	Accumulated Surplus/(Deficit) 31/12/2018		674,687,442.79

IJERO LOCAL GOVERNMENT, IJERO-EKITI, EKITI STATE, NIGERIA
STATEMENT CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2018.

2017	DETAILS	NOTES	2018	
N	CASH FLOWS FROM OPERATING ACTIVITIES		N	N
	Inflows			
1,551,159,263.44	Statutory Revenue	21	810,662,744.93	
3,952,900.00	Tax Revenue	22	2,625,700.00	
730,505.00	Non Tax Revenue	23	1,807,800.00	
-	Aid & Grants	24	-	
-	Investment	25	-	
-	Expenditure Recovery	26	-	
-	Other Capital Receipts	27	-	
-	Debt Forgiveness	28	-	
1,555,842,668.44	Total flow from Operating Activities			815,096,244.93
	outflows			
665,955,940.37	Salary & Wages	29	641,991,827.23	
-	Social Contribution	30	-	
-	Social Benefit	31	228,090,046.89	
59,866,546.16	Overheads Cost	32	100,352,109.93	
-	Gratuity	33	-	
-	Pension Allowances	34	-	
-	Transfer to other Government Entities	38	-	
-	Allowance	40	-	
-	Deductions	49	-	
-	Refund	50	-	
-	Inventory	51	-	
-	Loan	52	-	
725,817,486.53	Total Outflow from Operating Activities			970,433,984.05
830,025,181.91	Net Cash Inflow/(outflow) from operating Activities			(155,337,739.12)
	CASH FLOW FROM INVESTING ACTIVITIES			
-	Proceeds for Sale of PPE	53	-	
-	Proceeds from Sales Property	54	-	
-	Proceeds from Sales of Intangible Assets	55	-	
-	Proceeds from Sales of Investment	56	-	
-	Dividend Received	57	-	
-	Total Inflow			-
	Outflows			
662,214,577.51	Purchase/construction of Assets PPE	58	72,752,307.77	
-	Purchase/construction of Assets-Investment Property	59	-	
-	Investment in Private companies	60	-	
-	Loan Granted	61	-	
-	Purchase of Intangible Assets	62	-	
-	Acquisition of Investment	63	-	
622,214,577.51	Total Outflow		-	72,752,307.77
207,810,604.40	Net cash flow from Investing		-	(228,090,046.89)

	Activities			
	CASH FLOW FROM FINANCING ACTIVITIES		-	
	Inflows		-	
-	Capital Grant Received	64	-	
-	Proceeds from Borrowing	65	-	
-	Total Inflow			-
	Outflows		-	
-	Repayment of borrowing	66	-	
-	Distribution of surplus/Dividends Paid	67	-	
-	TOTAL OUTFLOW			
207,810,604.40	Net Cash Flow from financial Activities			(228,090,046.89)
207,810,604.40	Net cash flow from All Activities		-	(228,090,046.89)
19,418,634.93	Cash & Equivalent As at 1/1/ 2018			227,229,239.33
227,229,239.33	Cash & Equivalent as at 31/12/2018	1		860,807.56

IJERO LOCAL GOVERNMENT, IJERO EKITI, EKITI STATE NIGERIA
STATEMENT OF COMPARISM OF BUDGET AND ACTUAL FOR THE YEAR ENDED
31ST DECEMBER, 2018.

2017	REVENUE		2018	FINAL BUDGET 2018 (N)	VARIANCE ON FINAL BUDGET IN (%)
N	N	NOTE	ACTUAL N	N	
1,155,159,263.44	Statutory Revenue	21	810,662,744.93	1,850,000,000.00	(56.18)
3,952,900.00	Tax Revenue	22	2,625,700.00	3,300,000.00	(20.43)
730,505.00	Non- Tax Revenue	23	1,807,800.00	16,722,000.00	(89.49)
-	Aid & Grants	24	-	-	
-	Investment Income	25	-	-	
-	Expenditure Recovery	26	-	-	
-	Other Capital Receipts	27	-	-	
-	Debt forgiveness	28	-	-	
1,555,842,668.44	Total Revenue		815,096,244.93	1,870,072,000.00	(166.10)
	EXPENDITURE:	29			
665,955,940.37	Salaries & Wages	30	641,991,827.23	902,244,000.00	28.84
-	Social Contribution	31	-	-	
-	Social Benefit	32	228,090,046.89	-	(100)
59,861,546.16	Overhead cost	33	100,352,109.93	179,580,000.00	44.12
-	Gratuity	34	-	-	
-	Pension Allowance	35	-	-	
-	Stationeries	36	-	-	
-	Impairment Charges	37	-	-	
-	Depreciation Charges	38	-	-	
-	Transfer to other Government Entities	39	-	-	
-	Public Debt Charge	40	-	-	
-	Allowance (Leave Bonus)		-	-	
725,817,486.53	Total Expenditure		970,433,948.12	1,081,824,240.00	(27.04)
830,025,181.91	Surplus (Deficit) from operating activities for the period		(155,337,739.12)	788,248,000.00	(193.14)
	Total Non-operating Revenue (Expenses)				
	Non-operating Activities				
	Gain/loss on Asset Disposal	41		-	
-	Refunded Revenue	42		-	
-	Revaluation Gain	43		-	
-	Net Surplus/(Deficit) from Non- operating Activities				

-	Purchase/Construction of Assets	44		-	
-	Monitoring interest share of surplus (Deficit)	45			
	Accumulated surplus/Deficit) 1/1/2018		830,025,181.91		
830,025,181.91	Accumulated surplus (Deficit) 31/12/2018		674,687,442.79	788,248,000.00	(193.14)

JERO LOCAL GOVERNMENT, IJERO-EKITI, EKITI STATE, NIGERIA

STATEMENT OF CHARGES IN NET ASSET/EQUITY AS AT 31/12/2018

DETAILS	NOTE	RECEIVABLES	PAYABLES	RUNNING GRANT (O/H)	ACCUMULATED SURPLUS/(DEFICITS)	TOTAL
		N	N	N	N	N
Balance b/f (1/1/2018)		<u>304,167,200.42</u>	<u>302,672,452.27</u>	-	<u>830,025,181.91</u>	<u>1,436,864.60</u>
Increase/(Decrease) in Revenue not recognized in financial performance		-	-	-	(-)	-
Increase/(Decrease) in Salaries & Wages not recognized	-	-	-	-	-	-
Total Actual 2017		<u>304,167,200.42</u>	<u>302,672,452.27</u>	-	<u>830,025,181.91</u>	<u>1,436,864,834.60</u>
Balance as at (31/12/2018)		492,478,045.24	490,224,922.40	-	(155,337,739.12)	827,365,228.52
Total		<u>492,478,045.24</u>	<u>490,224,922.40</u>	-	-	982,702,967.64
Increase/Decrease in Salaries & Wages not recognized in Receivables/Payables		-	-	-	-	-
Gain on Revaluation		-	-	-	-	-
Accumulated surplus (Deficit) as at 31/12/2017					830,025,181.91	830,025,181.91
Balance as at 31/12/2018		<u>492,478,045.24</u>	<u>490,224,922.40</u>		<u>674,687,442.79</u>	<u>1,657,390,460.43</u>

NOTE

IJERO LOCAL GOVERNMENT, IJERO EKITI

EKITI STATE, NIGERIA

POSITION OF REVENUE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	REVENUE JANUARY- DECEMBER 2018 (N)
Statutory Allocation	21	810,662,744.93
Tax Revenue	22	2,625,700.00
Non – Tax Revenue	23	1,807,800.00
Total		815,096,244.93

NOTE

IJERO LOCAL GOVERNMENT, IJERO EKITI

EKITI STATE, NIGERIA

POSITION OF EXPENDITURE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	EXPENDITURE JANUARY-DECEMBER 2018 (N)
Salaries and wages	29	641,991,827.23
Social Benefit	31	228,090,046.89
Overhead cost	32	100,352,109.93
Purchase of PPE	44	72,752,307.77
Total		1,043,186,255.89

REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL

GOVERNMENTS

ON THE

ACCOUNTS OF IKERE LOCAL GOVERNMENT,

IKERE-EKITI,

FOR THE YEAR ENDED,

31ST DECEMBER, 2018.

AUDIT CERTIFICATE

I have examined the General Purpose Financial Statements of Ikere Local Government as at 31st December, 2018 in accordance with Sections 123(2) of the Constitution of the Federal Republic of Nigeria 1989; 316(1) of the Constitution of the Federal Republic of Nigeria 1999, 32 (2) of the Local Government Administration Law No 2 of 1999, and section 26(2) of Ekiti State Audit Law 2014. The audit was conducted in compliance with International Standards on Auditing (ISA) and International Organisation of Supreme Audit Institutions (INTOSAI) Auditing Standards. The Financial Statements were prepared in line with IPSAS Accrual. I have obtained information and explanations that I required for my audit. In my opinion, the General Purpose Financial Statements and the supporting Accounts and Statements give a true and fair view of the Local Government as at 31st December, 2018 subject to the observations in this report.

 17/10/2019

Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF IKERE LOCAL GOVERNMENT, IKERE-EKITI FOR THE YEAR ENDED
31ST DECEMBER, 2018.**

The General Purpose Financial Statements of Ikere Local Government have been examined in accordance with sections 123(2) and 316 of the Constitution of the Federal Republic of Nigeria, 1989 and 1999 respectively, section 26(2) of Ekiti State Audit Law, 2014 and section 32(2) of the Local Government Administration Law No 2 of 1999. The General Purpose Financial Statements were correct subject to the comments in this report and the existence of the Assets have been substantiated.

2. STATEMENT OF FINANCIAL RESPONSIBILITY

It is the responsibility of Director of Finance of Ikere Local Government to prepare and present the Financial Statements to the Auditor-General in accordance with the provisions of the constitutions of the Federal Republic of Nigeria within 90 days after the expiration of the financial year.

This section was grossly violated by the Local Government as their account were presented on 23rd August, 2019 almost more than 5 months behind schedule. This led to my late reporting on the Account.

3. STATEMENT OF RESPONSIBILITY OF AUDITOR-GENERAL

It is my responsibility to form an independent opinion, based on General Purpose Financial Statements and accompanying Accounts prepared and submitted to me by the Director of Finance of the Local Government and to report thereupon in consonance with the Constitution of the Federal Republic of Nigeria.

4. RESPONSIBILITY OF THE PUBLIC ACCOUNTS COMMITTEE (PAC)

It is the responsibility of the Public Accounts Committee of the State House of Assembly to review the Auditor-General's Report with a view to ensuring enforcement of the recommendations made and impose sanctions where necessary.

5. **BASIS OF OPINION**

The Audit was conducted in compliance with International Standards on Auditing (ISA) and Generally Accepted Public Sector and INTOSAI Auditing Standards.

These standards require that I comply with ethical requirements, plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements whether due to fraud or error. I also evaluated the overall adequacy of the presentation of information in the financial statements.

In the course of the Audit, I have obtained all the information and explanation that to the best of my knowledge and belief were necessary for the purpose of audit and I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for independent opinion.

6. **OPINION**

In my opinion, the Financial Statements which included Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flow, Statement of Comparison of Budget and Actual and Statement of Changes in Net Assets/Equity as at 31st December, 2018 with supporting notes, give a true and fair view of the State of Affairs And Financial Positions of the Local Governments for the fiscal year ended on that date subject to the observations and comments in the other parts of this report.

7. **BUDGET OVERVIEW AND PERFORMANCE**

Statement of Comparism for Budget Estimates and Actual Performance for the year ended 31st December, 2018 prepared and presented showed the following shortfalls:

- i. The budget was not prepared in compliance with the National Chart of Accounts (NCOA) put in place by IPSAS for budget preparation.
- ii. The estimate made for Revenue in the 2018 budget recorded a low performance. An estimate was made for N1,312,062,827.06, while actual Revenue recorded stood at N1,082,307,532.47. This is about 82.49% performance. Equally, the IGR of N11,025,822.50 represents only 1.02% of the total Revenue for the period,

meaning the Local Government relied unduly on the Statutory allocation for survival.

- iii. The sum of N1,034,645,418.69 only was budgeted for expenditure but only N1,074,529,121.50 was actually incurred, resulting to deficit of N39,883,702.81 for the period. This is considered extra-budgetary spending.

8. REVENUE ACCOUNT

A total sum of N1,082,307,532 was earned as total Revenue as at 31st December, 2018 out of which only 1.02%- N11,025,822.50 was generated as IGR, which showed that the Local Government solely depends on the Statutory allocation.

On the basis of comparism, the IGR for the current year recorded a deficit of 30.62% over that of previous year. Details of this is contained in the statement of Budget Comparism for the year 2018.

9. AUTHORITY FOR EXPENDITURE

All expenditure shown in the statement of actual expenditure for the year have been authorized as provided for by section 22(i) of the Local Government Administration Law 1999 with the exceptions of paragraphs 3 and 7 of this report.

10. EXPENDITURE CONTRARY TO LAW

The following expenditure appears to be contrary to law.

S/N	QUERY NO	SUBJECT	AMOUNT (N)
1	AUD/IKELG/AQ/01/2018	Expenditure Contrary to Financial Regulations I	1,258,000.00
2	AUD/IKELG/AQ/02/2018	Expenditure Contrary to Financial Regulations II	902,300.00
3	AUD/IKELG/AQ/03/2018	Expenditure Contrary to Financial Regulations III	900,000.00
4	AUD/IKELG/AQ/04/2018	Unaudited Payment/ Items not taken on Store Ledger Charge	490,000.00
5	AUD/IKELG/AQ/05/2018	Unproduce Revenue Earning Receipts	Assorted
6	AUD/IKELG/AQ/06/2018	Unproduced Payment Vouchers	1,467,000.00

7	AUD/IKELG/AQ/07/2018	Doubtful Payment	6,500,000.00
		TOTAL	11,517,300.00

11. **STATEMENTS OF ASSETS AND LIABILITIES**

The statements of Assets and Liabilities were correct and existence of the Assets have been substantiated.

12. **DISALLOWANCE** Allowance has been reserved in respect of the expenditure detailed in paragraph 6 of this report pending a satisfactory explanations or the sanction of the State House of Assembly.

13. **STATE OF ACCOUNT**

The Accounts of Ikere Local Government have been examined up to 31st December 2018 and detailed observations have been forwarded to the Director of Administration, Ikere Local Government, Ikere Ekiti.

Your attention is invited to the following issues:

- Non adherence to Financial Memoranda
- Internally Generated Revenue
- Traditional Council's Accounts
- Unremitted Revenue N25,300.00
- Attendance to Audit Queries
- Capital Projects

14. **OUTSTANDING MATTERS FROM PREVIOUS REPORTS**

The following matters remained outstanding in my previous reports.

- (a) Difference in JAAC releases (2015) - N11,715,250.57
- (b) Loss of fund involving Mr. Fasanmi Oluremi (2015) 257,000.00
- © Loss of fund involving the Management of the Council 2,052,000.00

d)	2015 AUDIT QUERIES	N
i)	AUD/IKELG/02/15 Nugatory payments	738,197.31
ii)	AUD/IKELG/07/15 Unvouched expenditure/Expenditure not accounted for	2,445,161.61
iii)	AUD IKELG/08/15 Expenditure not supported with proper records /accounts	1,111,860.00
iv)	AUD/IKELG/09/15 Nugatory payment	<u>5,000,000.00</u>
	Total	9,724,018.92
		=====

e) **2016 AUDIT QUERIES**

i.	AUD/IKELG/AQ/1/16 Unauthorized expenditure	1,000,000.00
ii.	AUD/IKELG/AQ/4/16 Doubtful expenditure	369,000.00
iii.	AUD/IKELG/AQ/5/16 Nugatory payment	6,975,000.00
iv.	AUD/IKELG/AQ/7/16 spurious/Expenditure contrary to regulations	55,000.00
v.	AUD/IKELG/AQ/1/16 Un-vouched expenditure	28,979,437.13
vi	AUD/IKELG/AQ/1/16 Un-produced payment vouchers	15,739,996.00

f) **2017 AUDIT QUERIES**

i.	AQ/IKLG/01/17 Unaudited payment voucher	755,000.00
ii.	AQ/IKLG/02/17 Expenditure contrary to regulation I	1,330,000.00
iii.	AQ/IKLG/03/17 Expenditure Contrary to regulation II	1,325,000.00
iv.	AQ/IKLG/04/17 Expenditure not supported with proper records	2,607,000.00
v.	AQ/IKLG/05/17 Unretired/unaudited expenditure	1,545,000.00
vi.	AQ/IKLG/06/17 Unreceipted expenditure	1,101,500.00
vii.	AQ/IKLG/07/17 Nugatory payment I	1,234,800.00
viii.	AQ/IKLG/08/17 Items not taken on store ledger charge	345,000.00
ix.	AQ/IKLG/09/17 Double payment	255,000.00

x.	AQ/IKLG/10/17	Transfer not accounted for	9,415,179.58
xi.	AQ/IKLG/11/17	Expenditure not supported with proper records account of III	10,000,000.00
xii.	AQ/IKLG/12/17	Nugatory payment II	6,125,000.00
xiii.	AQ/IKLG/13/17	Nugatory payment III	12,500,000.00
xiv.	AQ/IKLG/14/17	Expenditure contrary to regulation IV	700,000.00
xv.	AQ/IKLG/15/17	Expenditure contrary to regulations V	14,717,294.04
xvi.	AQ/IKLG/16/17	Nugatory payment IV	1,500,000.00
xvii.	AQ/IKLG/17/17	Expenditure contrary to regulation VI	7,368,761.34
xviii.	AQ/IKLG/18/17	Nugatory payment V	11,008,761.34
xix.	AQ/IKLG/19/17	Nugatory/Unverified project I	11,390,000.00
xx.	AQ/IKLG/20/17	Nugatory/Unverified projects II	7,658,824.58
xxi.	AQ/IKLG/21/17	Expenditure not accounted for	<u>14,015,545.64</u>
			116,251,405.18

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Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.
FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF IKERE LOCAL GOVERNMENT, IKERE-EKITI FOR THE YEAR ENDED
31ST DECEMBER, 2018.**

1. RESPONSIBILITY FOR FINACIAL STATEMENTS

The Financial Statements have been prepared by the Director of Finance Ikere Local Government based on the available records and in compliance with the IPSAS Accrual Accounting for all Public Sectors Entities (PSE) in Nigeria.

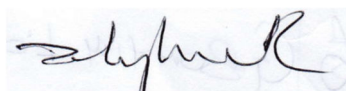
To the best of our knowledge, the system of internal control had operated adequately throughout the reporting period, and the statements represent a true and fair view of the Financial Positions of the Local Government.

The Director of Finance accepts responsibility for the integrity of these Financial Statements, the information they contain and their compliance with International Public Sector Accounting Standards (IPSAS) Accrual Accounting for all public sector entities (PSE) in Nigeria.

In my opinion, these General Purpose Financial Statements fairly reflect the financial position of Ikere Local Government as at the year ended 31st December, 2018.



**Hon. Ayodele Oluwafemi,
Executive Chairman.**



**Mr Jegede M.A.
Director of Finance.**

STATEMENT OF ACCOUNTING POLICIES (IPSAS 1)

(lxxxii) BASIS OF PREPARATION

The General Purpose Financial Statements have been prepared in compliance with IPSAS Accrual Accounting basis that recognizes transactions and events occurred whether expenses are paid for or not and revenue received or outstanding, and under the guidelines of Financial Memoranda in conformity with National Chart of Account (NCOA) and the Nigeria Accounting Standard Board for Public Sector Reporting.

(lxxxiii) BASIS OF MEASUREMENT

The Financial Statements have been prepared on historical cost unless stated otherwise.

(lxxxiv) REPORTING CURRENCY

The Financial Statements were presented in Nigerian Naira, which is the functional currency of the Local Government Council.

(lxxxv) GOING CONCERN

The Financial Statements have been prepared on a going concern basis.

(lxxxvi) ACCOUNTING PERIOD

The Accounting period is from 1st January to 31st December, 2018.

(lxxxvii) REVEUNE

This presented both the exchange and non-exchange revenue from Internally Generated Revenue and Statutory Allocation from the Federation Account during the year.

(lxxxviii) EXPENDITURE

This represented both recurrent and capital expenditure during the year.

(lxxxix) NON-CURRENT ASSETS/ DEPRECIATION

Property Plant and Equipment were recognized less accumulated depreciation.

(xc) BUDGET INFORMATION

The Annual Budget was prepared on Accrual Basis. All planned costs and incomes were presented in a single statement to determine the needs of the Local Government Council.

(x). INVESTMENT PROPERTIES

Investment properties were measured initially at cost, including transaction costs. The carrying amount included the replacement cost of components of an existing investment properly at the end time that cost was incurred if the recognition criteria were met and excluded the cost of day to day maintenance of an investment properly.

IKERE LOCAL GOVERNMENT, IKERE-EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2018

2017	DETAILS	NOTES	2018	
N	Represented By:		N	N
	ASSETS			
	Current Assets			
(12,901,568.65)	Cash and equivalent	1	(12,127,799.57)	
-	Inventories	2	-	
-	WIP	3	-	
353,785.14	Receivables	4	303,411,200.47	
-	Prepayment	5	-	
12,547,783.51	Total Current Assets			291,283,400.90
	Non-Current Assets			
-	Loans Granted	6		
11,381,242.65	Investments	7	11,381,242.65	
924,477,052.21	Fixed Assets-Property, Plant & Equip	8	916,985,323.23	
-	Investment Property	9	-	
-	Biological Assets	10	-	
935,858,294.86	Total Non-current Assets			928,366,565.99
923,310,511.35	Total Assets			1,219,649,966.89
	LIABILITIES			
	Current Liabilities			
-	Accumulated Depreciation	11	-	
-	Loan & Debts (Short-Term)	12	-	
-	Unremitted Deductions	13	753,619.47	
753,619.47	Payables	14	320,410,431.20	
753,619.47	Total Current Liabilities		321,164,050.67	
	Non - Current Liabilities			
-	Public funds	15	-	
-	Borrowings	16	-	
	Total Non- Current Liabilities		-	
753,619.47	Total Liabilities			321,164,050.67
922,556,891.88	NET ASSETS/EQUITY:			898,485,916.22
	Financed By:			
855,139,391.00	Reserves	17		854,178,576.02
-	Capital Grants	18	-	
36,528,929.23	Net Surpluses/(Deficits)	19	7,778,410.97	
30,888,571.65	Accumulated Surpluses(Deficits)	20	36,528,929.23	44,307,340.20
922,556,891.88	Total Net Assets/Equity:			898,485,916.22

IKERE LOCAL GOVERNMENT, IKERE EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2018

2017	DETAILS	NOTE	2018
N	REVENUE		ACTUAL (N)
904,233,258.31	Statutory Revenue	21	1,070,031,299.97
6,712,509.04	Tax Revenue	22	30,000.00
9,180,210.00	Non-Tax Revenue	23	10,995,822.50
-	Aid & Grants	24	-
-	Investment Income	25	1,250,410.00
-	Expenditure Recovery	26	-
46,378,141.61	Other Capital Receipts	27	-
-	Debt Forgiveness	28	-
967,215,758.96	Total Revenue		1,082,307,532.47
	EXPENDITURE:		
753,172,274.25	Salaries & Wages	29	961,421,019.20
-	Social Contribution	30	-
-	Social Benefits	31	-
117,514,555.48	Overhead Cost	32	87,331,367.95
-	Gratuity	32	-
-	Pension Allowances	33	-
-	Stationeries	35	-
-	Impairment Charges	36	-
-	Depreciation charges	37	25,776,735.35
-	Transfer to Other Government Entities	38	-
-	Public Debt Charge	39	-
60,000,000.00	Allowance (Leave Bonus)	40	-
930,686,829.73	Total Expenditure		1,074,529,121.50
36,528,929.23	Surplus/(Deficit) from operating activities for the period		7,778,410.97
	Total Non-Operating Revenue (Expenses)		
	Non-operating Activities		
-	Gain/Loss on Assets Disposal	41	-
-	Refund Revenue	42	-
-	Revaluation Grain	43	-
-	Net Surplus/(Deficit) from Operating Activities		-
	Surplus/(Deficit) from operating activities		-
-	Purchases/Construction of Assets	44	-
	Minority Interest Share of Surplus/Deficits)	45	-
	Accumulated Surplus/(Deficit) 01/01/2018		36,528,929.23
36,528,929.23	Accumulated Surplus/(Deficit) 31/12/2018		44,307,340.20

IKERE LOCAL GOVERNMENT, IKERE-EKITI, EKITI STATE, NIGERIA
STATEMENT CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2018.

2017	DETAILS	NOTES	2018	
N	CASH FLOWS FROM OPERATING ACTIVITIES		N	N
	Inflows			
904,233,258.31	Statutory Revenue	21	1,070,031,299.97	
6,712,509.04	Tax Revenue	22	30,000.00	
9,180,210.00	Non Tax Revenue	23	10,995,822.50	
-	Aid & Grants	24	-	
711,640.00	Investment Income	25	1,250,410.00	
-	Expenditure Recovery	26	-	
-	Other Capital Receipts	27	-	
-	Debt Forgiveness	28	-	
920,837,617.35	Total flow from Operating Activities			1,082,307,532.47
	outflows			
753,172,274.25	Salary & Wages	29	961,421,019.20	
-	Social Contribution	30	-	
-	Social Benefit	31	-	
177,514,555.48	Overheads Cost	32	87,331,367.95	
-	Gratuity	33	-	
-	Pension Allowances	34	-	
-	Transfer to other Government Entities	38	-	
60,000,000.00	Allowance	40	-	
-	Deductions	49	-	
-	Refund	50	-	
-	Inventory	51	-	
-	Loan	52	-	
930,686,829.73	Total Outflow from Operating Activities			1,048,752,387.15
(9,849,212.38)	Net Cash Inflow/(outflow) from operating Activities			33,555,145.32
	CASH FLOW FROM INVESTING ACTIVITIES			
46,378,141.61	Proceeds for Sale of PPE	53	-	
-	Proceeds from Sales Property	54	-	
-	Proceeds from Sales of Intangible Assets	55	-	
-	Proceeds from Sales of Investment	56	-	
-	Dividend Received	57	-	
46,378,141.61-	Total Inflow			
	Outflows			
67,550,359.85	Purchase/construction of Assets PPE	58	32,781,376.24	
-	Purchase/construction of Assets-Investment Property	59	-	
-	Investment in Private companies	60	-	
-	Loan Granted	61	-	

-	Purchase of Intangible Assets	62	-	
-	Acquisition of Investment	63	-	
67,550,359.85	Total Outflow		-	32,781,376.24
(31,021,430.62)	Net cash flow from Investing Activities		-	773,769.08
	CASH FLOW FROM FINANCING ACTIVITIES		-	
	Inflows		-	
-	Capital Grant Received	64	-	
-	Proceeds from Borrowing	65	-	
-	Total Inflow		-	
	Outflows		-	
-	Repayment of borrowing	66	-	
-	Distribution of surplus/Dividends Paid	67	-	
-	TOTAL OUTFLOW		-	
(31,021,430.62)	Net Cash Flow from financial Activities			773,769.08
(31,021,430.62)	Net cash flow from All Activities		-	773,769.08
18,119,861.97	Cash & Equivalent As at 1/1/2018			(12,901,568.65)
(12,901,568.65)	Cash & Equivalent as at 31/12/2018	1		(12,127,799.57)

IKERE LOCAL GOVERNMENT, IKERE-EKITI, EKITI STATE NIGERIA

**STATEMENT OF COMPARISM OF BUDGET AND ACTUAL FOR THE YEAR ENDED 31ST
DECEMBER, 2018.**

2017	REVENUE		2018	FINAL BUDGET 2018 (N)	VARIANCE ON FINAL BUDGET IN (%)
N	N	NOTE	ACTUAL N	N	
904,233,258.31	Statutory Revenue	21	1,070,031,299.97	990,429,704.00	8.04
6,712,509.04	Tax Revenue	22	30,000.00	13,541,053.06	(99.78)
9,180,210.00	Non- Tax Revenue	23	10,995,822.50	16,000,000.00	(31.28)
-	Aid & Grants	24	-	-	
-	Investment Income	25	1,250,410.00	125,000.00	900.33
-	Expenditure Recovery	26	-	-	
46,378,141.61	Other Capital Receipts	27	-	291,967,070.00	(100.00)
-	Debt forgiveness	28	-	-	
967,215,758.96	Total Revenue		1,082,307,532.47	1,312,062,827.060	677.31
	EXPENDITURE:	29	961,421,019.20	972,798,948.29	1.17
753,172,274.25	Salaries & Wages	30	-	-	
-	Social Contribution	31	-	-	
-	Social Benefit	32	87,331,367.95	61,846,470.40	(41.21)
117,514,555.48	Overhead cost	33	-	-	
-	Gratuity	34	-	-	
-	Pension Allowance	35	-	-	
-	Stationeries	36	-	-	
-	Impairment Charges	37	25,776,734.35	-	(100.00)
-	Depreciation Charges	38	-	-	
-	Transfer to other Government Entities	39	-	-	
-	Public Debt Charge	40	-	-	
60,000,000.00	Allowance (Leave Bonus)		-	-	
930,686,829.73	Total Expenditure		1,074,529,121.50	1,034,645,418.69	(140.04)
36,528,929.23					
	Surplus (Deficit) from operating activities for the period		7,778,410.97	277,417,408.37	537.27
	Total Non- operating Revenue (Expenses)				
	Non-operating Activities				
-	Gain/loss on Asset Disposal	41		-	
-	Refunded Revenue	42		-	
-	Revaluation Gain	43		-	

-	Net Surplus/(Deficit) from Non- operating Activities				
	Purchase/Construction of Assets	44			
	Monitoring interest share of surplus (Deficit)	45			
	Accumulated surplus/Deficit) 1/1/2018				
36,528,929.23	Accumulated surplus (Deficit) 31/12/2018		7,778,410.97	277,417,408.37	537.27

IKERE LOCAL GOVERNMENT, IKERE-EKITI, EKITI STATE, NIGERIA

STATEMENT OF CHANGES ON NET ASSET/EQUITY AS AT 31/12/2018

DETAILS	NOTE	RECEIVABLES	PAYABLES	RUNNING GRANT (O/H)	ACCUMULATED SURPLUS/(DEFICITS)	TOTAL
		N	N	N	N	N
Balance b/f (1/1/2018)		<u>353,785.14</u>	<u>753,619.47</u>	-	<u>36,528,929.23</u>	<u>37,636,333.84</u>
Increase/(Decrease) in Revenue not recognized in financial performance		=	=	=	(-)	=
Increase/(Decrease) in Salaries & Wages not recognized	-	=	=	=	=	=
Total Actual 2017		<u>353,785.14</u>	<u>753,619.47</u>	-	<u>36,528,929.23</u>	<u>37,636,333.84</u>
Balance as at (31/12/2018)		303,411,200.47	320,410,431.20	-	7,778,410.97	631,600,042.64
Total		303,411,200.47	320,410,431.20	-		623,821,631.67
Increase/Decrease in Salaries & Wages not recognized in Receivables/Payables				-		-
Gain on Revaluation				-		-
Accumulated surplus (Deficit) as at 31/12/2017					36,528,929.23	36,528,929.23
Balance as at 31/12/2018		303,411,200.47	320,410,431.20		44,307,340.20	668,128,971.87

IKERE LOCAL GOVERNMENT, IKERE EKITI

EKITI STATE, NIGERIA

POSITION OF REVEENUE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	EXPENDITURE JANUARY-DECEMBER 2018 (N)
Statutory allocation	21	1,070,031,299.97
Tax Revenue	22	30,000.00
Non-Tax Revenue	23	10,995,822.50
Investment Income	25	1,250,410.00
Total		1,082,307,532.47

IKERE LOCAL GOVERNMENT, IKERE EKITI

EKITI STATE, NIGERIA

POSITION OF EXPENDITURE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	EXPENDITURE JANUARY-DECEMBER 2018 (N)
Salaries and wages	29	961,421,019.20
Overhead cost	32	87,331,367.95
Purchase of PPE	58	32,781,376.24
Depreciation Charge	37	25,776,734.35
Total		1,107,310,497.74

ASSET SCHEDULE**NOTES 8 & 37****NON-CURRENT ASSET SCHEDULE AS AT 31ST DECEMBER, 2018**

PROPERTY, PLANT & EQUIPMENT	LAND & BUILDING (N)	PLANT MOTOR VEHICLES	TOTAL (N)
Cost B/F	909,327,512.81	33,434,544.92	942,762,057.73
Depreciation (NT 37)	(19,089,825.40)	(6, 686,908.99)	(25,776,734.35)
Re-evaluation	-	-	-
TOTAL	890,237,687.41	26,747,635.93	916,985,323.34

NOTE 13**UNREMITTED DEDUCTIONS****FIRST GROUP ASSOCIATION:**

S/N	MONTH	DEDUCTION AMOUNT (N)
1	October 2014	133,151.87
2	November 2014	129,222.80
3	December 2012	147,353.58
4	January 2015	135,702.20

SUB TOTAL	545,430.45
Deposit in the Bank	<u>208,189.02</u>
Grand Total (A+B)	753,619.47

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NET STATUTORY ALLOCATION FOR THE YEARS 2018:

S/N	MONTH	AMOUNT RECEIVED (N)
1	JANUARY	144,901,755.39
2	FEBRUARY	94,349,179.64
3	MARCH	82,355,666.87
4	APRIL	84,771,176.05
5	MAY	91,680,750.96
6	JUNE	87,329,774.72
7	JULY	85,746,971.57
8	AUGUST	81,991,664.02
9	SEPTEMBER	102,613,176.42
10	OCTOBER	68,391,109.23
11	NOVEMBER	68,777,327.07
12	DECEMBER	77,122,748.03
	TOTAL	1,070,031,299.97

NOTE 22**DIRCT TAXES**

- i. Development Tax 30,000.00

NOTE 23**LICENSES, FINES, ROYALTY ETC**

(i)	Licenses	7,495,062.50
(ii)	Tender fees	1,126,880.00
(iii)	Rent of property	814,880.00
(iv)	Earnings	<u>1,559,000.00</u>
	TOTAL	10,995,822.50
		=====

NOTE 25

Investment Income	1,250,410.00
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(A) PERSONNEL EMOLUMENT

HEAD	DESCRIPTION	BUDGET 2018	ACTUAL 2018
2002	Office of the DA	216,347,257.00	177,731,573.33
2004	Finance & Supply	192,697,919.50	109,455,723.55
2005	Planning & Budget	4,102,754.76	5,677,778.10
2007A	Medical & Health	370,003,079.00	514,855,370.24
2007B	Environmental	25,945,108.00	9,833,140.64
2008	Community Development	45,643,323.00	24,636,605.51
2009	Works & Housing	71,086,532.00	43,279,277.07
2010	Agriculture & Natural Resources	28,249,103.90	11,811,407.97
	TOTAL	954,075,079.16	897,280,886.41

SUMMARY OF TOTAL PERSONNEL EMOLUMENT

1.	CAREER OFFICERS	897,280,886.41
2.	POLITICAL OFFICE HOLDERS	<u>64,140,132.40</u>
		961,421,019.20

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OVERHEADS (PAYMENT TO CONSULTANTS/SUPPLIERS)**CAREER OFFICERS' OVERHEAD COST**

HEAD	EXPENDITURE CENTRE	BUDGET 2018	ACTUAL 2018
70131	Office of the DA	16,226,300.00	12,602,600.00
70112	Finance & Supply	7,030,000.00	3,565,000.00
70132	Planning and Budget	6,855,700.00	954,000.00
70980	Education	-	-
70760	Medical & Health	2,979,414.00	2,245,500.00
70560	Environmental	3,135,600.00	825,000.00
70620	Community Development	7,270,550.00	6,070,000.00
70440	Works & Housing	10,993,896.00	3,833,300.00
70420	Agriculture & Natural Resources	4,521,972.00	374,500.00
	Traditional Office	-	-
	Total	59,013,432.00	30,469,900.00

POLITICAL SECTOR OVERHEAD COST

HEAD	EXPENDITURE CENTRE	BUDGET 2017	ACTUAL 2017
70111A	Office of the Chairman	78,258,849.87	53,914,467.95
70111B	The Council	4,774,990.00	2,947,000.00
	Total	83,033,839.87	56,861,462.95

SUMMARY OF OVERHEAD (AUTUAL) EXPENDITURE

A.	CAREER	30,469,900.00
B.	POLITICAL	<u>56,861,467.95</u>
	GRAND TOTAL	87,331,367.95

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PURCHASE/CONSTRUCTION OF ASSETS (ACCORDING TO SECTORS)

		ACTUAL 2018	FINAL BUDGET 2017	ACTUAL 2017
1	Administrative Sector	17,718,894.65	17,771,526.62	10,000,000.00
2	Economic	8,012,261.34	35,543,053.24	39,050,357.85
3	Social service	3,944,000.00	5,923,842.20	18,500,000.00
4	Area Development	3,106,220.25	5,923,842.20	-
	Total	32,781,376.24	65,162,264.26	67,550,359.85

REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL

GOVERNMENTS

ON THE

ACCOUNTS OF IKOLE LOCAL GOVERNMENT,

IKOLE-EKITI,

FOR THE YEAR ENDED,

31ST DECEMBER, 2018.

AUDIT CERTIFICATE

I have examined the General Purpose Financial Statements of Ikole Local Government as at 31st December, 2018 in accordance with Sections 123(2) of the Constitution of the Federal Republic of Nigeria 1989; 316(1) of the Constitution of the Federal Republic of Nigeria 1999, 32 (2) of the Local Government Administration Law No 2 of 1999, and section 26(2) of Ekiti State Audit Law 2014. The audit was conducted in compliance with International Standards on Auditing (ISA) and International Organisation of Supreme Audit Institutions (INTOSAI) Auditing Standards. The Financial Statements were prepared in line with IPSAS Accrual. I have obtained information and explanations that I required for my audit. In my opinion, the General Purpose Financial Statements and the supporting Accounts and Statements give a true and fair view of the Local Government as at 31st December, 2018 subject to the observations in this report.

 17/10/2019

Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF IKOLE LOCAL GOVERNMENT, IKOLE-EKITI FOR THE YEAR ENDED
31ST DECEMBER, 2018.**

The General Purpose Financial Statements of Ikole Local Government have been examined in accordance with sections 123(2) and 316 of the Constitution of the Federal Republic of Nigeria, 1989 and 1999 respectively, section 26(2) of Ekiti State Audit Law, 2014 and section 32(2) of the Local Government Administration Law No 2 of 1999,. The General Purpose Financial Statements were correct subject to the comments in this report and the existence of the Assets have also been substantiated.

2. STATEMENT OF FINANCIAL RESPONSIBILITY

It is the responsibility of Director of Finance of Ikole Local Government to prepare and present the General Purpose Financial Statements to the Auditor-General in accordance with the provisions of the Constitutions of the Federal Republic of Nigeria within 90 days after the expiration of the financial year.

This section was grossly violated by the Local Government as the account was presented on 7th August, 2018, more than 4 months behind schedule. This led to my late reporting on the Account.

3. STATEMENT OF RESPONSIBILITY OF AUDITOR-GENERAL

It is my responsibility to form an independent opinion, based on General Purpose Financial Statements and accompanying Accounts prepared and submitted to me by the Director of Finance of the Local Government and to report thereupon in consonance with the Constitution of the Federal Republic of Nigeria.

4. RESPONSIBILITY OF THE PUBLIC ACCOUNTS COMMITTEE (PAC)

It is the responsibility of the Public Accounts Committee of the State House of Assembly to review the Auditor-General's Report with a view to ensuring enforcement of the recommendations made and impose sanctions where necessary.

5. **BASIS OF OPINION**

The Audit was conducted in compliance with International Standards on Auditing (ISA) and Generally Accepted Public Sector and INTOSAI Auditing Standards.

These standards require that I comply with ethical requirements, plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements whether due to fraud or error. I also evaluated the overall adequacy of the presentation of information in the financial statements.

In the course of the Audit, I have obtained all the information and explanation that to the best of my knowledge and belief were necessary for the purpose of audit and I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for independent opinion.

6. **OPINION**

In my opinion, the Financial Statements which included Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flow, Statement of Comparison of Budget and Actual and Statement of Changes in Net Assets/Equity as at 31st December, 2018 with supporting notes, give a true and fair view of the State of Affairs And Financial Positions of the Local Governments for the fiscal year ended on that date subject to the observations and comments in the other parts of this report.

7. **BUDGET OVERVIEW AND PERFORMANCE**

Statement of Comparism for Budget Estimates and Actual Performance for the year ended 31st December, 2018 prepared and presented showed the following shortfalls:

- i. The budget was not prepared in compliance with the National Chart of Accounts (NCOA) put in place by IPSAS for budget preparation.
- ii. The estimate made for Revenue in the 2018 budget recorded a low performance. An estimate was made for N1,659,901,288.99, while actual Revenue recorded stood at N855,535,215.63. This is about 51.54% performance. Equally, the IGR of N4,325,980.00 represents only 0.51% of the total Revenue for the period,

meaning the Local Government relied unduly on the Statutory allocation for survival.

- iii. The sum of N979,240,893.41 only was budgeted for expenditure but only N817,185,234.79 was actually incurred, resulting to saving of N162,055,658.62 for the period.

8. **REVENUE ACCOUNT**

A total sum of N855,535,215.63 was earned as total Revenue as at 31st December, 2018 out of which only 0.51%- N4,325,980.00 was generated as IGR, which showed that the Local Government solely depends on the Statutory allocation.

On the basis of comparism, the IGR for the current year recorded a deficit of 41.19% over that of previous year. Details of this is contained in the statement of Budget Comparism for the year 2018.

9. **AUTHORITY FOR EXPENDITURE**

All expenditure shown in the statement of actual expenditure for the year have been authorized as provided for by section 22(i) of the Local Government Administration Law 1999 with the exceptions of paragraph 6, of this report.

10. **EXPENDITURE CONTRARY TO LAW:**

The following expenditure appears to be contrary to Law.

S/N	QUERIES	SUBJECT	AMOUNT (₦)
1	IKL/AQ/01/2018	Doubtful payments	2,708,489.08
2	IKL/AQ/02/2018	Exp. Not supported with proper records/accounts	530,000.00
3	IKL/AQ/03/2018	Nugatory payment	290,000.00
4	IKL/AQ/04/2018	Exp. Contrary to regulations	125,000.00
5	IKL/AQ/05/2018	Unreasonable expenditure	853,000.00
6	IKL/AQ/07/2018	Unretired security vote	8,500,000.00

7	IKL/AQ/08/2018	Unproduced revenue earning receipt	-
8	IKL/AQ/09/2018	Unproduced payment vouchers	7,512,000.00
		Total	20,402,489.64

7. **STATEMENTS OF ASSETS AND LIABILITIES**

The statements of Assets and Liabilities were correct and existence of the Assets have been substantiated.

8. **DISALLOWANCE** Allowance has been reserved in respect of the expenditure detailed in paragraph 6 of this report pending a satisfactory explanations or the sanction of the State House of Assembly.

9. **STATE OF ACCOUNT**

The Accounts of Ikole Local Government have been examined up to 31st December, 2018 and detailed observations have been forwarded to the Director of Administration, Ikole Local Government, Ikole-Ekiti. Particular attention is required to the followings:

- (i) Cash books and subsidiary ledgers
- (ii) Attendance to Audit Query
- (iii) Loan Register
- (iv) Internal Generated Revenue
- (v) Capital Accounts
- (vi) Loss of Public Fund involving the Management of the Council
- (vii) A Loss of Samsung Television, 35KV Sumex Generator, Classic Blue 395D-R1949kw Generator, Red Rug Carpet, 515 Tubers of Yams and N7.8m, erosion control fund not implemented involving Hon. Adeyanju Adeyeye, Chairman Ikole Local Government.

10. **OUTSTANDING MATTERS FROM PREVIOUS REPORTS**

The following matters remained outstanding from my previous report

N

a)	Loss of Fund (IGR) Involving Mr. Omole M.A. and Mrs Rufai		
		M.A (2015)	1,111,000.00
b)	Loss of revenue earning receipts/unremitted (2015)		458,950.00
c)	86 Booklets involving Mrs. Ipinlaye L.A (2015)		-
	Differences in JAAC releases (2015)		93,513,929.85
	Outstanding from telecommunication companies (2015)		270,000.00
d)	2014 AUDIT QUERIES		
i.	AUD/AQ/IKLG/04/14	Nugatory payments	4,016,590.49
ii.	AUD/AQ/IKLG/05/14	Unreasonable Expenditure	2,815,000.00
iii.	AUD/AQ/IKLG/06/14	Irregular payments	20,033,500.00
iv.	AUD/AQ/IKLG/09/14	Expenditure not accounted for	50,545,475.31
v.	AUD/AQ/IKLG/11/14	Expenditure not supported with proper records	<u>1,950,000.00</u>
			61,330,565.80
			=====
e)	2015 AUDIT QUERIES		
i.	AUD/AQ/IKLG/01/15	Expenditure contrary to regulation	5,389,221.56
ii.	AUD/AQ/IKLG/07/15	Unreceipted payment vouchers	<u>50,000.00</u>
		Total	5,459,221.56
e)	2016 AUDIT QUERIES		
i.	AUD/AQ/IKLG/07/16	Un-vouched Expenditure	1,445,991.68
ii.	AUD/AQ/IKLG/04/16	un-produced payment vouchers	1,550,000.00
iii.	AUD/AQ/IKLG/04/16	Items not taken on ledgers charge	<u>95,000.00</u>
			3,090,991.68
g)	2017 AUDIT QUERIES		
i.	IKLG/AQ/01/2017	Unreceipted/Unaudited expenditure	2,617,000.00
ii.	IKLG/AQ/02/2017	Expenditure not supported with proper records/accounts	100,000.00
iii.	IKLG/AQ/03/2017	Unreceipted/Unretired payment vouchers	400,000.00
iv.	IKLG/AQ/04/2017	Nugatory payment	970,000.00
v.	IKLG/AQ/05/2017	Doubtful payment	100,000.00
vi.	IKLG/AQ/06/2017	Expenditure not supported with proper records/ account and unreceipted	700,000.00
vii.	IKLG/AQ/07/2017	Expenditure contrary to regulation, unaudited/ uncontrolled vouchers	420,000.00
viii.	IKLG/AQ/08/2017	Items not taken on ledger charge	924,000.00

ix.	IKLG/AQ/09/2017	Expenditure retired with suspected fake receipts/ purchases not taken on Store ledger charge	945,000.00
x.	IKLG/AQ/10/2017	Loan from salary account	430,000.00
xi.	IKLG/AQ/11/2017	Unproduced revenue earning receipts	<u>various</u>
		Total	7,606,000.00
			=====

 17/10/2019

Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF IKOLE LOCAL GOVERNMENT, IKOLE-EKITI FOR THE YEAR ENDED
31ST DECEMBER, 2018.**

1. RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Financial Statements have been prepared by the Director of Finance Ikole Local Government based on the available records and in compliance with the IPSAS Accrual Accounting for all Public Sectors Entities (PSE) in Nigeria.

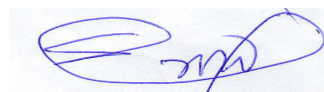
To the best of our knowledge, the system of internal control had operated adequately throughout the reporting period, and the statements represent a true and fair view of the Financial Positions of the Local Government.

The Director of Finance accepts responsibility for the integrity of these Financial Statements, the information they contain and their compliance with International Public Sector Accounting Standards (IPSAS) Accrual Accounting for all public sector entities (PSE) in Nigeria.

In my opinion, these General Purpose Financial Statements fairly reflect the financial position of Ikole Local Government as at the year ended 31st December, 2018.



**Hon. Sola Olominu,
Executive Chairman.**



**Mr Ajewole J.O.
Director of Finance.**

STATEMENT OF ACCOUNTING POLICIES (IPSAS 1)

(xci) BASIS OF PREPARATION

The General Purpose Financial Statements have been prepared in compliance with IPSAS Accrual Accounting basis that recognizes transactions and events occurred whether expenses are paid for or not and revenue received or outstanding, and under the guidelines of Financial Memoranda in conformity with National Chart of Account (NCOA) and the Nigeria Accounting Standard Board for Public Sector Reporting.

(xcii) BASIS OF MEASUREMENT

The Financial Statements have been prepared on historical cost unless stated otherwise.

(xciii) REPORTING CURRENCY

The Financial Statements were presented in Nigerian Naira, which is the functional currency of the Local Government Council.

(xciv) GOING CONCERN

The Financial Statements have been prepared on a going concern basis.

(xcv) ACCOUNTING PERIOD

The Accounting period is from 1st January to 31st December, 2018.

(xcvi) REVEUNE

This presented both the exchange and non-exchange revenue from Internally Generated Revenue and Statutory Allocation from the Federation Account during the year.

(xcvii) EXPENDITURE

This represented both recurrent and capital expenditure during the year.

(xcviii) NON-CURRENT ASSETS/ DEPRECIATION

Property Plant and Equipment were recognized less accumulated depreciation.

(xcix) BUDGET INFORMATION

The Annual Budget was prepared on Accrual Basis. All planned costs and incomes were presented in a single statement to determine the needs of the Local Government Council.

(x). INVESTMENT PROPERTIES

Investment properties were measured initially at cost, including transaction costs. The carrying amount included the replacement cost of components of an existing investment properly at the end time that cost was incurred if the recognition criteria were met and excluded the cost of day to day maintenance of an investment properly.

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2018

2017	DETAILS	NOTES	2018	
N	Represented By:		N	N
	ASSETS			
	Current Assets			
20,853,484.19	Cash and equivalent	1	34,183,739.19	
-	Inventories	2	200,000.00	
-	WIP	3		
305,006,124.20	Receivables	4	204,060,477.22	
-	Prepayment	5	-	
325,859,608.39	Total Current Assets			<u>238,444,216.41</u>
	Non-Current Assets			
	Loans Granted	6		
15,926,327.00	Investments	7	15,926,327.00	
460,853,450.00	Fixed Assets-Property, Plant & Equip	8	460,853,450.00	
	Investment Property	9		
-	Biological Assets	10	-	
476,779,777.00	Total Non-current Assets			<u>476,779,777.00</u>
802,639,385.39	Total Assets			<u>715,223,993.41</u>
	LIABILITIES			
	Current Liabilities			
-	Accumulated Depreciation	11	-	
-	Loan & Debts (Short-Term)	12		
-	Unremitted Deductions	13		
<u>203,467,000.32</u>	Payables	14	203,467,000.21	
203,467,000.32	Total Current Liabilities		<u>203,467,000.32</u>	
	Non - Current Liabilities			
20,853,484.19	Public funds	15	20,853,484.19	
	Borrowings	16		
20,853,484.19	Total Non- Current Liabilities		<u>20,853,484.19</u>	
324,924,606.59	Total Liabilities			<u>224,320,484.51</u>
477,714,778.80	NET ASSETS/EQUITY:			<u>490,903,508.90</u>
	Financed By:			
205,944,551.78	Reserves	17		215,123,507.16
-	Capital Grants	18	-	
237,230,020.90	Net Surpluses/Deficits	19	38,349,980.84	
<u>34,540,206.12</u>	Accumulated Surpluses(Deficits)	20	237,230,020.90	<u>275,580,001.74</u>
477,714,778.80	Total Net Assets/Equity:			<u>490,903,508.90</u>

IKOLE LOCAL GOVERNMENT, IKOLE- EKITI, EKITI STATE, NIGERIA

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2018

2017	DETAILS	NOTE	2018
N	REVENUE		ACTUAL (N)
805,870,222.47	Statutory Revenue	21	851,208,435.63
3,940,050.00	Tax Revenue	22	3,975,980.00
3,415,827.00	Non-Tax Revenue	23	350,000.00
-	Aid & Grants	24	-
	Investment Income	25	-
-	Expenditure Recovery	26	--
-	Other Capital Receipts	27	-
-	Debt Forgiveness	28	-
814,113,339.47	Total Revenue		855,535,215.63
	EXPENDITURE:		
500,062,800.55	Salaries & Wages	29	752,195,495.23
-	Social Contribution	30	--
-	Social Benefits	31	--
76,820,518.02	Overhead Cost	32	46,555,601.56
-	Gratuity	33	-
-	Pension Allowances	34	-
-	Stationeries	35	-
-	Impairment Charges	36	-
-	Depreciation charges	37	18,434,138.00
-	Transfer to Other Government Entities	38	-
-	Public Debt Charge	39	-
-	Allowance (Leave Bonus)	40	-
576,883,318.57	Total Expenditure		817,185,234.79
237,230,020.90	Surplus/(Deficit) from operating activities for the period		38,349,980.84
	Total Non-Operating Revenue (Expenses)		
	Non-operating Activities		
-	Gain/Loss on Assets Disposal	41	-
-	Refund Revenue	42	-
-	Revaluation Grain	43	-
-	Net Surplus/(Deficit) from Operating Activities		-
	Surplus/(Deficit) from operating activities		-
-	Purchases/Construction of Assets	44	-
	Minority Interest Share of Surplus/Deficits)	45	-
	Accumulated Surplus/(Deficit) 01/01/2018		237,230,020.90
237,230,020.00	Accumulated Surplus/(Defic31/12/2018		275,580,001.74

IKOLE LOCAL GOVERNMENT, IKOLE-EKITI, EKITI STATE, NIGERIA

STATEMENT CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2018.

2017	DETAILS	NOTES	2018	
N	CASH FLOWS FROM OPERATING ACTIVITIES		N	N
	Inflows			
805,870,222.47	Statutory Revenue	21	1,354,656,309.54	
3,940,050.00	Tax Revenue	22	100,000.00	
3,415,824.00	Non Tax Revenue	23	2,977,350.00	
-	Aid & Grants	24	-	
887,240.00	Investment	25	162,000.00	
-	Expenditure Recovery	26	-	
-	Other Capital Receipts	27	-	
-	Debt Forgiveness	28	-	
814,113,336.47	Total flow from Operating Activities			856,745,130.91
	Outflows			
500,062,800.55	Salary & Wages	29	1,135,522,425.25	
-	Social Contribution	30	-	
-	Social Benefit	31	-	
76,820,515.02	Overheads Cost	32	94,099,871.68	
-	Gratuity	33	-	
-	Pension Allowances	34	-	
-	Transfer to other Government Entities	38	-	
-	Allowance	40	-	
-	Deductions	49	-	
-	Refund	50	-	
-	Inventory	51	-	
-	Loan	52	-	
576,883,315.57	Total Outflow from Operating Activities			798,751,096.79
237,230,020.90	Net Cash Inflow/(outflow) from operating Activities			52,560,014.12
	CASH FLOW FROM INVESTING ACTIVITIES			
-	Proceeds for Sale of PPE	53	-	
-	Proceeds from Sales Property	54	-	
-	Proceeds from Sales of Intangible Assets	55	-	
-	Proceeds from Sales of Investment	56	-	
-	Dividend Received	57	-	
-	Total Inflow			
	Outflows			
233,635,526.32	Purchase/construction of Assets PPE	58	39,229,759.12	
-	Purchase/construction of Assets-Investment Property	59	-	
-	Investment in Private companies	60	-	
-	Loan Granted	61	-	
-	Purchase of Intangible Assets	62	-	
-	Acquisition of Investment	63	-	
233,625,526.32	Total Outflow		-	39,239,759.12
3,594,494.58	Net cash flow from Investing Activities		-	13,330,255.00
	CASH FLOW FROM FINANCING		-	

	ACTIVITIES			
	Inflows		-	
-	Capital Grant Received	64	-	
-	Proceeds from Borrowing	65	-	
-	Total Inflow		-	
	Outflows		-	
	Repayment of borrowing	66	5,555,372.01	
	Distribution of surplus/Dividends Paid	67	-	
	TOTAL OUTFLOW		-	
	Net Cash Flow from financial Activities			13,330,255.00
	Net cash flow from All Activities		-	13,330,255.00
17,258,989.61	Cash & Equivalent As at 1/1/ 2018			20,852,484.19
20,852,484.19	Cash & Equivalent as at 1/1/2018	1		34,183,739.19

IKOLE LOCAL GOVERNMENT, IKOLE-EKITI, EKITI STATE NIGERIA
STATEMENT OF COMPARISM OF BUDGET AND ACTUAL FOR THE YEAR ENDED 31ST
DECEMBER, 2018.

2017	REVENUE		2018	FINAL BUDGET 2018 (N)	VARIANCE ON FINAL BUDGET IN (%)
N	N	NOTE	ACTUAL N	N	
805,870,222.47	Statutory Revenue	21	851,208,435.63	1,629,756,394.21	(49.00)
3,940,050.00	Tax Revenue	22	3,975,980.00	17,884,894.78	(77.77)
3,415,827.00	Non- Tax Revenue	23	350,000.00	12,260,000.00	(97.15)
-	Aid & Grants	24	-	-	
887,240.00	Investment Income	25	-	-	
-	Expenditure Recovery	26	-	-	
-	Other Capital Receipts	27	-	-	
-	Debt forgiveness	28	-	-	
814,113,339.47	Total Revenue		855,535,215.63	1,659,901,288.99	(223.92)
	EXPENDITURE:				
500,062,800.55	Salaries & Wages	29	752,195,495.23	889,887,693.41	15.47
-	Social Contribution	30	-	-	
-	Social Benefit	31	-	-	
76,820,518.00	Overhead cost	32	46,555,601.56	89,353,200.00	47.90
-	Gratuity	33	-	-	
-	Pension Allowance	34	-	-	
-	Stationeries	35	-	-	
-	Impairment Charges	36	-	-	
-	Depreciation Charges	37	18,434,138.00	-	(100.00)
-	Transfer to other Government Entities	38			
-	Public Debt Charge	39			
-	Allowance (Leave Bonus)	40			
576,883,318.57	Total Expenditure		817,185,234.79	979,240,893.41	(36.63)
237,230,020.90	Surplus (Deficit) from operating activities for the period		38,349,980.84	680,660,395.58	(260.55)
	Total Non- operating Revenue (Expenses)		38,349,980.84	680,660,395.58	(260.55)
	Non-operating Activities				
-	Gain/loss on Asset Disposal	41		-	
-	Refunded Revenue	42		-	
-	Revaluation Gain	43		-	
-					

	Net Surplus/(Deficit) from Non- operating Activities				
	Purchase/Construction of Assets	44			
-	Monitoring interest share of surplus (Deficit)	45			
	Accumulated surplus/Deficit) 1/1/2018		237,230,020.90		
237,230,020.00	Accumulated surplus (Deficit) 31/12/2018		275,580,001.74	680,660,395.58	(260.55)

IKOLE LOCAL GOVERNMENT, IKOLEE-EKITI, EKITI STATE, NIGERIA

STATEMENT OF CHANGES IN NET ASSET/EQUITY AS AT 31/12/2018

DETAILS	NOTE	RECEIVABLES	PAYABLES	RUNNING GRANT (O/H)	ACCUMULATED SURPLUS/(DEFICITS)	TOTAL
		N	N	N	N	N
Balance b/f (1/1/2018)		<u>305,006,124.20</u>	<u>203,467,000.32</u>	-	<u>237,230,020.90</u>	<u>745,703,145.42</u>
Increase/(Decrease) in Revenue not recognized in financial performance		-	-	-	(-)	-
Increase/(Decrease) in Salaries & Wages not recognized	-	-	-	-	-	-
Total Actual 2017		<u>305,006,124.20</u>	<u>203,467,000.32</u>	<u>-</u>	<u>237,230,020.90</u>	<u>745,703,145.42</u>
Balance as at (31/12/2018)		204,060,477.22	203,467,000.32	-	38,349,980.84	445,877,458.38
Total		<u>204,060,477.22</u>	<u>203,467,000.32</u>	-		407,527,477.54
Increase/Decrease in Salaries & Wages not recognized in Receivables/Payables				-		-
Gain on Revaluation				-		-
Accumulated surplus (Deficit) as at 31/12/2017					237,230,020.90	-
Balance as at 31/12/2018		<u>204,060,477.22</u>	<u>203,467,000.32</u>		<u>275,580,001.74</u>	<u>683,107,479.28</u>

IKOLE LOCAL GOVERNMENT, IKOLE-EKITI

EKITI STATE, NIGERIA

POSITION OF REVEENUE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	EXPENDITURE JANUARY-DECEMBER 2018 (N)
Statutory allocation	21	851,531,110.91
Tax Revenue	22	3,975,980.00
Non-Tax Revenue	23	350,800.00
Investment Income	25	887,240.00
Interest earned	-	-
Total		856,745,130.91

IKOLE LOCAL GOVERNMENT, IKOLE- EKITI

EKITI STATE, NIGERIA

POSITION OF EXPENDITURE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	EXPENDITURE JANUARY-DECEMBER 2018 (N)
Salaries and wages	29	752,195,495.23
Overhead cost	32	46,555,601.56
Depreciation charges	37	18,434,138.00
Purchase of PPE	71	39,229,759.12
Total		856,414,993.91

REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL

GOVERNMENTS

ON THE

ACCOUNTS OF EKITI SOUTH WEST

LOCAL GOVERNMENT,

ILawe-EKITI,

FOR THE YEAR ENDED,

31ST DECEMBER, 2018.

AUDIT CERTIFICATE

I have examined the General Purpose Financial Statements of Ekiti South West Local Government as at 31st December, 2018 in accordance with Sections 123(2) of the Constitution of the Federal Republic of Nigeria 1989; 316(1) of the Constitution of the Federal Republic of Nigeria 1999, 32 (2) of the Local Government Administration Law No 2 of 1999, and section 26(2) of Ekiti State Audit Law 2014. The audit was conducted in compliance with International Standards on Auditing (ISA) and International Organisation of Supreme Audit Institutions (INTOSAI) Auditing Standards. The Financial Statements were prepared in line with IPSAS Accrual. I have obtained information and explanations that I required for my audit. In my opinion, the General Purpose Financial Statements and the supporting Accounts and Statements give a true and fair view of the Local Government as at 31st December, 2018 subject to the observations in this report.



Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF EKITI SOUTH WEST LOCAL GOVERNMENT, ILAWE-EKITI FOR
THE YEAR ENDED 31ST DECEMBER, 2018.**

The General Purpose Financial Statements of Ekiti South West Local Government have been examined in accordance with sections 123(2) and 316 of the Constitution of the Federal Republic of Nigeria, 1989 and 1999 respectively Section 26(2) of Ekiti State Audit Law 2014 and Section 32(2) of the Local Government Administration Law No 2 of 1999. The General Purpose Financial Statements were correct subject to the comments in this report and the existence of the Assets have also been substantiated.

2. STATEMENT OF FINANCIAL RESPONSIBILITY

It is the responsibility of Director of Finance of Ekiti South West Local Government to prepare and present the General purpose Financial Statements to the Auditor-General in accordance with the provisions of the Constitutions of the Federal Republic of Nigeria within 90 days after the expiration of the financial year.

This section was grossly violated by the Local Government as their account was presented on 15th August, 2019 more than 4 months behind schedule. This led to my late reporting on the Account.

3. STATEMENT OF RESPONSIBILITY OF AUDITOR-GENERAL

It is my responsibility to form an independent opinion, based on General Purpose Financial Statements and accompanying Accounts prepared and submitted to me by the Director of Finance of the Local Government and to report thereupon in consonance with the Constitution of the Federal Republic of Nigeria.

4. RESPONSIBILITY OF THE PUBLIC ACCOUNTS COMMITTEE (PAC)

It is the responsibility of the Public Accounts Committee of the State House of Assembly to review the Auditor-General's Report with a view to ensuring enforcement of the recommendations made and impose sanctions where necessary.

5. BASIS OF OPINION

The Audit was conducted in compliance with International Standards on Auditing (ISA) and Generally Accepted Public Sector and INTOSAI Auditing Standards.

These standards require that I comply with ethical requirements, plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements whether due to fraud or error. I also evaluated the overall adequacy of the presentation of information in the financial statements.

In the course of the Audit, I have obtained all the information and explanation that to the best of my knowledge and belief were necessary for the purpose of audit and I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for independent opinion.

6. OPINION

In my opinion, the Financial Statements which included Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flow, Statement of Comparison of Budget and Actual and Statement of Changes in Net Assets/Equity as at 31st December, 2018 with supporting notes, give a true and fair view of the State of Affairs And Financial Positions of the Local Governments for the fiscal year ended on that date subject to the observations and comments in the other parts of this report.

7. BUDGET OVERVIEW AND PERFORMANCE

Statement of Comparism for Budget Estimates and Actual Performance for the year ended 31st December, 2018 prepared and presented showed the following shortfalls:

- i. The budget was not prepared in compliance with the National Chart of Accounts (NCOA) put in place by IPSAS for budget preparation.
- ii. The estimate made for Revenue in the 2018 budget recorded a low performance. An estimate was made for N1,624,160,000.00, while actual Revenue recorded stood at N1,022,199,913.85. This is about 62.94% performance. Equally, the IGR of N4,412,750.00 represents only 0.43% of the total Revenue for the period, meaning the Local Government relied unduly on the Statutory allocation for survival.

- iii. The sum of N1,656,164,712.67 only was budgeted for expenditure but only N991,727,265.61 was actually incurred, resulting to saving of N664,437,447.06 for the period.

8. **REVENUE ACCOUNT**

A total sum of N1,022,199,913.85 was earned as total Revenue as at 31st December, 2018 out of which only 0.43%- N4,412,750.00 was generated as IGR, which showed that the Local Government solely depends on the Statutory allocation.

On the basis of comparism, the IGR for the current year recorded a deficit of 11.75% over that of previous year. Details of this is contained in the statement of Budget Comparism for the year 2018.

9. **AUTHORITY FOR EXPENDITURE**

All expenditure shown in the statement of actual expenditure for the year have been authorized as provided for by section 22(i) of the Local Government Administration Law 1999 with the exceptions of paragraph 6 of this report.

10. **EXPENDITURE CONTRARY TO LAW**

The following expenditure appears to be contrary to law.

S/N	QUERY NO	SUBJECT	AMOUNT (N)
1	AQ/ESWLG/01/'18	Unproduced Revenue Earning Receipt	Assorted
2	AQ/ESWLG/02/'18	Unproduced Payment Vouchers	2,663,534.43
3	AQ/ESWLG/03/'18	Expenditure not supported with proper records	1,018,000.00
4	AQ/ESWLG/04/'18	Expenditure contrary to Regulations	680,000.00
5	AQ/ESWLG/05/'18	Doubtful Expenditure	635,000.00
6	AQ/ESWLG/06/'18	Nugatory Payment	581,000.00
7	AQ/ESWLG/07/'18	Unaudited Expenditure	400,000.00

8	AQ/ESWLG/08/'18	Expenditure contrary to Regulations	7,120,000.00
9	AQ/ESWLG/09/'18	Items not taken on store ledger charge	558,000.00
10	AQ/ESWLG/10/'18	Expenditure not supported with proper records	3,647,600.00
11	AQ/ESWLG/11/'18	Doubtful Expenditure	783,400.00
		TOTAL	18,085,534.43

11. **STATEMENTS OF ASSETS AND LIABILITIES**

The statements of Assets and Liabilities were correct and existence of the Assets have been substantiated.

12. **DISALLOWANCE** Allowance has been reserved in respect of the expenditure detailed in paragraph 6 of this report pending a satisfactory explanations or the sanction of the State House of Assembly.

13. **STATE OF ACCOUNT**

The Accounts of Ekiti South West Local Government have been examined up to 31st December, 2018 and detailed observations have been forwarded to the Director of Administration, Ekiti South West Local Government, Ilawe-Ekiti. Particular attention is required to the followings:

- (i) Internally Generated Revenue
- (ii) Unproduced Revenue Receipts
- (iii) Capital Projects
- (iv) All Outstanding matters from previous report

14. **OUTSTANDING MATTERS FROM PREVIOUS REPORTS**

	N
a) Difference in JAAC releases (2015)	46,438,067.89
b) Outstanding from GSM operators (2015)	160,000.00
c) Unprocured revenue earning receipt (2015)	351,000.00
d) Missing revenue earning receipts (247751-247800 involving Mr. Agbaje (GRR) (2015)	-
e) Unvouched Expenditure (2015)	1,452,589.00
f) Abandoned Projects	
(i) 5km road 1 st phase	28,665,052.00
(ii) 5km road 2 nd phase	155,961,583.93
(iii) Neighborhood Market	<u>46,760,988.76</u>
Total	<u>231,387,624.69</u>
g) 2014 AUDIT QUERIES	
i. ESWLG/AQ/03/14 Irregular expenditure	1,275,000.00
ii. ESWLG/AQ/06/14 Unvouched expenditure	<u>49,568,198.02</u>
	<u>50,843,198.02</u>
h) 2015 AUDIT QUERIES	
i. ESWLG/AQ/02/15 Nugatory payment	2,701,000.00
ii. ESWLG/AQ/03/15 Unvouched expenditure	1,457,589.00
iii. ESWLG/AQ/07/15 Illegal withdrawal/misapplication of fund	
From salary Account	24,391,138.13
iv. ESWLG/AQ/08/15 Doubtful/Irregular payment	5,000,000.00
v. ESWLG/AQ/10/15 Inflated cost of contracts	<u>1,467,971.00</u>
	<u>35,017,698.13</u>
I) 2016 AUDIT QUERIES	
i. ESWLG/AQ/03/16 Expenditure contrary to regulations	1,012,860.00
ii. ESWLG/AQ/04/16 Unvouched expenditure	5,795,733.00
iii. ESWLG/AQ/06/16 Unretired expenditure	1,066,500.00
iv. ESWLG/AQ/07/16 Nugatory payment I	5,125,000.00
v. ESWLG/AQ/08/16 Nugatory payment II	698,312.50

vi.	ESWLG/AQ/11/16	Doubtful payment II	510,000.00
		Re-investment in the Sale/disposal of asset valued	<u>5,921,466.00</u>
		Total	<u>20,129,871.50</u>

j) **2017 AUDIT QUERIES**

i.	ESWLG/AQ/01/17	Unproduced revenue earning receipts	assorted
ii.	ESWLG/AQ/02/17	Unproduced payment vouchers	10,796,000.00
iii.	ESWLG/AQ/03/17	Expenditure contrary to regulations	3,369,500.00
iv.	ESWLG/AQ/04/17	Unaudited/unreceipted expenditure	4,670,000.00
v.	ESWLG/AQ/05/17	Expenditure contrary to regulations	11,728,288.64
vi.	ESWLG/AQ/06/17	Expenditure not supported with proper records	342,000.00
vii.	ESWLG/AQ/07/17	Items not taken on store ledger charge	832,700.00
viii.	ESWLG/AQ/08/17	Unreceipted/unaudited expenditure	1,300,000.00
ix.	ESWLG/AQ/09/17	Double expenditure	1,618,000.00
x.	ESWLG/AQ/10/17	Expenditure not supported with proper records	11,125,000.00
xi.	ESWLG/AQ/11/17	Expenditure contrary to regulations	2,240,000.00
xii.	ESWLG/AQ/12/17	Expenditure not supported with proper records	1,990,000.00
xiii.	ESWLG/AQ/13/17	Expenditure contrary to regulations/Double pay.	1,170,000.00
Xiv	ESWLG/AQ/14/17	Spurious expenditure	4,457,000.00
xv	ESWLG/AQ/15/17	Expenditure contrary to regulation	35,290,850.54
xvi.	ESWLG/AQ/16/17	Doubtful payments	17,052,765.20
xvii.	ESWLG/AQ/17/17	Doubtful payments	20,105,867.95
xviii.	ESWLG/AQ/18/17	Expenditure contrary to regulations	15,625,000.00
xix	ESWLG/AQ/19/17	Nugatory payments	8,125,000.00
xx.	ESWLG/AQ/20/17	Expenditure not Retired	6,865,000.00
xxi.	ESWLG/AQ/21/17	Expenditure contrary to regulations	22,810,000.00
xxii.	ESWLG/AQ/21/17	Nugatory payment	<u>10,831,000.00</u>
		total	<u>192,245,972.33</u> =====

 17/10/2019

Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE ACCOUNTS OF
EKITI SOUTH WEST LOCAL GOVERNMENT, ILAWE-EKITI FOR THE YEAR ENDED 31ST
DECEMBER, 2018.**

1. RESPONSIBILITY FOR FINACIAL STATEMENTS

The Financial Statements have been prepared by the Director of Finance Ekiti South West Local Government based on the available records and in compliance with the IPSAS Accrual Accounting for all Public Sectors Entities (PSE) in Nigeria.

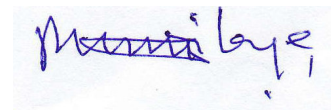
To the best of our knowledge, the system of internal control had operated adequately throughout the reporting period, and the statements represent a true and fair view of the Financial Positions of the Local Government.

The Director of Finance accepts responsibility for the integrity of these Financial Statements, the information they contain and their compliance with International Public Sector Accounting Standards (IPSAS) Accrual Accounting for all public sector entities (PSE) in Nigeria.

In my opinion, these General Purpose Financial Statements fairly reflect the financial position of Ekiti South West Local Government as at the year ended 31st December, 2018.



**Hon. Kola Amire Kolade,
Executive Chairman.**



**Mr Ajileye P.A.
Director of Finance.**

STATEMENT OF ACCOUNTING POLICIES (IPSAS 1)

(c) BASIS OF PREPARATION

The General Purpose Financial Statements have been prepared in compliance with IPSAS Accrual Accounting basis that recognizes transactions and events occurred whether expenses are paid for or not and revenue received or outstanding, and under the guidelines of Financial Memoranda in conformity with National Chart of Account (NCOA) and the Nigeria Accounting Standard Board for Public Sector Reporting.

(ci) BASIS OF MEASUREMENT

The Financial Statements have been prepared on historical cost unless stated otherwise.

(cii) REPORTING CURRENCY

The Financial Statements were presented in Nigerian Naira, which is the functional currency of the Local Government Council.

(ciii) GOING CONCERN

The Financial Statements have been prepared on a going concern basis.

(civ) ACCOUNTING PERIOD

The Accounting period is from 1st January to 31st December, 2018.

(cv) REVENUE

This presented both the exchange and non-exchange revenue from Internally Generated Revenue and Statutory Allocation from the Federation Account during the year.

(cvi) EXPENDITURE

This represented both recurrent and capital expenditure during the year.

(cvii) NON-CURRENT ASSETS/ DEPRECIATION

Property Plant and Equipment were recognized less accumulated depreciation.

(cviii) BUDGET INFORMATION

The Annual Budget was prepared on Accrual Basis. All planned costs and incomes were presented in a single statement to determine the needs of the Local Government Council.

(x). INVESTMENT PROPERTIES

Investment properties were measured initially at cost, including transaction costs. The carrying amount included the replacement cost of components of an existing investment property at the end time that cost was incurred if the recognition criteria were met and excluded the cost of day to day maintenance of an investment property.

EKITI SOUTH WEST LOCAL GOVERNMENT, ILAWE-EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2018

2017	DETAILS	NOTES	2018	
N	Represented By:		N	N
	ASSETS			
	Current Assets			
4,598,617.34	Cash and equivalent	1	28,748,632.79	
516,100.00	Inventories	2	875,582.00	
-	WIP	3	-	
248,941,260.14	Receivables	4	306,429,629.07	
-	Prepayment	5	-	
254,055,977.78	Total Current Assets			336,053,843.86
	Non-Current Assets			
-	Loans Granted	6		
-	Investments	7	-	
1,511,398,500.00	Fixed Assets-Property, Plant & Equip	8	1,503,111,933.57	
-	Investment Property	9	-	
-	Biological Assets	10	-	
1,511,398,500.00	Total Non-current Assets			1,503,111,933.57
1,756,454,477.78	Total Assets			1,839,165,777.43
	LIABILITIES			
	Current Liabilities			
-	Accumulated Depreciation	11	-	
-	Loan & Debts (Short-Term)	12	-	
1,377,980.00	Unremitted Deductions	13	1,377,980.00	
248,940,170.50	Payables	14	305,674,826.47	
250,318,150.50	Total Current Liabilities		307,052,806.47	
	Non - Current Liabilities			
-	Public funds	15	-	
-	Borrowings	16	-	
	Total Non- Current Liabilities		-	
250,318,150.50	Total Liabilities			307,052,806.47
1,506,136,327.28	NET ASSETS/EQUITY:			1,532,112,970.96
	Financed By:			
1,447,292,730.74	Reserves	17		1,448,091,192.18
-	Capital Grants	18	-	
53,549,130.54	Net Surpluses/(Deficits)	19	30,472,648.24	
5,294,466.00	Accumulated Surpluses(Deficits)	20	53,549,130.54	84,021,778.78
1,506,136,327.28	Total Net Assets/Equity:			1,532,112,970.96

EKITI SOUTH WEST LOCAL GOVERNMENT, ILAWE- EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER,
2018

2017	DETAILS	NOTE	2018
N	REVENUE		ACTUAL (N)
1,031,908,028.34	Statutory Revenue	21	1,017,787,163.85
2,000,000.00	Tax Revenue	22	1,763,205.50
3,000,000.00	Non-Tax Revenue	23	2,649,544.50
-	Aid & Grants	24	-
-	Investment Income	25	-
-	Expenditure Recovery	26	-
-	Other Capital Receipts	27	-
-	Debt Forgiveness	28	-
1,036,908,028.34	Total Revenue		1,022,199,913.85
	EXPENDITURE:		
845,172,600.00	Salaries & Wages	29	810,952,702.31
3,150,000.00	Social Contribution	30	3,300,000.00
-	Social Benefits	31	3,350,000.00
135,036,297.80	Overhead Cost	32	106,716,857.34
-	Gratuity	32	-
-	Pension Allowances	33	-
-	Stationeries	35	-
-	Impairment Charges	36	-
-	Depreciation charges	37	8,286,566.43
-	Transfer to Other Government Entities	38	-
-	Public Debt Charge	39	-
-	Allowance (Leave Bonus)	40	59,121,139.53
983,358,897.80	Total Expenditure		991,727,265.61
53,549,130.54	Surplus/(deficit) from operating activities for the period		30,472,648.24
	Total Non-Operating Revenue (Expenses)		-
	Non-Operating Activities		
-	Gain/Loss on Assets Disposal	41	-
-	Refund Revenue	42	-
-	Revaluation Gain	43	-
-	Net Surplus/(Deficit) from Operating Activities		-
	Surplus/(Deficit) from operating activities		-
-	Purchases/Construction of Assets	44	-
	Minority Interest Share of Surplus/Deficits)	45	-
	Accumulated Surplus/(Deficit) 01/1/2018)		53,549,130.54
53,549,130.54	Accumulated Surplus/(Deficit 31/12/2018)		84,021,778.78

EKITI SOUTH WEST LOCAL GOVERNMENT, ILAWE-EKITI, EKITI STATE, NIGERIA
STATEMENT CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2018.

2017	DETAILS	NOTES	2018	
N	CASH FLOWS FROM OPERATING ACTIVITIES		N	N
	Inflows			
1,031,908,028.38	Statutory Revenue	21	1,017,787,163.85	
2,000,000.00	Tax Revenue	22	1,763,205.50	
3,000,000.00	Non-Tax Revenue	23	2,649,544.50	
-	Aid & Grants	24	-	
-	Investment	25	-	
-	Expenditure Recovery	26	-	
-	Other Capital Receipts	27	-	
-	Debt Forgiveness	28	-	
1,036,908,028.34	Total flow from Operating Activities			1,022,199,913.85
	outflows			
845,172,600.00	Salary & Wages	29	810,952,702.31	
3,150,000.00	Social Contribution	30	3,300,000.00	
	Social Benefit	31	3,350,000.00	
135,036,297.80	Overheads Cost	32	106,716,857.34	
-	Gratuity	33	-	
-	Pension Allowances	34	-	
-	Transfer to other Government Entities	38	-	
-	Allowance	40	59,121,139.53	
-	Deductions	49	-	
-	Refund	50	-	
-	Inventory	51	-	
-	Loan	52	-	
983,358,897.80	Total Outflow from Operating Activities			983,440,699.18
53,549,130.54	Net Cash Inflow/(outflow) from operating Activities			38,759,214.67
	CASH FLOW FROM INVESTING ACTIVITIES			
-	Proceeds for Sale of PPE	53	-	
-	Proceeds from Sales Property	54	-	
-	Proceeds from Sales of Intangible Assets	55	-	
-	Proceeds from Sales of Investment	56	-	
-	Dividend Received	57	-	
-	Total Inflow			
	Outflows			
57,062,533.86	Purchase/construction of Assets PPE	58	9,258,813.72	
-	Purchase/construction of Assets-Investment Property	59	-	
-	Investment in Private companies	60	-	
-	Loan Granted	61	-	
-	Purchase of Intangible Assets	62	-	
-	Acquisition of Investment	63	-	
57,062,533.86	Total Outflow		-	9,258,813.72
(3,513,403.32)	Net cash flow from Investing		-	29,500,400.95

	Activities			
	CASH FLOW FROM FINANCING ACTIVITIES		-	
	Inflows		-	
-	Capital Grant Received	64	-	
-	Proceeds from Borrowing	65	-	
-	Total Inflow		-	
	Outflows		-	
-	Repayment of borrowing	66	5,350,386.50	
-	Distribution of surplus/Dividends Paid	67	-	
-	TOTAL OUTFLOW		-	5,350,385.50
(3,513,403.32)	Net Cash Flow from financial Activities			24,150,015.45
(3,513,403.32)	Net cash flow from All Activities		-	24,150,015.45
8,112,020.66	Cash & Equivalent As at 1/1/ 2018			4,598,617.34
4,598,617.34	Cash & Equivalent as at 31/12/2018	1		28,748,632.79

EKITI SOUTH WEST LOCAL GOVERNMENT, ILAWE EKITI, EKITI STATE NIGERIA
STATEMENT OF COMPARISM OF BUDGET AND ACTUAL FOR THE YEAR ENDED
31ST DECEMBER, 2018.

2017	REVENUE		2018	FINAL BUDGET 2018 N	VARIANC E ON FINAL BUDGET ON (%)
N	N	NOT E	ACTUAL N	N	
1,031,908,028.34	Statutory Revenue	21	1,017,787,163.85	1,600,000,000.00	(36.39)
2,000,000.00	Tax Revenue	22	1,763,205.50	16,640,000.00	(89.40)
3,000,000.00	Non- Tax Revenue	23	2,649,544.50	5,000,000.00	(47.01)
	Aid & Grants	24	-		
	Investment Income	25	-	2,700,000.00	(100.00)
-	Expenditure Recovery	26	-	-	-
-	Other Capital Receipts	27	-	-	-
-	Debt forgiveness	28	-	-	-
1,036,908,028.34	Total Revenue		1,022,199,913.85	1,624,160,000.00	(272.80)
	EXPENDITURE:				
845,172,600.00	Salaries & Wages	29	810,952,702.31	1,393,300,429.60	41.80
3,150,000.00	Social Contribution	30	3,300,000.00	10,000,000.00	67.00
	Social Benefit	31	3,350,000.00	8,000,000.00	58.13
135,036,297.80	Overhead cost	32	106,716,857.34	185,000,000.00	41.32
-	Gratuity	33			
-	Pension Allowance	34	-	-	
-	Stationeries	35	-	-	
-	Impairment Charges	36	-	-	
-	Depreciation Charges	37	8,286,566.43	1,350,385.30	(513.64)
-	Transfer to other Government Entities	38	-	-	
-	Public Debt Charge	39	-	-	
-	Allowance (Leave Bonus)	40	59,121,139.53	58,513,897.77	(1.04)
983,358,897.80	Total Expenditure		991,727,265.61	1,656,164,712.67	(305.43)
53,549,130.54	Surplus (Deficit) from operating activities for the period		30,472,648.24	(32,004,712.67)	(578.23)
	Total Non- operating Revenue (Expenses)				
	Non-operating Activities				
-	Gain/loss on Asset Disposal	41		-	
-	Refunded Revenue	42		-	

-	Revaluation Gain	43		-	
-	Net Surplus/(Deficit) from Non-operating Activities	44		-	
	Purchases/Construction of Assets	44			
-	Monitoring interest share of surplus (Deficit)	45			
	Accumulated surplus/Deficit) 1/1/2018		53,549,130.54		
53,549,130.54	Accumulated surplus (Deficit) 31/12/2018		84,021,778.78	(32,004,712.67	(578.23)

EKITI SOUTH WEST LOCAL GOVERNMENT, ILAWE-EKITI, EKITI STATE, NIGERIA

STATEMENT OF CHANGES IN NET ASSET/EQUITY AS AT 31/12/2018

DETAILS	NOTE	RECEIVABLES	PAYABLES	RUNNING GRANT (O/H)	ACCUMULATED SURPLUS/(DEFICITS)	TOTAL
		N	N	N	N	N
Balance b/f (01/01/2018)		<u>248,941,260.44</u>	<u>248,940,170.50</u>	-	<u>53,549,130.54</u>	<u>551,430,561.48</u>
Increase/(Decrease) in Revenue not recognized in financial performance		-	-	-	(-)	-
Increase/(Decrease) in Salaries & Wages not recognized	-	-	-	-	-	-
Total Actual 2017		<u>248,941,260.44</u>	<u>248,940,170.50</u>	-	<u>53,549,130.54</u>	<u>551,430,561.48</u>
Balance as at (31/12/2018)		<u>306,429,629.07</u>	<u>305,674,826.47</u>	-	30,472,648.24	642,577,103.78
Total		<u>306,429,629.07</u>	<u>305,674,826.47</u>	-	-	612,104,455.54
Increase/Decrease in Salaries & Wages not recognized in Receivables/Payables		-		-	-	-
Gain on Revaluation		-		-		-
Accumulated surplus (Deficit) as at 31/12/2017		-			53,549,130.54	53,549,130.54
Balance as at 31/12/2018		<u>306,429,629.07</u>	<u>305,674,826.47</u>		<u>84,021,778.78</u>	<u>696,126,234.32</u>

EKITI SOUTH WEST LOCAL GOVERNMENT, ILAWE EKITI

EKITI STATE, NIGERIA

POSITION OF REVEENUE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	EXPENDITURE JANUARY-DECEMBER 2018 (N)
Statutory allocation	21	1,017,787,163.85
Tax Revenue	22	1,763,205.50
Non-Tax Revenue	23	2,649,544.50
Investment Income	25	-
Capital Grant Received	27	-
Total		1,022,199,913.85

EKITI SOUTH WEST LOCAL GOVERNMENT, ILAWE EKITI

EKITI STATE, NIGERIA

POSITION OF EXPENDITURE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	EXPENDITURE JANUARY-DECEMBER 2018 (N)
Salaries and wages	29	810,952,702.31
Social contribution	32	106,716,857.34
Social benefit	31	3,350,000.00
Social contribution	30	3,300,000.00
Allowance (Leave Bonus)	40	59,121,139.53
Total		983,440,699.18

NOTE 2**INVESTORIES**

S/N	DETAILS	AMOUNT (N)
1	Store	285,700.00
2	Medical store	372,350.00
	Total	875,582.00

NOTE 13**UNREMITTED DEDUCTION**

1.	VAT	1,175,300.00
2.	WHT	<u>202,680.00</u>
	TOTAL	1,377,980.00

NOTE 22**TAX REVENUE**

S/N	DETAILS	AMOUNT (N)
1	Community/Poll Tax	850,750.00
2	L.G Tax on Contract	689,385.00
3	Tenement Rate	988,750.00
	Total	1,763,205.50

NON TAX REVENUE

S/N	DETAILS	AMOUNT (N)
1	Hackney Permit fees	400,000.00
2	L.G. Attestation fee	514,544.50
3	Marriage Registration Fees	950,000.00
4	Naming of street Reg. fee	70,000.00
5	Registration of Club	35,000.00
6	Radio & Television fees	40,000.00
7	Loading permits	390,000.00
8	Blocking of roads	250,000.00
	Total	2,649,544.50

OVERHEAD EXPENSES

S/N	DETAILS	AMOUNT (N)
1	Travelling & Transport	73,897,200.00
2	Stationeries	1,200,000.00
3	Utility	805,000.00
4	Telephone & Postal Service	-
5	Maintenance of Office Furniture	400,000.00
6	Maintenance of Vehicle & Subvention	1,640,000.00
7	Consultancy Services	2,000,000.00
8	Grants, Contribution & Subvention	500,000.00
9	Training & Workshop	8,385,300.00
10	Entertainment & Hospitality	1,270,500.00
11	Miscellaneous Expenses	2,300,000.00
12	Provision of service materials	500,000.00
13	Security vote	13,500,000.00
	Total	106,398,000.00

NOTE 40**LEAVE BONUSES FURNITURE AND SEVERANCE ALLOWANCES 2018**

1. Leave Bonus	-	35,829,422.04
2. Leave Bonus (Political Office Holders)	-	-
3. Severance Allowances (POH)	-	-
4. Furniture Allowances (POH)	-	<u>23,291,717.49</u>

59,121,139.53

=====

NOTE 66**DEBTS AND LOAN REPAYMENT**

S/N	DETAILS	AMOUNT (N)
1	Repayment of bailout fund	5,350,385.50
	Total	5,350,385.50

REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL

GOVERNMENTS

ON THE

ACCOUNTS OF ILEJEMEJE LOCAL GOVERNMENT,

IYE-EKITI,

FOR THE YEAR ENDED,

31ST DECEMBER, 2018.

AUDIT CERTIFICATE

I have examined the General Purpose Financial Statements of Ilejemeje Local Government as at 31st December, 2018 in accordance with Sections 123(2) of the Constitution of the Federal Republic of Nigeria 1989; 316(1) of the Constitution of the Federal Republic of Nigeria 1999, 32 (2) of the Local Government Administration Law No 2 of 1999, and section 26(2) of Ekiti State Audit Law 2014. The audit was conducted in compliance with International Standards on Auditing (ISA) and International Organisation of Supreme Audit Institutions (INTOSAI) Auditing Standards. The Financial Statements were prepared in line with IPSAS Accrual. I have obtained information and explanations that I required for my audit. In my opinion, the General Purpose Financial Statements and the supporting Accounts and Statements give a true and fair view of the Local Government as at 31st December, 2018 subject to the observations in this report.

 17/10/2019

Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF ILEJEMEJE LOCAL GOVERNMENT, IYE-EKITI FOR THE YEAR
ENDED 31ST DECEMBER, 2018.**

The General Purpose Financial Statements of Ilejemeje Local Government have been examined in accordance with, sections 123(2) and 316 of the Constitution of the Federal Republic of Nigeria, 1989 and 1999 respectively, section 26(2) of Ekiti State Audit Law, 2014 and Section 32(2) of the Local Government Administration Law No 2 of 1999. The General Purpose Financial Statements were correct subject to the comments in this report and the existence of the Assets have also been substantiated.

2. STATEMENT OF FINANCIAL RESPONSIBILITY

It is the responsibility of Director of Finance of Ijero Local Government to prepare and present the General Purpose Financial Statements to the Auditor-General in accordance with the provisions of the Constitutions of the Federal Republic of Nigeria within 90 days after the expiration of the financial year.

This section was grossly violated by the Local Government as the account was presented on 10th September, 2019, more than 5 months behind schedule. This led to my late reporting on the Account.

3. STATEMENT OF RESPONSIBILITY OF AUDITOR-GENERAL

It is my responsibility to form an independent opinion, based on General Purpose Financial Statements and accompanying Accounts prepared and submitted to me by the Director of Finance of the Local Government and to report thereupon in consonance with the Constitution of the Federal Republic of Nigeria.

4. RESPONSIBILITY OF THE PUBLIC ACCOUNTS COMMITTEE (PAC)

It is the responsibility of the Public Accounts Committee of the State House of Assembly to review the Auditor-General's Report with a view to ensuring enforcement of the recommendations made and impose sanctions where necessary.

5. **BASIS OF OPINION**

The Audit was conducted in compliance with International Standards on Auditing (ISA) and Generally Accepted Public Sector and INTOSAI Auditing Standards.

These standards require that I comply with ethical requirements, plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements whether due to fraud or error. I also evaluated the overall adequacy of the presentation of information in the financial statements.

In the course of the Audit, I have obtained all the information and explanation that to the best of my knowledge and belief were necessary for the purpose of audit and I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for independent opinion.

6. **OPINION**

In my opinion, the Financial Statements which included Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flow, Statement of Comparison of Budget and Actual and Statement of Changes in Net Assets/Equity as at 31st December, 2018 with supporting notes, give a true and fair view of the State of Affairs And Financial Positions of the Local Governments for the fiscal year ended on that date subject to the observations and comments in the other parts of this report.

7. **BUDGET OVERVIEW AND PERFORMANCE**

Statement of Comparism for Budget Estimates and Actual Performance for the year ended 31st December, 2018 prepared and presented showed the following shortfalls:

- i. The budget was not prepared in compliance with the National Chart of Accounts (NCOA) put in place by IPSAS for budget preparation.
- ii. The estimate made for Revenue in the 2018 budget recorded a low performance. An estimate was made for N1,343,064,900.00, while actual Revenue recorded stood at N523,432,352.35. This is about 38.97% performance. Equally, the IGR of N1,834,600.00 represents only 0.35% of the

total Revenue for the period, meaning the Local Government relied unduly on the Statutory allocation for survival.

- iii. The sum of N763,860,843.00 only was budgeted for expenditure but only N477,316,292.42 was actually incurred, resulting to saving of N286,544,550.58 for the period.

8. REVENUE ACCOUNT

A total sum of N523,432,352.35 was earned as total Revenue as at 31st December, 2018 out of which only 0.35%- N1,834,600.00 was generated as IGR, which showed that the Local Government solely depends on the Statutory allocation.

On the basis of comparism, the IGR for the current year recorded a deficit of 53.35% over that of previous year. Details of this is contained in the statement of Budget Comparism for the year 2018.

9. AUTHORITY FOR EXPENDITURE

All expenditure shown in the statement of actual expenditure for the year have been authorized as provided for by section 22(i) of the Local Government Administration Law 1999 with the exceptions of paragraph 6, of this report.

10. EXPENDITURE CONTRARY TO LAW:

The following expenditure appears to be contrary to Law.

S/N	QUERY NO	SUBJECT	AMOUNT
1	AUD/ILLG/AQ/01/18	Unproduced Revenue Earning Receipts	Assorted
2	AUD/ILLG/AQ/02/18	Expenditure Contrary to Regulations	3,370,000.00
3	AUD/ILLG/AQ/03/18	Expenditure not supported with Proper Records of Accounts/Items not taken on store Ledger Charge	380,000.00
4	AUD/ILLG/AQ/04/18	Expenditure Contrary to Regulations	4,427,500.00
5	AUD/ILLG/AQ/05/18	Unremitted Taxes	120,000.00
6	AUD/ILLG/AQ/06/18	Unaudited/Expenditure not support with	8,000,000.00

		proper Record of Accounts	
7	AUD/ILLG/AQ/07/18	Expenditure Contrary to Regulations	2,300,000.00
8	AUD/ILLG/AQ/08/18	Unaudited/Expenditure Not Supported with proper Records of Accounts	1,360,000.00
9	AUD/ILLG/AQ/09/18	Expenditure Contrary to Regulations	3,784,000.00
10	AUD/ILLG/AQ/10/18	Unproduced Payment Vouchers	15,221,918.67
11	AUD/ILLG/AQ/11/18	Expenditure not Accounted for	1,895,762.29
	TOTAL		40,859,180.96

11. **STATEMENTS OF ASSETS AND LIABILITIES**

The statements of Assets and Liabilities were correct and existence of the Assets have been substantiated.

12. **DISALLOWANCE** Allowance has been reserved in respect of the expenditure detailed in paragraph 6 of this report pending a satisfactory explanations or the sanction of the State House of Assembly.

13. **STATE OF ACCOUNT**

The Accounts of Ilejemeje Local Government have been examined up to 31st December, 2018 and detailed observations have been forwarded to the Director of Administration, Ilejemeje Local Government, Iye-Ekiti. Particular attention is required to the followings:

- (i) Response to Audit Queries
- (ii) Expenditure Contrary to Regulations
- (iii) Internally Generated Revenue
- (iv) Unproduced Revenue Receipts
- (v) Outstanding matters from the previous reports
- (vi) Loss of fund involving the Council Management N4,881,455.86

(f) **PROPERTY, PLANT AND EQUIPMENT**

The Local Government is yet to value its Property, Plant and Equipment. The assets are not disclosed in the statement of financial position since its fair value is not known yet. Exception to this is the procurement of Capital assets N8,690,966.48 at depreciation of N2,622,605.04 for the period was disclosed.

14. **OUTSTANDING MATTERS FROM PREVIOUS REPORTS**

			N
2015 AUDIT QUERIES			
i.	AQ/ILLG/06/15	Remittance in transit	530,000.00
ii.	AQ/ILLG/08/15	Misapplication of Fund/Illegal withdrawals from Salary account	12,214,881.57
iii.	AQ/ILLG/10/15	Unproduced Revenue Earning	<u>various</u>
			12,744,881.57
			=====

b. 2016 AUDIT QUERIES

i.	AQ/ILLG/02/16	Nugatory payment	600,000.00
ii.	AQ/ILLG/07/16	Expenditure contrary to regulations	475,000.00
iii.	AQ/ILLG/10/16	Unproduced revenue receipts	various
iv.	Revenue Collectors that did not showed up to checking		
1.	Olufisibe Julius		
2.	Ayodele Toluwalase		
3.	Fagbamila Rotimi		
4.	Ayegbusi Rotimi		
5.	Awe Sesan		

(c) 2017 AUDIT QUERIES

i.	AQ/ILLG/01/17	Unproduced Revenue Earning Receipts	Assorted
ii.	AQ/ILLG/02/17	Expenditure Contrary to Financial Regulation	1,060,000.00
iii.	AQ/ILLG/03/17	Expenditure not supported by proper records/ accounts	72,600.00
iv.	AQ/ILLG/04/17	Items not taken on Store Ledger Charge	75,000.00

v.	AQ/ILLG/05/17	Unreceipted, unaudited/unretired payment vouchers	237,000.00
vi.	AQ/ILLG/06/17	Nugatory payment	900,000.00
vii.	AQ/ILLG/07/17	Doubtful/unreasonable expenditure	1,545,000.00
viii.	AQ/ILLG/08/17	Nugatory payment II	1,449,000.00
ix.	AQ/ILLG/09/17	Unaudited/unretired expenditure	2,295,000.00
x.	AQ/ILLG/10/17	Unaudited payment vouchers	2,227,000.00
xi.	AQ/ILLG/11/17	Expenditure contrary to financial regulations	4,955,000.00
xii.	AQ/ILLG/12/17	Items not taken on Store Ledger charge	5,291,150.00
xiii.	AQ/ILLG/13/17	Nugatory payment	15,754,007.00
xiv.	AQ/ILLG/14/17	Unaudited payments	10,800,000.00
xv.	AQ/ILLG/15/17	Expenditure not supported with proper records	1,250,000.00
xvi.	AQ/ILLG/16/17	Doubtful payments/falsification	10,162,000.00
xvii.	AQ/ILLG/17/17	Items not taken on store ledger charge	5,072,000.00
xviii.	AQ/ILLG/18/17	Unreceipted payments	<u>1,665,000.00</u>

64,784,757.00

=====

 17/10/2019

Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF ILEJEMEJE LOCAL GOVERNMENT, IYE-EKITI FOR THE YEAR
ENDED 31ST DECEMBER, 2018.**

1. RESPONSIBILITY FOR FINACIAL STATEMENTS

The Financial Statements have been prepared by the Director of Finance Ilejemeje Local Government based on the available records and in compliance with the IPSAS Accrual Accounting for all Public Sectors Entities (PSE) in Nigeria.

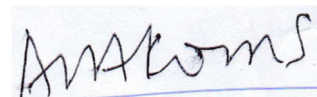
To the best of our knowledge, the system of internal control had operated adequately throughout the reporting period, and the statements represent a true and fair view of the Financial Positions of the Local Government.

The Director of Finance accepts responsibility for the integrity of these Financial Statements, the information they contain and their compliance with International Public Sector Accounting Standards (IPSAS) Accrual Accounting for all public sector entities (PSE) in Nigeria.

In my opinion, these General Purpose Financial Statements fairly reflect the financial position of Ilejemeje Local Government as at the year ended 31st December, 2018.



**Hon. Akinola Oladunjoye,
Executive Chairman.**



**Mr Akomolede A.I.
Director of Finance.**

STATEMENT OF ACCOUNTING POLICIES (IPSAS 1)

(cix) BASIS OF PREPARATION

The General Purpose Financial Statements have been prepared in compliance with IPSAS Accrual Accounting basis that recognizes transactions and events occurred whether expenses are paid for or not and revenue received or outstanding, and under the guidelines of Financial Memoranda in conformity with National Chart of Account (NCOA) and the Nigeria Accounting Standard Board for Public Sector Reporting.

(cx) BASIS OF MEASUREMENT

The Financial Statements have been prepared on historical cost unless stated otherwise.

(cxi) REPORTING CURRENCY

The Financial Statements were presented in Nigerian Naira, which is the functional currency of the Local Government Council.

(cxii) GOING CONCERN

The Financial Statements have been prepared on a going concern basis.

(cxiii) ACCOUNTING PERIOD

The Accounting period is from 1st January to 31st December, 2018.

(cxiv) REVEUNE

This presented both the exchange and non-exchange revenue from Internally Generated Revenue and Statutory Allocation from the Federation Account during the year.

(cxv) EXPENDITURE

This represented both recurrent and capital expenditure during the year.

(cxvi) NON-CURRENT ASSETS/ DEPRECIATION

Property Plant and Equipment were recognized less accumulated depreciation.

(cxvii) BUDGET INFORMATION

The Annual Budget was prepared on Accrual Basis. All planned costs and incomes were presented in a single statement to determine the needs of the Local Government Council.

(x). INVESTMENT PROPERTIES

Investment properties were measured initially at cost, including transaction costs. The carrying amount included the replacement cost of components of an existing investment properly at the end time that cost was incurred if the recognition criteria were met and excluded the cost of day to day maintenance of an investment properly.

ILEJEMEJE LOCAL GOVERNMENT, IYE-EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2018

2017	DETAILS	NOTES	2018	
N	Represented By:		N	N
	ASSETS			
	Current Assets			
35,059,560.80	Cash and equivalent	1	83,798,225.77	
-	Inventories	2	-	
-	WIP	3	-	
-	Receivables	4	<u>244,332,462.22</u>	
-	Prepayment	5	-	
35,059,560.80	Total Current Assets			328,130,687.99
	Non-Current Assets			
	Loans Granted	6	-	
2,200,000.00	Investments	7	2,220,400.00	
6,359,762.00	Fixed Assets-Property, Plant & Equip	8	6,068,361.44	
-	Investment Property	9	-	
-	Biological Assets	10	-	
8,560,162.00	Total Non-current Assets			8,268,761.44
48,619,722.80	Total Assets			336,399,449.43
	LIABILITIES			
	Current liabilities			
-	Accumulated Depreciation	11	-	
-	Loan & Debts (Short-Term)	12	-	
-	Unremitted Deductions	13	272,400.20	
247,358,249.27	Payables	14	240,472,611.20	
247,358,249.27	Total Current Liabilities		240,745,011.40	
	Non - Current Liabilities			
-	Public funds	15	-	
-	borrowings	16	-	
-	Public Funds		-	
	Total Non- Current Liabilities		-	
247,358,249.27	Total Liabilities			240,745,011.40
(203,738,526.47)	NET ASSETS/EQUITY:			95,654,438.03
	Financed By:			
	Reserves	17		26,046,603.40
	Capital Grants	18	-	
	Net Surpluses/(Deficits)	19	46,116,059.93	
	Accumulated Surpluses(Deficits)	20	23,491,774.70	<u>69,607,834.63</u>
(203,738,526.47)	Total Net Assets/Equity:			95,654,438.03

ILEJEMEJE LOCAL GOVERNMENT, IYE EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER,
2018

2017	DETAILS	NOTE	2018
N	REVENUE		ACTUAL (N)
388,989,212.26	Statutory Revenue	21	521,597,752.35
1,863,500.00	Tax Revenue	22	1,000,000.00
2,069,169.24	Non-Tax Revenue	23	834,600.00
-	Aid & Grants	24	-
-	Investment Income	25	-
-	Expenditure Recovery	26	-
-	Other Capital Receipts	27	-
-	Debt Forgiveness	28	-
392,921,881.50	Total Revenue		523,432,352.35
	EXPENDITURE:		
289,666,455.78	Salaries & Wages	29	387,621,518.71
-	Social Contribution	30	-
-	Social Benefits	31	-
77,114,555.02	Overhead Cost	32	87,072,168.67
-	Gratuity	32	-
-	Pension Allowances	33	-
-	Stationeries	35	-
-	Impairment Charges	36	-
2,649,096.80	Depreciation charges	37	2,622,605.04
-	Transfer to Other Government Entities	38	-
-	Public Debt Charge	39	-
-	Allowance (Leave Bonus)	40	-
369,430,106.80	Total Expenditure		477,316,292.42
23,491,774.70	Surplus/(Deficit) from operating activities for the period		46,116,059.93
	Total Non-Operating Revenue (Expenses)		
	Non-Operating Activities		
-	Gain/Loss on Assets Disposal	41	-
-	Refund Revenue	42	-
-	Revaluation Grain	43	-
-	Net Surplus/(Deficit) from Operating Activities		-
	Surplus/(Deficit) from operating activities		-
-	Purchases/Construction of Assets	44	-
	Minority Interest Share of Surplus/Deficits)	45	-
	Accumulated Surplus/(Deficit) 01/01/2018		23,491,774.70
23,491,774.70	Accumulated Surplus/(Deficit) 31/12/2018		69,607,834.63

ILEJEMEJE LOCAL GOVERNMENT, IYE-EKITI, EKITI STATE, NIGERIA
STATEMENT CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2018.

2017	DETAILS	NOTES	2018	
N	CASH FLOWS FROM OPERATING ACTIVITIES		N	N
	Inflows			
388,989,212.26	Statutory Revenue	21	521,597,752.35	
1,863,500.00	Tax Revenue	22	1,000,000.00	
3,069,169.24	Non Tax Revenue	23	834,600.00	
-	- Aid & Grants	24	-	
-	- Investment	25	-	
-	- Expenditure Recovery	26	-	
-	- Other Capital Receipts	27	-	
-	- Debt Forgiveness	28	-	
392,921,881.50	Total flow from Operating Activities			523,432,352.35
	outflows			
289,666,455.78	Salary & Wages	29	387,621,518.71	
-	- Social Contribution	30	-	
-	- Social Benefit	31	-	
77,114,555.02	Overheads Cost	32	87,072,168.67	
-	- Gratuity	33	-	
-	- Pension Allowances	34	-	
-	- Transfer to other Government Entities	38	-	
-	- Allowance	40	-	
-	- Deductions	49	-	
-	- Refund	50	-	
-	- Inventory	51	-	
-	- Loan	52	-	
369,430,106.80	Total Outflow from Operating Activities			474,693,687.38
23,491,774.70	Net Cash Inflow/(outflow) from operating Activities			48,738,664.97
	CASH FLOW FROM INVESTING ACTIVITIES			
-	- Proceeds for Sale of PPE	53	-	
-	- Proceeds from Sales Property	54	-	
-	- Proceeds from Sales of Intangible Assets	55	-	
-	- Proceeds from Sales of Investment	56	-	
-	- Dividend Received	57	-	
-	- Total Inflow			-
	Outflows			
-	- Purchase/construction of Assets PPE	58		
-	- Purchase/construction of Assets-Investment Property	59	-	
-	- Investment in Private companies	60	-	
-	- Loan Granted	61	-	
-	- Purchase of Intangible Assets	62	-	
-	- Acquisition of Investment	63	-	
-	- Total Outflow		-	-
23,491,774.70	Net cash flow from Investing		-	48,738,664.97

	Activities			
	CASH FLOW FROM FINANCING ACTIVITIES		-	
	Inflows		-	
-	Capital Grant Received	64	-	
-	Proceeds from Borrowing	65	-	
-	Total Inflow			-
	Outflows		-	
-	Repayment of borrowing	66	-	
-	Distribution of surplus/Dividends Paid	67	-	
-	TOTAL OUTFLOW			
23,491,774.70	Net Cash Flow from financial Activities			48,738,664.97
23,491,774.70	Net cash flow from All Activities		-	48,738,664.97
11,567,786.10	Cash & Equivalent As at 1/1/ 2018			35,059,560.80
35,059,560.80	Cash & Equivalent as at 31/12/2018	1		83,798,225.77

ILEJEMEJE LOCAL GOVERNMENT, IYE EKITI, EKITI STATE NIGERIA
STATEMENT OF COMPARISM OF BUDGET AND ACTUAL FOR THE YEAR ENDED
31ST DECEMBER, 2018.

2017	REVENUE		2018	FINAL BUDGET 2018 (N)	VARIANCE ON FINAL BUDGET IN (%)
N	N	NOTE	ACTUAL N	N	
388,989,212.26	Statutory Revenue	21	521,597,752.35	1,323,600,400.00	(60.59)
1,863,500.00	Tax Revenue	22	1,000,000.00	10,000,000.00	(90.00)
2,069,169.24	Non- Tax Revenue	23	834,600.00	9,464,500.00	(91.18)
-	Aid & Grants	24	-	-	-
-	Investment Income	25	-	-	-
-	Expenditure Recovery	26	-	-	-
-	Other Capital Receipts	27	-	-	-
-	Debt forgiveness	28	-	-	-
392,921,881.50	Total Revenue		523,432,352.35	1,343,064,900.00	(241.77)
	EXPENDITURE:				
289,666,455.78	Salaries & Wages	29	387,621,518.71	631,810,843.00	38.65
-	Social Contribution	30	-	-	-
-	Social Benefit	31	-	-	-
77,114,555.02	Overhead cost	32	87,072,168.67	132,050,000.00	34.06
-	Gratuity	33	-	-	-
-	Pension Allowance	34	-	-	-
-	Stationeries	35	-	-	-
-	Impairment Charges	36	-	-	-
2,649,096.00	Depreciation Charges	37	2,622,605.04	-	(100.00)
-	Transfer to other Government Entities	38	-	-	-
-	Public Debt Charge	39	-	-	--
-	Allowance (Leave Bonus)	40	-	-	-
369,430,106.80	Total Expenditure		477,316,292.42	763,860,843.00	(27.29)
23,491,774.70	Surplus (Deficit) from operating activities for the period		46,116,059.93	579,204,057.00	(214.48)
	Total Non- operating Revenue (Expenses)				
	Non-operating Activities				
	Gain/loss on Asset Disposal	41		-	-
-	Refunded Revenue	42		-	-
-	Revaluation Gain	43		-	-
-	Net Surplus/(Deficit)				

	from Non- operating Activities				
-	Purchase/Construction of Assets	44		-	
-	Monitoring interest share of surplus (Deficit)	45			
	Accumulated surplus/Deficit) 1/1/2018		23,491,774.70		
23,491,774.70	Accumulated surplus (Deficit) 31/12/2018		69,607,834.63	579,204,057.00	(214.48)

ILEJEMEJE LOCAL GOVERNMENT, IYE-EKITI, EKITI STATE, NIGERIA

STATEMENT OF CHARGES IN NET ASSET/EQUITY AS AT 31/12/2018

DETAILS	NOTE	RECEIVABLES	PAYABLES	RUNNING GRANT (O/H)	ACCUMULATED SURPLUS/(DEFICITS)	TOTAL
		N	N	N	N	N
Balance b/f (1/1/2018)		-	<u>247,358,249.27</u>	-	<u>23,491,774.70</u>	<u>270,850,023.97</u>
Increase/(Decrease) in Revenue not recognized in financial performance		-	-	-	-	-
Increase/(Decrease) in Salaries & Wages not recognized	-	-	-	-	-	-
Total Actual 2017		-	<u>247,358,249.27</u>	-	<u>23,491,774.70</u>	<u>270,850,023.97</u>
Balance as at (31/12/2018)		244,332,462.22	240,472,611.20		46,116,059.93	530,921,133.35
Total		244,332,462.22	240,472,611.20	-	-	484,805,073.42
Increase/Decrease in Salaries & Wages not recognized in Receivables/Payables		-	-	-	-	-
Gain on Revaluation		-	-	-	-	-
Accumulated surplus (Deficit) as at 31/12/2017					23,491,774.70	23,491,774.70
Balance as at 31/12/2018		244,332,462.22	240,472,611.20		69,607,834.63	554,412,908.05

ILEJEMEJE LOCAL GOVERNMENT, IYE EKITI

EKITI STATE, NIGERIA

POSITION OF REVENUE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	REVENUE JANUARY- DECEMBER 2018 (N)
Statutory Allocation	21	521,597,752.35
Tax Revenue	22	1,000,000.00
Non – Tax Revenue	23	834,600.00
Total		523,432,352.35

ILEJEMEJE LOCAL GOVERNMENT, IYE EKITI

EKITI STATE, NIGERIA

POSITION OF EXPENDITURE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	EXPENDITURE JANUARY-DECEMBER 2018 (N)
Salaries and wages	29	387,621,518.71
Overhead cost	32	87,072,168.67
Depreciation Charges	37	2,622,605.04
Total		477,316,292.42

SALARIES & WAGES FOR YEAR 2018

S/N	MONTHS	AMUONT (N)
1	JANUARY	22,397,440.60
2	FEBRUARY	23,635,978.77
3	MARCY	33,074,816.94
4	APRIL	33,934,377.79
5	MAY	39,145,757.10
6	JUNE	38,902,723.89
7	JULY	37,403,084.22
8	AUGUST	34,390,776.26
9	SEPTEMBER	33,390,776.26
10	OCTOBER	33,929,502.88
11	NOVEMBER	28,708,142.00
12	DECEMBER	28,708,142.00
	TOTAL	387,621,518.71

NOTE 32**OVERHEADS COST FOR YEAR 2018**

DETAILS OF EXPENDITURE	AMOUNT (N)
Transport and Travelling General	4,759,500.00
Material and Supplies General	3,438,250.00
Maintenance services – General	19,386,833.00
Training Staff Development And Welfare-General	12,909,500.00
Security Vote other Services - General	9,500,000.00
Consultancy and Processional Services/Special Committee	3,025,000.00
Fuelling and Lubricant –General	1,248,000.00
Miscellaneous Expenses	100,000.00
Grants, Contributions and Subventions	151,000.00
Subsidies, General	420,000.00
Staff Leave Bonus	23,375,085.67
Xmas Gifts	7,759,000.00
Xmas Decorations	1,000,000.00
TOTAL	87,072,168.67

REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL

GOVERNMENTS

ON THE

ACCOUNTS OF ISE ORUN LOCAL GOVERNMENT,

ISE-EKITI,

FOR THE YEAR ENDED,

31ST DECEMBER, 2018.

AUDIT CERTIFICATE

I have examined the General Purpose Financial Statements of Ise/Orun Local Government as at 31st December, 2018 in accordance with Sections 123(2) of the Constitution of the Federal Republic of Nigeria 1989; 316(1) of the Constitution of the Federal Republic of Nigeria 1999, 32 (2) of the Local Government Administration Law No 2 of 1999, and section 26(2) of Ekiti State Audit Law 2014. The audit was conducted in compliance with International Standards on Auditing (ISA) and International Organisation of Supreme Audit Institutions (INTOSAI) Auditing Standards. The Financial Statements were prepared in line with IPSAS Accrual. I have obtained information and explanations that I required for my audit. In my opinion, the General Purpose Financial Statements and the supporting Accounts and Statements give a true and fair view of the Local Government as at 31st December, 2018 subject to the observations in this report.

 17/10/2019

Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF ISE/ORUN LOCAL GOVERNMENT, ISE-EKITI FOR THE YEAR
ENDED 31ST DECEMBER, 2018.**

The General Purpose Financial Statements of Ise/Orun Local Government have been examined in accordance with, sections 123(2) and 316 of the Constitution of the Federal Republic of Nigeria, 1989 and 1999 respectively, section 26(2) of Ekiti State Audit Law, 2014 and Section 32(2) of the Local Government Administration Law No 2 of 1999. The General Purpose Financial Statements were correct subject to the comments in this report and the existence of the Assets have also been substantiated.

2. STATEMENT OF FINANCIAL RESPONSIBILITY

It is the responsibility of Director of Finance of Ise/Orun Local Government to prepare and present the General Purpose Financial Statements to the Auditor-General in accordance with the provisions of the Constitutions of the Federal Republic of Nigeria within 90 days after the expiration of the financial year.

This section was grossly violated by the Local Government as the account was presented on 30th September, 2019, more than 6 months behind schedule. This led to my late reporting on the Account.

3. STATEMENT OF RESPONSIBILITY OF AUDITOR-GENERAL

It is my responsibility to form an independent opinion, based on General Purpose Financial Statements and accompanying Accounts prepared and submitted to me by the Director of Finance of the Local Government and to report thereupon in consonance with the Constitution of the Federal Republic of Nigeria.

4. RESPONSIBILITY OF THE PUBLIC ACCOUNTS COMMITTEE (PAC)

It is the responsibility of the Public Accounts Committee of the State House of Assembly to review the Auditor-General's Report with a view to ensuring enforcement of the recommendations made and impose sanctions where necessary.

5. **BASIS OF OPINION**

The Audit was conducted in compliance with International Standards on Auditing (ISA) and Generally Accepted Public Sector and INTOSAI Auditing Standards.

These standards require that I comply with ethical requirements, plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements whether due to fraud or error. I also evaluated the overall adequacy of the presentation of information in the financial statements.

In the course of the Audit, I have obtained all the information and explanation that to the best of my knowledge and belief were necessary for the purpose of audit and I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for independent opinion.

6. **OPINION**

In my opinion, the Financial Statements which included Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flow, Statement of Comparison of Budget and Actual and Statement of Changes in Net Assets/Equity as at 31st December, 2018 with supporting notes, give a true and fair view of the State of Affairs And Financial Positions of the Local Governments for the fiscal year ended on that date subject to the observations and comments in the other parts of this report.

7. **BUDGET OVERVIEW AND PERFORMANCE**

Statement of Comparism for Budget Estimates and Actual Performance for the year ended 31st December, 2018 prepared and presented showed the following shortfalls:

- i. The budget was not prepared in compliance with the National Chart of Accounts (NCOA) put in place by IPSAS for budget preparation.
- ii. The estimate made for Revenue in the 2018 budget recorded a low performance. An estimate was made for N1,995,995,773.75 while actual Revenue recorded stood at N488,231,225.85. This is about 24.46% performance. Equally, the IGR of N5,189,400.00 represents only 1.06% of the

total Revenue for the period, meaning the Local Government relied unduly on the Statutory allocation for survival.

- iii. The sum of N1,355,868,313.00 only was budgeted for expenditure but only N449,356,392.16 was actually incurred, resulting to saving of N906,511,920.84 for the period.

8. REVENUE ACCOUNT

A total sum of N488,231,225.85 was earned as total Revenue as at 31st December, 2018 out of which only 1.06%- N5,189,400.00 was generated as IGR, which showed that the Local Government solely depends on the Statutory allocation.

On the basis of comparison, the IGR for the current year recorded a surplus of 12.29% over that of previous year. Details of this is contained in the statement of Budget Comparism for the year 2018.

9. AUTHORITY FOR EXPENDITURE

All expenditure shown in the statement of actual expenditure for the year have been authorized as provided for by section 22(i) of the Local Government Administration Law 1999 with the exceptions of paragraph 6, of this report.

10. EXPENDITURE CONTRARY TO LAW:

The following expenditure appears to be contrary to Law.

S/N	QUERY NUMBER	SUBJECT	AMOUNT N
1.	AQ/IOLG/01/2018	Expenditure not supported by proper records	1,025,000.00
2.	AQ/IOLG/02/2018	Expenditure not supported by proper records	3,007,000.00
3.	AQ/IOLG/03/2018	Expenditure Contrary to Regulations	10,567,894.00
4.	AQ/IOLG/04/2018	Unproduced Revenue Receipts	-
5.	AQ/IOLG/05/2018	Unproduced Payment Vouchers	4,217,780.00
6.	AQ/IOLG/06/2018	Doubtful Expenditure	161,000.00
7.	AQ/IOLG/07/2018	Nugatory Payments 1	2,312,500.00

8.	AQ/IOLG/08/2018	Expenditure Contrary to Regulations	3,724,000.00
9.	AQ/IOLG/09/2018	Expenditure Contrary to Regulations	7,543,300.00
10.	AQ/IOLG/10/2018	Nugatory Payments 2	4,610,000.00
11.	AQ/IOLG/11/2018	Expenditure Contrary to Regulations	8,248,500.00
12.	AQ/IOLG/12/2018	Nugatory Payments 3	1,217,000.00
13.	AQ/IOLG/13/2018	Nugatory Payments 4	1,930,000.00
		TOTAL	48,563,974.00

11. **STATEMENTS OF ASSETS AND LIABILITIES**

The statements of Assets and Liabilities were correct and existence of the Assets have been substantiated.

12. **DISALLOWANCE** Allowance has been reserved in respect of the expenditure detailed in paragraph 6 of this report pending a satisfactory explanations or the sanction of the State House of Assembly.

13. **STATE OF ACCOUNT**

The Accounts of Ise/Orun Local Government have been examined up to 31st December, 2018 and detailed observations have been forwarded to the Director of Administration, Ise/Orun Local Government, Ise-Ekiti. Particular attention is required to the followings:

- (i) Internally Generated Revenue
- (ii) Internal Control and internal checks
- (iii) Loss of fund involving the Council Management N62,755,000.00
- (iv) Difference in JAAC releases N589,904.16
- (v) Capital Projects
- (vi) Outstanding Audit Queries

14. **PROPERTY, PLANT AND EQUIPMENT**

The Local Government is yet to value its property, Plant and Equipment. The assets are not disclosed in the statement of financial position since its fair value is not

known yet. Exception to this is the construction/purchase of Property, Plant and Equipment in 2017 and 2018 at N9,295,116.80 and N16,158,052.63 respectively and were disclosed.

15. **OUTSTANDING MATTERS FROM PREVIOUS REPORTS**

(a) Outstanding Salary Advance

A total sum of N1,536,336.12 disbursed to nine Officers of the Local Government in year 2012 as salary advance is yet to be paid back by the beneficiaries. The details are as listed below:-

S/N	DATE OF COLLECTION	ADVANCES FOLIO	BENEFICIARIES	AMOUNT (N)
1	JAN. 2015	9	AKINTUNDE AJAYI	45,952.48
2	JAN. 2015	11	OGUNDELE O.O. (MRS)	87,813.39
3	JAN. 2015	15	OGUNSAKIN PETER	26,117.29
4	JAN. 2015	23	HON. FASHOYIN FELIX	152,015.20
5	JAN. 2015	25	MRS. FALEYE	296,664.26
6	JAN. 2015	27	ALABI OLUWOLE	132,000.00
7	JAN. 2015	29	ABOLARI L.K.	80,356.86
8	JAN. 2015	33	ADEOSUN ADEYINKE	98,750.00
9	JAN. 2015	1	HON. AJAYI FEMI	616,666.64
			TOTAL	1,536,336.12

#

- b. Loss of fund involving Mr. Ayodele Folademi (2015) 1,837,226.11
- c. Difference in JAAC releases (2015) 7,942,318.13
- d. Missing of revenue earning receipts GRR (30) involving Mr. Owoeye S.A Store Officer II (2015) to be valued.
- e. Loss of fund involving the Management of the Council, (2017) 1,595,000.00

(f) 2014 AUDIT QUERIES

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- i. AQ/IOLG/07/14 Overpayment of salary 91,000.00
- ii. AQ/IOLG/08/14 Illegal loan, misappropriation of fund through salary account 3,613,000.00
- iii. AQ/IOLG/11/14 Expenditure not supported by proper records

		of account	275,000.00
iv.	AQ/IOLG/14/14	Unretired security votes	<u>4,400,000.00</u>
			8,379,000.00
			=====

(g) 2015 AUDIT QUERIES

i.	AQ/IOLG/05/15	Irregular bank charges	5,343,782.00
ii.	AQ/IOLG/07/15	Unretired security vote	1,700,000.00
iii.	AQ/IOLG/10/15	Unproduced revenue earning receipts	-
iv.	AQ/IOLG/11/15	Expenditure contrary to regulation	1,842,000.00
v.	AQ/IOLG/17/15	Nugatory payments	420,000.00
vi.	AQ/IOLG/19/15	Expenditure not supported by proper records	<u>5,000,000.00</u>
			14,305,782.00
			=====

(h). 2016 AUDIT QUERIES

i.	AQ/IOLG/2/16	Expenditure not supported by proper records	
		of accounts	2,236,925.70
ii.	AQ/IOLG/5/16	Unvouched expenditure	6,411,381.84
iii.	AQ/IOLG/6/16	Unproduced revenue receipts	various
iv.	AQ/IOLG/7/16	Expenditure not supported by proper records	<u>286,900.00</u>
			8,935,207.54

(i) **2017 AUDIT QUERIES**

S/N	QUERY NO	SUBJECT	AMOUNT (N)
i.	AQ/IOLG/01/017	Expenditure contrary to regulations	13,949,829.20
ii.	AQ/IOLG/02/017	Unaudited payment vouchers	1,369,000.00
iii.	AQ/IOLG/03/017	Nugatory payments I	1,644,000.00
iv.	AQ/IOLG/04/017	Doubtful expenditures	6,070,000.00
v.	AQ/IOLG/05/017	Inflated purchases	486,500.00
vi.	AQ/IOLG/06/017	Un-produced payment vouchers	5,528,146.15
vii.	AQ/IOLG/07/017	Un-executed Capital Project	12,209,420.00
viii.	AQ/IOLG/08/017	Nugatory payment 2	8,217,012.60
ix.	AQ/IOLG/09 /017	Expenditure not supported with proper records	<u>5,487,500.00</u>
		TOTAL	<u>54,961,407.95</u>

 17/10/2019

Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.
FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF ISE/ORUN LOCAL GOVERNMENT, ISE-EKITI FOR THE YEAR
ENDED 31ST DECEMBER, 2018.**

1. RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Financial Statements have been prepared by the Director of Finance Ise/Orun Local Government based on the available records and in compliance with the IPSAS Accrual Accounting for all Public Sectors Entities (PSE) in Nigeria.

To the best of our knowledge, the system of internal control had operated adequately throughout the reporting period, and the statements represent a true and fair view of the Financial Positions of the Local Government.

The Director of Finance accepts responsibility for the integrity of these Financial Statements, the information they contain and their compliance with International Public Sector Accounting Standards (IPSAS) Accrual Accounting for all public sector entities (PSE) in Nigeria.

In my opinion, these General Purpose Financial Statements fairly reflect the financial position of Ise/Orun Local Government as at the year ended 31st December, 2018.



**Hon. Alabi Olarewaju,
Executive Chairman.**



**Barr. Akintunde A.C.
Director of Finance.**

STATEMENT OF ACCOUNTING POLICIES (IPSAS 1)

(cxviii) BASIS OF PREPARATION

The General Purpose Financial Statements have been prepared in compliance with IPSAS Accrual Accounting basis that recognizes transactions and events occurred whether expenses are paid for or not and revenue received or outstanding, and under the guidelines of Financial Memoranda in conformity with National Chart of Account (NCOA) and the Nigeria Accounting Standard Board for Public Sector Reporting.

(cxix) BASIS OF MEASUREMENT

The Financial Statements have been prepared on historical cost unless stated otherwise.

(cxx) REPORTING CURRENCY

The Financial Statements were presented in Nigerian Naira, which is the functional currency of the Local Government Council.

(cxxi) GOING CONCERN

The Financial Statements have been prepared on a going concern basis.

(cxxii) ACCOUNTING PERIOD

The Accounting period is from 1st January to 31st December, 2018.

(cxxiii) REVEUNE

This presented both the exchange and non-exchange revenue from Internally Generated Revenue and Statutory Allocation from the Federation Account during the year.

(cxxiv) EXPENDITURE

This represented both recurrent and capital expenditure during the year.

(cxxv) NON-CURRENT ASSETS/ DEPRECIATION

Property Plant and Equipment were recognized less accumulated depreciation.

(cxxvi) BUDGET INFORMATION

The Annual Budget was prepared on Accrual Basis. All planned costs and incomes were presented in a single statement to determine the needs of the Local Government Council.

(x). INVESTMENT PROPERTIES

Investment properties were measured initially at cost, including transaction costs. The carrying amount included the replacement cost of components of an existing investment properly at the end time that cost was incurred if the recognition criteria were met and excluded the cost of day to day maintenance of an investment properly.

ISE/ORUN LOCAL GOVERNMENT, ISE-EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2018

2017	DETAILS	NOTES	2018	
N	Represented By:		N	N
	ASSETS			
	Current Assets			
145,200,781.38	Cash and equivalent	1	169,734,183.39	
-	Inventories	2	-	
-	WIP	3	-	
-	Receivables	4	<u>478,927,416.96</u>	
-	Prepayment	5	-	
145,200,781.38	Total Current Assets			648,661,600.35
	Non-Current Assets			
	Loans Granted	6	-	
-	Investments	7	-	
19,295,116.80	Fixed Assets-Property, Plant & Equip	8	29,081,110.54	
-	Investment Property	9	-	
-	Biological Assets	10	-	
19,295,116.80	Total Non-current Assets			<u>29,081,110.54</u>
164,495,898.18	Total Assets			677,742,710.89
	LIABILITIES			
	Current liabilities			
-	Accumulated Depreciation	11	-	
-	Loan & Debts (Short-Term)	12	-	
-	Unremitted Deductions	13	-	
-	Payables	14	478,927,416.96	
-	Total Current Liabilities		478,927,416.96	
-	Non - Current Liabilities			
145,200,781.38	Public funds	15	-	
-	borrowings	16	-	
			-	
145,200,781.38	Total Non- Current Liabilities		-	
145,200,781.38	Total Liabilities			<u>478,927,416.96</u>
19,295,116.80	NET ASSETS/EQUITY:			<u>198,815,293.93</u>
	Financed By:			
19,295,116.80	Reserves	17		16,146,537.47
	Capital Grants	18	-	
-	Net Surpluses/(Deficits)	19	44,064,233.69	
-	Accumulated Surpluses(Deficits)	20	138,604,522.77	<u>182,668,756.46</u>
19,295,116.80	Total Net Assets/Equity:			<u>198,815,293.93</u>

ISE/ORUN LOCAL GOVERNMENT, ISE-EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER,
2018

2017	DETAILS	NOTE	2018
N	REVENUE		ACTUAL (N)
654,288,807.81	Statutory Revenue	21	488,231,225.85
1,460,000.00	Tax Revenue	22	1,280,000.00
3,161,400.00	Non-Tax Revenue	23	3,909,400.00
-	Aid & Grants	24	-
-	Investment Income	25	-
-	Expenditure Recovery	26	-
1,077,770.00	Other Capital Receipts	27	-
-	Debt Forgiveness	28	-
659,987,977.81	Total Revenue		493,420,625.85
	EXPENDITURE:		
449,123,902.74	Salaries & Wages	29	324,467,262.45
-	Social Contribution	30	16,688,921.58
-	Social Benefits	31	11,414,867.95
72,259,552.30	Overhead Cost	32	62,658,430.00
-	Gratuity	33	-
-	Pension Allowances	34	-
-	Stationeries	35	-
-	Impairment Charges	36	-
-	Depreciation charges	37	6,372,058.89
-	Transfer to Other Government Entities	38	7,626,000.00
-	Public Debt Charge	39	-
-	Allowance (Leave Bonus)	40	20,128,851.29
521,383,455.04	Total Expenditure		449,356,392.16
138,604,522.77	Surplus/(Deficit) from operating activities for the period		44,064,233.69
	Total Non-Operating Revenue (Expenses)		
	Non-Operating Activities		
-	Gain/Loss on Assets Disposal	41	-
-	Refund Revenue	42	-
-	Revaluation Grain	43	-
-	Net Surplus/(Deficit) from Operating Activities		-
	Surplus/(Deficit) from operating activities		-
-	Purchases/Construction of Assets	44	-
	Minority Interest Share of Surplus/Deficits)	45	-
	Accumulated Surplus/(Deficit) 01/01/2018		138,604,522.77
138,604,522.77	Accumulated Surplus/(Deficit) 31/12/2018		182,668,756.46

ISE/ORUN LOCAL GOVERNMENT, ISE-EKITI, EKITI STATE, NIGERIA
STATEMENT CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2018.

2017	DETAILS	NOTES	2018	
N	CASH FLOWS FROM OPERATING ACTIVITIES		N	N
	Inflows			
654,288,807.81	Statutory Revenue	21	488,231,225.85	
1,460,000.00	Tax Revenue	22	1,280,000.00	
3,161,400.00	Non Tax Revenue	23	3,909,400.00	
-	Aid & Grants	24	-	
	Investment	25	-	
1,077,770.00	Expenditure Recovery	26		
	Other Capital Receipts	27		
	Debt Forgiveness	28		
659,987,977.81	Total flow from Operating Activities			493,420,625.85
	outflows			
449,123,902.74	Salary & Wages	29	324,467,262.45	
-	Social Contribution	30	16,688,921.58	
-	Social Benefit	31	11,414,867.95	
71,807,175.88	Overheads Cost	32	62,658,430.00	
-	Gratuity	33	-	
-	Pension Allowances	34		
-	Transfer to other Government Entities	38	7,626,000.00	
-	Allowance	40	16,950,631.32	
-	Deductions	49	-	
452,376.40	Refund	50	-	
-	Inventory	51	-	
-	Loan	52	-	
521,383,455.02	Total Outflow from Operating Activities			439,806,113.30
138,604,522.79	Net Cash Inflow/(outflow) from operating Activities			53,614,512.55
	CASH FLOW FROM INVESTING ACTIVITIES			
-	Proceeds for Sale of PPE	53	-	
-	Proceeds from Sales Property	54	-	
-	Proceeds from Sales of Intangible Assets	55	-	
-	Proceeds from Sales of Investment	56	-	
-	Dividend Received	57	-	
-	Total Inflow			-
	Outflows			
19,295,116.80	Purchase/construction of Assets PPE	58	29,081,110.54	
-	Purchase/construction of Assets-Investment Property	59	-	
-	Investment in Private companies	60	-	
-	Loan Granted	61	-	
-	Purchase of Intangible Assets	62	-	
-	Acquisition of Investment	63	-	

19,295,116.80	Total Outflow		-	29,081,110.54
119,309,405.99	Net cash flow from Investing Activities		-	24,533,402.01
	CASH FLOW FROM FINANCING ACTIVITIES		-	
	Inflows		-	
-	Capital Grant Received	64	-	
-	Proceeds from Borrowing	65	-	
-	Total Inflow			-
	Outflows		-	
-	Repayment of borrowing	66	-	
-	Distribution of surplus/Dividends Paid	67	-	
-	TOTAL OUTFLOW			-
119,309,405.99	Net Cash Flow from financial Activities			24,533,402.01
119,309,405.99	Net cash flow from All Activities		-	24,533,402.01
25,891,375.39	Cash & Equivalent As at 1/1/ 2018			145,200,781.38
145,200,781.38	Cash & Equivalent as at 31/12/2018	1		169,734,183.39

ISE/ORUN LOCAL GOVERNMENT, ISE EKITI, EKITI STATE NIGERIA
STATEMENT OF COMPARISM OF BUDGET AND ACTUAL FOR THE YEAR ENDED
31ST DECEMBER, 2018.

2017	REVENUE		2018	FINAL BUDGET 2018 (N)	VARIANCE ON FINAL BUDGET IN (%)
N	N	NOTE	ACTUAL N	N	
654,288,807.81	Statutory Revenue	21	488,231,225.85	1,995,995,773.75	(75.54)
1,460,000.00	Tax Revenue	22	1,280,000.00	14,290,000.00	(91.04)
3,161,400.00	Non- Tax Revenue	23	3,909,400.00	2,153,725.00	181.51
-	Aid & Grants	24	-	-	
-	Investment Income	25	-	-	
-	Expenditure Recovery	26	-	-	
1,077,770.00	Other Capital Receipts	27	-	-	
-	Debt forgiveness	28	-	-	
659,987,977.81	Total Revenue		493,420,625.85	2,012,439,498.75	14.94
	EXPENDITURE:				
449,123,902.74	Salaries & Wages	29	324,467,262.45	1,203,868,313.00	73.05
-	Social Contribution	30	16,688,921.58	-	(100.00)
-	Social Benefit	31	11,414,867.95	-	(100.00)
72,259,552.30	Overhead cost	32	62,658,430.00	152,000,000.00	58.78
-	Gratuity	33	-	-	-
-	Pension Allowance	34	-	-	
-	Stationeries	35	-	-	
-	Impairment Charges	36	-	-	
-	Depreciation Charges	37	6,372,058.89	-	(100.00)
-	Transfer to other Government Entities	38	7,725,000.00	-	(100.00)
-	Public Debt Charge	39	-	-	
-	Allowance (Leave Bonus)	40	20,128,851.29	-	(100.00)
521,383,455.04	Total Expenditure		449,356,392.16	1,355,868,313.00	(368.17)
138,604,522.77	Surplus (Deficit) from operating activities for the period		44,064,233.69	656,571,185.75	549.69
	Total Non- operating Revenue (Expenses)				
	Non-operating Activities				
	Gain/loss on Asset Disposal	41		-	
-	Refunded Revenue	42		-	
-	Revaluation Gain	43		-	

	Net Surplus/(Deficit) from Non- operating Activities				
-	Purchase/Construction of Assets	44		-	
-	Monitoring interest share of surplus (Deficit)	45			
	Accumulated surplus/Deficit) 1/1/2018		138,604,522.77		
138,604,522.77	Accumulated surplus (Deficit) 31/12/2018		182,668,756.46	656,571,185.75	549.69

ISE/ORUN LOCAL GOVERNMENT, ISE-EKITI, EKITI STATE, NIGERIA

STATEMENT OF CHARGES IN NET ASSET/EQUITY AS AT 31/12/2018

DETAILS	NOTE	RECEIVABLES	PAYABLES	RUNNING GRANT (O/H)	ACCUMULATED SURPLUS/(DEFICITS)	TOTAL
		N	N	N	N	N
Balance b/f (1/1/2018)		-	-	-	<u>138,604,522.77</u>	<u>138,604,522.77</u>
Increase/(Decrease) in Revenue not recognized in financial performance		-	-	-	-	-
Increase/(Decrease) in Salaries & Wages not recognized	-	-	-	-	-	-
Total Actual 2017		-	-	-	<u>138,604,522.77</u>	<u>138,604,522.77</u>
Balance as at (31/12/2018)		478,927,416.96	478,927,416.96		29,271,138.87	1,001,919,067.61
Total		478,927,416.96	478,927,416.96	-	-	957,954,833.92
Increase/Decrease in Salaries & Wages not recognized in Receivables/Payables		-	-	-	-	-
Gain on Revaluation		-	-	-	-	-
Accumulated surplus (Deficit) as at 31/12/2017					138,604,522.77	138,604,522.77
Balance as at 31/12/2018		478,927,416.96	478,927,416.96		<u>182,668,756.46</u>	<u>1,140,623,590.38</u>

ISE/ORUN LOCAL GOVERNMENT, ISE-EKITI

EKITI STATE, NIGERIA

POSITION OF REVENUE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	REVENUE JANUARY- DECEMBER 2018 (N)
Statutory Allocation	21	488,231,225.85
Tax Revenue	22	1,280,000.00
Non – Tax Revenue	23	3,909,400.00
Total		493,420,625.85

ISE/ORUN LOCAL GOVERNMENT, ISE EKITI

EKITI STATE, NIGERIA

POSITION OF EXPENDITURE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	EXPENDITURE JANUARY-DECEMBER 2018 (N)
Salaries and wages	29	324,467,262.45
Social Benefits	31	11,414,867.95
Overhead cost	32	62,658,430.00
Social Contribution	30	16,688,921.58
Depreciation Charges	37	6,372,058.89
Purchase of PPE	58	29,081,110.54
Transfer to other of Entities	38	7,726,000.00
Allowance (Leave Bonus)	40	20,128,851.29
Total		478,437,502.27

RECEIVABLES FOR YEAR 2018

S/N	MONTH	DETAILS	AMOUNT (N)
1	APRIL '18	STATUTORY ALLOCATIION	79,821,236.16
2	MAY '18	STATUTORY ALLOCATIION	79,821,236.16
3	JUNE '18	STATUTORY ALLOCATIION	79,821,236.16
4	JULY '18	STATUTORY ALLOCATIION	79,821,236.16
5	AUGUST ' 18	STATUTORY ALLOCATIION	79,821,236.16
6	SEPTEMBER '18	STATUTORY ALLOCATIION	79,821,236.16
		TOTAL	478,927,416.96

NOTES 8 & 37**PLANT, PROPERTY AND EQUIPMENT FOR YEAR 2018**

DETAILS	COST	ADDITIONS	DISPOSAL	REVALU- ATION	TOTAL COST	DEPRECIATION (NT 37)	NET BOOK VALUE
Plant (Generator)	3,000,000.00	-	-	-	3,000,000.00	(600,000.00)	2,400,000.00
Motor Vehicles	14,295,116.80	12,621,052.63	-	-	26,916,169.43	(5,383,233.89)	21,532,935.54
Landed Property	2,000,000.00	500,000.00	-	-	2,500,000.00	-	2,500,000.00
Building and offices	-	1,250,000.00	-	-	1,250,000.00	(125,000.00)	1,125,000.00
Overhead tank	-	935,750.00	-	-	935,750.00	(93,575.00)	842,175.00
Computer Systems		190,000.00	-	-	190,000.00	(38,000.00)	152,000.00
Table & Chairs		97,000.00	-	-	97,000.00	(19,400.00)	77,600.00
boreholes		564,250.00	-	-	564,250.00	(112,850.00)	451,400.00
					35,453,169.43	(8,372,058.89)	29,081,110.54

NOTE 14**PAYABLES FOR YEAR 2018**

S/N	MONTH	AMOUNT (N)
1	APRIL '18	79,821,236.16
2	MAY '18	79,821,236.16
3	JUNE '18	79,821,236.16
4	JULY '18	79,821,236.16
5	AUGUST '18	79,821,236.16
6	SEPTEMBER '18	79,821,236.16
	TOTAL	478,927,416.96

NOTE 21**STATUTORY REVENUE FOR YEAR 2018**

JANUARY	85,907,240.35
FEBRUARY	94,609,139.27
MARCH	88,979,069.52
OCTOBER	72,984,808.03
NOVEMBER	72,987,347.03
DECEMBER	72,763,671.62
TOTAL	488,231,225.82

NOTE 22**TAX REVENUE FOR YEAR 2018**

S/N	MONTH	AMOUNT (N)
1	COMMUNITY TAX	880,000.00
2	DEVELOPMENT TAX/LEVY	400,000.00
	TOTAL	1,280,000.00

NOTE 23

S/N	MONTH	AMOUNT (N)
1	TENEMENT RATE	783,000.00
2	FINES	252,700.00
3	GENERAL LICENCE/HACKNEY	1,167,000.00
4	MARKET TOLLS	691,800.00
5	LOCAL GOVERNMENT NUR/PRY SCHOOL	870,000.00
6	MOTOR PARKS	75,000.00
7	SHOPPING CENTRES	69,900.00
	TOTAL	3,909,400.00

NOTE 29**SALARY AND WAGES FOR YEAR 2018**

S/N	MONTH	AMOUNT (N)
1	Political Office Holders	65,930,563.39
2	Traditional Council	31,195,023.71
3	Chieftaincy Council	636,633.13
4	Palace Staff	2,763,546.87
5	Midwife	900,000.00
6	L.G. Deduction	22,422,761.77
7	Salary Net Payable	200,618,733.58
	TOTAL	324,467,262.45

NOTE 30**SOCIAL CONTRIBUTION FOR YEAR 2018**

S/N	MONTH	AMOUNT (N)
1	Stomach Infrastructure	2,000,000.00
2	Grading of Roads	7,389,921.58
3	Bursary Awards	801,000.00
4	Desilting	6,000,000.00
5	Farm Tools	48,000.00
6	Drainage	450,000.00
	TOTAL	16,688,921.58

NOTE 31

SOCIAL BENEFIT

N11,414,867.95

NOTE 32**OVERHEAD FOR YEAR 2018**

S/N	DETAILS	AMOUNT (N)
1	IMPREST	21,671,000.00
2	OUT OF POCKET	45,000.00
3	TRAINING & SEMINAR	554,500.00
4	STATIONERY	3,030,630.00
5	CHRISTMAX GIFT	3,012,000.00
6	ENVIRIONMENTAL	400,000.00
7	F & GPC AND OTHERS	3,478,000.00
8	GENERAL	8,150,500.00
9	CAPITAL MAINTNEANCE	3,388,000.00
10	FUELLING	2,563,800.00
11	CHRISTMAS DECORATION	1,450,000.00
12	SECURITY	13,395,000.00
13	UTILITY	320,000.00
14	HEALTH INTERVENTION	200,000.00
15	JAAC HEALTH INTERVENTION	1,000,000.00
	TOTAL	62,658,430.00

NOTE 38**TRANSFER TO OTHER GOVERNMENT ENTITIES FOR YEAR 2018**

S/N	DETAILS	AMOUNT (N)
1	SUBVENTION	5,813,500.00
2	CONTRIBUTION TO STATE	1,812,500.00
	TOTAL	7,626,000.00`

NOTE 40**ALLOWANCE FOR YEAR 2018**

LEAVE BONUS	-	N20,128,851.29
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REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL

GOVERNMENTS

ON THE

ACCOUNTS OF MOBA LOCAL GOVERNMENT,

OTUN-EKITI,

FOR THE YEAR ENDED,

31ST DECEMBER, 2018.

AUDIT CERTIFICATE

I have examined the General Purpose Financial Statements of Moba Local Government as at 31st December, 2018 in accordance with Sections 123(2) of the Constitution of the Federal Republic of Nigeria 1989; 316(1) of the Constitution of the Federal Republic of Nigeria 1999, 32 (2) of the Local Government Administration Law No 2 of 1999, and section 26(2) of Ekiti State Audit Law 2014. The audit was conducted in compliance with International Standards on Auditing (ISA) and International Organisation of Supreme Audit Institutions (INTOSAI) Auditing Standards. The Financial Statements were prepared in line with IPSAS Accrual. I have obtained information and explanations that I required for my audit. In my opinion, the General Purpose Financial Statements and the supporting Accounts and Statements give a true and fair view of the Local Government as at 31st December, 2018 subject to the observations in this report.



Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF MOBA LOCAL GOVERNMENT, OTUN-EKITI FOR THE YEAR ENDED
31ST DECEMBER, 2018.**

The General Purpose Financial Statements of Ilejemeje Local Government have been examined in accordance with, sections 123(2) and 316 of the Constitution of the Federal Republic of Nigeria, 1989 and 1999 respectively, section 26(2) of Ekiti State Audit Law, 2014 and Section 32(2) of the Local Government Administration Law No 2 of 1999. The General Purpose Financial Statements were correct subject to the comments in this report and the existence of the Assets have also been substantiated.

2. STATEMENT OF FINANCIAL RESPONSIBILITY

It is the responsibility of Director of Finance of Moba Local Government to prepare and present the General Purpose Financial Statements to the Auditor-General in accordance with the provisions of the Constitutions of the Federal Republic of Nigeria within 90 days after the expiration of the financial year.

This section was grossly violated by the Local Government as the account was presented on 3th September, 2019, more than 5 months behind schedule. This led to my late reporting on the Account.

3. STATEMENT OF RESPONSIBILITY OF AUDITOR-GENERAL

It is my responsibility to form an independent opinion, based on General Purpose Financial Statements and accompanying Accounts prepared and submitted to me by the Director of Finance of the Local Government and to report thereupon in consonance with the Constitution of the Federal Republic of Nigeria.

4. RESPONSIBILITY OF THE PUBLIC ACCOUNTS COMMITTEE (PAC)

It is the responsibility of the Public Accounts Committee of the State House of Assembly to review the Auditor-General's Report with a view to ensuring enforcement of the recommendations made and impose sanctions where necessary.

5. **BASIS OF OPINION**

The Audit was conducted in compliance with International Standards on Auditing (ISA) and Generally Accepted Public Sector and INTOSAI Auditing Standards.

These standards require that I comply with ethical requirements, plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements whether due to fraud or error. I also evaluated the overall adequacy of the presentation of information in the financial statements.

In the course of the Audit, I have obtained all the information and explanation that to the best of my knowledge and belief were necessary for the purpose of audit and I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for independent opinion.

6. **OPINION**

In my opinion, the Financial Statements which included Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flow, Statement of Comparison of Budget and Actual and Statement of Changes in Net Assets/Equity as at 31st December, 2018 with supporting notes, give a true and fair view of the State of Affairs And Financial Positions of the Local Governments for the fiscal year ended on that date subject to the observations and comments in the other parts of this report.

7. **BUDGET OVERVIEW AND PERFORMANCE**

Statement of Comparism for Budget Estimates and Actual Performance for the year ended 31st December, 2018 prepared and presented showed the following shortfalls:

- i. The budget was not prepared in compliance with the National Chart of Accounts (NCOA) put in place by IPSAS for budget preparation.
- ii. The estimate made for Revenue in the 2018 budget recorded a low performance. An estimate was made for N1,362,665,000.00, while actual Revenue recorded stood at N726,790,581.85. This is about 53.34% performance. Equally, the IGR of N4,280,580.00 represents only 0.59% of the

total Revenue for the period, meaning the Local Government relied unduly on the Statutory allocation for survival.

- iii. The sum of N888,100,000.00 only was budgeted for expenditure but only N697,519,442.98 was actually incurred, resulting to saving of N190,519,442.98 for the period.

8. **REVENUE ACCOUNT**

A total sum of N726,790,581.85 was earned as total Revenue as at 31st December, 2018 out of which only 0.59%- N4,280,580.00 was generated as IGR, which showed that the Local Government solely depends on the Statutory allocation.

On the basis of comparism, the IGR for the current year recorded a surplus of 15.57 % over that of previous year. Details of this is contained in the statement of Budget Comparism for the year 2018.

9. **AUTHORITY FOR EXPENDITURE**

All expenditure shown in the statement of actual expenditure for the year have been authorized as provided for by section 22(i) of the Local Government Administration Law 1999 with the exceptions of paragraph 6, of this report.

10. **EXPENDITURE CONTRARY TO LAW:**

The following expenditure appears to be contrary to Law.

S/N	QUERY NO	SUBJECT	AMOUNT (N)
1	AUD/MLG/AQ/01/18	Unproduced Revenue Earning Receipts	Assorted
2	AUD/MLG/AQ/02/18	Nugatory Payment	1,628,550.00
3	AUD/MLG/AQ/03/18	Doubtful Expenditure	2,352,831.20
4	AUD/MLG/AQ/04/18	Expenditure not supported with proper records of Accounts	1,577,000.00
5	AUD/MLG/AQ/05/18	Unreasonable Expenditure	2,500,000.00
6	AUD/MLG/AQ/06/18	Unretired Security Vote	7,500,000.00
7	AUD/MLG/AQ/07/18	Unaudited/ Unreceipted Expenditure	6,703,000.00
8	AUD/MLG/AQ/08/18	Items not taken on Ledger Charge	1,511,4000.00
		TOTAL	23,772,781.20

11. **STATEMENTS OF ASSETS AND LIABILITIES**

The statements of Assets and Liabilities were correct and existence of the Assets have been substantiated.

8. **DISALLOWANCE** Allowance has been reserved in respect of the expenditure detailed in paragraph 6 of this report pending a satisfactory explanations or the sanction of the State House of Assembly.

12. **STATE OF ACCOUNT**

The Accounts of Moba Local Government have been examined up to 31st December, 2018 and detailed observations have been forwarded to the Director of Administration, Moba Local Government, Otun-Ekiti. Particular attention is required to the followings:

- (i) Unproduced Revenue Earning Receipts
- (ii) Internally Generated Revenue
- (iii) Internal Control and internal checks
- (iv) Outstanding audit queries

13. **OUTSTANDING MATTERS FROM PREVIOUS REPORTS**

			N
(a)	Loss of fund involving Mr. Ajiboye (2015)		590,000.00
(b)	Unpaid rates by communication Companies (2015)		260,000.00
©	Unexecuted grading of roads (2015)		500,000.00
(d)	2015 AUDIT QUERIES		#
i.	AQ/MBLG/02/15	Unretired Security Vote	2,000,000.00
ii.	AQ/MBLG/01/15	Nugatory payments	500,000.00
iii.	AQ/MBLG/03/15	Un-Vouched Expenditure	3,520,000.00
iv.	AQ/MBLG/04/15	Unproduced Revenue Receipt	Assorted

v.	AQ/MBLG/05/15	Imprest not accounted for	<u>1,170,000.00</u>
			7,170,000.00
			=====

vi. Woodanite (Nig) Consultant 20 GRR missing

vii. Peter Adelusi (Store Officer) 2015 6 GRR missing

(e). 2016 AUDIT QUERIES

i. AQ/MBLG/03/15 Expenditure contrary to regulations 465,000.00

ii. AQ/MBLG/04/15 Expenditure contrary to regulations 350,000.00

815,000.00

=====

(f) 2017 AUDIT QUERIES

#

i. AQ/MBLG/01/17 Nugatory payments I 7,509,000.00

ii. AQ/MBLG/02/17 Nugatory payments II 2,400,000.00

iii. AQ/MBLG/03/17 Nugatory payments III 770,000.00

iv. AQ/MBLG/04/17 Nugatory payments IV 3,170,000.00

v. AQ/MBLG/05/17 Nugatory payment V 1,786,500.00

vi. AQ/MBLG/06/17 Nugatory payment VI 1,140,000.00

vii. AQ/MBLG/07/17 Doubtful expenditure I 3,500,000.00

viii. AQ/MBLG/08/17 Expenditure not supported with proper records
of account I 400,000.00

ix. AQ/MBLG/09/17 Expenditure not supported with proper records
of account II 945,000.00

x. AQ/MBLG/10/17 Expenditure contrary to regulation I 750,000.00

xi. AQ/MBLG/11/17 Expenditure contrary to regulations II 1,290,000.00

xii. AQ/MBLG/12/17 Expenditure contrary to regulations III 1,925,000.00

xiii. AQ/MBLG/13/17 Expenditure contrary to regulations III 3,125,000.00

xiv. AQ/MBLG/14/17 Expenditure not supported with proper records
accounts IV 10,000,000.00

xv. AQ/ MBLG/15/17 Nugatory payment VII 7,005,075.49

xvi. AQ/ MBLG /16/17 Nugatory payment VIII 15,628,000.00

xvii. AQ/ MBLG /17/17 Doubtful payment II 6,758,136.00

xviii. AQ/MBLG /18/17 Expenditure not supported by proper records
or accounts V 5,625,000.00

xix. AQ/MBLG /19/17 Nugatory payment IX 7,500,000.00

xx.	AQ/MBLG /20/17	Nugatory payment X	<u>2,195,000.00</u>
			85,608,712.08
			=====

 17/10/2019

Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF MOBA LOCAL GOVERNMENT, OTUN-EKITI FOR THE YEAR ENDED
31ST DECEMBER, 2018.**

1. RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Financial Statements have been prepared by the Director of Finance Moba Local Government based on the available records and in compliance with the IPSAS Accrual Accounting for all Public Sector Entities (PSE) in Nigeria.

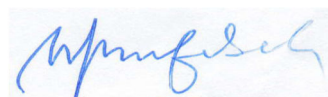
To the best of our knowledge, the system of internal control had operated adequately throughout the reporting period, and the statements represent a true and fair view of the Financial Positions of the Local Government.

The Director of Finance accepts responsibility for the integrity of these Financial Statements, the information they contain and their compliance with International Public Sector Accounting Standards (IPSAS) Accrual Accounting for all public sector entities (PSE) in Nigeria.

In my opinion, these General Purpose Financial Statements fairly reflect the financial position of Moba Local Government as at the year ended 31st December, 2018.



**Hon. Bayo Aborisade,
Executive Chairman.**



**Mr Agboola S.B.
Director of Finance.**

STATEMENT OF ACCOUNTING POLICIES (IPSAS 1)

(cxxvii) BASIS OF PREPARATION

The General Purpose Financial Statements have been prepared in compliance with IPSAS Accrual Accounting basis that recognizes transactions and events occurred whether expenses are paid for or not and revenue received or outstanding, and under the guidelines of Financial Memoranda in conformity with National Chart of Account (NCOA) and the Nigeria Accounting Standard Board for Public Sector Reporting.

(cxxviii) BASIS OF MEASUREMENT

The Financial Statements have been prepared on historical cost unless stated otherwise.

(cxxix) REPORTING CURRENCY

The Financial Statements were presented in Nigerian Naira, which is the functional currency of the Local Government Council.

(cxxx) GOING CONCERN

The Financial Statements have been prepared on a going concern basis.

(cxxxi) ACCOUNTING PERIOD

The Accounting period is from 1st January to 31st December, 2018.

(cxxxii) REVEUNE

This presented both the exchange and non-exchange revenue from Internally Generated Revenue and Statutory Allocation from the Federation Account during the year.

(cxxxiii) EXPENDITURE

This represented both recurrent and capital expenditure during the year.

(cxxxiv) NON-CURRENT ASSETS/ DEPRECIATION

Property Plant and Equipment were recognized less accumulated depreciation.

(cxxxv) BUDGET INFORMATION

The Annual Budget was prepared on Accrual Basis. All planned costs and incomes were presented in a single statement to determine the needs of the Local Government Council.

(x). INVESTMENT PROPERTIES

Investment properties were measured initially at cost, including transaction costs. The carrying amount included the replacement cost of components of an existing investment properly at the end time that cost was incurred if the recognition criteria were met and excluded the cost of day to day maintenance of an investment properly.

MOBA LOCAL GOVERNMENT, OTUN-EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2018

2017	DETAILS	NOTES	2018	
N	Represented By:		N	N
	ASSETS			
	Current Assets			
29,828,438.30	Cash and equivalent	1	30,253,373.57	
2,742,152.00	Inventories	2	66,100.00	
-	WIP	3	-	
319,034,579.27	Receivables	4	<u>317,665,647.40</u>	
-	Prepayment	5	-	
351,605,169.57	Total Current Assets			347,985,120.97
	Non-Current Assets			
	Loans Granted	6	-	
-	Investments	7		
476,915,720.00	Fixed Assets-Property, Plant & Equip	8		
-	Investment Property	9	561,057,331.00	
-	Biological Assets	10	-	
476,915,720.00	Total Non-current Assets			<u>561,057,331.00</u>
828,520,889.57	Total Assets			909,042,451.97
	LIABILITIES			
	Current liabilities			
-	Accumulated Depreciation	11	23,009,385.00	
-	Loan & Debts (Short-Term)	12	-	
35,825,022.79	Unremitted Deductions	13	-	
41,468,817.58	Payables	14	43,169,817.54	
77,293,840.37	Total Current Liabilities		66,179,202.54	
	Non - Current Liabilities			
29,828,438.30	Public funds	15	-	
-	borrowings	16	-	
-	Public Funds		-	
29,828,438.30	Total Non- Current Liabilities		-	
107,122,278.67	Total Liabilities			<u>66,179,202.54</u>
721,398,610.90	NET ASSETS/EQUITY:			842,863,249.43
	Financed By:			
608,539,811.29	Reserves	17		740,195,142.99
	Capital Grants	18	-	
73,396,967.57	Net Surpluses/(Deficits)	19	29,271,138.87	
39,461,832.04	Accumulated Surpluses(Deficits)	20	73,396,967.57	<u>102,668,106.44</u>
721,398,610.90	Total Net Assets/Equity:			842,863,249.43

MOBA LOCAL GOVERNMENT, OTUN EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER,
2018

2017	DETAILS	NOTE	2018
N	REVENUE		ACTUAL (N)
676,251,721.40	Statutory Revenue	21	722,516,001.85
39,880.00	Tax Revenue	22	67,000.00
3,664,114.91	Non-Tax Revenue	23	3,413,580.00
-	Aid & Grants	24	-
957,320.00	Investment Income	25	-
-	Expenditure Recovery	26	-
-	Other Capital Receipts	27	-
-	Debt Forgiveness	28	-
680,918,036.31	Total Revenue		726,790,581.85
	EXPENDITURE:		
457,874,522.64	Salaries & Wages	29	597,381,165.55
-	Social Contribution	30	-
-	Social Benefits	31	-
119,813,107.80	Overhead Cost	32	81,210,494.43
-	Gratuity	32	-
-	Pension Allowances	33	-
-	Stationeries	35	-
-	Impairment Charges	36	-
28,828,438.30	Depreciation charges	37	18,927,783.00
-	Transfer to Other Government Entities	38	-
-	Public Debt Charge	39	-
-	Allowance (Leave Bonus)	40	-
606,516,058.74	Total Expenditure		697,519,442.98
	Surplus/(Deficit) from operating activities for the period		29,271,138.87
	Total Non-Operating Revenue (Expenses)		
	Non-Operating Activities		
-	Gain/Loss on Assets Disposal	41	-
-	Refund Revenue	42	-
-	Revaluation Grain	43	-
73,396,967.57	Net Surplus/(Deficit) from Operating Activities		-
	Surplus/(Deficit) from operating activities		-
-	Purchases/Construction of Assets	44	-
	Minority Interest Share of Surplus/Deficits)	45	-
	Accumulated Surplus/(Deficit) 01/01/2018		73,396,967.57
73,396,967.57	Accumulated Surplus/(Deficit) 31/12/2018		102,668,106.44

MOBA LOCAL GOVERNMENT, OTUN-EKITI, EKITI STATE, NIGERIA
STATEMENT CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2018.

2017	DETAILS	NOTES	2018	
N	CASH FLOWS FROM OPERATING ACTIVITIES		N	N
	Inflows			
676,211,841.40	Statutory Revenue	21	722,516,001.85	
39,880.00	Tax Revenue	22	867,000.00	
3,664,114.91	Non Tax Revenue	23	3,413,580.00	
-	Aid & Grants	24	-	
957,320.00	Investment	25	-	
-	Interest Earned	46	-	
-	Expenditure Recovery	26	-	
-	Other Capital Receipts	27	-	
-	Debt Forgiveness	28	-	
680,873,156.31	Total flow from Operating Activities			726,796,581.85
	outflows			
457,874,522.64	Salary & Wages	29	597,381,165.50	
-	Social Contribution	30	-	
-	Social Benefit	31	-	
119,813,107.80	Overheads Cost	32	81,210,494.43	
-	Gratuity	33	-	
-	Pension Allowances	34	-	
-	Transfer to other Government Entities	38	-	
-	Allowance	40	-	
-	Deductions	49	-	
-	Refund	50	-	
-	Inventory	51	-	
-	Loan	52	-	
577,687,630.44	Total Outflow from Operating Activities			678,591,659.93
102,885,525.87	Net Cash Inflow/(outflow) from operating Activities			48,204,921.92
	CASH FLOW FROM INVESTING ACTIVITIES			
-	Proceeds for Sale of PPE	53	-	
-	Proceeds from Sales Property	54	-	
-	Proceeds from Sales of Intangible Assets	55	-	
-	Proceeds from Sales of Investment	56	-	
-	Dividend Received	57	-	
-	Total Inflow			-
	Outflows			
92,544,257.73	Purchase/construction of Assets PPE	58	47,779,986.65	
-	Purchase/construction of Assets-Investment Property	59	-	
-	Investment in Private companies	60	-	
-	Loan Granted	61	-	
-	Purchase of Intangible Assets	62	-	

-	Acquisition of Investment	63	-	
92,544,257.73	Total Outflow		-	47,779,986.65
10,341,268.14	Net cash flow from Investing Activities		-	424,935.27
	CASH FLOW FROM FINANCING ACTIVITIES		-	
	Inflows		-	
-	Capital Grant Received	64	-	
-	Proceeds from Borrowing	65	-	
-	Total Inflow			-
	Outflows		-	
-	Repayment of borrowing	66	-	
-	Distribution of surplus/Dividends Paid	67	-	
-	TOTAL OUTFLOW			
10,341,268.14	Net Cash Flow from financial Activities			424,935.27
10,341,268.14	Net cash flow from All Activities		-	424,935.27
19,487,170.16	Cash & Equivalent As at 1/1/ 2018			29,828,438.30
29,828,438.30	Cash & Equivalent as at 31/12/2018	1		30,253,373.57

MOBA LOCAL GOVERNMENT, OTUN EKITI, EKITI STATE NIGERIA
STATEMENT OF COMPARISM OF BUDGET AND ACTUAL FOR THE YEAR ENDED
31ST DECEMBER, 2018.

2017	REVENUE		2018	FINAL BUDGET 2018 (N)	VARIANCE ON FINAL BUDGET IN (%)
N	N	NOTE	ACTUAL N	N	
676,251,721.40	Statutory Revenue	21	722,516,001.85	1,350,000,000.00	(46.48)
39,880.00	Tax Revenue	22	867,000.00	3,166,250.00	(72.62)
3,664,114.91	Non- Tax Revenue	23	3,413,580.00	9,498,750.00	(64.02)
-	Aid & Grants	24	-	-	
957,320.00	Investment Income	25	-	-	
-	Expenditure Recovery	26	-	-	
-	Other Capital Receipts	27	-	-	
-	Debt forgiveness	28	-	-	
680,918,036.31	Total Revenue		726,790,581.85	1,362,665,000.00	(183.12)
	EXPENDITURE:				
457,874,522.64	Salaries & Wages	29	-		
-	Social Contribution	30	597,381,165.55	625,500,000.00	4.49
-	Social Benefit	31	-	-	
119,813,107.80	Overhead cost	32	-		-
-	Gratuity	33	81,210,494.43	262,600,000.00	69.07
-	Pension Allowance	34	-	-	
-	Stationeries	35	-	-	
-	Impairment Charges	36	-	-	
28,828,438.30	Depreciation Charges	37	-	-	
-	Transfer to other Government Entities	38	18,927,783.00	-	(100.00)
-	Public Debt Charge	39	-	-	
-	Allowance (Leave Bonus)	40	-	-	
606,516,058.74	Total Expenditure		697,519,442.98	888,100,000.00	(26.44)
73,396,967.57	Surplus (Deficit) from operating activities for the period		29,271,138.87	474,565,000.00	(156.68)
	Total Non- operating Revenue (Expenses)				
	Non-operating Activities				
	Gain/loss on Asset Disposal	41		-	

-	Refunded Revenue	42		-	
-	Revaluation Gain	43		-	
	Net Surplus/(Deficit) from Non-operating Activities				
-	Purchase/Construction of Assets	44		-	
-	Monitoring interest share of surplus (Deficit)	45			
	Accumulated surplus/Deficit) 1/1/2018		73,396,967.57		
73,396,967.57	Accumulated surplus (Deficit) 31/12/2018		102,668,106.44	474,565,000.00	(156.68)

MOBA LOCAL GOVERNMENT, OTUN-EKITI, EKITI STATE, NIGERIA

STATEMENT OF CHARGES IN NET ASSET/EQUITY AS AT 31/12/2018

DETAILS	NOTE	RECEIVABLES	PAYABLES	RUNNING GRANT (O/H)	ACCUMULATED SURPLUS/(DEFICITS)	TOTAL
		N	N	N	N	N
Balance b/f (1/1/2018)		<u>319,034,579.27</u>	<u>41,468,817.58</u>	-	<u>73,396,967.57</u>	<u>433,900,364.42</u>
Increase/(Decrease) in Revenue not recognized in financial performance		-	-	-	-	-
Increase/(Decrease) in Salaries & Wages not recognized	-	-	-	-	-	-
Total Actual 2017		<u>319,034,579.27</u>	<u>41,468,817.58</u>	-	<u>73,396,967.57</u>	<u>433,900,364.42</u>
Balance as at (31/12/2018)		317,665,647.40	43,167,817.54		29,271,138.87	390,106,603.83
Total		317,665,647.40	43,167,817.54	-	-	360,835,464.94
Increase/Decrease in Salaries & Wages not recognized in Receivables/Payables		-	-	-	-	-
Gain on Revaluation		-	-	-	-	-
Accumulated surplus (Deficit) as at 31/12/2017					73,396,967.57	73,396,967.57
Balance as at 31/12/2018		317,665,647.40	43,167,817.54		102,669,106.44	511,895,912.48

MOBA LOCAL GOVERNMENT, OTUN EKITI

EKITI STATE, NIGERIA

POSITION OF REVENUE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	REVENUE JANUARY- DECEMBER 2018 (N)
Statutory Allocation	21	722,516,001.85
Tax Revenue	22	867,000.00
Non – Tax Revenue	23	3,413,580.00
Total		726,796,581.85

MOBA LOCAL GOVERNMENT, OTUN EKITI

EKITI STATE, NIGERIA

POSITION OF EXPENDITURE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	EXPENDITURE JANUARY-DECEMBER 2018 (N)
Salaries and wages	29	597,381,165.55
Overhead cost	32	81,210,494.43
Depreciation Charges	37	18,927,783.00
Purchase of PPE	58	47,779,986.65
Total		745,299,429.63

INVENTORIES FOR YEAR 2018

NAME	QUANTITY	UNIT PRICE	AMOUNT (N)
P.V. Other Charges	300 pcs	15	4,500.00
Attestation	5 bks	9,000	45,000.00
TR	4bks	1,000	4,000.00
Flat Rate	3bks	1,000	3,000.00
Market Receipt	48bks	200	9,600.00
Total			66,100.00

FIXED ASSET SCHEDULE FOR YEAR ENDED 31ST DECEMBER, 2018

	LAND & BUILDING	PLANT & MACHINERY	OFFICE EQUIPMENT	MOTOR VEHICLE	FURNITURE & FITTINGS	TOTAL (N)
Cost/Revaluation						
Bal B/F (1/1/2018)	553,033,600.00	1,161,915.00	1,838,167.00	9,625,832.00	4,125,600.00	569,785,114.00
Additions during the year	-	-	-	10,200,000.00	-	10,200,000.00
Disposal during the year	-	-	-	-	-	-
Total for the year	553,033,600.00	1,161,915.00	1,838,167.00	19,825,832.00	4,125,600.00	579,985,114.00
ACCUMMLATED DEPRECIATION						
Accumulated Depreciation (Note 11)	11,286,400.00	353,085.00	851,833.00	9,486,667.00	1,031,400.00	23,009,385.00
Depreciation for the year (Note 37)	11,060,672.00	278,136.00	612,110.00	6,151,745.00	825,120.00	18,927,783.00
Balance C/F Net Book V.	541,972,928.00	883,779.00	1,226,057.00	13,674,087.00	3,300,480.00	561,057,331.00

STATUTORY ALLOCATION FOR YEAR 2018

S/N	MONTH	AMOUNT (N)
1	JANUARY	112,698,810.90
2	FEBRUARY	64,638,296.32
3	MARCH	58,477,564.57
4	APRIL	56,185,010.26
5	MAY	63,764,497.62
6	JUNE	59,386,761.73
7	JULY	57,966,044.73
8	AUGUST	54,066,622.59
9	SEPTEMBER	67,591,549.42
10	OCTOBER	41,075,642.38
11	NOVEMBER	40,739,849.48
12	DECEMBER	45,925,351.85
	TOTAL	722,516,001.95

ANALYSIS OF IGR FOR YEAR 2018

MONTH	TAX	NON-TAX	TOTAL
JANUARY	105,000.00	496,880.00	601,880.00
FEBRUARY	-	197,000.00	197,000.00
MARCH	103,000.00	247,000.00	350,000.00
APRIL	470,000.00	247,000.00	717,000.00
MAY	69,000.00	264,000.00	333,000.00
JUNE	-	773,400.00	773,400.00
JULY	-	190,200.00	190,200.00
AUGUST	120,000.00	212,200.00	332,200.00
SEPTEMBER	-	173,500.00	173,500.00
OCTOBER	-	142,000.00	142,000.00
NOVEMBER	-	323,500.00	323,500.00
DECEMBER	-	146,900.00	146,900.00
TOTAL	867,000.00	3,413,580.00	4,280,580.00

SALARY & WAGES FOR YEAR 2018

S/N	MONTH	AMOUNT (N)
1	JANUARY	68,728,376.63
2	FEBRUARY	51,344,437.80
3	MARCH	48,743,631.88
4	APRIL	48,460,479.90
5	MAY	55,259,965.45
6	JUNE	52,882,229.51
7	JULY	50,662,634.39
8	AUGUST	47,886,851.35
9	SEPTEMBER	48,743,859.52
10	OCTOBER	42,973,057.44
11	NOVEMBER	40,770,299.83
12	DECEMBER	40,925,341.85
	TOTAL	597,381,165.55

REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL

GOVERNMENTS

ON THE

ACCOUNTS OF OYE LOCAL GOVERNMENT,

OYE-EKITI,

FOR THE YEAR ENDED,

31ST DECEMBER, 2018.

AUDIT CERTIFICATE

I have examined the General Purpose Financial Statements of Oye Local Government as at 31st December, 2018 in accordance with Sections 123(2) of the Constitution of the Federal Republic of Nigeria 1989; 316(1) of the Constitution of the Federal Republic of Nigeria 1999, 32 (2) of the Local Government Administration Law No 2 of 1999, and section 26(2) of Ekiti State Audit Law 2014. The audit was conducted in compliance with International Standards on Auditing (ISA) and International Organisation of Supreme Audit Institutions (INTOSAI) Auditing Standards. The Financial Statements were prepared in line with IPSAS Accrual. I have obtained information and explanations that I required for my audit. In my opinion, the General Purpose Financial Statements and the supporting Accounts and Statements give a true and fair view of the Local Government as at 31st December, 2018 subject to the observations in this report.

 17/10/2019

Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF OYE LOCAL GOVERNMENT, OYE-EKITI FOR THE YEAR ENDED 31ST
DECEMBER, 2018.**

The General Purpose Financial Statements of Oye Local Government have been examined in accordance with sections 123(2) and 316 of the Constitution of the Federal Republic of Nigeria, 1989 and 1999 respectively and section 26(2) of Ekiti State Audit Law, 2014 and section 32(2) of the Local Government Administration Law No 2 of 1999. The General Purpose Financial Statements were correct subject to the comments in this report and the existence of the Assets have also been substantiated.

2. STATEMENT OF FINANCIAL RESPONSIBILITY

It is the responsibility of Director of Finance of Oye Local Government to prepare and present the General Purpose Financial Statements to the Auditor-General in accordance with the provisions of the Constitutions of the Federal Republic of Nigeria within 90 days after the expiration of the financial year.

This section was grossly violated by the Local Government as the account was presented on 21th August, 2018, almost five months behind schedule. This led to my late reporting on the Account.

3. STATEMENT OF RESPONSIBILITY OF AUDITOR-GENERAL

It is my responsibility to form an independent opinion, based on General Purpose Financial Statements and accompanying Accounts prepared and submitted to me by the Director of Finance of the Local Government and to report thereupon in consonance with the Constitution of the Federal Republic of Nigeria.

4. RESPONSIBILITY OF THE PUBLIC ACCOUNTS COMMITTEE (PAC)

It is the responsibility of the Public Accounts Committee of the State House of Assembly to review the Auditor-General's Report with a view to ensuring enforcement of the recommendations made and impose sanctions where necessary.

5. **BASIS OF OPINION**

The Audit was conducted in compliance with International Standards on Auditing (ISA) and Generally Accepted Public Sector and INTOSAI Auditing Standards.

These standards require that I comply with ethical requirements, plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements whether due to fraud or error. I also evaluated the overall adequacy of the presentation of information in the financial statements.

In the course of the Audit, I have obtained all the information and explanation that to the best of my knowledge and belief were necessary for the purpose of audit and I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for independent opinion.

6. **OPINION**

In my opinion, the Financial Statements which included Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flow, Statement of Comparison of Budget and Actual and Statement of Changes in Net Assets/Equity as at 31st December, 2018 with supporting notes, give a true and fair view of the State of Affairs And Financial Positions of the Local Governments for the fiscal year ended on that date subject to the observations and comments in the other parts of this report.

7. **BUDGET OVERVIEW AND PERFORMANCE**

Statement of Comparism for Budget Estimate and Actual Performance for the year ended 31st December, 2018 prepared and presented showed the following shortfalls:

- i. The budget was not prepared in compliance with the National Chart of Accounts (NCOA) put in place by IPSAS for budget preparation.
- ii. The estimate made for Revenue in the 2018 budget recorded a low performance. An estimate was made for N1,522,000,000.00, while actual Revenue recorded stood at N819,946,477.47. This is about 53.87% performance. Equally, the IGR of N8,530,940.00 represents only 1.04% of the total Revenue for the period,

meaning the Local Government relied unduly on the Statutory allocation for survival.

- iii. The sum of N917,862,698.19 only was budgeted for expenditure but only N778,426,049.23 was actually incurred, resulting to saving of N139,436,648.96 for the period.

8. **REVENUE ACCOUNT**

A total sum of N819,946,477.47 was earned as total Revenue as at 31st December, 2018 out of which only 1.04%- N8,530,940.00 was generated as IGR, which showed that the Local Government solely depends on the Statutory allocation.

On the basis of comparism, the IGR for the current year recorded a deficit of 14.33% over that of previous year. Details of this is contained in the statement of Budget Comparism for the year 2018.

9. **AUTHORITY FOR EXPENDITURE**

All expenditure shown in the statement of actual expenditure for the year have been authorized as provided for by section 22(i) of the Local Government Administration Law 1999 with the exceptions of paragraph 6, of this report.

10. **EXPENDITURE CONTRARY TO LAW:**

The following expenditure appears to be contrary to Law.

S/N	QUERY NO	SUBJECT	AMOUNT (#)
1	AUD/OYLG/AQ/O1/2018	Nugatory	2,979,275.00
2	AUD/OYLG/AQ/O2/2018	Un-receipted Expenditure	535,000.00
3	AUD/OYLG/AQ/O3/2018	Items not taken on Store ledger charge I	376,500.00
4	AUD/OYLG/AQ/O4/2018	Unretired Expenditure	8,500,000.00
5	AUD/OYLG/AQ/O5/2018	Items not taken on Store ledger charge II	146,000.00

6	AUD/OYLG/AQ/06/2018	Expenditure contrary to regulations	4,457,000.00
7	AUD/OYLG/AQ/07/2018	Unproduced revenue Earning Receipts	Assorted
		TOTAL	16,993,775.00
S/N	QUERY NO	SUBJECT	AMOUNT (#)

11. **STATEMENTS OF ASSETS AND LIABILITIES**

The statements of Assets and Liabilities were correct and existence of the Assets have been substantiated.

12. **DISALLOWANCE** Allowance has been reserved in respect of the expenditure detailed in paragraph 6 of this report pending a satisfactory explanations or the sanction of the State House of Assembly.

13. **STATE OF ACCOUNT**

The Accounts of Oye Local Government have been examined up to 31st December, 2018 and detailed observations have been forwarded to the Director of Administration, Oye Local Government, Oye-Ekiti. Particular attention is required to the followings:

- (i) Loss of Public Fund
- (ii) Internal control and Internal check
- (iii) Unproduced Revenue Earning Receipts
- (iv) Expenditure Contrary to Regulation
- (v) Traditional Council Account
- (vi) Discrepancy between the Local Government Receipt and JAAC releases
- (vii) Outstanding Audit Queries

14. **OUTSTANDING MATTERS FROM PREVIOUS REPORTS**

The following matters remained outstanding from my previous report

N

- a) Loss of Fund Involving Mr. Victor Osanlusi and Mr. Gabriel

		(2015)	1,111,000.00
b)	Non-Salary Related Expendiure from salary account (2015)		458,950.00
c)	2014 AUDIT QUERIESI		
i)	AQ/OYLG/04/14 Nugatory Payment		623,100.00
ii)	AQ/OYLG/07/14		<u>16,596,166.71</u>
			17,219,266.71
			=====
d)	2015 AUDIT QUERIES		
i.	AQ/OYLG/04/15	Nugatory payments	435,000.00
ii.	AQ/OYLG/07/15	Un-cleared Security Fund	250,000.00
		Unproduced Revenue Earning Receipt	<u>various</u>
			685,000.00
			=====
e)	2016 AUDIT QUERIES		
i.	AQ/OYLG/01/16	Expenditure not supported by proper record	5,100,000.00
ii.	AQ/OYLG/02/16	Nugatory Payment	530,312.50
iii.	AQ/OYLG/03/16	Unproduced revenue receipts	<u>various</u>
			3,090,991.68
g)	2017 AUDIT QUERIES		
i.	AQ/OYLG/01/2017	Expenditure contrary to regulation	730,000.00
ii.	AQ/OYLG/02/2017	Unreasonable Expenditure	780,000.00
iii.	AQ/OYLG/03/2017	Items not taken on store ledger charge	352,000.00
iv.	AQ/OYLG/04/2017	Unaudited expenditure	692,000.00
v.	AQ/OYLG/05/2017	Un-receipted expenditure (Unclaimed fund)	300,000.00
vi.	AQ/OYLG/06/2017	Expenditure not supported with proper records of accounts	10,000,000.00
vii.	AQ/OYLG/07/2017	Unproduced payment vouchers (purchase of official cars)	12,000,000.00
viii.	AQ/OYLG/08/2017	Inflated contract/overpayment & Nugatory payment	21,830,000.00
ix.	AQ/OYLG/09/2017	Nugatory payment	16,656,000.00
x.	AQ/OYLG/10/2017	Nugatory payment/Unverified projects	1,680,000.00
xi.	AQ/OYLG/11/2017	Items not taken on store ledger charge	380,000.00
xii.	AQ/OYLG/12/2017	Spurious expenditure	5,050,000.00
xiii	AQ/OYLG/13/2017	Expenditure not accounted for	4,721,000.00
viv	AQ/OYLG/14/2017	Unverified project	<u>9,301,250.00</u>
		Total	84,472,250.00
			=====

 17/10/2019

Ade-Ojo, Richard Adebayo, mni,
Auditor-General for Local Governments,
Ekiti State.

FRC/2016/ANAN/00000015210

**REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE
ACCOUNTS OF OYE LOCAL GOVERNMENT, OYE-EKITI FOR THE YEAR ENDED 31ST
DECEMBER, 2018.**

1. RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Financial Statements have been prepared by the Director of Finance Oye Local Government based on the available records and in compliance with the IPSAS Accrual Accounting for all Public Sectors Entities (PSE) in Nigeria.

To the best of our knowledge, the system of internal control had operated adequately throughout the reporting period, and the statements represent a true and fair view of the Financial Positions of the Local Government.

The Director of Finance accepts responsibility for the integrity of these Financial Statements, the information they contain and their compliance with International Public Sector Accounting Standards (IPSAS) Accrual Accounting for all public sector entities (PSE) in Nigeria.

In my opinion, these General Purpose Financial Statements fairly reflect the financial position of Oye Local Government as at the year ended 31st December, 2018.



**Hon. Ojo James F,
Executive Chairman.**



**Mrs Akinola O.O.
Director of Finance.**

STATEMENT OF ACCOUNTING POLICIES (IPSAS 1)

(cxxxvi) BASIS OF PREPARATION

The General Purpose Financial Statements have been prepared in compliance with IPSAS Accrual Accounting basis that recognizes transactions and events occurred whether expenses are paid for or not and revenue received or outstanding, and under the guidelines of Financial Memoranda in conformity with National Chart of Account (NCOA) and the Nigeria Accounting Standard Board for Public Sector Reporting.

(cxxxvii) BASIS OF MEASUREMENT

The Financial Statements have been prepared on historical cost unless stated otherwise.

(cxxxviii) REPORTING CURRENCY

The Financial Statements were presented in Nigerian Naira, which is the functional currency of the Local Government Council.

(cxxxix) GOING CONCERN

The Financial Statements have been prepared on a going concern basis.

(cxl) ACCOUNTING PERIOD

The Accounting period is from 1st January to 31st December, 2018.

(cxli) REVENUE

This presented both the exchange and non-exchange revenue from Internally Generated Revenue and Statutory Allocation from the Federation Account during the year.

(cxlii) EXPENDITURE

This represented both recurrent and capital expenditure during the year.

(cxliii) NON-CURRENT ASSETS/ DEPRECIATION

Property Plant and Equipment were recognized less accumulated depreciation.

(cxliv) BUDGET INFORMATION

The Annual Budget was prepared on Accrual Basis. All planned costs and incomes were presented in a single statement to determine the needs of the Local Government Council.

(x). INVESTMENT PROPERTIES

Investment properties were measured initially at cost, including transaction costs. The carrying amount included the replacement cost of components of an existing investment properly at the end time that cost was incurred if the recognition criteria were met and excluded the cost of day to day maintenance of an investment properly.

OYE LOCAL GOVERNMENT, OYE-EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2018

2017	DETAILS	NOTES	2018	
N	Represented By:		N	N
	ASSETS			
	Current Assets			
3,462,676.47	Cash and equivalent	1	2,797,326.32	
1,693,300.00	Inventories	2	2,019,450.00	
-	WIP	3	-	
393,528,937.28	Receivables	4	373,132,078.06	
-	Prepayment	5	-	
398,684,913.73	Total Current Assets			377,948,854.38
	Non-Current Assets			
-	Loans Granted	6	-	
-	Investments	7	-	
451,066,450.00	Fixed Assets-Property, Plant & Equip	8	455,193,673.85	
-	Investment Property	9		
-	Biological Assets	10	-	
451,066,450.00	Total Non-current Assets			455,193,676.85
849,751,363.73	Total Assets			833,142,528.23
	LIABILITIES			
	Current Liabilities			
-	Accumulated Depreciation	11	-	
-	Loan & Debts (Short-Term)	12		
-	Unremitted Deductions	13		
404,068,220.28	Payables	14	375,289,592.06	
404,068,220.28	Total Current Liabilities		375,289,592.06	
	Non - Current Liabilities			
-	Public funds	15	-	
	Borrowings	16	-	
	Total Non- Current Liabilities		-	
404,078,220.28	Total Liabilities			375,289,592.06
445,683,143.45	NET ASSETS/EQUITY:			457,852,936.17
	Financed By:			
373,921,388.37	Reserves	17		377,904,451.34
-	Capital Grants	18	-	
33,333,698.49	Net Surpluses/Deficits	19	41,520,428.24	
38,428,056.59	Accumulated Surpluses(Deficits)	20	33,333,698.49	74,854,126.73
445,683,143.45	Total Net Assets/Equity:			457,852,936.17

OYE LOCAL GOVERNMENT, OYE- EKITI, EKITI STATE, NIGERIA
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2018

2017	DETAILS	NOTE	2018
N	REVENUE		ACTUAL (N)
886,436,199.04	Statutory Revenue	21	811,415,537.47
386,289.13	Tax Revenue	22	415,700.00
9,571,972.00	Non-Tax Revenue	23	8,115,240.00
-	Aid & Grants	24	-
	Investment Income	25	-
-	Expenditure Recovery	26	--
-	Other Capital Receipts	27	-
-	Debt Forgiveness	28	-
896,394,460.17	Total Revenue		819,946,477.47
	EXPENDITURE:		
729,921,996.78	Salaries & Wages	29	670,275,909.70
-	Social Contribution	30	--
-	Social Benefits	31	--
133,138,764.90	Overhead Cost	32	91,522,363.38
-	Gratuity	33	-
-	Pension Allowances	34	-
-	Stationeries	35	-
-	Impairment Charges	36	-
-	Depreciation charges	37	16,627,776.15
-	Transfer to Other Government Entities	38	-
-	Public Debt Charge	39	-
-	Allowance (Leave Bonus)	40	-
863,060,761.68	Total Expenditure		778,426,049.23
33,333,698.49	Surplus/(Deficit) from operating activities for the period		41,520,428.24
	Total Non-Operating Revenue (Expenses)		
	Non-operating Activities		
-	Gain/Loss on Assets Disposal	41	-
-	Refund Revenue	42	-
-	Revaluation Grain	43	-
-	Net Surplus/(Deficit) from Operating Activities		-
	Surplus/(Deficit) from operating activities		-
-	Purchases/Construction of Assets	44	-
	Minority Interest Share of Surplus/Deficits)	45	-
	Accumulated Surplus/(Deficit) 01/01/2018		33,333,698.49
33,333,698.49	Accumulated Surplus/(Deficit) 31/12/2018		74,854,126.73

OYE LOCAL GOVERNMENT, OYE-EKITI, EKITI STATE, NIGERIA
STATEMENT CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2018.

2017	DETAILS	NOTES	2018	
N	CASH FLOWS FROM OPERATING ACTIVITIES		N	N
	Inflows			
886,436,199.04	Statutory Revenue	21	811,415,537.47	
386,289.13	Tax Revenue	22	415,700.00	
9,571,972.00	Non Tax Revenue	23	8,115,240.00	
-	Aid & Grants	24	-	
-	Investment	25	-	
-	Expenditure Recovery	26	-	
-	Other Capital Receipts	27	-	
-	Debt Forgiveness	28	-	
896,394,460.17	Total flow from Operating Activities			819,946,477.47
	outflows			
729,921,996.78	Salary & Wages	29	670,275,909.70	
-	Social Contribution	30	-	
-	Social Benefit	31	-	
133,138,764.90	Overheads Cost	32	91,522,363.38	
-	Gratuity	33	-	
-	Pension Allowances	34	-	
-	Transfer to other Government Entities	38	-	
-	Allowance	40	-	
-	Deductions	49	-	
-	Refund	50	-	
-	Inventory	51	-	
-	Loan	52	-	
863,060,761.68	Total Outflow from Operating Activities			761,798,273.08
33,333,696.49	Net Cash Inflow/(outflow) from operating Activities			58,148,204.39
	CASH FLOW FROM INVESTING ACTIVITIES			
-	Proceeds for Sale of PPE	53	-	
-	Proceeds from Sales Property	54	-	
-	Proceeds from Sales of Intangible Assets	55	-	
-	Proceeds from Sales of Investment	56	-	
-	Dividend Received	57	-	
-	Total Inflow			
	Outflows			
38,600,298.75	Purchase/construction of Assets PPE	58	58,813,554.52	
-	Purchase/construction of Assets-Investment Property	59	-	
-	Investment in Private companies	60	-	
-	Loan Granted	61	-	
-	Purchase of Intangible Assets	62	-	
-	Acquisition of Investment	63	-	
38,600,298.75	Total Outflow		-	58,813,554.52
(5,266,600.26)	Net cash flow from Investing Activities		-	(665,350.13)

	CASH FLOW FROM FINANCING ACTIVITIES		-	
	Inflows		-	
-	Capital Grant Received	64	-	
-	Proceeds from Borrowing	65	-	
-	Total Inflow		-	
	Outflows		-	
	Repayment of borrowing	66	-	
	Distribution of surplus/Dividends Paid	67	-	
	TOTAL OUTFLOW		-	
(5,266,600.26)	Net Cash Flow from financial Activities			(665,350.13)
(5,266,600.26)	Net cash flow from All Activities		-	(665,350.13)
8,729,276.71	Cash & Equivalent As at 1/1/ 2018			3,462,676.45
3,462,676.45	Cash & Equivalent as at 31/12/2018	1		2,797,326.32

OYE LOCAL GOVERNMENT, OYE-EKITI, EKITI STATE NIGERIA
STATEMENT OF COMPARISM OF BUDGET AND ACTUAL FOR THE YEAR ENDED 31ST
DECEMBER, 2018.

2017	REVENUE		2018	FINAL BUDGET 2018 (N)	VARIANCE ON FINAL BUDGET IN (%)
N	N	NOTE	ACTUAL N	N	
886,436,199.04	Statutory Revenue	21	811,415,537.47	1,500,000,000.00	(45.91)
386,289.13	Tax Revenue	22	415,700.00	600,000.00	(30.72)
9,571,972.00	Non- Tax Revenue	23	8,115,240.00	21,400,000.00	(62.08)
-	Aid & Grants	24	-	-	
-	Investment Income	25	-	-	
-	Expenditure Recovery	26	-	-	
-	Other Capital Receipts	27	-	-	
-	Debt forgiveness	28	-	-	
896,394,460.17	Total Revenue		819,946,477.47	1,522,000,000.00	(138.710)
	EXPENDITURE:				
729,921,996.17	Salaries & Wages	29	670,275,909.70	582,688,698.19	(46.13)
-	Social Contribution	30	-	-	
-	Social Benefit	31	-	-	
133,138,764.90	Overhead cost	32	91,522,363.38	335,174,000.00	15.03
-	Gratuity	33	-	-	
-	Pension Allowance	34	-	-	
-	Stationeries	35	-	-	
-	Impairment Charges	36	-	-	
-	Depreciation Charges	37	16,627,776.15	-	(100.00)
-	Transfer to other Government Entities	38			
-	Public Debt Charge	39			
-	Allowance (Leave Bonus)	40			
863,060,761.68	Total Expenditure		778,426,049.23	917,862,698.19	(131.10)
33,333,698.49					
	Surplus (Deficit) from operating activities for the period		41,520,428.24	604,137,301.81	(269.81)
	Total Non- operating Revenue (Expenses)				
	Non-operating Activities				
-	Gain/loss on Asset Disposal	41		-	
-	Refunded Revenue	42		-	
-	Revaluation Gain	43		-	
-					

	Net Surplus/(Deficit) from Non- operating Activities				
	Purchase/Construction of Assets	44			
-	Monitoring interest share of surplus (Deficit)	45			
	Accumulated surplus/Deficit) 1/1/2018		33,333,698.49		
33,333,698.49	Accumulated surplus (Deficit) 31/12/2018		74,854,126.73	604,137,301.81	(269.81)

OYE LOCAL GOVERNMENT, OYE-EKITI, EKITI STATE, NIGERIA

STATEMENT OF CHANGES IN NET ASSET/EQUITY AS AT 31/12/2018

DETAILS	NOTE	RECEIVABLES	PAYABLES	RUNNING GRANT (O/H)	ACCUMULATED SURPLUS/(DEFICITS)	TOTAL
		N	N	N	N	N
Balance b/f (1/1/2018)		<u>393,528,937.28</u>	<u>404,068,220.28</u>	-	<u>33,333,698.49</u>	<u>830,930,856.05</u>
Increase/(Decrease) in Revenue not recognized in financial performance		-	-	-	(-)	-
Increase/(Decrease) in Salaries & Wages not recognized	-	-	-	-	-	-
Total Actual 2017		<u>393,528,937.28</u>	<u>404,068,220.28</u>	<u>-</u>	<u>33,333,698.49</u>	<u>830,930,856.05</u>
Balance as at (31/12/2018)		373,132,078.06	375,289,592.06	-	41,520,428.24	789,942,098.36
Total		<u>373,132,078.06</u>	<u>375,289,592.06</u>	-		748,421,670.12
Increase/Decrease in Salaries & Wages not recognized in Receivables/Payables				-		-
Gain on Revaluation				-		-
Accumulated surplus (Deficit) as at 31/12/2017					33,333,698.49	33,333,698.49
Balance as at 31/12/2018		<u>373,132,078.06</u>	<u>375,289,592.06</u>		<u>74,854,126.73</u>	<u>823,275,796.85</u>

OYE LOCAL GOVERNMENT, OYE-EKITI

EKITI STATE, NIGERIA

POSITION OF REVEENUE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	EXPENDITURE JANUARY-DECEMBER 2018 (N)
Statutory allocation	21	811,415,537.47
Tax Revenue	22	415,700.00
Non-Tax Revenue	23	8,115,240.00
Total		819,946,477.47

OYE LOCAL GOVERNMENT, OYE- EKITI

EKITI STATE, NIGERIA

POSITION OF EXPENDITURE FOR THE PERIOD ENDED 31ST DECEMBER, 2018

DETAILS	NOTE	EXPENDITURE JANUARY-DECEMBER 2018 (N)
Salaries and wages	29	670,275,909.70
Overhead cost	32	91,522,363.38
Purchase of PPE	58	58,813,554.52
Total		820,611,827.60

NOTE 2**SUMMARY OF STOCK BALANCE**

A.	Printing Items	N1,122,950.00
b.	Revenue Receipts	N867,000.00
c.	Tools and Implement	<u>N29,500.00</u>
	Total	N2,019,450.00

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NOTE 8 & 37**DEPRICIATION CHARGES**

S/N	ASSETS	TOTAL	DEPR. RATE	DEPT.CHARGE	NET BOOK VALUE
1	Land & Building	431,134,500.00	2%	8,622,690.00	422,511,810.00
2.	Plant & Machine	1,260,000.00	20%	252,000.00	1,008,000.00
3.	Motor Vehicle	29,400,000.00	20%	5,880,000.00	23,520.00
4.	Office Equipment	7,335,837.00	20%	1,467,174.60	5,868,698.40
5.	Furniture & fittings	2,646,077.00	15%	396,911.53	1,249,169.45
6.	Motor Cycle	45,000.00	20%	9,000.00	36,000.00
	Grand Total	471,821,450.60		16,627,776.15	455,193,673.85