

EDO STATE LOCAL GOVERNMENT COUNCILS AUDITED FINANCIAL STATEMENTS FOR THE YEAR 2023

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EDO STATE OF NIGERIA

**REPORT OF THE STATE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS
TO THE MEMBERS OF THE EDO STATE HOUSE OF ASSEMBLY**

The Financial Statements of the eighteen Local Government Councils of Edo State for the year ended 31st December 2023 as contained in this report prepared under the International Public Sector Accounting Standards (IPSAS) Accrual accounting framework and on the basis of Accounting Policies detailed in the Financial Statements have been audited under my supervision as required by the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended.

RESPONSIBILITY OF DIRECTORS OF FINANCE AND ACCOUNTS OF LOCAL GOVERNMENT COUNCILS

The Directors of Finance and Accounts of the 18 Local Government Councils of Edo State are responsible for the preparation and presentation of the Financial Statements in accordance with the Finance (Control and management) Act 1958 as amended. They are to ensure that there are no material misstatements in the Financial Statements.

AUDITOR-GENERAL'S RESPONSIBILITY

It is my statutory responsibility to form an independent opinion based on my audit of the Financial Statements and to report thereon.

BASIS OF OPINION

The audit was conducted in accordance with International Standards on Auditing (ISA) as applicable to the public sector, International Organization of Supreme Audit Institutions (INTOSAI), Auditing Standards, the provisions of the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended. The audit includes examination on a test basis of evidence relevant to the figures disclosed in the Financial Statements. It also includes an assessment of significant estimates and judgments made by the Councils in the preparation of the Financial Statements and whether the accounting policies were appropriate in the Councils' circumstances, consistently applied and adequately disclosed. The audit was planned and performed to obtain all information and explanations considered necessary to have reasonable assurance that the Financial Statements are free from material misstatements. I have not obtained all the information and explanations that I required.

OPINION

In my opinion, the Financial Statements of the 18 Local Government Councils of Edo State for the year ended 31st December 2023 show a true and fair view of the Councils' state of financial position, performance and of the cash flow in accordance with all legal and regulatory frameworks, subject to the observations and comments contained in this report.

S.O. Johnson, FCA, ACT, FRC, FCCSA
(FRC/2022/PRO/ICAN004/188858)
Auditor-General (Local Governments)
Edo State,
28th June, 2024

AUDITOR-GENERAL'S REPORT FOR LOCAL GOVERNMENTS, EDO STATE
OVERVIEW OF GENERAL DISCLOSURES AND OBSERVATIONS ON THE
CONSOLIDATED ACCOUNTS OF THE 18 LOCAL GOVERNMENT COUNCILS
IN EDO STATE FOR THE YEAR ENDED DECEMBER 31, 2023

1. REVENUE

The 18 Local Government Councils generated a total of N68,852,769,932.67 in income for the year that concluded on December 31, 2023. Of this total, N2,401,433,651.70, or roughly 3% of total revenue, represents independent revenue, and the remaining amount, N66,451,336,280.97, was received as statutory allocations from the federation account, representing roughly 97% of the total revenue accrued to the Councils. For further information, see Notes 1 and 2.

SUGGESTION

For the reviewed period, Local Government Councils continued to rely excessively on Statutory Allocations from the Federation Account. In order to lessen their over-reliance on statutory allocations, local government councils are recommended to examine their own operations and devise plans to increase domestically produced revenue.

2. COMPLETION OF SLGJAAC'S ALLOCATIONS TO LOCAL GOVERNMENT COUNCILS

The State-Local Government Joint Account Allocation Committee (SLGJAAC) transferred N66,451,336,280.97, which was the total amount accrued from the federation account to the Local Government Councils as statutory allocations during the period under review. The Local Government Councils fully received the money and included it in their respective Financial Statements for the year that concluded on December 31, 2023. For more information, see Note 1.

3. EXPENDITURE

The costs incurred by the Local Government Councils during the period under review are divided into four categories: capital expenditures (N13,488,493,242.90) representing 56% of total expenditures; transfers to SUBEB and other Local Governments Entities (N37,604,332,037.32) representing 11% of total expenditures; salaries and wages (N8,906,984,936.4), representing 13% of total expenditures; and overhead (N7,076,943,813.22).

4. CASH AND CASH EQUIVALENT

The Eighteen (18) Local Government Councils have N3,366,448,041.53 in cash and cash equivalents as of December 31, 2023. Of the Local Government Councils that prepared bank reconciliation statements during the time under review, ten (10) did

so and eight (8) did not.

In accordance with Financial Memoranda 19:23-30, Local Government Councils are now encouraged to consistently perform monthly bank reconciliation statements in order to determine the final balances between the cashbooks and the bank balances at the end of the year. What Councils have done in preparing and presenting Bank Reconciliation Statements is pretty excellent.

SUGGESTION

As a general rule, you are advised that the Council's financial records will only be accepted for audit in subsequent audit exercises if Bank Reconciliation Statements and Bank Statements are prepared and presented.

5. ADVANCES

On December 31, 2023, the Local Government Councils' unretired advances totalled N6,293,977,266.69. As of December 31, 2023, advances given to different Council officials as working advances were not entirely retired, in violation of F.M. 16.16, despite the reminders in earlier reports and circular letters. It is noteworthy to mention, although, that practically every Council has retired advances in order to lessen advancements inside their Councils.

According to analysis, the advances in their entirety account for 22.53% of the Councils' total assets in the State. Advances that are classified as intangible assets are just prepayments; over time, they have created an inaccurate picture of the financial standing of every council in Edo State. This is why IPSAS Accrual does not recognise them as intangible assets.

SUGGESTION

This is a call to action for the Treasurers of the Local Government Councils and the Heads of Local Government Administration to retire immediately, in compliance with F.M. 16.16, ALL outstanding working advances in order to determine the actual financial status of the Councils.

6. GENERAL INVESTMENTS

The Local Government Councils have N69,259,234.35 in investments as of December 31, 2023. It was challenging to validate the assets and determine their current values due to issues in my previous report, which showed that investments held by different Councils were not appropriately documented in investment registers or ledgers.

SUGGESTION

The proposition is reiterated that the several Local Government Councils conduct an examination into the present situation of the investments in order to determine their legitimacy, viability, and values. The investments that are no longer in use should be stated at their correct values and any idle investments should be re-evaluated and written off.

7. LIABILITIES:

(A) DEPOSITS

The total amount outstanding in the councils' deposit accounts as of December 31, 2023, was N7,599,061,949.42. The Deposit Accounts show a variety of deductions from employee pay, such as Pay As You Earn (PAYE), union dues (NULGE), car refurbishing loans deducted for loans acquired from other councils, and retention fees, value-added tax (VAT), withholding tax (WT), and so on. The five-year financial highlights showed that some deposits had been retained for three or five years, respectively, without any attempt to return the money to the different beneficiaries.

SUGGESTION

Following a thorough examination, the Councils must make sure that the deposits are returned to the appropriate beneficiaries. If a deposit's owner cannot be located or has not made any payments for more than five years, it must be adjusted to revenue in line with F.M. 24.25(5). In the very near future, our Office will be conducting the next bi-annual audit, and all Councils should make every effort to produce an analysis of the components of all deposits with them. Part

B: SHORT TERM LOANS

Some Local Government Councils owed a total of N521,990,974.95, which was the sum of their combined short-term loans and bank overdrafts to various banks.

8. FINANCIAL PERFORMANCE

Below is a summary of the budget performance for the 18 Local Government Councils in Edo State for the year that concluded on December 31, 2023:

Description	Approved Estimate 2023 (₦)	Actual Revenue/Expenditure 2023 (₦)	Percentage Performance
REVENUE			
Statutory Allocation	68,529,197,667.34	66,451,336,280.97	97%
Independent Revenue	2,974,374,430.47	2,401,433,651.70	81%
EXPENDITURE			
Salary and Wages	12,836,032,357.83	8,906,984,936.40	69%
Overhead Cost	7,742,514,770.16	7,076,943,813.22	91%
Transferred to SUBEB and other Local Government Entities	26,871,184,706.52	37,604,332,037.32	140%
Capital Expenditure	17,727,264,441.49	13,488,493,242.90	76%

Observation:

The aforementioned data indicates that, in comparison to other years, the actual performance for capital projects in 2023 was excellent. Notwithstanding the high percentage, the Office of the Auditor-General for Local Governments was unable to determine whether the Councils received value for the money spent on the aforementioned expenses because pertinent contract documents were not sent to the office, making it impossible for the office to monitor and audit project performance in compliance with F.M. 1.4(12)(g) and F.M. 39.1(8).

SUGGESTIONS

- i) When carrying out capital projects, Local Government Councils ought to adhere to F.M. 1.4(12)(g) and F.M. 39.1(8) at all times.
- ii) In order to enhance the local economy and social welfare of the residents of the Local Government Areas, the Local Government Councils shall work to reduce spending on recurring expenses and raise capital expenditures.
- iii) An explanation explaining the 22% excess expenditures over budgeted amounts for transfers to SUBEB and other government agencies has to be provided.

9. APPROVAL

Sections 92, 93, and 94 of the Edo State Local Government Law 2000, as amended, lawfully authorise all of the expenditures reflected in the Statements of Actual Expenditure for the year ended December 31, 2023. This is a good step towards

guaranteeing the legitimacy, accountability, and appropriate authorisation of the Councils' expenses.

10. ASSETS VALUATION

With the exception of Owan East Local Government Council, none of the local government councils have completed an IPSAS-compliant asset appraisal.

SUMMARY

In order to ensure that the assets are appropriately reflected in the Statement of Financial Position, the Local Government Councils should immediately hire the services of qualified specialists and have their assets revalued in accordance with IPSAS.

11. BUDGETARY PLANNING

In order to allow the Office of the Auditor-General (Local Governments) to track financial performance, the Local Government Councils must make sure that the Annual Budget is prepared on time and in compliance with the National Chart of Accounts, as advised by International Public Sector Accounting Standards (IPSAS). Copies of the approved budget must also be sent to the office.

12. AUDIT QUERIES

The Audit Inspection Reports on the 2023 accounts for the Local Government Councils included audit enquiries about discovered anomalies of N1,984,500,705.17. The Chairmen have already received these queries and will take appropriate measures. Note 9 of this report include specifics on the audit enquiries pertaining to the 2023 accounts.

13. DISALLOWED ACTIVITIES

Amounts for the expenses listed in Note 9 of this report and in paragraph 12 above have been set aside in anticipation of satisfactory responses to the questions posed.

14. Overall Condition of the Accounts and Documentation

The following highlights how accounting books and records are rendered in local government councils:

a) Annual Financial Statement Rendition

When compared to previous year's results, the Local Government Councils' 2023 Financial Statements were not as outstanding. As required by current regulations, all of Edo State's councils convened to discuss the submission deadline, which was on or before March 31, 2023. Only twelve Councils met the deadline in the year

under review; others were unable to do so. We anticipate that such deeds will continue in the years to come. Refer to Note 10.

b) Keeping Records

i) Supplementary Books and Ledgers

Subsidiary books were not updated or maintained in certain instances. Councils must pay close attention to the appropriate maintenance of subsidiary accounting records. It is necessary to keep records for things like investments, loans/overdraft, and fixed/movable assets.

ii) Books on Cash

At the conclusion of each month, cash books were not quickly balanced, and in certain instances, balances were recorded in pencil rather than ink. Account officers are unable to assertively determine balances at year's end as a result of this move, which applies to all Local Government Councils. Cash books should now be updated on a regular basis.

c) Checking the Financial Statements against the Supporting Documents

i) A number of entries in the Departmental Vote Revenue Account (DVRA) and Departmental Vote Expenditure Account (DVEA) Books were missing. As a result, precisely categorising revenue and expenses into Heads and Sub-Heads became challenging.

ii) Moreover, throughout the time under review, the ledgers for advances and deposits were not updated. Reliability of the ledgers' outstanding balances was compromised by certain entries that were not posted. For this reason, if one has to rely on the ledgers, it will be impossible to ascertain on advance and deposit amounts.

It is recommended that the Treasurers of the Local Government Councils oversee the treasury department's employees and make sure that accounting records are updated and reconciled to remove mistake and omission.

The Local Government Councils that have made significant progress in updating and maintaining their records deserve praise, and those that haven't been able to should be urged to do so.

iii) Bank Reconciliation

Except for a small number of councils, Edo State local government councils have consistently neglected to file bank reconciliation statements as mandated by Financial Memoranda 19.23-24. Local Government Councils must immediately provide monthly bank reconciliation statements in accordance with F.M. 19.23-24.

d) Responses to Audit-Related Questions

Several Local Government Councils have yet to respond to audit queries within the designated timeframe. Ensuring that audit queries are promptly answered is the duty of the Chairmen/Heads of Local Government Administration and the Treasurers of Local Government Councils. For further details, see Note 9 in the accounts.

e) The implementation of IPSAS

The accrual accounting system under the International Public Sector Accounting Standards (IPSAS) has not yet been completely adopted by Local Government Councils. Valuing Local Government Councils' assets and liabilities and reflecting them in the books of accounts in accordance with IPSAS rules is urgently required.

Accounting Policies (IPSAS Accrual)

1. Basis for Measurement:

The preparation of these *General-Purpose Financial States (GPFS)* complies with the historical cost convention, IPSAS, and other applicable requirements as specified by pertinent legislation.

2. The foundation of accounting:

These *GPFS* were created using the accrual method of accounting.

3. Time of Accounting:

According to National Treasury Circular Ref. OAGF/CAD/026/Vol.1/102 on December 30, 2013, the accounting year (fiscal year) runs from January 1 to December 31. The accounting system was designed to divide each accounting year into twelve calendar months, or periods.

4. Currency Reporting:

The *GPFS* was developed using Naira (Nigeria's currency).

5. Comparative Data:

The *General Purpose Financial Statements* included all the numerical data for the prior time frame.

6. Financial Data:

These numbers come from the approved budget, which was created on a cash basis in compliance with the Local Government Councils' Appropriation Bye-Law.

7. Income from Taxes, Fees, and Fines:

When fees, taxes, and other non-exchange transaction revenue are collected and meet the requirements for asset recognition, they are recorded as revenue. When it is likely that the company will get future economic benefits or service possibilities from the asset and it is reasonably possible to determine the asset's fair value, other non-exchange revenues are recognised.

Additional Operating Profits:

Exchange transactions that take place in the regular course of the entity's operations provide additional operational revenues. The fair value of the payment received or receivable for the sale of goods and services is included in revenues.

Sales of Products:

When the major risks and benefits of ownership have been passed to the buyer, generally with delivery of the products, revenue from the sale of those things is recognised.

Additional Income/Revenue:

Fees, fines, debt forgiveness, commissions, earnings from the sale of assets, and other sources make up other revenue. Any gain or disposal is recorded on the day the asset is turned over to the buyer and is calculated by reducing the asset's carrying value from the proceeds on that date.

8. Changes from Other Governmental Organisations:

When an asset (cash, goods, services, or properties) is received condition-free and there is a reasonable probability that the asset's potential for economic benefit or service will be reliably measured, revenues from non-exchange transactions with other government entities are recognised at fair value.

9. Costs:

All costs are recorded on an accrual basis, which means that regardless of when the money is received, costs are recorded at the time they are incurred or when the associated services are used.

10. Loan Interest:

In the financial performance report (Statement of Financial Performance), interest on loans is accounted for either an expense or a charge. To calculate interest expenditure for each period, interest is accumulated by applying the effective interest rate method to the principle amount owed.

11. Cash Flow Statement:

The direct technique was used to create this statement, which followed the GPFS format. There are three (3) parts in the cash flow statement:

Operating Activities:

These track the cash payments made for the provision of goods and services as well as the cash received by Local Government Councils from all sources of income.

Investing activities are those that have to do with buying and selling non-current assets.

Financial Activities: These include adjustments to the PSE's debt and equity capital structure.

12. Currency and Its Equivalent:

The term "cash and cash equivalent" refers to the amount of cash that is on hand, held in bank accounts, demand deposits, and other highly liquid investments with an initial maturity of three months or less. These investments are made by the entity as part of its daily cash management process, and they are easily convertible into known amounts of cash with little to no risk of value fluctuations. Cash and Cash Equivalent are included in the Statement of Financial Position under Current Assets.

13. Accounts Receivable: Exchange Transaction Receivables

Exchange transaction receivables are first recorded at fair value and then, using the effective interest method, evaluated at amortised cost, minus allowance for impairment. When there is, a receivables impairment provision is created.

Receivables from Transactions Without Exchange:

Receivables from non-exchange transactions include social benefit receivables that don't stem from contracts, as well as fees, taxes, fines, and other penalties related to these activities. These receivables are first valued at face value, or nominal amount; that is, the amount of tax due, levy, fine, etc., is reflected in the receivable. These accounts receivable are first evaluated at face value or nominal amount, meaning that the receivable represents the total amount of taxes due, levies, fines, etc. Following their charging, these receivables are modified for penalties or may be written off due to impairment. The statement of financial performance presents interest and penalties on tax receivables as tax revenue..

14. Advance payments:

Amounts paid in advance of receiving goods or services are referred to as prepaid costs. They signify payments made in one year for benefits to be obtained in other years, or payments made early in the year for benefits to be received throughout the course of the year.

15. Inventory:

- (a): The net realisable value of an inventory is subtracted from its cost.
- (b) The FIFO approach is used to calculate costs.
- (c) Where appropriate, inventories retained for distribution for the benefit of the public are documented at cost less any prospective loss of services.
- (d) In the Financial Position Statement, inventories are included under Current Assets.

16. Awarded Loans:

The approved loans are displayed at their estimated realisable value, which takes into account impairments and bad or dubious debts.

17. Plant, machinery, and equipment:

(a) The historical cost of all PPE is reported, less cumulative depreciation and any impairment losses. Costs directly related to the acquisition of the assets are included in the historical cost.

(b) When an asset is purchased through a non-exchange transaction for nominal or no consideration, it is first recorded in the statement of financial performance at fair value, which is a value that can be consistently ascertained and expressed as income during the PPE's useful life.

(c) The subsequent items are considered PPE expenses:

- i) The price paid for the acquisition of these assets as well as any additional pertinent costs associated with restoring the asset to operational condition.
- ii) Building expenses, which include labour, supplies, and overhead.
- iii) Modifications to current PPE that greatly extend its usable life.

Price:

An piece of PPE's total cost includes the purchase price, import fees, one-time expenses, and any expenditures directly related to relocating and restoring the asset to its original location and state of functionality. The purchase price is calculated after subtracting trade discounts and rebates. PPE are reported at cost or at their expert appraisal less cumulative impairment and depreciation.

Devaluation:

PPE is depreciated according to a straight line method throughout the course of their anticipated useful lifetimes, less any projected residual value, using relevant rates, starting on the date of availability for use.

No.	Item of PPE	Depreciation Rate
A	Leased Property	Over the term of the lease
B	Buildings	2%
C	Investment property	2%
D	Infrastructure	5%
E	Plant and Machinery	10%
F	Transportation Equipment (except K)	20%
G	Office Equipment	25%
H	Furniture and Fittings	20%
I	Specialized Assets (e.g., books, military and paramilitary assets)	10%
J	Bearer Plant	4%
K	Aircraft, ship and train	5%
L	Specific cultural and heritage assets	Unlimited

Assessment:

At the conclusion of each reporting period, the residual values and usable lifetimes of the assets are examined and, if necessary, changed. Revaluation surplus is moved to the revaluation reserve under reserves in the financial situation. If there is a revaluation deficit, it is recorded as an expense in the statement of financial performance or, if there is a surplus on the same class of assets, against the value of the related assets and the corresponding entry to the revaluation reserve.

Disposal Gain or loss resulting from getting rid of a piece of PPE is shown as a surplus or deficit.

Deficit:

When there are signs that a piece of personal protective equipment (PPE) may have been compromised, an impairment test is carried out.

18. Real Estate Investment

These are properties that provide income for a PSE. At first, an investment property is valued at its cost. Investment property is then measured at fair value at the end of the term, and any gain or loss at fair value is recorded as a surplus or deficit.

Income from Investments:

Investment income is defined as the excess or shortfall of rental revenue received or gained from an investment property.

Disposal:

The surplus or deficit represents the gain or loss from the sale of investment property.

19. Non-tangible Resources

These are non-tangible assets that have been created domestically or purchased, and they are stored for usage in order to produce advantages that extend beyond a fiscal year. An intangible asset's total cost includes the acquisition price, non-recurring charges, and any expenses directly related to restoring the asset to its intended condition of use.

20. Deposits:

Resources kept in custody on behalf of third parties make up deposits. Additionally, deposits signify upfront payments for future products and services.

21. Debts and Loans:

Loans are sums of money that are borrowed with an agreed-upon repayment schedule. They are classified as either short-term or long-term loans and are shown as liabilities in the Statement of Financial Position.

22. Unremitted Withheld Taxes:

Money due to third parties, including tax authorities, unions, cooperatives, schemes and organisations, other government agencies, etc., is known as an unremitted deduction. Tax and other at-source deductions are examples of unremitted deductions. The sums are considered as Current Liabilities in the Statement of Financial Position and are reflected in the GPFS at their payback value.

23. Accrued Expenses - Payables

These are sums of money owed to outside parties for products and services obtained.

24. Public Money

These represent the government's financial balances at the conclusion of the fiscal year. The Statement of Financial Position categorises them as Non-Current Liabilities.

25. Reserves:

Reserves such as Surpluses/(Deficits) Reserve, Translation Reserve, Revaluation Reserve, Fair Value Reserve, and other Reserves are categorised under equity in the Statement of Financial Position.

26. Debts

Initial recognition of borrowings is done at fair value, net of incurred transaction expenses. Following amortisation, borrowings are reported at cost; any discrepancy between proceeds (net of transaction expenses) and redemption value is recognised using the effective interest method in the consolidated statement of financial performance for the duration of the borrowings. The fees incurred for setting up lending facilities are recorded as loan transaction charges. The cost of the charge is capitalised and spread out over the life of the related facility.

27. Assignments to Other Governmental Organisations:

Transfers to other governmental bodies are included as costs in the statement of financial performance as they are non-exchange items.

28. Advances:

According to Edo State Financial Memoranda 16.16, any loans given to Local Government Council employees to carry out projects or make purchases of goods or services on their behalf must be retired by the end of the fiscal year. However, in situations where an advance is made towards the end of the fiscal year or where an advance that has already been made cannot be retired within the fiscal year, the advance and any outstanding amount are included in the Statement of Financial Position.

REPORT OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, EDO STATE
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2023

Previous Year Actual 2022 (N)	Description	NCOA Code	Note	Annual Budget (N)	Actual Revenue/ Expenditure (N)	Percentage of Budget Performance
21,061,602,649.16	Net Assets/Equity As At 1/1/2023 – A			-	16,563,134,973.39	
	REVENUE					
	<u>Statutory Allocation:</u>					
24,016,697,963.76	Share of Federation Account	110101	1	39,893,931,017.23	20,137,088,100.08	50%
16,376,112,962.45	Share of Value Added Tax (VAT)	110102	1	16,236,369,589.20	22,494,936,190.56	139%
2,376,096,887.70	Excess Crude Oil and Others	110103	1	12,398,897,060.91	23,819,311,990.33	192%
42,768,907,813.91	Sub-Total Statutory Allocation – B			68,529,197,667.34	66,451,336,280.97	97%
	<u>Independent Revenue:</u>					
111,663,938.05	Licences General	120201	2	408,086,298.32	116,641,256.18	29%
1,374,341,738.30	Fees General	120204	2	1,658,573,257.79	1,694,111,730.06	102%
140,277,235.22	Fines General	120205	2	67,346,644.16	140,287,729.00	208%
43,973,403.79	Sales General	120206	2	210,812,861.32	146,531,271.91	70%
554,481,617.21	Earnings General	120207	2	589,831,725.28	291,508,632.50	49%
2,615,000.00	Rent on Government Building General	120208	2	2,420,000.00	2,812,606.85	116%
-	Rent on Land and Others General	120211	2	6,600,000.00	545,000.00	8%
68,610.53	Repayment General	120213	2	9,940,000.00	8,747,125.20	88%
14,614,496.11	Investment Income	120214	2	20,763,643.60	248,300.00	1%
2,242,036,039.21	Sub-Total Independent Revenue – C			2,974,374,430.47	2,401,433,651.70	81%

66,072,546,502.28	Total Receipts (A+B+C)			71,503,572,097.81	85,415,904,906.06	119%
	EXPENDITURE					
	<u>Recurrent Expenditure:</u>					
8,791,586,592.40	Salaries and Wages	210101	3	12,836,032,357.83	8,906,984,936.40	69%
3,524,747,933.00	Overhead Cost	220201	4	7,742,514,770.16	7,076,943,813.22	91%
29,440,245,648.14	SUBEB and other Transfers to Local Govt. Entities	220701	5	26,871,184,706.52	37,604,332,037.32	140%
-	Depreciation			-	-	
41,756,580,173.54	Sub-Total Recurrent Expenditure: E			47,449,731,834.51	53,588,260,786.94	113%
	<u>Capital Expenditure:</u>					
1,958,879,274.27	Land and Building General	320101	6	6,227,551,121.71	5,192,877,192.76	83%
2,029,268,557.32	Infrastructure General	320102	6	6,379,678,132.43	3,614,448,127.58	57%
221,942,263.84	Furniture and Fittings General	320106	6	923,396,404.99	931,307,392.48	101%
3,542,741,260.02	Intangible Assets	320301	6	4,196,638,782.36	3,749,860,530.08	89%
7,752,831,355.45	Sub-Total Capital Expenditure: F			17,727,264,441.49	13,488,493,242.90	76%
49,509,411,528.99	Total Expenditure: G = E + F			65,176,996,276.00	67,076,754,029.84	103%
16,563,134,973.39	Net Assets/Equity As At 31/12/2023				18,339,150,876.22	
66,072,546,502.38					85,415,904,906.06	

REPORT OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, EDO STATE						
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2023						
Description	NCOA Code	Note	2023 (₦)	2023 (₦)	2022 (₦)	2022 (₦)
ASSETS						
Current Assets:						
Cash and Cash Equivalent	310101	7	3,366,448,041.53		- 637,008,104.89	
Inventories	310501	7	2,505,548.28		2,505,548.28	
Receivables	310601	7	-		-	
Prepayments	310801	7	161,928,480.78		161,928,480.78	
Total Current Assets: A				3,530,882,070.59		- 472,574,075.83
Non-Current Assets:						
Loan Granted (Local Govt. Loan Fund)	311001	7	22,472,216.82		22,472,216.82	
Investments	310901	7	69,259,234.35		69,259,234.35	
Property, Plant and Equipment (PPE)	320101	7	17,565,108,685.72		15,249,597,781.37	
Investment Properties	320201	7	451,230,168.48		275,238,227.70	
Intangible Assets (Advances)	320301	7	6,293,977,266.69		9,666,191,022.52	
Total Non-Current Assets: B				24,402,047,572.06		25,282,758,482.76
Total Assets: C = A+B				27,932,929,642.65		24,810,184,406.93
LIABILITIES						
Current Liabilities:						
Deposits	410101	8	7,599,061,949.42		6,970,333,312.01	
Short Term Loans and Debts	410201	8	521,990,974.95		487,148,610.20	
Payables (Accrued Expenses)	410401	8	1,298,082,056.81		614,923,726.08	
Total Current Liabilities: D				9,419,134,981.18		8,072,405,648.29
Non-Current Liabilities:						
Long Term Borrowing	4601/4602	8	174,643,785.25		174,643,785.25	
Total Non-Current Liabilities: E				174,643,785.25		174,643,785.25
Total Liabilities: F = D+E				9,593,778,766.43		8,247,049,433.54
Net Assets: G = C-F				18,339,150,876.22		16,563,134,973.39
NET ASSETS/EQUITY						
Reserves: H	4701	9	16,563,134,973.39		21,061,602,649.16	
Accumulated Surpluses/(Deficits): I	4702	9	1,776,015,902.83		- 4,498,467,675.77	
Total Net Assets/Equity: G = H+I				18,339,150,876.22		16,563,134,973.39

REPORT OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, EDO STATE
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2023

NCOA Code	Details	Note	2023 (N)	2023 (N)	2022 (N)	2022 (N)
	CASH FLOW FROM OPERATING ACTIVITIES:					
	<u>INFLOWS:</u>					
	<u>Statutory Allocations</u>					
110101	Share of Federation Account	1	20,137,088,100.08		24,016,697,963.76	
110102	Share of Value Added Tax (VAT)	1	22,494,936,190.56		16,376,112,962.45	
110103	Excess Crude Oil and Others	1	23,819,311,990.33		2,376,096,887.70	
	Sub-Total Statutory Revenue – A			66,451,336,280.97		42,768,907,813.91
	<u>Independent Revenue</u>					
120201	Licences General	2	116,641,256.18		111,663,938.05	
120204	Fees General	2	1,694,111,730.06		1,374,341,588.49	
120205	Fines General	2	140,287,729.00		140,277,235.22	
120206	Sales General	2	146,531,271.91		43,973,403.79	
120207	Earnings General	2	291,508,632.50		554,481,617.21	
120208	Rent on Government Buildings General	2	2,812,606.85		2,615,000.00	
120209	Rent on Land and Others General	2	545,000.00		-	
120210	Repayments General	2	8,747,125.20		68,610.53	
120211	Investment Income	2	248,300.00		14,614,496.11	
	Sub-Total Independent Revenue – B			2,401,433,651.70		2,242,035,889.40
	Total Inflow from Operating Activities C = A+B			68,852,769,932.67		45,010,943,703.31
	<u>OUTFLOWS:</u>					
210101	Salaries and Wages	3	8,906,984,936.40		8,791,586,592.40	
220201	Overhead Cost	4	7,076,943,813.22		3,524,747,933.00	

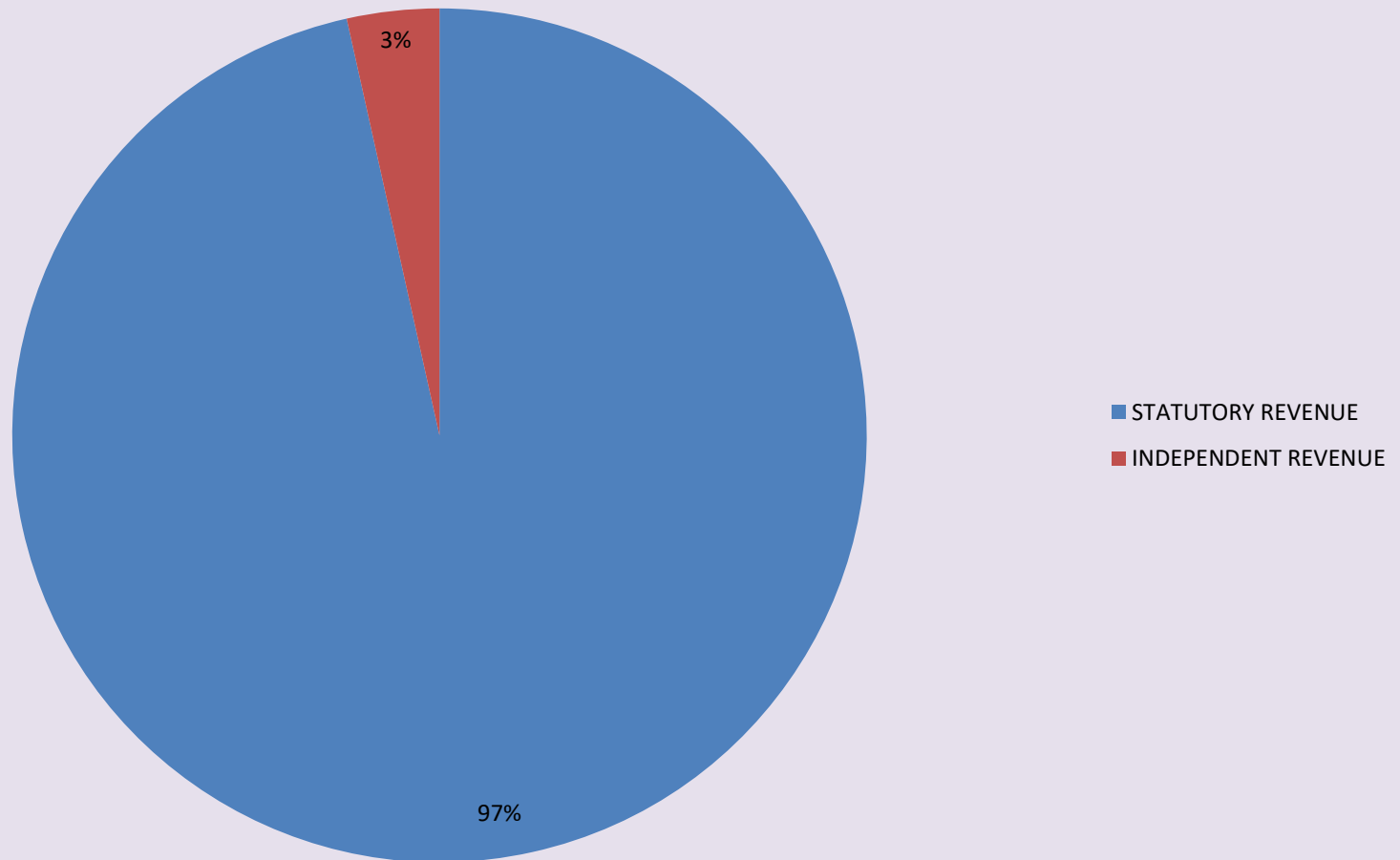
220701	SUBEB and other Transfers to Local Government Entities	5	37,604,332,037.32		29,440,245,648.14	
	Depreciation		-		-	
	Total Outflow from Operating Activities – D			53,588,260,786.94		41,756,580,173.54
	Net Cashflow from Operating Activities – E = C-D			15,264,509,145.73		3,254,363,529.77
	CASHFLOW FROM INVESTING ACTIVITIES:					
320101	Land and Building General	6	5,192,877,192.76		1,958,879,274.27	
320102	Infrastructure General	6	3,614,448,127.58		2,029,268,557.32	
320106	Furniture and Fittings General	6	931,307,392.48		221,942,263.84	
320301	Intangible Assets	6	3,749,860,530.08		3,542,741,260.02	
	Total Outflow from Investing Activities – F			13,488,493,242.90		7,752,831,355.45
	Net Cashflow from Investing Activities – G = E - F			1,776,015,902.83		- 4,498,467,825.68
	CASHFLOW FROM FINANCIAL ACTIVITIES:					
301801	Advances		- 1,275,670,146.50		- 5,487,074,467.52	
410101	Deposits		951,770,097.09		229,077,912.05	
410102	Other Accounts – Loan		-		- 16,152,249.16	
	Other Accounts – Investment		-		34,703,703.10	
420301	Proceeds from Borrowings		-		-	
	Payment/Charges on Borrowings		-		-	
	Net Cashflow from Financing Activities – H			- 2,227,440,243.59		- 5,665,296,427.31
	Net Cashflow from all Activities – I = G - H			4,003,456,146.42		- 1,166,828,601.63
	Cash and Cash Equivalent As At 1/1/2023			- 637,008,104.89		529,820,496.74
	Cash and Cash Equivalent As At 31/12/2023			3,366,448,041.53		- 637,008,104.89

REPORT OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, EDO STATE
NOTES TO THE ACCOUNTS

NOTE 1: SCHEDULE OF STATUTORY ALLOCATION TO LOCAL GOVERNMENT COUNCILS IN EDO STATE				
FOR THE YEAR ENDED 31ST DECEMBER 2023				
Local Government Council	Federation Account	Value Added Tax	Others	Total
	N	N	N	N
AKOKO-EDO	1,399,422,747.40	1,447,234,701.14	1,578,816,099.19	4,425,473,547.73
EGOR	1,328,742,886.84	1,631,411,334.17	1,494,300,286.68	4,454,454,507.69
ESAN CENTRAL	876,530,611.94	1,075,988,174.52	1,169,035,954.62	3,121,554,741.08
ESAN NORTH EAST	902,651,778.82	1,109,220,420.99	1,204,312,064.87	3,216,184,264.68
ESAN SOUTH EAST	1,082,373,973.72	1,223,755,183.24	1,308,881,227.86	3,615,010,384.82
ESAN WEST	918,771,078.09	1,124,600,634.24	1,199,164,881.45	3,242,536,593.78
ETSAKO CENTRAL	919,623,551.57	1,050,571,519.79	1,193,907,269.01	3,164,102,340.37
ETSAKO EAST	1,068,128,528.36	1,172,318,124.65	1,295,981,710.41	3,536,428,363.42
ETSAKO WEST	1,176,416,480.46	1,294,519,317.08	1,365,077,363.45	3,836,013,160.99
IGUEBEN	853,823,399.02	991,531,957.34	1,148,281,406.63	2,993,636,762.99
IKPOBA-OKHA	1,470,828,053.76	1,705,298,390.02	1,588,632,283.19	4,764,758,726.97
OREDO	1,513,950,773.34	1,713,739,039.67	1,364,837,416.62	4,592,527,229.63
ORHIONMWON	1,184,905,445.55	1,259,260,367.66	1,375,560,592.54	3,819,726,405.75
OVI NORTH EAST	1,137,242,620.48	1,186,254,886.97	1,343,248,415.90	3,666,745,923.35
OVI SOUTH WEST	1,233,647,215.59	1,147,126,396.06	1,397,173,828.91	3,777,947,440.56
OWAN EAST	1,081,176,499.98	1,192,180,287.35	1,305,666,649.29	3,579,023,436.62
OWAN WEST	885,263,778.65	1,057,231,701.41	1,173,012,787.53	3,115,508,267.59
UHUNMWODE	1,103,588,676.51	1,112,693,754.26	1,313,421,752.18	3,529,704,182.95
Total	20,137,088,100.08	22,494,936,190.56	23,819,311,990.33	66,451,336,280.97

NOTE 2: SCHEDULE OF INDEPENDENT REVENUE OF THE 18 LOCAL GOVERNMENT COUNCILS FOR THE YEAR 2023										
Local Government Council	Licence General	Fees General	Fines General	Sales General	Earnings General	Rent on Building General	Rent on Land General	Investment Income	Repayment General	Total
	₦	₦	₦	₦	₦	₦	₦	₦	₦	₦
AKOKO-EDO	9,454,000.00	32,957,408.67	-	-	2,575,000.00	-	-	-	-	44,986,408.67
EGOR	5,991,500.00	205,783,679.26	23,918,012.00	10,593,400.00	37,406,850.00	-	-	-	-	283,693,441.26
ESAN CENTRAL	130,000.00	10,580,000.00	10,000.00	-	33,495,032.00	160,000.00	-	248,300.00	-	44,623,332.00
ESAN NORTH EAST	346,000.00	71,290,010.00	1,271,000.00	-	16,955,014.00	-	-	-	-	89,862,024.00
ESAN SOUTH EAST	9,355,000.00	18,684,560.00	-	-	7,002,250.00	-	-	-	-	35,041,810.00
ESAN WEST	10,374,500.00	138,524,187.42	5,147,000.00	-	17,132,591.43	-	-	-	-	171,178,278.85
ETSAKO CENTRAL	1,247,300.00	14,897,177.00	675,100.00	2,914,723.00	-	-	-	-	-	19,734,300.00
ETSAKO EAST	2,734,705.00	23,367,189.72	1,983,453.00	-	5,938,776.00	-	-	-	-	34,024,123.72
ETSAKO WEST	8,537,050.00	159,687,070.00	-	-	15,264,368.00	-	-	-	-	183,488,488.00
IGUEBEN	4,479,640.00	12,557,978.00	-	-	1,494,000.00	-	-	-	5,183,481.60	23,715,099.60
IKPOBA-OKHA	15,750,550.00	207,527,338.00	365,000.00	1,939,750.00	-	-	545,000.00	-	-	226,127,638.00
OREDO	18,738,149.11	517,053,814.05	95,454,330.00	4,767,300.00	43,978,107.21	-	-	-	-	679,991,700.37
ORHIONMWON	3,462,019.91	4,193,059.11	2,835,909.08	3,593,082.91	4,059,823.19	2,652,606.85	-	-	-	20,796,501.05
OVIA NORTH EAST	280,000.00	140,530,737.00	-	-	2,947,000.00	-	-	-	-	143,757,737.00
OVIA SOUTH WEST	8,983,142.16	28,908,414.09	2,478,409.30	1,453,700.00	23,753,892.13	-	-	-	-	65,577,557.68
OWAN EAST	656,000.00	33,935,344.36	1,836,000.00	121,269,316.00	14,903,550.00	-	-	-	3,563,643.60	176,163,853.96
OWAN WEST	11,645,950.00	17,589,764.00	-	-	62,970,378.54	-	-	-	-	92,206,092.54
UHUNMWODE	4,475,750.00	56,043,999.38	4,313,515.62	-	1,632,000.00	-	-	-	-	66,465,265.00
Total	116,641,256.18	1,694,111,730.06	140,287,729.00	146,531,271.91	291,508,632.50	2,812,606.85	545,000.00	248,300.00	8,747,125.20	2,401,433,651.70

Revenue (%)

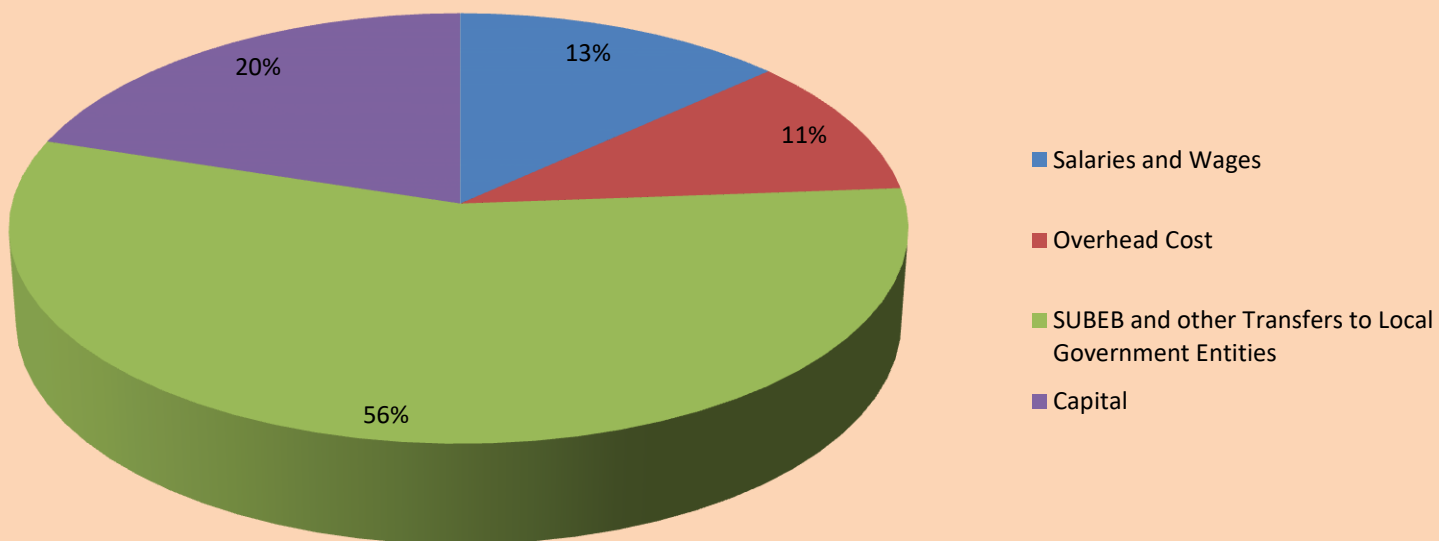


NOTE 3: SCHEDULE OF RECURRENT EXPENDITURE OF THE 18 LOCAL GOVERNMENT COUNCILS FOR THE YEAR 2023			
Local Government Council	Salaries/Wages	Overhead Cost	Total
AKOKO-EDO	435,542,768.05	385,906,168.42	821,448,936.47
EGOR	460,451,673.03	384,346,788.98	844,798,462.01
ESAN CENTRAL	362,087,561.04	369,028,650.90	731,116,211.94
ESAN NORTH EAST	489,176,492.17	161,855,855.00	651,032,347.17
ESAN SOUTH EAST	426,496,784.63	372,528,116.12	799,024,900.75
ESAN WEST	627,800,674.80	162,301,700.12	790,102,374.92
ETSAKO CENTRAL	547,837,323.13	418,513,919.32	966,351,242.45
ETSAKO EAST	619,248,726.92	471,129,960.44	1,090,378,687.36
ETSAKO WEST	554,273,703.50	795,578,505.04	1,349,852,208.54
IGUEBEN	436,793,648.24	415,635,097.64	852,428,745.88
IKPOBA-OKHA	530,832,269.20	312,739,534.75	843,571,803.95
OREDO	650,521,064.00	570,550,234.61	1,221,071,298.61
ORHIONMWON	556,255,206.20	385,531,203.97	941,786,410.17
OVIA NORTH EAST	376,275,863.27	206,062,130.00	582,337,993.27
OVIA SOUTH WEST	455,501,427.93	580,534,397.45	1,036,035,825.38
OWAN EAST	519,288,849.32	502,310,930.64	1,021,599,779.96
OWAN WEST	496,293,307.79	89,695,338.00	585,988,645.79
UHUNMWODE	362,307,593.18	492,695,281.82	855,002,875.00
Total	₦ 8,906,984,936.40	₦ 7,076,943,813.22	₦ 15,983,928,749.62

NOTE 4: SCHEDULE OF TRANSFERS TO SUBEB AND OTHER LOCAL GOVERNMENT ENTITIES IN EDO STATE FOR THE YEAR ENDED 31ST DECEMBER 2023						
S /No	Local Government Councils	Subvention to LEA (SUBEB)	Pry. Sch. Teachers Salary (SUBEB)	5% Traditional Council	Other Transfers to Local Govt. Entities	Total
1	AKOKO-EDO	8,085,929.40	977,871,096.99	175,775,061.65	1,979,018,401.54	3,140,750,489.58
2	EGOR	5,822,223.36	1,004,680,212.14	180,413,646.54	1,412,787,889.27	2,603,703,971.31
3	ESAN CENTRAL	3,488,389.20	665,331,009.06	119,487,500.37	812,817,735.45	1,601,124,634.08
4	ESAN NORTH EAST	4,616,897.28	684,711,851.18	123,073,107.92	908,228,652.77	1,720,630,509.15
5	ESAN SOUTH EAST	4,386,674.28	788,500,494.30	141,731,236.63	927,094,894.76	1,861,713,299.97
6	ESAN WEST	3,909,388.32	695,516,732.62	125,015,646.89	930,376,136.12	1,754,817,903.95
7	ETSAKO CENTRAL	3,388,272.24	674,165,922.93	121,175,346.41	805,991,148.80	1,604,720,690.38
8	ETSAKO EAST	5,632,600.80	767,866,499.17	138,020,686.48	920,237,451.84	1,831,757,238.29
9	ETSAKO WEST	6,689,827.32	845,982,373.00	152,065,077.22	1,157,989,839.32	2,162,727,116.86
10	IGUEBEN	3,264,394.68	631,156,150.41	113,442,989.58	749,792,572.78	1,497,656,107.45
11	IKPOBA-OKHA	7,496,300.04	1,081,367,962.96	194,386,598.50	1,543,013,388.13	2,826,264,249.63
12	OREDO	10,950,568.20	1,100,693,803.46	197,846,638.27	1,674,425,094.56	2,983,916,104.49
13	ORHIONMWON	6,026,609.64	838,972,329.23	150,803,757.20	1,247,438,068.64	2,243,240,764.71
14	OVI NORTH EAST	4,338,922.68	797,353,722.69	143,321,048.94	1,134,615,523.52	2,079,629,217.83
15	OVI SOUTH WEST	5,078,777.49	825,176,548.10	148,319,785.17	1,160,058,675.57	2,138,633,786.33
16	OWAN EAST	5,001,909.60	778,783,849.60	139,983,620.02	1,008,374,521.58	1,932,143,900.80
17	OWAN WEST	4,019,194.08	662,688,076.29	119,112,756.49	809,846,283.26	1,595,666,310.12
18	UHUNMWODE	4,631,199.72	764,260,581.41	137,370,181.79	1,118,973,779.47	2,025,235,742.39
	Total	₦ 96,828,078.33	₦ 14,585,079,215.54	₦ 2,621,344,686.07	₦ 20,301,080,057.38	₦ 37,604,332,037.32

NOTE 5: SCHEDULE OF CAPITAL EXPENDITURE OF THE 18 LOCAL GOVERNMENT COUNCILS FOR THE YEAR 2023					
Local Government Councils	Land and Building General	Infrastructure General	Furniture and Fitting General	Intangible Assets	Total
AKOKO-EDO	846,803,217.35	103,172,691.01	223,757,304.00	487,317,724.53	1,661,050,936.89
EGOR	472,765,719.17	444,000,771.12	76,000,000.00	10,000,000.00	1,002,766,490.29
ESAN CENTRAL	210,754,700.00	182,101,708.00	42,587,598.00	249,626,350.45	685,070,356.45
ESAN NORTH EAST	372,634,567.00	198,377,026.61	46,322,949.97	165,822,099.99	783,156,643.57
ESAN SOUTH EAST	198,975,453.00	228,159,569.41	17,664,600.00	424,909,649.74	869,709,272.15
ESAN WEST	354,042,728.97	208,940,338.03	24,846,875.50	202,225,434.00	790,055,376.50
ETSAKO CENTRAL	130,843,150.27	220,837,871.43	12,172,370.00	66,413,283.00	430,266,674.70
ETSAKO EAST	289,175,110.00	212,340,046.10	4,937,400.00	87,409,808.13	593,862,364.23
ETSAKO WEST	85,454,100.00	71,100,275.00	27,170,000.00	22,460,996.76	206,185,371.76
IGUEBEN	557,543,885.65	434,500,700.00	75,787,701.00	307,018,861.25	1,374,851,147.90
IKPOBA-OKHA	93,445,889.77	50,500,000.00	36,705,000.00	391,800,000.00	572,450,889.77
OREDO	298,319,676.11	306,376,673.73	25,754,110.00	240,212,285.61	870,662,745.45
ORHIONMWON	173,876,543.34	148,708,432.11	81,049,213.01	107,654,321.09	511,288,509.55
OVI NORTH EAST	299,137,812.88	129,068,032.06	82,114,506.48	505,139,007.78	1,015,459,359.20
OVI SOUTH WEST	248,648,538.81	186,930,662.93	19,453,400.00	90,608,611.81	545,641,213.55
OWAN EAST	250,000,000.00	210,000,000.00	52,000,000.00	197,877,865.98	709,877,865.98
OWAN WEST	240,734,500.44	150,110,000.04	63,101,344.52	86,347,179.96	540,293,024.96
UHUNMWODE	69,721,600.00	129,223,330.00	19,883,020.00	107,017,050.00	325,845,000.00
Total	₦ 5,192,877,192.76	₦ 3,614,448,127.58	₦ 931,307,392.48	₦ 3,749,860,530.08	₦ 13,488,493,242.90

Expenditure (%)



NOTE 6: SCHEDULE OF ASSETS OF THE 18 LOCAL GOVERNMENT COUNCILS AS AT 31ST DECEMBER, 2023

Local Government Council	Cash and Cash Equivalent	Inventories	Prepayment	Loan Fund	Investment	Property, Plant and Equipment	Investment Properties	Advances	Total
AKOKO-EDO	210,126,924.17	858,000.00	-	437,736.92	1,278,588.59	1,232,221,677.43	-	491,080,412.56	1,936,003,339.67
EGOR	197,596,585.27	-	-	-	-	976,621,655.71	-	-	1,174,218,240.98
ESAN CENTRAL	192,538,358.71	-	-	1,020,035.00	103,199.98	422,308,225.86	-	855,325,349.93	1,471,295,169.48
ESAN NORTH EAST	90,045,527.22	-	-	30,120.00	40,967.56	268,327,599.87	-	-	358,444,214.65
ESAN SOUTH EAST	263,655,891.39	-	-	-	516,662.89	1,004,500,000.00	-	765,708,488.07	2,034,381,042.35
ESAN WEST	104,970,529.72	-	-	572,970.07	28,685.43	948,559,363.06	359,984.00	386,532,966.70	1,441,024,498.98
ETSAKO CENTRAL	182,250,767.90	-	-	-	35,021,514.25	1,008,219,975.64	89,293,000.00	-	1,314,785,257.79
ETSAKO EAST	144,077,556.23	-	-	200,157.27	-	899,269,230.05	58,112,285.73	-	1,101,659,229.28
ETSAKO WEST	240,031,603.07	471,138.28	-	-	1,024,375.21	654,726,072.35	-	490,426,801.85	1,386,679,990.76
IGUEBEN	162,634,026.53	-	-	-	80,355.50	982,880,226.25	-	-	1,145,594,608.28
IKPOBA-OKHA	315,053,691.38	-	-	-	-	406,282,639.09	-	1,407,086,981.06	2,128,423,311.53
OREDO	275,590,798.02	-	-	1,706,198.77	385,910.69	1,062,595,509.62	28,586,655.05	-	1,368,865,072.15
ORHIONMWON	282,101,096.75	-	-	-	537,849.07	959,917,224.75	-	774,284,770.76	2,016,840,941.33
OVIA NORTH EAST	252,019,236.86	-	-	37,567.00	-	164,040,335.00	-	-	416,097,138.86
OVIA SOUTH WEST	49,710,256.52	1,119,660.00	-	-	1,257,389.18	616,139,628.93	260,993,207.70	-	829,799,629.29
OWAN EAST	92,299,752.84	56,750.00	161,928,480.78	-	27,883,736.00	2,882,421,871.45	13,885,036.00	-	3,178,475,627.07
OWAN WEST	104,911,366.63	-	-	30,561.00	1,100,000.00	2,808,293,098.83	-	347,576,843.00	3,261,911,869.46
UHUNMWODE	306,254,585.36	-	-	18,436,870.79	-	267,784,391.83	-	775,954,652.76	1,368,430,500.74
Total	3,366,448,041.53	2,505,548.28	161,928,480.78	22,472,216.82	69,259,234.35	17,565,108,725.72	451,230,168.48	6,293,977,266.69	27,932,929,682.65

NOTE 7: SCHEDULE OF LIABILITIES OF THE 18 LOCAL GOVERNMENT COUNCILS AS AT 31ST DECEMBER, 2023

Local Government Council	Deposits	Short Term Loan	Payables (Accrued Expenses)	Long Term Borrowings	Total
AKOKO-EDO	808,206,521.59	-	-	-	808,206,521.59
EGOR	374,972,587.22	-	338,141,254.57	-	713,113,841.79
ESAN CENTRAL	524,509,495.56	56,907,781.29	-	-	581,417,276.85
ESAN NORTH EAST	281,065,289.27	38,324,609.30	272,954,073.35	-	592,343,971.92
ESAN SOUTH EAST	206,727,736.23	810,186.42	-	-	207,537,922.65
ESAN WEST	907,088,501.08	800,000.00	-	-	907,888,501.08
ETSAKO CENTRAL	520,460,155.69	-	326,055,814.88	-	846,515,970.57
ETSAKO EAST	215,620,990.40	1,966,883.97	200,221,990.81	-	417,809,865.18
ETSAKO WEST	516,448,991.09	67,522,988.40	-	-	583,971,979.49
IGUEBEN	283,172,093.25	103,722,966.29	-	-	386,895,059.54
IKPOBA-OKHA	263,467,550.82	-	-	-	263,467,550.82
OREDO	77,261,572.73	54,683,440.00	-	-	131,945,012.73
ORHIONMWON	1,159,096,687.46	-	-	-	1,159,096,687.46
OVI NORTH EAST	77,612,515.09	99,940,000.00	-	-	177,552,515.09
OVI SOUTH WEST	480,606,815.45	19,770,499.20	156,886,523.04	-	657,263,837.69
OWAN EAST	254,399,683.87	75,941,620.08	3,822,400.16	174,643,785.25	508,807,489.36
OWAN WEST	326,553,413.20	800,000.00	-	-	327,353,413.20
UHUNMWODE	321,791,349.42	800,000.00	-	-	322,591,349.42
Total	7,599,061,949.42	521,990,974.95	1,298,082,056.81	174,643,785.25	9,593,778,766.43

NOTE 8: CONSOLIDATED SCHEDULE OF CHANGES IN NET ASSETS OF THE 18 LOCAL GOVERNMENT COUNCILS FOR THE YEAR 2023

Local Government Council	Reserves	General Revenue Balance	Net Assets
AKOKO-EDO	1,118,855,136.58	8,941,681.50	1,127,796,818.08
EGOR	174,225,373.85	286,879,025.34	461,104,399.19
ESAN CENTRAL	741,011,022.02	148,866,870.61	889,877,892.63
ESAN NORTH EAST	- 385,126,546.48	151,226,789.21	- 233,899,757.27
ESAN SOUTH EAST	1,707,238,397.75	119,604,721.95	1,826,843,119.70
ESAN WEST	974,790,674.52	78,739,217.26	1,053,529,891.78
ETSAKO CENTRAL	476,083,981.37	182,498,032.84	658,582,014.21
ETSAKO EAST	629,395,166.84	54,454,197.26	683,849,364.10
ETSAKO WEST	501,971,059.44	300,736,951.83	802,708,011.27
IGUEBEN	1,466,283,687.38	- 707,584,138.64	758,699,548.74
IKPOBA-OKHA	514,882,345.85	114,756,450.80	629,638,796.65
OREDO	989,915,926.45	247,004,132.97	1,236,920,059.42
ORHIONMWON	713,594,031.19	144,150,222.68	857,744,253.87
OVIA NORTH EAST	105,467,553.72	164,996,380.05	270,463,933.77
OVIA SOUTH WEST	49,321,618.72	114,801,306.07	164,122,924.79
OWAN EAST	2,878,102,384.87	91,565,752.84	2,969,668,137.71
OWAN WEST	2,649,895,937.00	485,766,379.26	3,135,662,316.26
UHUNMWODE	655,753,318.66	390,085,832.66	1,045,839,151.32
Total	₦ 15,961,661,069.73	₦ 2,377,489,806.49	₦ 18,339,150,876.22

NOTE 9: AUDIT QUERIES ISSUED TO LOCAL GOVERNMENT COUNCILS IN RESPECT OF 2022 ACCOUNTS

S/ N	Council	Outstanding queries		Current queries		Response to Queries During the Year		Queries Resolved		Queries Under Correspondence/Unresolved	
		No.	Amount (₦)	No.	Amount (₦)	No.	Amount (₦)	No.	Amount (₦)	No.	Amount (₦)
1.	Akoko-Edo	1	5,081,000.00	5	130,454,950.00	---	---	---	---	6	135,535,950.00
2.	Egor	---	---	6	21,509,205.00	6	21,509,205.00	6	21,509,205.00	---	---
3.	Esan Central	7	34,950,000.00	4	19,558,600.00	---	---	---	---	11	54,508,600.00
4.	Esan North East	10	398,699,972.98	4	13,620,000.00	---	---	---	---	14	412,319,972.98
5.	Esan South East	7	60,456,000.00	9	182,340,000.00	---	---	---	---	16	242,796,000.00
6.	Esan West	3	5,200,000.00	6	137,540,000.00	---	---	---	---	9	142,740,000.00
7.	Etsako Central	---	---	5	6,657,000.00	5	6,657,000.00	5	6,657,000.00	---	---
8.	Etsako East	4	41,480,000.00	4	28,538,560.95	8	70,018,560.95	8	70,018,560.95	---	---
9.	Etsako West	3	5,030,000.00	12	177,871,407.89	3	8,265,606.12	3	8,265,606.12	12	174,635,801.77
10.	Igueben	---	---	2	32,170,000.00	---	---	---	---	2	32,170,000.00
11.	Ikpoba-Okha	---	---	4	80,350,000.00	4	80,350,000.00	4	80,350,000.00	---	---
12.	Oredo	---	---	10	83,996,000.00	---	---	---	---	10	83,996,000.00
13.	Orhionmwon	6	37,205,000.00	3	63,600,000.00	3	63,600,000.00	3	63,600,000.00	6	37,205,000.00
14.	Ovia North East	---	---	3	90,000,000.00	3	90,000,000.00	3	90,000,000.00	---	---
15.	Ovia South West	---	---	12	773,699,904.39	---	---	---	---	12	773,699,904.39
16.	Owan East	---	---	4	31,846,000.00	4	31,846,000.00	4	31,846,000.00	---	---
17.	Owan West	---	---	2	20,088,741.35	2	20,088,741.35	2	20,088,741.35	---	---
18.	Uhunmwode	---	---	7	90,660,335.59	7	90,660,335.59	7	90,660,335.59	---	---
	Total	41	588,101,972.98	102	1,984,500,705.17	45	482,995,449.01	45	482,995,449.01	98	2,089,607,229.14

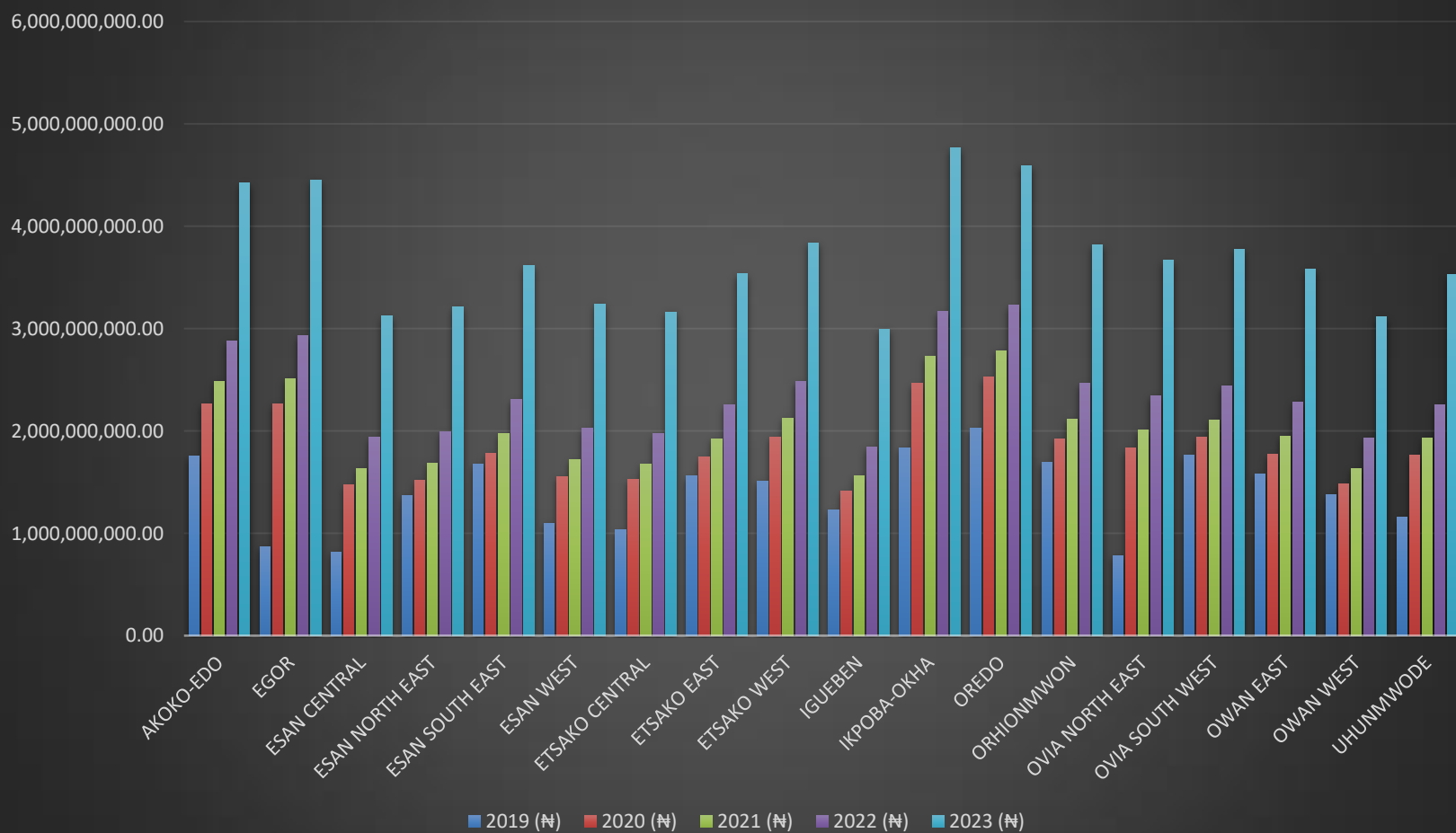
NOTE 10: DATE OF SUBMISSION OF 2023 ANNUAL FINANCIAL STATEMENTS BY LOCAL GOVERNMENT COUNCILS TO THE OFFICE OF THE AUDITOR-GENERAL (LOCAL GOVERNMENTS)

S/No.	Local Government Council	Date of Submission of Financial Statements
1	AKOKO-EDO	17 th May, 2024
2	EGOR	28 th March, 2024
3	ESAN CENTRAL	15 th April, 2024
4	ESAN NORTH EAST	17 th May, 2024
5	ESAN SOUTH EAST	28 th March, 2024
6	ESAN WEST	22 nd March, 2024
7	ETSAKO CENTRAL	21 st March, 2024
8	ETSAKO EAST	19 th March, 2024
9	ETSAKO WEST	28 th March, 2024
10	IGUEBEN	15 th April, 2024
11	IKPOBA-OKHA	28 th March, 2024
12	OREDO	17 th May, 2024
13	ORHIONMWON	28 th March, 2024
14	OVIA NORTH EAST	28 th March, 2024
15	OVIA SOUTH WEST	28 th March, 2024
16	OWAN EAST	28 th March, 2024
17	OWAN WEST	15 th April, 2024
18	UHUNMWODE	28 th March, 2024

FIVE YEARS FINANCIAL SUMMARY ANALYSES

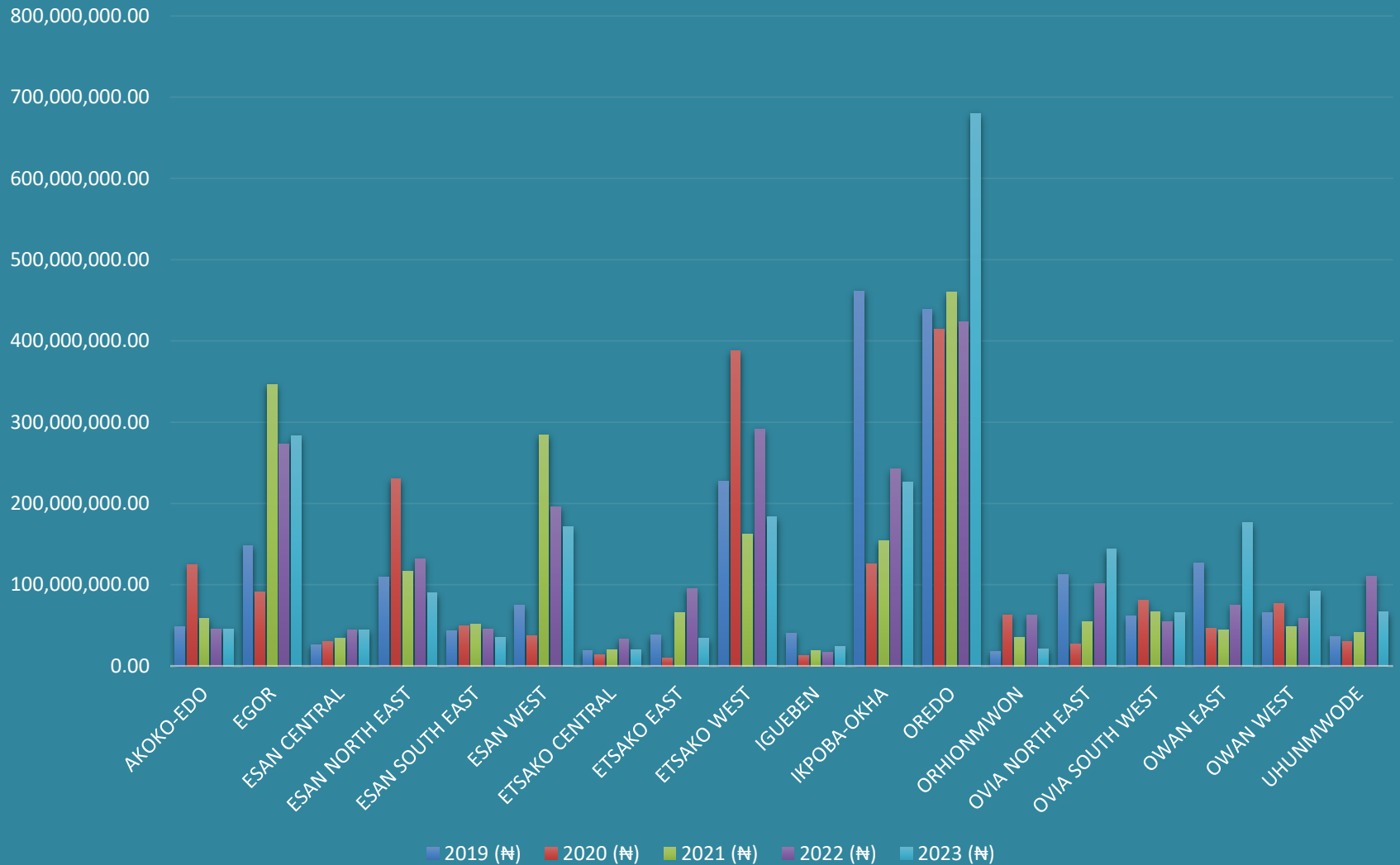
FIVE YEARS FINANCIAL SUMMARY OF STATUTORY ALLOCATION							
S/N	COUNCIL	2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)	2023 (₦)	TOTAL (₦)
1	AKOKO-EDO	1,751,717,142.16	2,267,600,764.27	2,486,156,600.81	2,881,108,574.86	4,425,473,547.73	13,812,056,629.83
2	EGOR	869,318,590.22	2,266,821,179.67	2,512,590,658.78	2,932,765,337.34	4,454,454,507.69	13,035,950,273.70
3	ESAN CENTRAL	819,012,014.88	1,472,967,544.16	1,637,571,799.09	1,938,434,657.65	3,121,554,741.08	8,989,540,756.86
4	ESAN NORTH EAST	1,374,087,994.35	1,520,974,512.51	1,688,807,716.85	1,996,846,456.07	3,216,184,264.68	9,796,900,944.46
5	ESAN SOUTH EAST	1,674,865,531.88	1,785,466,340.48	1,972,604,538.07	2,310,147,010.51	3,615,010,384.82	11,358,093,805.76
6	ESAN WEST	1,101,254,527.67	1,554,666,852.10	1,717,337,426.83	2,028,928,209.28	3,242,536,593.78	9,644,723,609.66
7	ETSAKO CENTRAL	1,032,225,546.29	1,523,536,575.04	1,673,773,679.86	1,973,099,533.70	3,164,102,340.37	9,366,737,675.26
8	ETSAKO EAST	1,562,755,367.54	1,745,936,669.93	1,924,600,043.24	2,253,227,013.48	3,536,428,363.42	11,022,947,457.61
9	ETSAKO WEST	1,510,919,325.90	1,940,943,587.87	2,127,629,125.70	2,483,277,510.71	3,836,013,160.99	11,898,782,711.17
10	IGUEBEN	1,225,471,527.88	1,413,274,698.87	1,559,567,836.10	1,845,265,692.47	2,993,636,762.99	9,037,216,518.31
11	IKPOBA-OKHA	1,837,296,042.79	2,463,256,206.63	2,726,920,929.82	3,166,071,886.46	4,764,758,726.97	14,958,303,792.67
12	OREDO	2,027,321,085.64	2,529,364,184.81	2,783,548,358.05	3,229,326,549.47	4,592,527,229.63	15,162,087,407.60
13	ORHIONMWON	1,698,804,047.47	1,926,512,733.86	2,116,541,842.24	2,467,464,673.20	3,819,726,405.75	12,029,049,702.52
14	OVIA NORTH EAST	784,166,924.19	1,831,962,028.72	2,009,323,994.76	2,345,369,897.59	3,666,745,923.35	10,637,568,768.61
15	OVIA SOUTH WEST	1,764,759,727.88	1,941,887,290.03	2,107,271,777.10	2,442,707,946.91	3,777,947,440.56	12,034,574,182.48
16	OWAN EAST	1,578,887,370.38	1,772,128,590.94	1,952,157,796.09	2,284,954,073.86	3,579,023,436.62	11,167,151,267.89
17	OWAN WEST	1,381,338,901.76	1,480,075,844.84	1,636,714,726.63	1,935,033,100.24	3,115,508,267.59	9,548,670,841.06
18	UHUNMWODE	1,163,238,966.63	1,762,802,942.72	1,931,077,536.53	2,252,879,690.11	3,529,704,182.95	10,639,703,318.94
	TOTAL	<u>25,157,440,635.51</u>	<u>33,200,178,547.45</u>	<u>36,564,196,386.55</u>	<u>42,766,907,813.91</u>	<u>66,451,336,280.97</u>	<u>204,140,059,664.39</u>

5 YEARS STATUTORY ALLOCATION ANALYSES



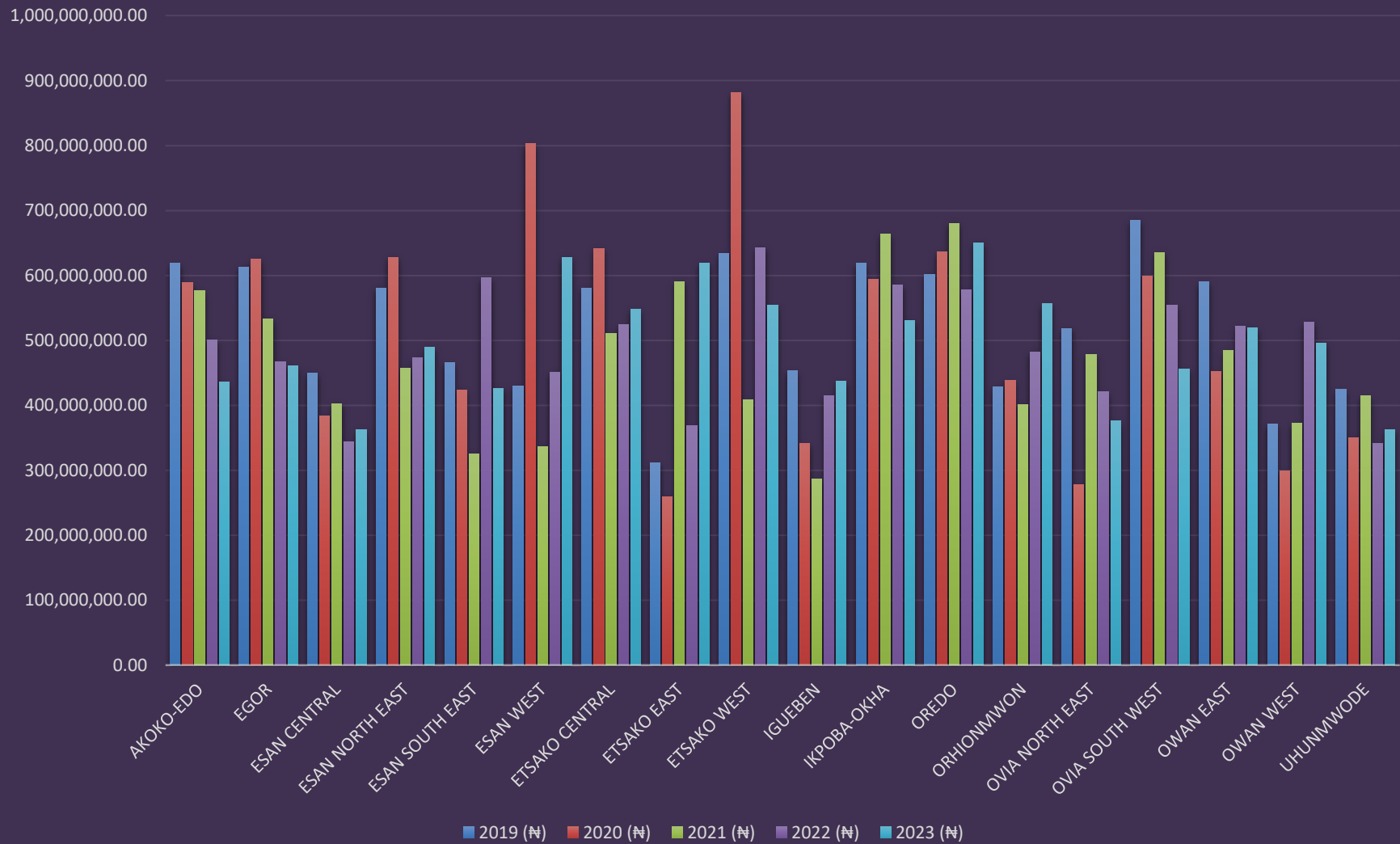
FIVE YEARS SUMMARY OF INDEPENDENT REVENUE							
S/N	COUNCIL	2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)	2023 (₦)	TOTAL (₦)
1	AKOKO-EDO	47,955,298.81	124,960,187.80	58,689,434.18	45,512,320.00	44,986,408.67	322,103,649.46
2	EGOR	147,960,032.29	91,427,551.57	346,637,469.73	273,599,763.10	283,693,441.26	1,143,318,257.95
3	ESAN CENTRAL	26,000,300.00	29,658,533.42	33,875,441.50	44,591,585.00	44,623,332.00	178,749,191.92
4	ESAN NORTH EAST	109,875,592.15	230,523,016.78	116,188,072.94	131,962,305.80	89,862,024.00	678,411,011.67
5	ESAN SOUTH EAST	43,836,587.40	49,438,942.73	51,368,745.55	45,701,333.05	35,041,810.00	225,387,418.73
6	ESAN WEST	74,588,090.00	36,797,205.08	284,314,855.80	195,539,090.00	171,178,278.85	762,417,519.73
7	ETSAKO CENTRAL	19,230,455.46	13,520,846.19	19,650,954.54	33,132,940.39	19,734,300.00	105,269,496.58
8	ETSAKO EAST	37,820,450.00	9,754,059.93	65,683,402.23	95,418,713.09	34,024,123.72	242,700,748.97
9	ETSAKO WEST	227,363,826.00	387,778,166.67	162,781,708.00	290,924,469.00	183,488,488.00	1,252,336,657.67
10	IGUEBEN	40,402,202.63	13,125,760.00	18,481,881.34	16,844,958.00	23,715,099.60	112,569,901.57
11	IKPOBA-OKHA	461,415,783.00	125,586,470.12	154,031,732.13	242,156,338.64	226,127,638.00	1,209,317,961.89
12	OREDO	438,401,779.75	414,366,454.17	459,689,887.36	423,075,046.15	679,991,700.37	2,415,524,867.80
13	ORHIONMWON	17,616,714.99	62,948,185.17	34,947,426.70	62,311,378.22	20,796,501.05	198,620,206.13
14	OVIA NORTH EAST	112,477,778.00	26,636,997.17	54,915,547.35	101,422,195.37	143,757,737.00	439,210,254.89
15	OVIA SOUTH WEST	61,222,914.00	80,548,737.11	66,721,266.44	54,453,032.04	65,577,557.68	328,523,507.27
16	OWAN EAST	126,893,142.80	45,984,001.81	43,996,638.65	75,318,005.52	176,163,853.96	468,355,642.74
17	OWAN WEST	65,201,732.00	77,379,175.23	48,743,533.40	58,653,939.03	92,206,092.54	342,184,472.20
18	UHUNMWODE	36,514,250.00	30,160,392.35	41,488,744.99	110,171,477.00	66,465,265.00	284,800,129.34
	TOTAL	<u>2,094,776,929.28</u>	<u>1,850,594,683.30</u>	<u>2,062,206,742.83</u>	<u>2,300,788,889.40</u>	<u>2,401,433,651.70</u>	<u>10,709,800,896.51</u>

5 YEARS SUMMARY OF INDEPENDENT REVUNUE

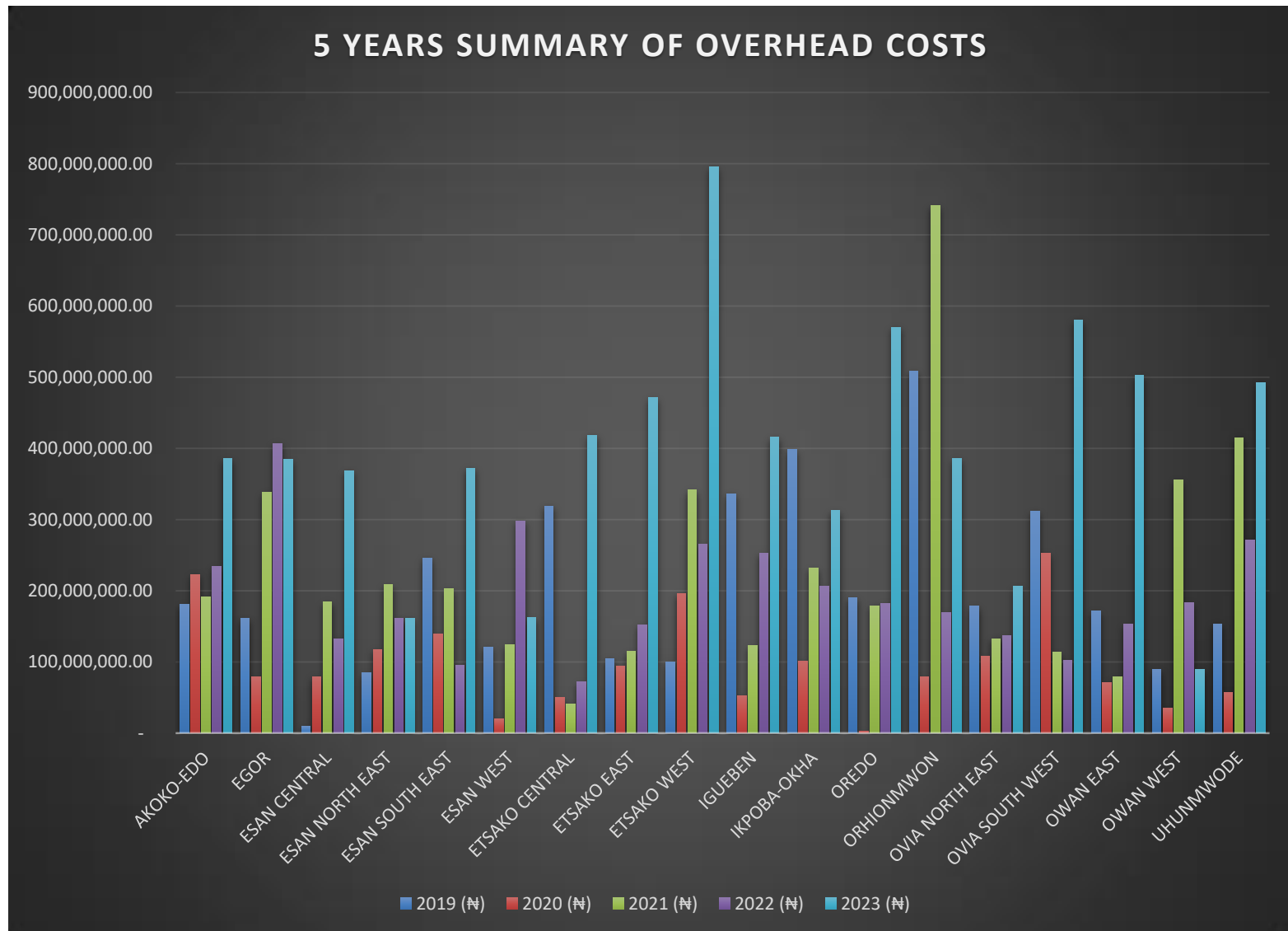


FIVE YEARS FINANCIAL ANALYSES OF SALARIES AND WAGES							
S/N		2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)	2023 (₦)	TOTAL (₦)
1	AKOKO-EDO	618,652,071.38	588,859,090.00	576,122,842.37	500,183,397.80	435,542,768.05	2,719,360,169.60
2	EGOR	613,044,845.40	624,655,912.72	533,504,036.80	467,147,746.18	460,451,673.03	2,698,804,214.13
3	ESAN CENTRAL	450,040,188.21	383,469,929.95	403,021,258.65	343,475,854.24	362,087,561.04	1,942,094,792.09
4	ESAN NORTH EAST	580,505,094.05	628,261,313.15	456,626,839.22	472,796,375.85	489,176,492.17	2,627,366,114.44
5	ESAN SOUTH EAST	465,433,120.27	424,112,573.99	325,785,258.27	596,675,709.52	426,496,784.63	2,238,503,446.68
6	ESAN WEST	429,244,708.58	803,032,020.89	337,002,097.20	451,143,119.53	627,800,674.80	2,648,222,621.00
7	ETSAKO CENTRAL	580,381,240.11	641,687,211.67	510,487,129.25	524,033,206.12	547,837,323.13	2,804,426,110.28
8	ETSAKO EAST	311,432,231.30	259,672,398.82	590,957,421.69	368,492,679.54	619,248,726.92	2,149,803,458.27
9	ETSAKO WEST	634,192,302.47	881,467,492.14	408,093,255.17	642,624,549.74	554,273,703.50	3,120,651,303.02
10	IGUEBEN	452,890,669.28	340,910,408.75	286,119,113.36	414,950,940.11	436,793,648.24	1,931,664,779.74
11	IKPOBA-OKHA	618,436,483.64	593,621,425.22	663,979,618.26	585,117,385.84	530,832,269.20	2,991,987,182.16
12	OREDO	602,122,000.00	635,918,237.39	680,151,674.61	577,497,616.54	650,521,064.00	3,146,210,592.54
13	ORHIONMWON	429,180,498.13	438,745,400.00	401,519,223.15	482,112,251.71	556,255,206.20	2,307,812,579.19
14	OVIA NORTH EAST	518,499,744.40	278,106,883.36	478,494,388.40	420,593,957.36	376,275,863.27	2,071,970,836.79
15	OVIA SOUTH WEST	685,623,246.21	599,185,661.93	635,513,450.90	554,329,590.44	455,501,427.93	2,930,153,377.41
16	OWAN EAST	590,070,808.63	452,211,503.07	484,159,460.67	521,401,532.23	519,288,849.32	2,567,132,153.92
17	OWAN WEST	371,015,129.42	299,650,672.87	372,158,474.18	528,059,574.00	496,293,307.79	2,067,177,158.26
18	UHUNMWODE	424,380,916.52	350,672,792.87	414,514,249.83	340,951,105.70	362,307,593.18	1,892,826,658.10
	TOTAL	9,375,145,298.00	9,224,240,928.79	8,558,209,791.98	8,791,586,592.45	8,906,984,936.40	44,856,167,547.62

5 YEARS SUMMARY OF SALARIES & WAGES

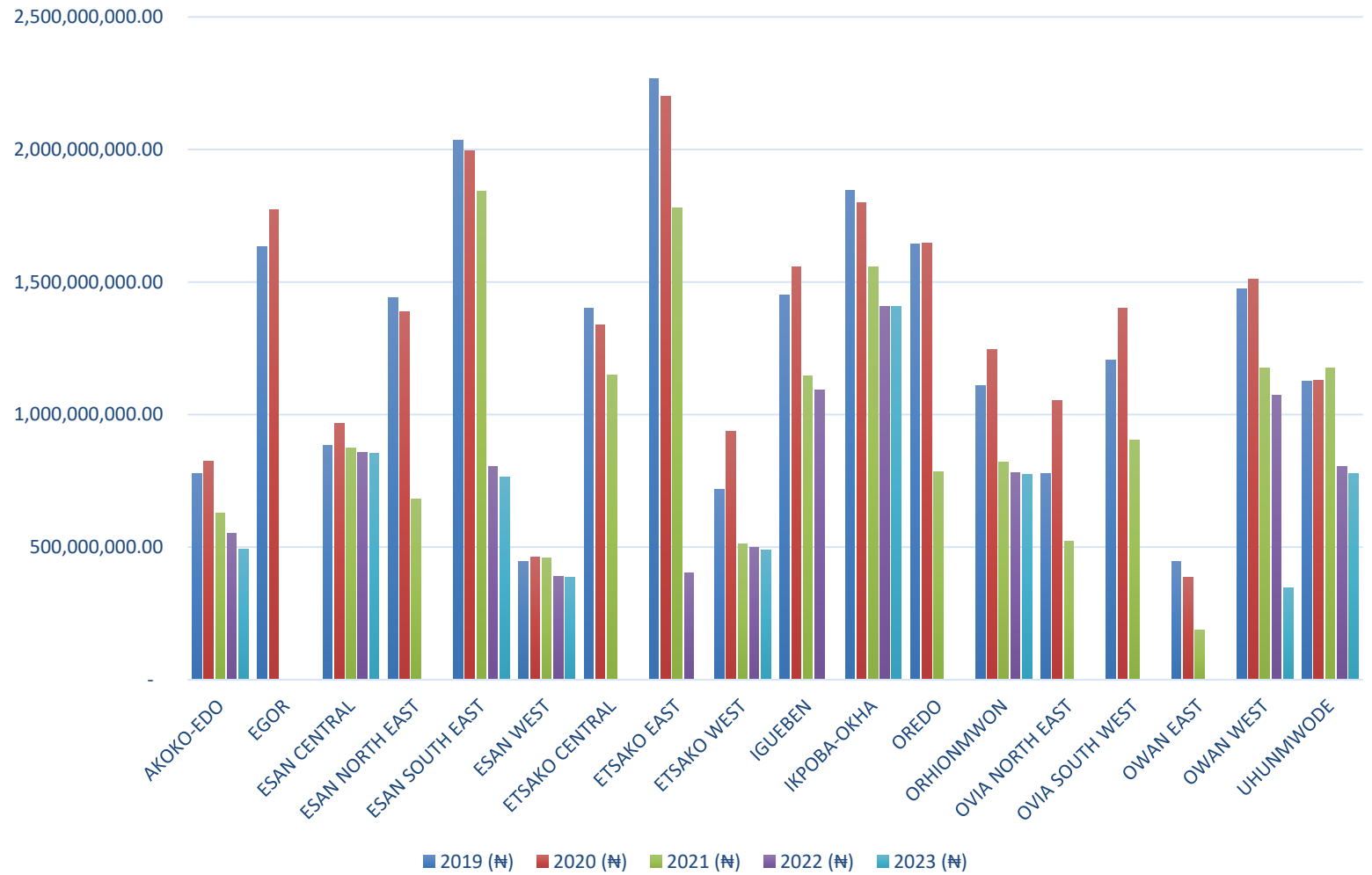


FIVE YEARS FINANCIAL ANALYSES OF OVERHEADS							
S/N		2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)	2023 (₦)	TOTAL (₦)
1	AKOKO-EDO	181,084,803.03	222,801,352.46	191,763,240.36	233,690,095.96	385,906,168.42	1,215,245,660.23
2	EGOR	160,761,926.00	78,915,676.00	338,416,581.57	406,909,962.40	384,346,788.98	1,369,350,934.95
3	ESAN CENTRAL	10,193,566.00	79,691,536.48	183,906,695.00	132,447,214.87	369,028,650.90	775,267,663.25
4	ESAN NORTH EAST	84,587,100.26	117,582,954.00	208,672,366.80	160,758,051.27	161,855,855.00	733,456,327.33
5	ESAN SOUTH EAST	246,166,645.60	139,184,443.68	203,111,344.85	95,886,350.34	372,528,116.12	1,056,876,900.59
6	ESAN WEST	121,182,954.00	20,299,700.00	123,903,377.63	298,255,819.63	162,301,700.12	725,943,551.38
7	ETSAKO CENTRAL	319,180,159.18	50,103,230.00	41,100,726.65	71,892,840.00	418,513,919.32	900,790,875.15
8	ETSAKO EAST	104,978,110.91	93,677,564.43	114,835,279.66	152,305,262.30	471,129,960.44	936,926,177.74
9	ETSAKO WEST	99,501,574.40	196,407,702.07	341,737,241.53	265,465,165.54	795,578,505.04	1,698,690,188.58
10	IGUEBEN	336,596,857.39	52,748,437.00	122,540,954.86	252,570,373.23	415,635,097.64	1,180,091,720.12
11	IKPOBA-OKHA	398,441,514.69	101,545,800.00	231,603,932.07	206,038,715.00	312,739,534.75	1,250,369,496.51
12	OREDO	189,917,976.00	2,478,855.94	178,757,256.71	182,244,245.17	570,550,234.61	1,123,948,568.43
13	ORHIONMWON	508,441,921.49	78,754,331.00	741,215,659.82	169,332,578.97	385,531,203.97	1,883,275,695.25
14	OVIA NORTH EAST	178,235,070.60	107,826,565.99	132,950,000.00	136,793,386.00	206,062,130.00	761,867,152.59
15	OVIA SOUTH WEST	311,456,732.10	252,752,009.23	113,377,063.77	102,374,300.00	580,534,397.45	1,360,494,502.55
16	OWAN EAST	171,460,999.26	71,353,762.05	78,643,478.65	152,978,053.43	502,310,930.64	976,747,224.03
17	OWAN WEST	89,071,342.27	35,554,082.73	355,345,959.25	183,492,287.63	89,695,338.00	753,159,009.88
18	UHUNMWODE	153,571,863.62	57,311,748.19	415,097,642.00	271,288,025.20	492,695,281.82	1,389,964,560.83
	TOTAL	3,664,831,116.80	1,758,989,751.25	4,116,978,801.18	3,474,722,726.94	7,076,943,813.22	20,092,466,209.39



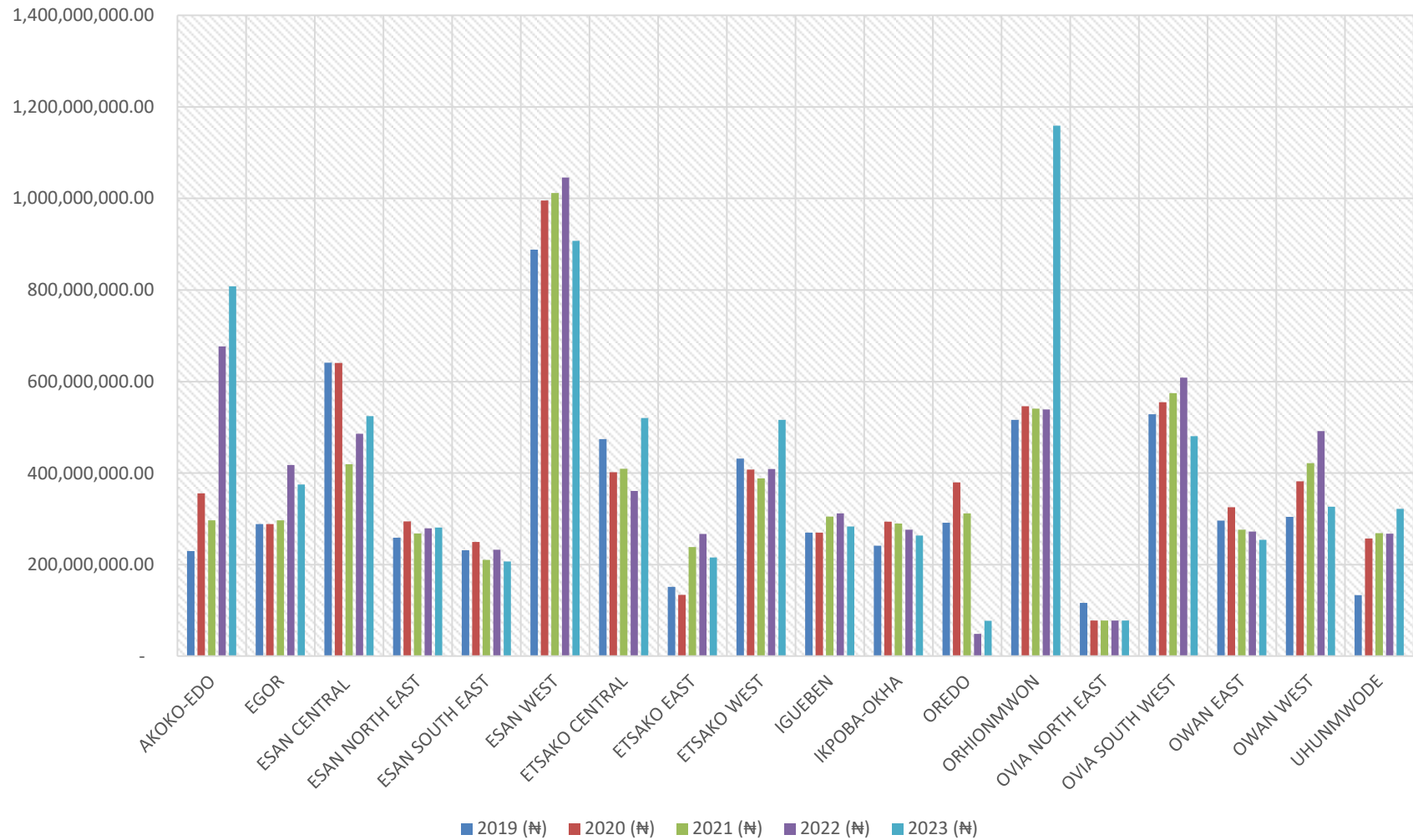
FIVE YEARS SUMMARY OF OUTSTANDING PREPAYMENTS (ADVANCES)							
S/N		2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)	2023 (₦)	TOTAL (₦)
1	AKOKO-EDO	777,724,040.19	824,981,550.19	628,442,050.19	552,786,412.56	491,080,412.56	3,275,014,465.69
2	EGOR	1,632,023,212.67	1,772,910,683.61	-	-	-	3,404,933,896.28
3	ESAN CENTRAL	884,714,499.43	965,404,749.93	872,555,349.93	855,705,349.93	855,325,349.93	4,433,705,299.15
4	ESAN NORTH EAST	1,441,122,647.25	1,389,663,290.73	681,755,046.26	-	-	3,512,540,984.24
5	ESAN SOUTH EAST	2,035,855,888.07	1,994,134,338.07	1,841,150,288.07	805,306,488.07	765,708,488.07	7,442,155,490.35
6	ESAN WEST	445,467,480.70	463,483,034.26	459,009,366.70	387,832,966.70	386,532,966.70	2,142,325,815.06
7	ETSAKO CENTRAL	1,399,890,620.12	1,339,484,071.40	1,150,456,721.40	-	-	3,889,831,412.92
8	ETSAKO EAST	2,268,518,489.88	2,201,383,745.09	1,781,280,780.13	401,512,802.00	-	6,652,695,817.10
9	ETSAKO WEST	718,407,707.18	937,443,251.79	513,484,176.85	500,483,676.85	490,426,801.85	3,160,245,614.52
10	IGUEBEN	1,451,310,259.83	1,557,131,025.20	1,145,193,897.20	1,093,803,897.20	-	5,247,439,079.43
11	IKPOBA-OKHA	1,846,154,944.06	1,798,984,344.06	1,556,925,639.06	1,407,086,981.06	1,407,086,981.06	8,016,238,889.30
12	OREDO	1,643,109,829.97	1,646,618,551.40	785,189,069.40	-	-	4,074,917,450.77
13	ORHIONMWON	1,110,865,039.06	1,245,760,689.06	819,708,070.76	780,284,970.76	774,284,770.76	4,730,903,540.40
14	OVIA NORTH EAST	777,438,873.06	1,052,001,918.06	523,271,450.38	-	-	2,352,712,241.50
15	OVIA SOUTH WEST	1,206,801,582.00	1,401,317,202.00	902,697,304.00	-	-	3,510,816,088.00
16	OWAN EAST	445,785,798.78	384,436,450.78	185,464,180.78	-	-	1,015,686,430.34
17	OWAN WEST	1,474,787,412.63	1,511,938,374.63	1,174,541,224.63	1,071,306,824.63	347,576,843.00	5,580,150,679.52
18	UHUNMWODE	1,125,514,386.90	1,128,772,086.90	1,174,541,224.63	805,580,652.76	775,954,652.76	5,010,363,003.95
	TOTAL	22,685,492,711.78	23,615,849,357.16	16,195,665,840.37	8,661,691,022.52	6,293,977,266.69	77,452,676,198.52

5 YEARS SUMMARY OF OUTSTANDING PREPAYMENTS

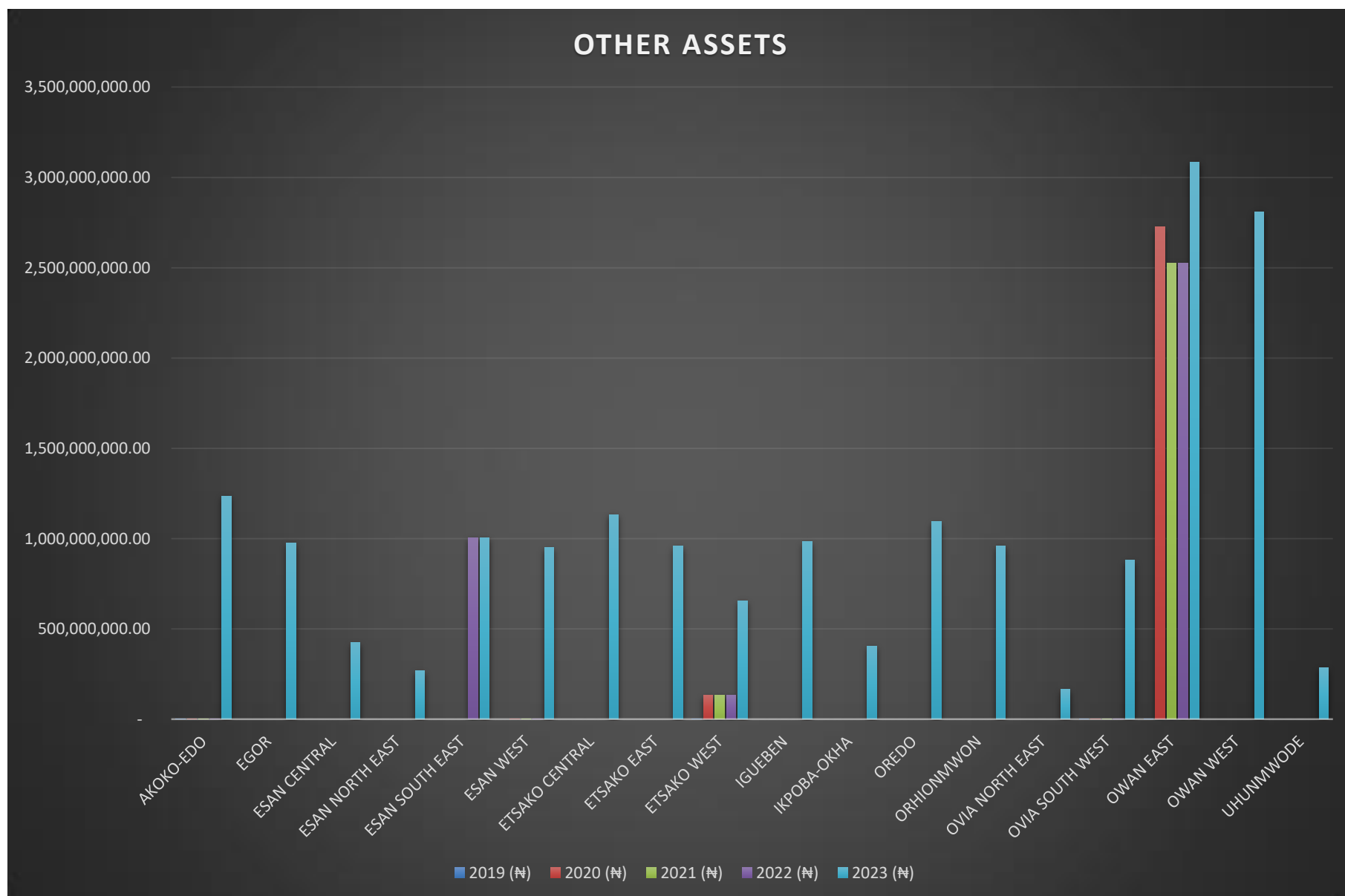


FIVE YEARS FINANCIAL SUMMARY OF DEPOSITS							
S/N		2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)	2023 (₦)	TOTAL (₦)
1	AKOKO-EDO	229,850,573.04	355,530,614.20	296,966,061.02	676,602,463.83	808,206,521.59	2,367,156,233.68
2	EGOR	288,802,326.19	288,802,326.19	296,916,655.39	417,592,374.82	374,972,587.22	1,667,086,269.81
3	ESAN CENTRAL	641,454,011.59	640,451,778.31	419,652,844.50	486,152,554.14	524,509,495.56	2,712,220,684.10
4	ESAN NORTH EAST	259,067,210.55	294,590,485.22	268,347,834.39	279,332,894.42	281,065,289.27	1,382,403,713.85
5	ESAN SOUTH EAST	231,482,482.29	249,357,160.77	210,311,068.88	232,614,103.35	206,727,736.23	1,130,492,551.52
6	ESAN WEST	888,016,969.42	995,560,251.88	1,011,667,073.67	1,045,596,977.38	907,088,501.08	4,847,929,773.43
7	ETSAKO CENTRAL	474,485,091.53	401,781,388.98	409,255,593.18	360,869,605.78	520,460,155.69	2,166,851,835.16
8	ETSAKO EAST	151,163,303.80	134,138,224.73	238,325,655.85	266,734,941.23	215,620,990.40	1,005,983,116.01
9	ETSAKO WEST	431,580,403.33	407,581,775.75	388,660,911.05	408,993,827.14	516,448,991.09	2,153,265,908.36
10	IGUEBEN	270,123,027.63	270,123,027.63	304,988,580.62	311,988,909.82	283,172,093.25	1,440,395,638.95
11	IKPOBA-OKHA	241,348,578.46	293,793,163.69	289,830,467.32	276,126,638.16	263,467,550.82	1,364,566,398.45
12	OREDO	291,595,085.48	379,693,847.39	312,131,773.29	48,674,916.88	77,261,572.73	1,109,357,195.77
13	ORHIONMWON	516,243,029.90	545,743,621.43	540,835,281.94	538,973,562.88	1,159,096,687.46	3,300,892,183.61
14	OVIA NORTH EAST	116,602,511.97	77,612,515.09	77,612,515.09	77,612,515.09	77,612,515.09	427,052,572.33
15	OVIA SOUTH WEST	528,776,584.22	554,694,026.44	574,424,604.34	608,680,268.89	480,606,815.45	2,747,182,299.34
16	OWAN EAST	296,249,807.45	325,145,123.08	276,091,205.76	272,032,279.36	254,399,683.87	1,423,918,099.52
17	OWAN WEST	304,384,923.02	381,901,184.93	421,627,195.23	491,785,945.19	326,553,413.20	1,926,252,661.57
18	UHUNMWODE	133,131,418.76	256,862,618.92	268,651,521.70	267,318,367.41	321,791,349.42	1,247,755,276.21
	TOTAL	6,294,357,338.63	6,853,363,134.63	6,606,296,843.22	7,067,683,145.77	7,599,061,949.42	34,420,762,411.67

5 YEARS SUMMARY OF DEPOSITS

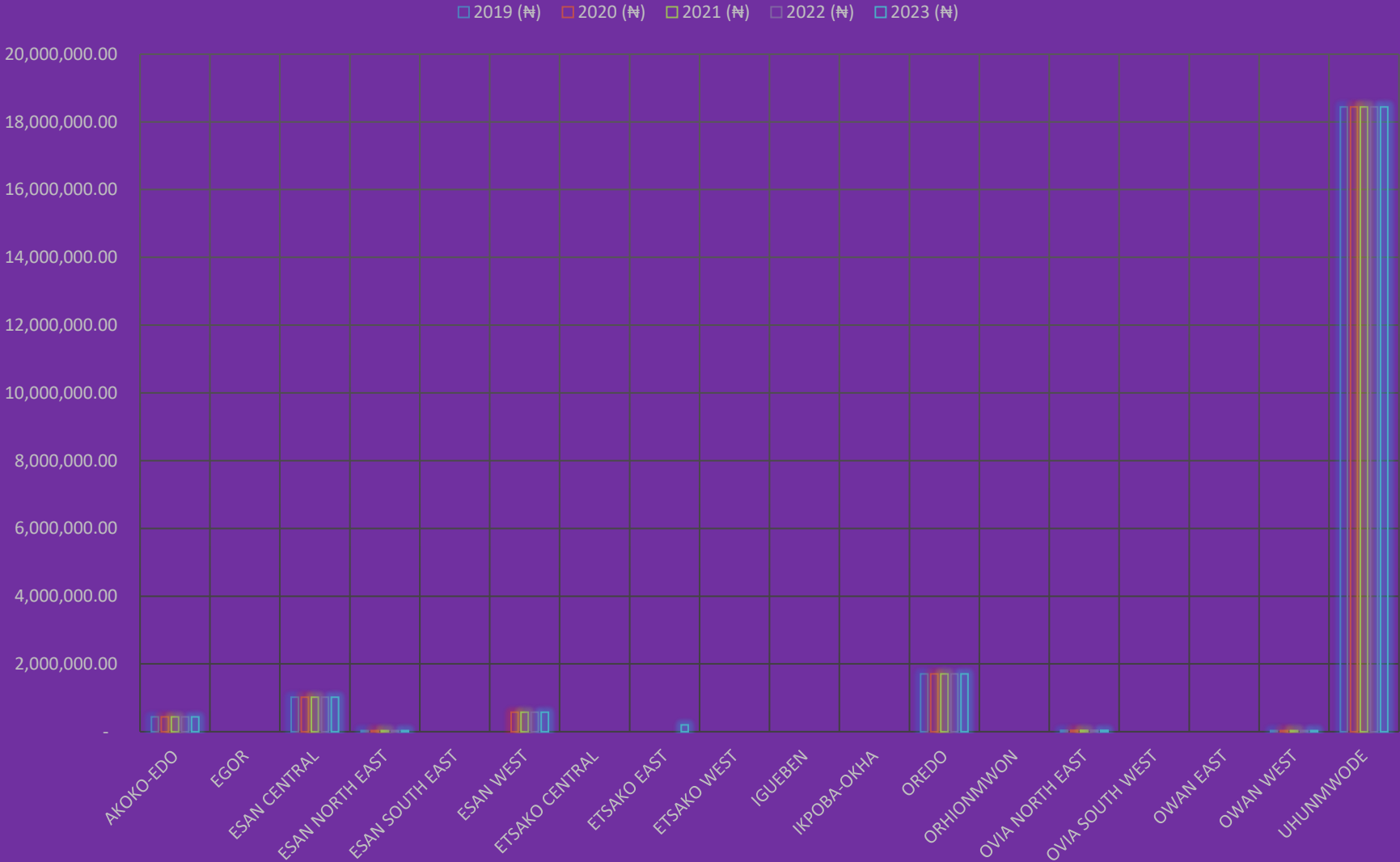


FIVE YEARS FINANCIAL ANALYSES OF OTHER ASSETS (EXCLUDING ADVANCES AND CASH)							
S/N		2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)	2023 (₦)	TOTAL (₦)
1	AKOKO-EDO	858,000.00	858,000.00	858,000.00	858,000.00	1,234,796,002.94	1,238,228,002.94
2	EGOR	-	-	-	-	976,621,655.71	976,621,655.71
3	ESAN CENTRAL	-	-	-	-	423,431,460.84	423,431,460.84
4	ESAN NORTH EAST	-	-	-	-	268,398,687.43	268,398,687.43
5	ESAN SOUTH EAST	-	-	-	1,004,500,000.00	1,005,016,662.89	2,009,516,662.89
6	ESAN WEST	-	359,984.00	359,984.00	359,984.00	949,521,002.56	950,600,954.56
7	ETSAKO CENTRAL	-	-	-	-	1,132,534,489.89	1,132,534,489.89
8	ETSAKO EAST	-	-	-	-	957,581,673.05	957,581,673.05
9	ETSAKO WEST	1,024,375.21	134,391,923.33	134,391,923.33	134,391,923.33	656,221,585.84	1,060,421,731.04
10	IGUEBEN	-	-	-	-	982,960,581.75	982,960,581.75
11	IKPOBA-OKHA	-	-	-	-	406,282,639.09	406,282,639.09
12	OREDO	-	-	-	-	1,093,274,274.13	1,093,274,274.13
13	ORHIONMWON	-	-	-	-	960,455,073.82	960,455,073.82
14	OVIA NORTH EAST	-	-	-	-	164,077,902.00	164,077,902.00
15	OVIA SOUTH WEST	1,119,660.00	1,119,660.00	1,119,660.00	1,119,660.00	879,509,885.81	883,988,525.81
16	OWAN EAST	56,750.00	2,726,411,099.62	2,527,438,830.62	2,527,438,830.62	3,086,175,874.23	10,867,521,385.09
17	OWAN WEST	-	-	-	-	2,809,423,659.83	2,809,423,659.83
18	UHUNMWODE	-	-	-	-	286,221,262.62	286,221,262.62
	TOTAL	3,058,785.21	2,863,140,666.95	2,664,168,397.95	3,668,668,397.95	18,272,504,374.43	27,471,540,622.49

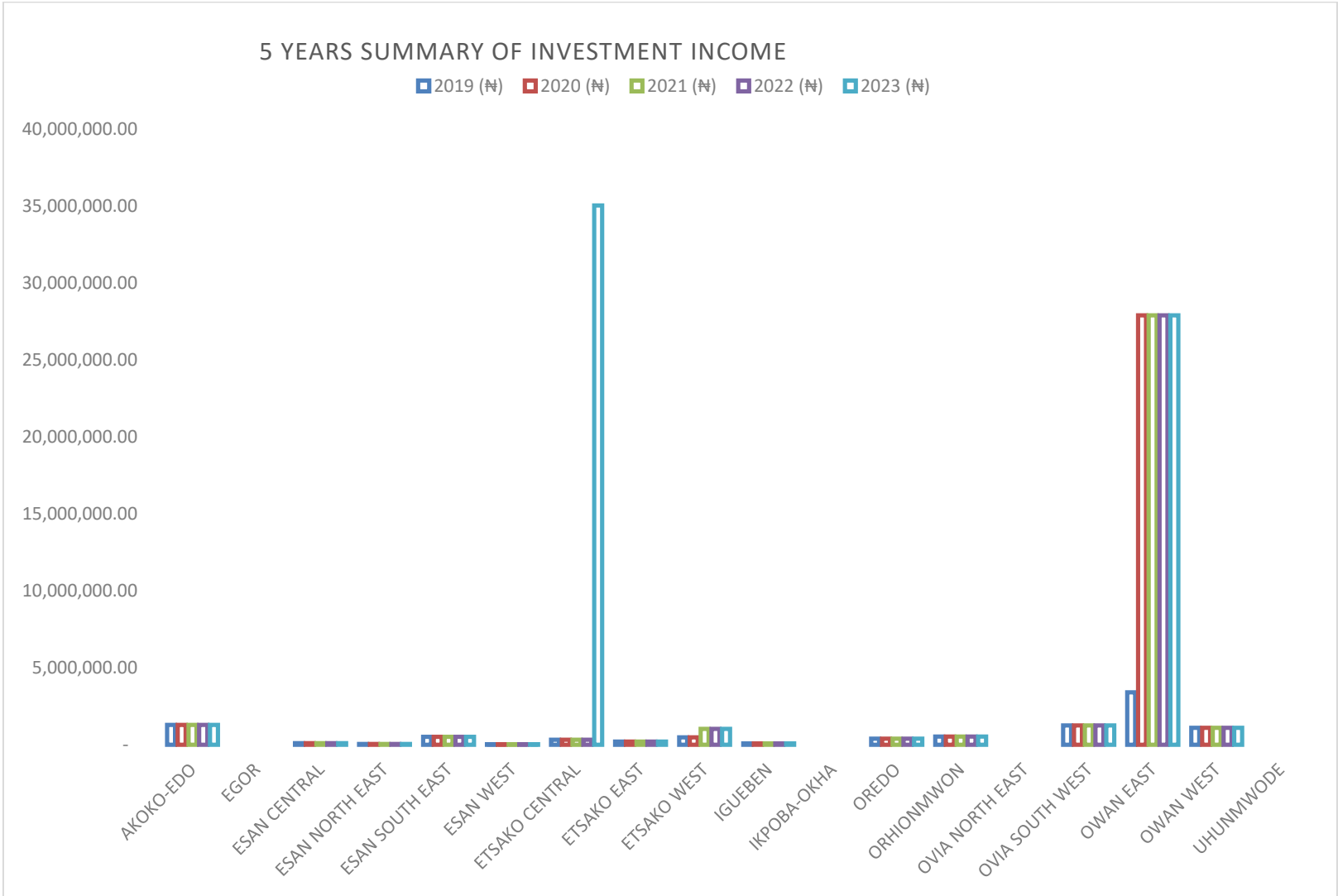


FIVE YEARS FINANCIAL SUMMARY OF LOANS (LONG TERM)							
S/N		2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)	2023 (₦)	TOTAL (₦)
1	AKOKO-EDO	437,736.92	437,736.92	437,736.92	437,736.92	437,736.92	2,188,684.60
2	EGOR	-	-	-	-	-	-
3	ESAN CENTRAL	1,020,035.50	1,020,035.50	1,020,035.50	1,020,035.50	1,020,035.00	5,100,177.00
4	ESAN NORTH EAST	30,120.00	30,120.00	30,120.00	30,120.00	30,120.00	150,600.00
5	ESAN SOUTH EAST	-	-	-	-	-	-
6	ESAN WEST	-	572,970.07	572,970.07	572,970.07	572,970.07	2,291,880.28
7	ETSAKO CENTRAL	-	-	-	-	-	-
8	ETSAKO EAST	-	-	-	-	200,157.27	200,157.27
9	ETSAKO WEST	-	-	-	-	-	-
10	IGUEBEN	-	-	-	-	-	-
11	IKPOBA-OKHA	-	-	-	-	-	-
12	OREDO	1,706,198.77	1,706,198.77	1,706,198.77	1,706,198.77	1,706,198.77	8,530,993.85
13	ORHIONMWON	-	-	-	-	-	-
14	OVIA NORTH EAST	37,567.00	37,567.00	37,567.00	37,567.00	37,567.00	187,835.00
15	OVIA SOUTH WEST	-	-	-	-	-	-
16	OWAN EAST	-	-	-	-	-	-
17	OWAN WEST	30,561.00	30,561.00	30,561.00	30,561.00	30,561.00	152,805.00
18	UHUNMWODE	18,436,870.79	18,436,870.79	18,436,870.79	18,436,870.79	18,436,870.79	92,184,353.95
	TOTAL	<u>21,699,089.98</u>	<u>22,272,060.05</u>	<u>22,272,060.05</u>	<u>22,272,060.05</u>	<u>22,472,216.82</u>	<u>110,987,486.95</u>

5 YEARS SUMMARY OF LOANS (LONG TERM)



FIVE YEARS SUMMARY OF INVESTMENT INCOME							
S/NO	COUNCIL	2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)	2023 (₦)	TOTAL (₦)
1	AKOKO-EDO	1,278,588.59	1,278,588.59	1,278,588.59	1,278,588.59	1,278,588.59	6,392,942.95
2	EGOR	-	-	-	-	-	-
3	ESAN CENTRAL	103,199.98	103,199.98	103,199.98	103,199.98	103,199.98	515,999.90
4	ESAN NORTH EAST	40,967.56	40,967.56	40,967.56	40,967.56	40,967.56	204,837.80
5	ESAN SOUTH EAST	516,662.89	516,662.89	516,662.89	516,662.89	516,662.89	2,583,314.45
6	ESAN WEST	28,685.43	28,685.43	28,685.43	28,685.43	28,685.43	143,427.15
7	ETSAKO CENTRAL	317,731.15	317,731.15	317,731.15	317,731.15	35,021,514.25	36,292,438.85
8	ETSAKO EAST	200,157.27	200,157.27	200,157.27	200,157.27	200,157.27	1,000,786.35
9	ETSAKO WEST	471,138.28	471,138.28	1,024,375.21	1,024,375.21	1,024,375.21	4,015,402.19
10	IGUEBEN	80,353.50	80,353.50	80,353.50	80,353.50	80,353.50	401,767.50
11	IKPOBA-OKHA	-	-	-	-	-	-
12	OREDO	385,910.69	385,910.69	385,910.69	385,910.69	385,910.69	1,929,553.45
13	ORHIONMWON	537,649.07	537,649.07	537,649.07	537,849.07	537,849.07	2,688,645.35
14	OVIA NORTH EAST	-	-	-	-	-	-
15	OVIA SOUTH WEST	1,257,389.18	1,257,389.18	1,257,389.18	1,257,389.18	1,257,389.18	6,286,945.90
16	OWAN EAST	3,407,561.32	27,883,736.00	27,883,736.00	27,883,736.00	27,883,736.00	114,942,505.32
17	OWAN WEST	1,100,000.00	1,100,000.00	1,100,000.00	1,100,000.00	1,100,000.00	5,500,000.00
18	UHUNMWODE	-	-	-	-	-	-
	TOTAL	9,725,994.91	34,202,169.59	34,755,406.52	34,755,606.52	69,459,389.62	182,898,567.16





AKOKO-EDO LOCAL GOVERNMENT

P.M.B 04, IGARRA,
EDO STATE OF NIGERIA

Our Ref: _____

Your Ref: _____

Date: 28/03/2024

STATEMENT OF FINANCIAL RESPONSIBILITY

RESPONSIBILITY FOR FINANCIAL STATEMENT

These Financial Statements have been prepared by the Director of Finance and Account of Akoko-Edo Local Government Council, Igarra in accordance with the provisions of the Finance Control and Management) Act 1958 as amended and IPSAS. The Financial Statements complied with generally accepted accounting practice.

The Director of Finance and Accounts is responsible for establishing and the transactions recorde are within statutory authority and properly recorded the use of all public financial resources by the Local Government Council. To the best of my knowledge, this system of internal control has operated adequately throughout the reporting period.

UDUAFEMEH THOMPSON
DIRECTOR OF FINANCE AND ACCOUNTS

28/3/24

Date

We accept responsibility for the integrity of these Financial Statements, the information they contain and their compliances with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS

In our opinion, these financial statements fairly reflect the financial position of Akoko-Edo Local Government Council, Igarra as at 31st December 2023 and its operations for the year ended on thaqt date.

Dr. Matthew B.E. Samuel
Head of Local Government Administration

28/03/2024

Date

Hon. Tajudeen Alade Suleman
Chairman

28/3/24

Date



OFFICE OF THE AUDITOR-GENERAL (LOCAL GOVERNMENTS)
19 BOUNDARY ROAD, G.R.A.
P.M.B. 1128
BENIN CITY
EDO STATE OF NIGERIA

REPORT OF THE STATE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS
TO THE MEMBERS OF THE EDO STATE HOUSE OF ASSEMBLY

The Financial Statements of Akoko-Edo Local Government Council, Igarra for the year ended 31st December 2023 as contained in this report prepared under the International Public Sector Accounting Standards (IPSAS) Accrual accounting framework and on the basis of Accounting Policies detailed in the Financial Statements have been audited as required by the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended.

RESPONSIBILITY OF THE DIRECTOR OF FINANCE AND ACCOUNTS

The Director of Finance and Accounts to Akoko-Edo Local Government Council, Igarra is responsible for the preparation and presentation of the Financial Statements in accordance with the Finance (Control and management) Act 1958 as amended. He is to ensure that there are no material misstatements in the Financial Statements.

AUDITOR-GENERAL'S RESPONSIBILITY

It is my statutory responsibility to form an independent opinion based on the audit of the Financial Statements and to report thereon.

BASIS OF OPINION

The audit was conducted in accordance with International Standards on Auditing (ISA) as applicable to the public sector, International Organization of Supreme Audit Institutions (INTOSAI), Auditing Standards, the provisions of the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended. The audit includes examination on a test basis of evidence relevant to the figures disclosed in the Financial Statements. It also includes an assessment of significant estimates and judgments made by the Council in the preparation of the Financial Statements and whether the accounting policies were appropriate in the Council's circumstances, consistently applied and adequately disclosed. The audit was planned and performed to obtain all information and explanations considered necessary to have reasonable assurance that the Financial Statements are free from material misstatements. I have not obtained all the information and explanations that I required.

OPINION

In my opinion, the Financial Statement of Akoko-Edo Local Government Council, Igarra for the year ended 31st December 2023 show a true and fair view of the Council's state of financial position, performance and of the cashflow in accordance with all legal and regulatory frameworks, subject to the observations and comments contained in this report.

S.O. Johnson, FCA, ACTI, FIMC, FCCSA
(FRC/2022/PRO/ICAN004/188858)
Auditor-General (Local Governments)

Edo State,
28th June, 2024

AUDITOR-GENERAL'S REPORT FOR LOCAL GOVERNMENTS, EDO STATE
GENERAL DISCLOSURES AND INSIGHTS REGARDING THE AKOKO-EDO
LOCAL GOVERNMENT COUNCIL, IGARRA ACCOUNTS FOR THE YEAR
ENDED DECEMBER 31, 2023

1. REVENUES

The total income realised by the Akoko-Edo Local Government Council for the year that concluded on December 31, 2023, was N4,470,459,956.40. Of this total, N44,986,408.67 represented independent revenue and N4,425,473,547.73 was obtained as statutory allocations from the federation account. For more information, see Notes 1 and 2.

SUMMARY

Throughout the time under review, the Local Government Council remained mostly dependent on funding from the Federation Account. To lessen an excessive reliance on statutory allocations, the Local Government Council is urged to examine its own internal operations and devise strategies to increase money produced internally.

2. SLGJAAC ALLOCATIONS TO LOCAL GOVERNMENT COUNCILS ARE COMPLETE

The entire amount of N4,425,473,547.73 that was accrued from the federation account to Akoko-Edo Local Government Councils, Igarra as statutory allocations during the period under review was received by the Council in full and was included in the Financial Statements for the year that ended on December 31, 2023. This information was obtained from source documents from the Edo State Ministry of Local Government Affairs. For more information, see Note 1.

3. EXPENDITURE

The Akoko-Edo Local Government Council, Igarra, spent N435,542,768.05 on salaries and wages during the review period. Additionally, N385,906,168.42 was spent on overhead, and N1,979,018,401.54 was sent to SUBEB and other local government entities. The year's capital outlay came to N1,661,050,936.89.

4. CASH AND CASH EQUIVALENT

As of December 31, 2023, Akoko-Edo Local Government Council, Igarra, has N210,126,924.17 in cash and financial equivalents. The Local Government Council created bank reconciliation statements for the time period under examination. But not enough information was provided for us to determine the cash book bank balance for reconciliation.

SUMMARY

To ensure correct reconciliation at the end of the year, the Local Government Council is urged to always complete monthly bank reconciliation statements in accordance with Financial Memoranda 19:23-30. However, it is praiseworthy that an attempt was made to create Bank Reconciliation Statements.

5. ADVANCES

As of December 31, 2023, the Local Government Councils' unretired advances totalled N491,080,412.56. It was noted that, despite my cautions in earlier reports and circular letters, as of December 31, 2023, advances given to different Council officials as working advances had not been retired, in violation of F.M. 16.16.

SUMMARY

In compliance with F.M. 16.16, the Treasurers of the Local Government Councils and the Heads of Local Government Administration are therefore called upon to promptly retire ALL outstanding operating advances.

6. GENERAL INVESTMENTS

As of December 31, 2023, the investments owned by the Akoko-Edo Local Government Council, Igarra, were valued at N1,278,588.59. Due to the Council's failure to keep investment registers or ledgers, the investments were not appropriately documented. Consequently, it was not feasible to confirm the investments and determine their current valuations.

SUMMARY

The Local Government Council should conduct an investigation into the investments' current state in order to determine their existence, viability, and valuations. It is necessary to reassess all investments, write off any that are no longer in operation, and declare any that are at fair market value.

7. LIABILITIES:

DEPOSITS

A total of N808,206,521.59 was owed in the deposit accounts of the Akoko-Edo Local Government Council, Igarra, as of December 31, 2023. Pay As You Earn (PAYE), union dues (NULGE), car refurbishing loans deducted for loans obtained from other councils, retention fees, value-added tax (VAT), withholding tax (WT), and other deductions from staff salaries are all represented by the Deposit Accounts.

SUMMARY

After the deposits have been thoroughly examined, the Council is responsible for making sure the beneficiaries receive their money back. Any deposit whose owner cannot be located or has not made any payments for more than five years should be adjusted to revenue in line with F.M. 24.25(5).

8. FINANCIAL PERFORMANCE

The following summarises the budget performance for the Akoko-Edo Local Government Council, Igarra, for the year that concluded on December 31, 2023:

Description	Approved Estimate 2023 (₦)	Actual Revenue/Expenditure 2023 (₦)	Percentage Performance
REVENUE			
Statutory Allocation	2,848,383,396.57	4,425,473,547.73	155%
Independent Revenue	127,120,000.00	44,989,408.67	35%
EXPENDITURE			
Salary and Wages	843,036,748.41	435,542,768.05	52%
Overhead Cost	290,325,000.00	385,906,168.42	133%
Transferred to SUBEB and other Local Government Entities	824,000,000.00	1,979,018,401.54	240%
Capital Expenditure	132,008,251.84	1,661,050,937.89	1258%

Observation

The aforementioned data indicates that capital project performance for 2023 was exceptionally strong, rising by 137% above the threshold. The commitment to SUBEB was also quite significant in terms of teacher wages and overhead. It represents about 69.99% of all money received by the Council and was 149% more than the planned amount.

The Office of the Auditor-General for Local Governments should be persuaded that the Councils received value for the money spent on the capital project in light of the funds expended by demonstrating that pertinent contract documents were sent to the Office in compliance with F.M. 1.4(12)(g) and F.M. 39.1(8).

SUGGESTIONS

(i) When carrying out capital projects, the Local Government Council should always

adhere to F.M. 1.4(12)(g) and F.M. 39.1(8).

9. APPROVAL

Sections 92, 93, and 94 of the Edo State Local Government Law 2000, as amended, lawfully authorise all of the expenditures reflected in the Statements of Actual Expenditure for the year ended December 31, 2023.

10. ASSET REVALUATION

The IPSAS-compliant asset appraisal has not yet been completed by Akoko-Edo Local Government Council, Igarra (Accruals).

SUMMARY

In order to correctly portray the assets in the Statement of Financial Position, the Local Government Council should immediately hire pertinent specialists and have their assets revalued in accordance with IPSAS.

11. BUDGETARY PLANNING

In order for the Office of the Auditor-General (Local Governments) to be able to track financial performance, copies of the approved budget must be sent to the office. Akoko-Edo Local Government Council, Igarra, is responsible for making sure that the annual budget is prepared on time and in compliance with the National Chart of Accounts as advised by International Public Sector Accounting Standards (IPSAS).

12. AUDIT ENQUIRIES

The Chairman has already received the audit enquiries regarding the discovered inconsistencies of N135,535,950.00 that are attached to the Audit Inspection Reports on the 2023 accounts for Akoko-Edo Local Government Council, Igarra, so he may take the appropriate action. Note 10 of this report includes specifics on the audit enquiries pertaining to the 2023 accounts.

13. DISALLOWANCE

Allowance has been set aside for the expenses listed in Note 10 of this report and in paragraph 12 above, pending acceptable responses to the questions posed therein.

14. THE overall condition of the accounts and maintaining records

The following highlights the way that accounting books and records are rendered in

local government councils: the

a) Annual Financial Statement Rendition

In accordance with current legislation, the Local Government Council submitted the 2023 Financial Statements on time. It is praiseworthy that the yearly financial statements were produced on schedule.

b) Maintaining Records

i) Subordinate Ledgers and Books

Subsidiary books were occasionally either not updated or maintained. The appropriate maintenance of subsidiary books of accounts is a responsibility of the Local Government Council. Registers for investments, loans/overdraft, and fixed/mobile assets have to be kept up to date.

ii) Cheque Books

At the conclusion of each month, cash books were not properly balanced, and in certain instances, balances were recorded in pencil rather than ink. Cash books need to be updated on a regular basis from now on.

c) Financial Statements and Underlying Records Reconciliation

i) Several entries in the Departmental Vote Revenue Account (DVRA) and Departmental Vote Expenditure Account (DVEA) Books were missing. As a result, precisely categorising expenses and income into Heads and Sub-Heads became challenging.

ii) During the time under examination, the ledgers for advances and deposits were also not updated. The outstanding balances in the ledgers are inaccurate since certain entries were not submitted to them. As a result, depending solely on the ledgers makes it impossible to precisely ascertain outstanding advances and deposits.

It is recommended that Local Government Council Treasurers oversee the treasury department's employees and make sure that accounting records are updated and reconciled to remove inaccuracies and omissions.

iii) Reconciliation in Bank

In accordance with Financial Memoranda 19.23-24, the Akoko-Edo Local Government Council, Igarra, submitted bank reconciliation statements. It's a great effort, and one that ought to continue.

d) Answering Audit Questions

The amount of response to audit enquiries sent to the Akoko-Edo Local Government Council, Igarra, is displayed in Note 10 to the accounts. This serves as a reminder to the Local Government Council to always reply to audit enquiries as soon as possible.

e) Implementing IPSAS

The International Public Sector Accounting Standards have not yet been completely adopted by the Local Government Council (IPSAS). The Local Government Council's assets and liabilities urgently need to be reevaluated and recorded in the books of accounts in accordance with IPSAS.

Accounting Policies (IPSAS Accrual)

1. Basis for Measurement:

The preparation of these *General-Purpose Financial States (GPFS)* complies with the historical cost convention, IPSAS, and other applicable requirements as specified by pertinent legislation.

2. The foundation of accounting:

These *GPFS* were created using the accrual method of accounting.

3. Time of Accounting:

According to National Treasury Circular Ref. OAGF/CAD/026/Vol.1/102 on December 30, 2013, the accounting year (fiscal year) runs from January 1 to December 31. The accounting system was designed to divide each accounting year into twelve calendar months, or periods.

4. Currency Reporting:

The *GPFS* was developed using Naira (Nigeria's currency).

5. Comparative Data:

The *General Purpose Financial Statements* included all the numerical data for the prior time frame.

6. Financial Data:

These numbers come from the approved budget, which was created on a cash basis in compliance with the Local Government Councils' Appropriation Bye-Law.

7. Income from Taxes, Fees, and Fines:

When fees, taxes, and other non-exchange transaction revenue are collected and meet the requirements for asset recognition, they are recorded as revenue. When it is likely that the company will get future economic benefits or service possibilities from the asset and it is reasonably possible to determine the asset's fair value, other non-exchange revenues are recognised.

Additional Operating Profits:

Exchange transactions that take place in the regular course of the entity's operations provide additional operational revenues. The fair value of the payment received or receivable for the sale of goods and services is included in revenues.

Sales of Products:

When the major risks and benefits of ownership have been passed to the buyer, generally with delivery of the products, revenue from the sale of those things is recognised.

Additional Income/Revenue:

Fees, fines, debt forgiveness, commissions, earnings from the sale of assets, and other sources make up other revenue. Any gain or disposal is recorded on the day the asset is turned over to the buyer and is calculated by reducing the asset's carrying value from the proceeds on that date.

8. Changes from Other Governmental Organisations:

When an asset (cash, goods, services, or properties) is received condition-free and there is a reasonable probability that the asset's potential for economic benefit or service will be reliably measured, revenues from non-exchange transactions with other government entities are recognised at fair value.

9. Costs:

All costs are recorded on an accrual basis, which means that regardless of when the money is received, costs are recorded at the time they are incurred or when the associated services are used.

10. Loan Interest:

In the financial performance report (Statement of Financial Performance), interest on loans is accounted for either an expense or a charge. To calculate interest expenditure for each period, interest is accumulated by applying the effective interest rate method to the principle amount owed.

11. Cash Flow Statement:

The direct technique was used to create this statement, which followed the GPFS format. There are three (3) parts in the cash flow statement:

Operating Activities:

These track the cash payments made for the provision of goods and services as well as the cash received by Local Government Councils from all sources of income.

Investing activities are those that have to do with buying and selling non-current assets.

Financial Activities: These include adjustments to the PSE's debt and equity capital structure.

12. Currency and Its Equivalent:

The term "cash and cash equivalent" refers to the amount of cash that is on hand, held in bank accounts, demand deposits, and other highly liquid investments with an initial maturity of three months or less. These investments are made by the entity as part of its daily cash management process, and they are easily convertible into known amounts of cash with little to no risk of value fluctuations. Cash and Cash Equivalent are included in the Statement of Financial Position under Current Assets.

13. Accounts Receivable: Exchange Transaction Receivables

Exchange transaction receivables are first recorded at fair value and then, using the effective interest method, evaluated at amortised cost, minus allowance for impairment. When there is, a receivables impairment provision is created.

Receivables from Transactions Without Exchange:

Receivables from non-exchange transactions include social benefit receivables that don't stem from contracts, as well as fees, taxes, fines, and other penalties related to these activities. These receivables are first valued at face value, or nominal amount; that is, the amount of tax due, levy, fine, etc., is reflected in the receivable. These accounts receivable are first evaluated at face value or nominal amount, meaning that the receivable represents the total amount of taxes due, levies, fines, etc. Following their charging, these receivables are modified for penalties or may be written off due to impairment. The statement of financial performance presents interest and penalties on tax receivables as tax revenue..

14. Advance payments:

Amounts paid in advance of receiving goods or services are referred to as prepaid costs. They signify payments made in one year for benefits to be obtained in other years, or payments made early in the year for benefits to be received throughout the course of the year.

15. Inventory:

- (a): The net realisable value of an inventory is subtracted from its cost.
- (b) The FIFO approach is used to calculate costs.
- (c) Where appropriate, inventories retained for distribution for the benefit of the

public are documented at cost less any prospective loss of services.

(d) In the Financial Position Statement, inventories are included under Current Assets.

16. Awarded Loans:

The approved loans are displayed at their estimated realisable value, which takes into account impairments and bad or dubious debts.

17. Plant, machinery, and equipment:

(a) The historical cost of all PPE is reported, less cumulative depreciation and any impairment losses. Costs directly related to the acquisition of the assets are included in the historical cost.

(b) When an asset is purchased through a non-exchange transaction for nominal or no consideration, it is first recorded in the statement of financial performance at fair value, which is a value that can be consistently ascertained and expressed as income during the PPE's useful life.

(c) The subsequent items are considered PPE expenses:

i) The price paid for the acquisition of these assets as well as any additional pertinent costs associated with restoring the asset to operational condition.

ii) Building expenses, which include labour, supplies, and overhead.

iii) Modifications to current PPE that greatly extend its usable life.

Price:

A piece of PPE's total cost includes the purchase price, import fees, one-time expenses, and any expenditures directly related to relocating and restoring the asset to its original location and state of functionality. The purchase price is calculated after subtracting trade discounts and rebates. PPE are reported at cost or at their expert appraisal less cumulative impairment and depreciation.

Devaluation:

PPE is depreciated according to a straight line method throughout the course of their anticipated useful lifetimes, less any projected residual value, using relevant rates, starting on the date of availability for use.

No.	Item of PPE	Depreciation Rate
A	Leased Property	Over the term of the lease
B	Buildings	2%
C	Investment property	2%
D	Infrastructure	5%
E	Plant and Machinery	10%
F	Transportation Equipment (except K)	20%
G	Office Equipment	25%
H	Furniture and Fittings	20%
I	Specialized Assets (e.g., books, military and paramilitary assets)	10%
J	Bearer Plant	4%
K	Aircraft, ship and train	5%
L	Specific cultural and heritage assets	Unlimited

Assessment:

At the conclusion of each reporting period, the residual values and usable lifetimes of the assets are examined and, if necessary, changed. Revaluation surplus is moved to the revaluation reserve under reserves in the financial situation. If there is a revaluation deficit, it is recorded as an expense in the statement of financial performance or, if there is a surplus on the same class of assets, against the value of the related assets and the corresponding entry to the revaluation reserve.

Disposal Gain or loss resulting from getting rid of a piece of PPE is shown as a surplus or deficit.

Deficit:

When there are signs that a piece of personal protective equipment (PPE) may have been compromised, an impairment test is carried out.

18. Real Estate Investment

These are properties that provide income for a PSE. At first, an investment property is valued at its cost. Investment property is then measured at fair value at the end of the term, and any gain or loss at fair value is recorded as a surplus or deficit.

Income from Investments:

Investment income is defined as the excess or shortfall of rental revenue received or gained from an investment property.

Disposal:

The surplus or deficit represents the gain or loss from the sale of investment property.

19. Non-tangible Resources

These are non-tangible assets that have been created domestically or purchased, and they are stored for usage in order to produce advantages that extend beyond a fiscal year. An intangible asset's total cost includes the acquisition price, non-recurring charges, and any expenses directly related to restoring the asset to its intended condition of use.

20. Deposits:

Resources kept in custody on behalf of third parties make up deposits. Additionally, deposits signify upfront payments for future products and services.

21. Debts and Loans:

Loans are sums of money that are borrowed with an agreed-upon repayment schedule. They are classified as either short-term or long-term loans and are shown as liabilities in the Statement of Financial Position.

22. Unremitted Withheld Taxes:

Money due to third parties, including tax authorities, unions, cooperatives, schemes and organisations, other government agencies, etc., is known as an unremitted deduction. Tax and other at-source deductions are examples of unremitted deductions. The sums are considered as Current Liabilities in the Statement of Financial Position and are reflected in the GPFS at their payback value.

23. Accrued Expenses - Payables

These are sums of money owed to outside parties for products and services obtained.

24. Public Money

These represent the government's financial balances at the conclusion of the fiscal year. The Statement of Financial Position categorises them as Non-Current Liabilities.

25. Reserves:

Reserves such as Surpluses/(Deficits) Reserve, Translation Reserve, Revaluation

Reserve, Fair Value Reserve, and other Reserves are categorised under equity in the Statement of Financial Position.

26. Debts

Initial recognition of borrowings is done at fair value, net of incurred transaction expenses. Following amortisation, borrowings are reported at cost; any discrepancy between proceeds (net of transaction expenses) and redemption value is recognised using the effective interest method in the consolidated statement of financial performance for the duration of the borrowings. The fees incurred for setting up lending facilities are recorded as loan transaction charges. The cost of the charge is capitalised and spread out over the life of the related facility.

27. Assignments to Other Governmental Organisations:

Transfers to other governmental bodies are included as costs in the statement of financial performance as they are non-exchange items.

28. Advances:

According to Edo State Financial Memoranda 16.16, any loans given to Local Government Council employees to carry out projects or make purchases of goods or services on their behalf must be retired by the end of the fiscal year. However, in situations where an advance is made towards the end of the fiscal year or where an advance that has already been made cannot be retired within the fiscal year, the advance and any outstanding amount are included in the Statement of Financial Position.

AKOKO EDO LOCAL GOVERNMENT COUNCIL, IGARRA
STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2023

Previous Year Actual 2022 (₦)	Description	NCOA Code	Note	Annual Budget (₦)	Actual Revenue/ Expenditure (₦)	Percentage of Budget Performance
1,411,891,955.08	Net Assets/Equity As At 1/1/2023 – A			3,351,840,000.00	1,118,855,136.58	
	REVENUE					
	<u>Statutory Allocation:</u>					
1,667,669,913.74	Share of Federation Account	110101	1	1,829,883,396.57	1,399,422,747.40	76%
1,053,081,045.33	Share of Value Added Tax (VAT)	110102	1	920,000,000.00	1,447,234,701.14	157%
160,357,615.79	Excess Crude Oil and Others	110103	1	98,500,000.00	1,578,816,099.19	1603%
2,881,108,574.86	Sub-Total Statutory Allocation – B			2,848,383,396.57	4,425,473,547.73	155%
	<u>Independent Revenue:</u>					
5,754,107.00	Licences General	120201	2	14,050,000.00	9,454,000.00	67%
32,854,334.00	Fees General	120204	2	104,570,000.00	32,957,408.67	32%
1,375,700.00	Fines General	120205	2	-	-	
-	Sales General	120206	2	-	-	
5,528,179.00	Earnings General	120207	2	8,500,000.00	2,575,000.00	30%
-	Rent on Government Building General	120208	2	-	-	
-	Rent on Land and Others General	120211	2	-	-	
-	Repayment General	120213	2	-	-	

-	Investment Income	120214	2	-	-	
45,512,320.00	Sub-Total Independent Revenue – C			127,120,000.00	44,986,408.67	35%
4,338,512,849.94	Total Receipts (A+B+C)			6,327,343,396.57	5,589,315,092.98	88%
	EXPENDITURE					
	<u>Recurrent Expenditure:</u>					
500,183,397.80	Salaries and Wages	210101	3	843,036,748.41	435,542,768.05	52%
233,690,095.96	Overhead Cost	220201	4	290,325,000.00	385,906,168.42	133%
2,048,285,545.21	SUBEB and other Transfers to Local Govt. Entities	220701	5	824,000,000.00	1,979,018,401.54	240%
-	Depreciation			-	-	
2,782,159,038.97	Sub-Total Recurrent Expenditure: E			1,957,361,748.41	2,800,467,338.01	143%
	<u>Capital Expenditure:</u>					
109,438,905.07	Land and Building General	320101	6	30,000,000.00	846,803,217.35	2823%
33,172,691.01	Infrastructure General	320102	6	25,000,000.00	103,172,691.01	413%
3,757,304.00	Furniture and Fittings General	320106	6	22,000,000.00	223,757,304.00	1017%
291,129,774.31	Intangible Assets	320301	6	55,008,251.84	487,317,724.53	886%
437,498,674.39	Sub-Total Capital Expenditure: F			132,008,251.84	1,661,050,936.89	1258%
3,219,657,713.36	Total Expenditure: G = E + F			2,089,370,000.25	4,461,518,274.90	214%
1,118,855,136.58	Net Assets/Equity As At 31/12/2023				1,127,796,818.08	
4,338,512,849.94					5,589,315,092.98	

AKOKO EDO LOCAL GOVERNMENT COUNCIL, IGARRA
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2023

Description	NCOA Code	Note	2023 (N)	2023 (N)	2022 (N)	2022 (N)
ASSETS						
<u>Current Assets:</u>						
Cash and Cash Equivalent	310101	7	210,126,924.17		1,240,096,862.34	
Inventories	310501	7	858,000.00		858,000.00	
Receivable	310601	7	-		-	
Prepayments	310801	7	-		-	
Total Current Assets: A				210,984,924.17		1,240,954,862.34
<u>Non-Current Assets:</u>						
Loan Granted (Local Govt. Loan Fund)	311001	7	437,736.92		437,736.92	
Investments	310901	7	1,278,588.59		1,278,588.59	
Property, Plant and Equipment (PPE)	320101	7	1,232,221,677.43		-	
Investment Properties	320201	7	-		-	
Intangible Assets (Advances)	320301	7	491,080,412.56		552,786,412.56	
Total Non-Current Assets: B				1,725,018,415.50		554,502,738.07
Total Assets: C = A+B				1,936,003,339.67		1,795,457,600.41
LIABILITIES						
<u>Current Liabilities:</u>						
Deposits	410101	8	808,206,521.59		676,602,463.83	
Short Term Loans and Debts	410201	8	-		-	
Payables (Accrued Expenses)	410401	8	-		-	
Total Current Liabilities: D				808,206,521.59		676,602,463.83
<u>Non-Current Liabilities:</u>						
Long Term Borrowing	4601/4602	8	-		-	
Total Non-Current Liabilities: E				-		-
Total Liabilities: F = D+E				808,206,521.59		676,602,463.83
Net Assets: G = C-F				1,127,796,818.08		1,118,855,136.58
NET ASSETS/EQUITY						
Reserves: H	4701	9	1,118,855,136.58		1,411,891,955.08	
Accumulated Surpluses/(Deficits): I	4702	9	8,941,681.50		- 293,036,818.50	
Total Net Assets/Equity: G = H+I				1,127,796,818.08		1,118,855,136.58

AKOKO EDO LOCAL GOVERNMENT COUNCIL, IGARRA						
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST DECEMBER, 2023						
NCOA Code	Details	Note	2023 (N)	2023 (N)	2022 (N)	2022 (N)
	CASH FLOW FROM OPERATING ACTIVITIES:					
	<u>INFLOWS:</u>					
	<u>Statutory Allocations</u>					
110101	Share of Federation Account	1	1,399,422,747.40		1,667,669,913.74	
110102	Share of Value Added Tax (VAT)	1	1,447,234,701.14		1,053,081,045.33	
110103	Excess Crude Oil and Others	1	1,578,816,099.19		160,357,615.79	
	Sub-Total Statutory Revenue – A			4,425,473,547.73		2,881,108,574.86
	<u>Independent Revenue</u>					
120201	Licences General	2	9,454,000.00		5,754,107.00	
120204	Fees General	2	32,957,408.67		32,854,334.00	
120205	Fines General	2	-		1,375,700.00	
120206	Sales General	2	-		-	
120207	Earnings General	2	2,575,000.00		5,528,179.00	
120208	Rent on Government Buildings General	2	-		-	
120209	Rent on Land and Others General	2	-		-	
120210	Repayments General	2	-		-	
120211	Investment Income	2	-		-	
	Sub-Total Independent Revenue – B			44,986,408.67		45,512,320.00
	Total Inflow from Operating Activities C = A+B			4,470,459,956.40		2,926,620,894.86

	OUTFLOWS:					
210101	Salaries and Wages	3	435,542,768.05		500,183,397.80	
220201	Overhead Cost	4	385,906,168.42		233,691,095.96	
220701	SUBEB and other Transfers to Local Government Entities	5	1,979,018,401.54		2,048,285,545.21	
	Depreciation		-		-	
	Total Outflow from Operating Activities – D			2,800,467,338.01		2,782,160,038.97
	Net Cashflow from Operating Activities – E = C-D			1,669,992,618.39		144,460,855.89
	CASHFLOW FROM INVESTING ACTIVITIES:					
320101	Land and Building General	6	846,803,217.35		109,438,905.07	
320102	Infrastructure General	6	103,172,691.01		33,172,691.01	
320106	Furniture and Fittings General	6	223,757,304.00		3,757,304.00	
320301	Intangible Assets	6	487,317,724.53		291,128,774.31	
	Total Outflow from Investing Activities – F			1,661,050,936.89		437,497,674.39
	Net Cashflow from Investing Activities – G = E - F			8,941,681.50		- 293,036,818.50
	CASHFLOW FROM FINANCIAL ACTIVITIES:					
301801	Advances		- 61,706,000.00		- 75,655,637.63	
410101	Deposits		131,604,057.76		379,636,352.81	
410102	Other Accounts - Loan		-		-	
	Other Accounts - Investment		-		-	
420301	Proceeds from Borrowings		-		-	
	Payment/Charges on Borrowings		-		-	
	Net Cashflow from Financing Activities – H			- 193,310,057.76		- 455,291,990.44
	Net Cashflow from all Activities – I = G - H			202,251,739.26		162,255,171.94
	Cash and Cash Equivalent As At 1/1/2023			7,875,184.91		- 154,379,987.03
	Cash and Cash Equivalent As At 31/12/2023			210,126,924.17		7,875,184.91

NOTES TO THE ACCOUNTS

NOTE 1:

SCHEDULE OF STATUTORY ALLOCATION TO AKOKO-EDO LOCAL GOVERNMENT COUNCIL, IGARRA FOR THE YEAR ENDED 31ST DECEMBER 2023

Month	Federation Account	Value Added Tax	Others	Total
January	191,180,095.37	104,992,453.40	366,273,835.86	662,446,384.63
February	110,404,562.43	105,544,958.47	43,361,408.30	259,310,929.20
March	105,076,133.29	107,951,012.26	39,084,723.77	252,111,869.32
April	143,229,274.74	96,160,961.47	8,415,992.40	247,806,228.61
May	101,742,239.39	90,534,447.88	33,989,788.34	226,266,475.61
June	153,886,064.61	117,341,433.93	250,294,014.99	521,521,513.53
July	86,273,626.65	125,491,544.53	421,634,359.71	633,399,530.89
August	112,018,759.29	123,256,504.65	90,543,271.92	325,818,535.86
September	93,744,603.46	153,014,183.04	75,638,800.96	322,397,587.46
October	112,229,450.49	124,713,776.52	56,832,662.47	293,775,889.48
November	86,781,912.94	144,147,984.75	82,460,824.57	313,390,722.26
December	102,856,024.74	154,085,440.24	110,286,415.90	367,227,880.88
Total	1,399,422,747.40	1,447,234,701.14	1,578,816,099.19	4,425,473,547.73

NOTE 2:										
SCHEDULE OF INDEPENDENT REVENUE OF AKOKO EDO LOCAL GOVERNMENT COUNCIL, IGARRA FOR THE YEAR 31ST DECEMBER, 2023										
Month	120201 Licences General	120204 Fees General	120205 Fines General	120206 Sales General	120207 Earnings General	120208 Rent On Govt. Buildings General	120209 Rent On Land & Others General	120210 Repayments General	120211 Investment Income	Monthly Total
January	1,248,000.00	3,229,700.00	-	-	250,000.00	-	-	-	-	4,727,700.00
February	250,000.00	3,281,828.67	-	-	-	-	-	-	-	3,531,828.67
March	748,500.00	4,684,130.00	-	-	750,000.00	-	-	-	-	6,182,630.00
April	747,500.00	972,900.00	-	-	-	-	-	-	-	1,720,400.00
May	622,500.00	3,233,800.00	-	-	430,000.00	-	-	-	-	4,286,300.00
June	355,000.00	2,781,100.00	-	-	220,000.00	-	-	-	-	3,356,100.00
July	820,000.00	2,076,000.00	-	-	-	-	-	-	-	2,896,000.00
August	1,675,000.00	3,176,800.00	-	-	195,000.00	-	-	-	-	5,046,800.00
September	625,000.00	1,671,450.00	-	-	-	-	-	-	-	2,296,450.00
October	1,242,500.00	1,947,500.00	-	-	-	-	-	-	-	3,190,000.00
November	747,500.00	2,958,900.00	-	-	350,000.00	-	-	-	-	4,056,400.00
December	372,500.00	2,943,300.00	-	-	380,000.00	-	-	-	-	3,695,800.00
Total	9,454,000.00	32,957,408.67	-	-	2,575,000.00	-	-	-	-	44,986,408.67

NOTE: 3 SCHEDULE OF SALARIES AND WAGES OF AKOKO EDO LOCAL GOVERNMENT COUNCIL, FOR THE YEAR ENDED 31ST DECEMBER, 2023

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
21010101	Office of the Chairman	97,688,290.86	7,854,904.99	8%
21010102	The Council (Legislative)	67,182,831.10	388,408.69	1%
21010103	Personnel Management	2,665,516,970.70	212,063,822.19	8%
21010104	Internal Audit	2,220,578.72	-	
21010105	Information	5,285,562.03	3,306,776.01	63%
21010106	Office of the Head of LGA	2,830,359.35	1,926,224.66	68%
21010107	Agriculture and National Resources	10,480,152.63	8,932,092.83	85%
21010108	Finance and Supply	71,510,086.59	55,996,205.63	78%
21010109	Budget, Planning & Statistics	10,614,433.99	8,184,742.74	77%
21010110	Revenue	7,977,274.90	12,918,975.86	162%
21010111	Works and Housing	71,012,251.35	54,613,999.31	77%
21010112	Procurement	5,434,930.32	4,131,165.33	76%
21010113	Legal Services	4,429,288.23	3,929,859.12	89%
21010114	Youth, Women & Social Development	47,373,670.58	37,707,966.59	80%
21010115	Primary Health Care	-	3,269,433.75	
21010116	Environment	25,126,413.96	15,307,251.01	61%
21010117	Water and Sanitary Hygiene	8,167,493.76	5,010,939.34	61%
	Total	3,102,850,589.07	435,542,768.05	14%

NOTE: 4 SCHEDULE OF OVERHEAD COST OF AKOKO EDO LOCAL GOVERNMENT COUNCIL, IGARRA FOR THE YEAR ENDED 31ST DECEMBER, 2023				
Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
22020101	Office of the Chairman	135,600,000.00	169,844,000.00	125%
22020102	The Council (Legislative)	2,620,000.00	3,552,500.00	136%
22020103	Personnel Management (Admin)	46,300,000.00	50,861,810.00	110%
22020104	Internal Audit	8,490,000.00	1,817,000.00	21%
22020105	Information	25,690,000.00	12,651,000.00	49%
22020106	Office of the Head of LGA	18,390,000.00	16,671,700.00	91%
22020107	Agriculture and National Resources	4,530,000.00	495,000.00	11%
22020108	Finance and Supply	27,000,000.00	5,308,350.00	20%
22020109	Budget, Planning & Statistics	11,655,000.00	10,011,000.00	86%
22020110	Procurement	5,750,000.00	815,000.00	10%
22020111	Revenue	10,320,000.00	1,321,000.00	13%
22020112	Works & Housing	56,280,000.00	3,414,250.00	6%
22020113	Legal Services	6,720,000.00	1,354,833.42	20%
22020114	Social Development	40,930,000.00	46,506,775.00	114%
22020115	Primary Health Care	8,800,000.00	5,680,950.00	65%
22020116	Environment	57,575,000.00	41,925,000.00	73%
22020117	Water and Sanitary Hygiene	13,150,000.00	1,676,000.00	13%
22020118	Contribution to LG Service Commission	14,000,000.00	12,000,000.00	86%
	Total	493,800,000.00	385,906,168.42	78%

NOTE 5: SCHEDULE OF TRANSFERS TO SUBEB AND OTHER LOCAL GOVERNMENT ENTITIES IN AKOKO EDO LOCAL GOVERNMENT COUNCIL, IGARRA

Month	Deductions for Mandatory Expenditure				Total
	Subvention to LGEA (SUBEB)	Total Salary for Teaching and LGEAs	5% Traditional Council	Other Transfers to Local Govt. Entities	
January	673,827.45	87,842,028.00	15,862,686.94	464,986,474.89	569,365,017.28
February	673,827.45	83,425,887.76	12,965,546.46	109,096,057.42	206,161,319.09
March	673,827.45	83,004,706.46	12,605,593.46	113,389,600.13	209,673,727.50
April	673,827.45	79,275,082.91	12,390,311.43	108,787,986.97	201,127,208.76
May	673,827.45	78,086,731.35	11,313,323.78	101,420,737.14	191,494,619.72
June	673,827.45	76,849,407.45	13,994,999.94	356,106,376.50	447,624,611.34
July	673,827.45	104,710,742.31	15,512,068.86	148,858,217.72	269,754,856.34
August	673,827.45	76,438,720.01	16,290,926.79	110,096,856.31	203,500,330.56
September	673,827.45	77,108,368.80	16,119,879.37	109,739,657.55	203,641,733.17
October	673,827.45	77,369,627.69	14,688,794.47	117,836,605.90	210,568,855.51
November	673,827.45	77,772,346.83	15,669,536.11	113,463,436.10	207,579,146.49
December	673,827.45	75,987,447.42	18,361,394.04	125,236,394.91	220,259,063.82
Total	8,085,929.40	977,871,096.99	175,775,061.65	1,979,018,401.54	3,140,750,489.58

NOTE 6: SCHEDULE OF CAPITAL EXPENDITURE OF AKOKO EDO LOCAL GOVERNMENT COUNCIL, IGARRA FOR THE YEAR ENDED 31ST DECEMBER, 2023					
Month	Land & Building General 320101	Infrastructure General 320102	Furniture & Fittings 320106	Intangible Assets 320301	Monthly Total
January	90,567,093.45	8,597,891.00	18,645,609.00	40,609,807.14	158,420,400.59
February	63,234,567.89	9,345,678.90	20,987,654.00	36,543,210.98	130,111,111.77
March	51,890,123.45	7,890,123.45	15,678,901.00	30,445,721.12	105,904,869.02
April	78,901,234.56	10,234,567.89	23,456,789.00	43,219,087.65	155,811,679.10
May	79,876,543.21	6,543,210.98	12,109,876.00	55,678,901.23	154,208,531.42
June	72,109,876.54	8,109,876.54	19,876,543.00	38,456,789.01	138,553,085.09
July	85,678,901.23	5,678,901.23	14,567,890.00	51,109,876.54	157,035,569.00
August	79,382,111.98	9,876,543.21	22,109,087.00	41,098,765.43	152,466,507.62
September	68,456,789.01	14,700,379.06	16,543,210.00	34,567,890.12	134,268,268.19
October	73,219,087.65	7,654,321.09	26,984,081.00	40,987,654.32	148,845,144.06
November	36,487,988.39	6,109,087.65	13,876,549.00	45,678,901.98	102,152,527.02
December	66,998,899.99	8,432,110.01	18,921,115.00	28,921,119.01	123,273,244.01
Total	846,803,217.35	103,172,691.01	223,757,304.00	487,317,724.53	1,661,050,936.89

NOTE 7:	
CURRENT AND NON-CURRENT ASSETS AS AT 31ST DECEMBER, 2023	
Cash and Cash Equivalent	210,126,924.17
Inventories	858,000.00
Loans Granted	437,736.92
Investments	1,278,588.59
Advances	491,080,412.56
Property, Plant and Equipment (PPE)	1,232,221,677.43
Total Assets	₪ 1,936,003,339.67

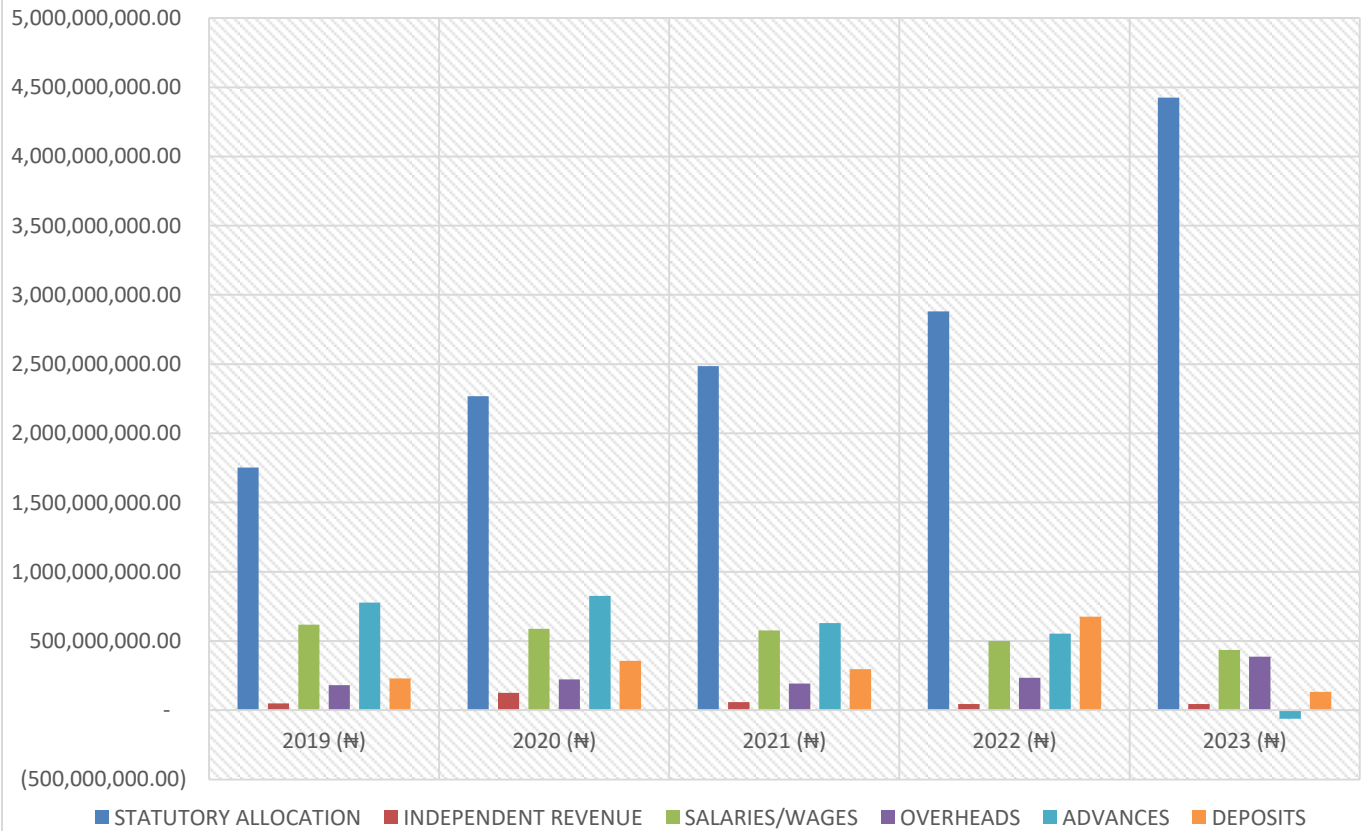
NOTE 8:	
CURRENT AND NON-CURRENT LIABILITIES AS AT 31ST DECEMBER, 2023	
Deposits	808,206,521.59
Loans/Debts	-
Payables	-
Long Term Borrowings	-
Total Liabilities	₪ 808,206,521.59

NOTE 9:	
CAPITAL RESERVES	
Reserves as at 1/1/2023	1,118,855,136.58
Accumulated Surpluses/Deficits for the Year	8,941,681.50
Net Assets/Equity as at 31/12/2023	₪ 1,127,796,818.08

NOTE 10:					
DETAILS OF AUDIT QUERIES ISSUED TO AKOKO EDO LOCAL GOVERNMENT COUNCIL, IGARRA IN RESPECT OF 2023 ACCOUNTS					
S/No.	Query Number	P.V. No./Date	Reason	Amount (₦)	Remark
	<u>Outstanding:</u>				
1.	AQ/AELG/IGR/4/2022	Various	Irregular Expenditure	5,081,000.00	Unresolved
	Sub-Total			5,081,000.00	
	<u>Current Year:</u>				
1.	AQ/AELG/IGR/1/2023	58/Jun/2023	Irregular Expenditure	1,260,000.00	Under Correspondence
2.	AQ/AELG/IGR/2/2023	7/May/2023	Unreceipted Payment	2,595,000.00	Under Correspondence
3.	AQ/AELG/IGR/3/2023	Various	Unreceipted Payments	2,705,950.00	Under Correspondence
4.	AQ/AELG/IGR/4/2023	Various	Irregular Expenditure	83,894,000.00	Under Correspondence
5.	AQ/AELG/IGR/5/2023	47/Dec/2023	Irregular Expenditure	40,000,000.00	Under Correspondence
	Sub-Total			130,454,950.00	
	Grand Total			135,535,950.00	

AKOKO-EDO LOCAL GOVERNMENT COUNCIL, IGARRA							
FIVE YEARS FINANCIAL SUMMARY ANALYSES							
S/N		2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)	2023 (₦)	TOTAL (₦)
1	STATUTORY ALLOCATION	1,751,717,142.16	2,267,600,764.27	2,486,156,600.81	2,881,108,574.86	4,425,473,547.73	13,812,056,629.83
2	INDEPENDENT REVENUE	47,955,298.81	124,960,187.80	58,689,434.18	45,512,320.00	44,986,408.67	322,103,649.46
3	SALARIES/WAGES	618,652,071.38	588,859,090.00	576,122,842.37	500,183,397.80	435,542,768.05	2,719,360,169.60
4	OVERHEADS	181,084,803.03	222,801,352.46	191,763,240.36	233,690,095.96	385,906,168.42	1,215,245,660.23
5	ADVANCES	777,724,040.19	824,981,550.19	628,442,050.19	552,786,412.56	- 61,706,000.00	2,722,228,053.13
6	DEPOSITS	229,850,573.04	355,530,614.20	296,966,061.02	676,602,463.83	131,604,057.76	1,690,553,769.85
	TOTAL	3,606,983,928.61	4,384,733,558.92	4,238,140,228.93	4,889,883,265.01	5,361,806,950.63	22,481,547,932.10

FIVE YEARS FINANCIAL SUMMARY ANALYSES





OFFICE OF THE EXECUTIVE CHAIRMAN EGOR LOCAL GOVERNMENT COUNCIL

OFFICE:

Local Government Secretariat Building,
Uselu, Benin City, Edo State.

Our Ref: ELG 145/12/29

Date: 28th March, 2024

RESPONSIBILITY FOR FINANCIAL STATEMENTS

These Financial Statements have been prepared by the Director of Finance and Accounts of Egor Local Government Council, Uselu in accordance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS. The Financial Statements complied with generally accepted accounting practice.

The Director of Finance and Accounts is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly recorded the use of all public financial resources by the Local Government Council. To the best of my knowledge, this system of internal control has operated adequately throughout the reporting period.

Mr. Aganbi Enaruna CMA

Director of Finance and Accounts

28-03-2024

Date

We accept responsibility for the integrity of these Financial Statements, the information they contain and their compliance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS.

In our opinion, these financial statements fairly reflect the financial position of Egor Local Government Council, Uselu as at 31st December 2023 and its operations for the year ended on that date.

Dr. Matthias O. Ahonsi

Head of Local Government Administration

28-03-2024

Date

Hon. Ogbemudia Osas Eghe
Executive Chairman

28-3-2024

Date



OFFICE OF THE AUDITOR-GENERAL (LOCAL GOVERNMENTS)
19 BOUNDARY ROAD, G.R.A.
P.M.B. 1128
BENIN CITY
EDO STATE OF NIGERIA

**REPORT OF THE STATE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS
TO THE MEMBERS OF THE EDO STATE HOUSE OF ASSEMBLY**

The Financial Statements of Egor Local Government Council, Uselu for the year ended 31st December 2023 as contained in this report prepared under the International Public Sector Accounting Standards (IPSAS) Accrual accounting framework and on the basis of Accounting Policies detailed in the Financial Statements have been audited as required by the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended.

RESPONSIBILITY OF THE DIRECTOR OF FINANCE AND ACCOUNTS

The Director of Finance and Accounts to Egor Local Government Council, Uselu is responsible for the preparation and presentation of the Financial Statements in accordance with the Finance (Control and management) Act 1958 as amended. He is to ensure that there are no material misstatements in the Financial Statements.

AUDITOR-GENERAL'S RESPONSIBILITY

It is my statutory responsibility to form an independent opinion based on the audit of the Financial Statements and to report thereon.

BASIS OF OPINION

The audit was conducted in accordance with International Standards on Auditing (ISA) as applicable to the public sector, International Organization of Supreme Audit Institutions (INTOSAI), Auditing Standards, the provisions of the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended. The audit includes examination on a test basis of evidence relevant to the figures disclosed in the Financial Statements. It also includes an assessment of significant estimates and judgments made by the Council in the preparation of the Financial Statements and whether the accounting policies were appropriate in the Council's circumstances, consistently applied and adequately disclosed. The audit was planned and performed to obtain all information and explanations considered necessary to have reasonable assurance that the Financial Statements are free from material misstatements. I have not obtained all the information and explanations that I required.

OPINION

In my opinion, the Financial Statement of Egor Local Government Council, Uselu for the year ended 31st December 2023 show a true and fair view of the Council's state of financial position, performance and of the cashflow in accordance with all legal and regulatory frameworks, subject to the observations and comments contained in this report.

S.O. Johnson, FCA, ACTI, FIMC, FCCSA
(FRC/2022/PRO/ICAN004/188858)
Auditor-General (Local Governments)
Edo State,

2-8th June, 2024

AUDITOR-GENERAL'S REPORT FOR LOCAL GOVERNMENTS, EDO STATE
GENERAL DISCLOSURES AND ENQUIRIES REGARDING THE EGOR LOCAL
GOVERNMENT COUNCIL, USELU ACCOUNTS FOR THE YEAR ENDED
DECEMBER 31, 2023

1. REVENUE

The entire amount of income realised by the Egor Local Government Council for the year that concluded on December 31, 2023, was N4,738,147,948.95. Of this total, N283,693,441.26 represented independent revenue, while N4,454,454,507.69 was obtained as statutory allocations from the federation account. For more information, see Notes 1 and 2.

SUMMARY

Throughout the time under review, the Local Government Council remained mostly dependent on funding from the Federation Account. To lessen an excessive reliance on statutory allocations, the Local Government Council is urged to examine its own internal operations and devise strategies to increase money produced internally.

2. SLGJAAC ALLOCATIONS TO LOCAL GOVERNMENT COUNCILS ARE COMPLETE

According to source documents from the Edo State Ministry of Local Government Affairs, the total amount of N4,454,454,507.69 accruing from the federation account to Egor Local Government Councils, Uselu as statutory allocations transferred through the State-Local Government Joint Account Allocation Committee (SLGJAAC) was received in full by Egor Local Government Council, Uselu, and was included in the Council's Financial Statements for the year ended December 31, 2023. For more information, see Note 1.

3. EXPENDITURE

Egor Local Government Council, Uselu spent N460,451,673.03 on salaries and wages during the review period. Overhead was N384,346,788.98, while N2,603,703,971.31 was transferred to SUBEB and other local government entities. The total amount spent on capital for the year was N1,002,766,490.29.

4. CASH AND CASH EQUIVALENT

As of December 31, 2023, Egor Local Government Council, Uselu has N197,596,585.27 in cash and financial equivalents. The Local Government Council created bank reconciliation statements for the time period under examination. But not enough information was provided for us to determine the cash book bank balance for reconciliation.

SUMMARY

To ensure correct reconciliation at the end of the year, the Local Government Council is urged to always complete monthly bank reconciliation statements in accordance with Financial Memoranda 19:23-30. However, it is praiseworthy that an attempt was made to create Bank Reconciliation Statements.

5. LIABILITIES:

DEPOSITS

A total of N374,972,587.22 was owed in the Deposit Accounts of the Egor Local Government Council, Uselu, as of December 31, 2023. Pay As You Earn (PAYE), union dues (NULGE), car refurbishing loans deducted for loans obtained from other councils, retention fees, value-added tax (VAT), withholding tax (WT), and other deductions from staff salaries are all represented by the Deposit Accounts.

SUMMARY

After the deposits have been thoroughly examined, the Council is responsible for making sure the beneficiaries receive their money back. Any deposit whose owner cannot be located or has not made any use of it for more than five years after the repayment deadline should be adjusted to revenue in line with F.M. 24.25(5).

6. FINANCIAL PERFORMANCE

Below is a summary of Egor Local Government Council, Uselu's budget performance for the year that concluded on December 31, 2023:

Description	Approved Estimate 2023 (₦)	Actual Revenue/Expenditure 2023 (₦)	Percentage Performance
<u>REVENUE</u>			
Statutory Allocation	4,336,128,382.29	4,454,454,507.69	103%
Independent Revenue	381,610,000.00	283,693,441.26	74%
<u>EXPENDITURE</u>			
Salary and Wages	867,851,268.20	460,451,673.03	53%
Overhead Cost	524,550,000.00	384,346,788.98	73%
Transferred to SUBEB and other Local Government Entities	2,363,000,000.00	2,603,703,971.31	110%
Capital Expenditure	1,090,140,000.00	1,002,766,490.29	92%

Observation

The aforementioned data indicates that capital projects actually performed well in 2023.

SUMMARY

- i) In order to enable the Office of the Auditor-General to monitor and audit capital project performance in accordance with F.M. 1.4(12)(g) and F.M. 39.1(8) and ensure that the Council obtained value for the expenditure, the Local Government Council should always forward contract agreements and other pertinent documents to the office.
- ii) In order to prevent unnecessary budgetary spending, the Local Government Council is also recommended to consistently allocate sufficient funds for Overhead Cost and Transfers to SUBEB and other Local Government Entities.

7. APPROVAL

Sections 92, 93, and 94 of the Edo State Local Government Law 2000, as amended, lawfully authorise all of the expenditures reflected in the Statements of Actual Expenditure for the year ended December 31, 2023.

8. ASSET REVALUATION

The IPSAS-compliant asset appraisal has not yet been completed by the Egor Local Government Council in Uselu (Accruals).

SUMMARY

In order to correctly portray the assets in the Statement of Financial Position, the Local Government Council should immediately hire pertinent specialists and have their assets revalued in accordance with IPSAS.

9. BUDGETARY PLANNING

Egor Local Government Council, Uselu is to ensure that Annual Budget is prepared on time in accordance with the National Chart of Accounts as recommended by International Public Sector Accounting Standards (IPSAS) and copies of the Approved Budget sent to the Office of the Auditor-General (Local Governments) to enable the office monitor financial performance.

10. AUDIT QUERIES

Audit queries issued on observed irregularities amounting to the sum of N21,509,205.00 attached to Audit Inspection Reports on the 2023 accounts for Egor Local Government Council, Uselu have all been resolved.

Note 10 of this report includes specifics on the audit enquiries pertaining to the 2023 accounts.

11. DISALLOWANCE

Allowance has been set aside for the expenses listed in Note 10 of this report and in paragraph 10 above, pending acceptable responses to the questions posed therein.

12. OVERALL ACCOUNT STATUS AND RECORD KEEPING

The following highlights the way that accounting books and records are rendered in local government councils:

a) Annual Financial Statement Rendition

In accordance with current legislation, the Local Government Council submitted the 2023 Financial Statements on time. It is praiseworthy that the yearly financial statements were produced on schedule.

b) Maintaining Records

i) Subordinate Ledgers and Books

Subsidiary books were occasionally either not updated or maintained. The appropriate maintenance of subsidiary books of accounts is a responsibility of the Local Government Council. Registers for investments, loans/overdraft, and fixed/mobile assets have to be kept up to date.

ii) Cheque Books

At the conclusion of each month, cash books were not properly balanced, and in certain instances, balances were recorded in pencil rather than ink. Cash books need to be updated on a regular basis from now on.

c) Financial Statements and Underlying Records Reconciliation

i) Several entries in the Departmental Vote Revenue Account (DVRA) and Departmental Vote Expenditure Account (DVEA) Books were missing. As a result, precisely categorising expenses and income into Heads and Sub-Heads became challenging.

ii) During the time under examination, the ledgers for advances and deposits were also not updated. The outstanding balances in the ledgers are inaccurate since certain entries were not submitted to them. As a result, depending solely on the ledgers makes it impossible to precisely ascertain outstanding advances and

deposits.

It is recommended that Local Government Council Treasurers oversee the treasury department's employees and make sure that accounting records are updated and reconciled to remove inaccuracies and omissions.

iii) Bank Reconciliation In accordance with Financial Memoranda 19.23-24, the Egor Local Government Council, Uselu, generated bank reconciliation statements. It's a great effort, and one that ought to continue.

d) Implementing IPSAS

The International Public Sector Accounting Standards have not yet been completely adopted by the Local Government Council (IPSAS). Revaluing the Local Government Council's assets and liabilities and reflecting them in the books of accounts in accordance with IPSAS is urgently required.

Accounting Policies (IPSAS Accrual)

1. Basis for Measurement:

The preparation of these *General-Purpose Financial States (GPFS)* complies with the historical cost convention, IPSAS, and other applicable requirements as specified by pertinent legislation.

2. The foundation of accounting:

These *GPFS* were created using the accrual method of accounting.

3. Time of Accounting:

According to National Treasury Circular Ref. OAGF/CAD/026/Vol.1/102 on December 30, 2013, the accounting year (fiscal year) runs from January 1 to December 31. The accounting system was designed to divide each accounting year into twelve calendar months, or periods.

4. Currency Reporting:

The *GPFS* was developed using Naira (Nigeria's currency).

5. Comparative Data:

The *General Purpose Financial Statements* included all the numerical data for the prior time frame.

6. Financial Data:

These numbers come from the approved budget, which was created on a cash basis in compliance with the Local Government Councils' Appropriation Bye-Law.

7. Income from Taxes, Fees, and Fines:

When fees, taxes, and other non-exchange transaction revenue are collected and meet the requirements for asset recognition, they are recorded as revenue. When it is likely that the company will get future economic benefits or service possibilities from the asset and it is reasonably possible to determine the asset's fair value, other non-exchange revenues are recognised.

Additional Operating Profits:

Exchange transactions that take place in the regular course of the entity's operations provide additional operational revenues. The fair value of the payment received or receivable for the sale of goods and services is included in revenues.

Sales of Products:

When the major risks and benefits of ownership have been passed to the buyer, generally with delivery of the products, revenue from the sale of those things is recognised.

Additional Income/Revenue:

Fees, fines, debt forgiveness, commissions, earnings from the sale of assets, and other sources make up other revenue. Any gain or disposal is recorded on the day the asset is turned over to the buyer and is calculated by reducing the asset's carrying value from the proceeds on that date.

8. Changes from Other Governmental Organisations:

When an asset (cash, goods, services, or properties) is received condition-free and there is a reasonable probability that the asset's potential for economic benefit or service will be reliably measured, revenues from non-exchange transactions with other government entities are recognised at fair value.

9. Costs:

All costs are recorded on an accrual basis, which means that regardless of when the money is received, costs are recorded at the time they are incurred or when the associated services are used.

10. Loan Interest:

In the financial performance report (Statement of Financial Performance), interest on loans is accounted for either an expense or a charge. To calculate interest expenditure for each period, interest is accumulated by applying the effective interest rate method to the principle amount owed.

11. Cash Flow Statement:

The direct technique was used to create this statement, which followed the GPFS format. There are three (3) parts in the cash flow statement:

Operating Activities:

These track the cash payments made for the provision of goods and services as well as the cash received by Local Government Councils from all sources of income.

Investing activities are those that have to do with buying and selling non-current assets.

Financial Activities: These include adjustments to the PSE's debt and equity capital structure.

12. Currency and Its Equivalent:

The term "cash and cash equivalent" refers to the amount of cash that is on hand, held in bank accounts, demand deposits, and other highly liquid investments with an initial maturity of three months or less. These investments are made by the entity as part of its daily cash management process, and they are easily convertible into known amounts of cash with little to no risk of value fluctuations. Cash and Cash Equivalent are included in the Statement of Financial Position under Current Assets.

13. Accounts Receivable: Exchange Transaction Receivables

Exchange transaction receivables are first recorded at fair value and then, using the effective interest method, evaluated at amortised cost, minus allowance for impairment. When there is, a receivables impairment provision is created.

Receivables from Transactions Without Exchange:

Receivables from non-exchange transactions include social benefit receivables that don't stem from contracts, as well as fees, taxes, fines, and other penalties related to these activities. These receivables are first valued at face value, or nominal amount; that is, the amount of tax due, levy, fine, etc., is reflected in the receivable. These accounts receivable are first evaluated at face value or nominal amount, meaning that the receivable represents the total amount of taxes due, levies, fines, etc. Following their charging, these receivables are modified for penalties or may be written off due to impairment. The statement of financial performance presents interest and penalties on tax receivables as tax revenue..

14. Advance payments:

Amounts paid in advance of receiving goods or services are referred to as prepaid costs. They signify payments made in one year for benefits to be obtained in other years, or payments made early in the year for benefits to be received throughout the course of the year.

15. Inventory:

- (a): The net realisable value of an inventory is subtracted from its cost.
- (b) The FIFO approach is used to calculate costs.
- (c) Where appropriate, inventories retained for distribution for the benefit of the

public are documented at cost less any prospective loss of services.

(d) In the Financial Position Statement, inventories are included under Current Assets.

16. Awarded Loans:

The approved loans are displayed at their estimated realisable value, which takes into account impairments and bad or dubious debts.

17. Plant, machinery, and equipment:

(a) The historical cost of all PPE is reported, less cumulative depreciation and any impairment losses. Costs directly related to the acquisition of the assets are included in the historical cost.

(b) When an asset is purchased through a non-exchange transaction for nominal or no consideration, it is first recorded in the statement of financial performance at fair value, which is a value that can be consistently ascertained and expressed as income during the PPE's useful life.

(c) The subsequent items are considered PPE expenses:

i) The price paid for the acquisition of these assets as well as any additional pertinent costs associated with restoring the asset to operational condition.

ii) Building expenses, which include labour, supplies, and overhead.

iii) Modifications to current PPE that greatly extend its usable life.

Price:

A piece of PPE's total cost includes the purchase price, import fees, one-time expenses, and any expenditures directly related to relocating and restoring the asset to its original location and state of functionality. The purchase price is calculated after subtracting trade discounts and rebates. PPE are reported at cost or at their expert appraisal less cumulative impairment and depreciation.

Devaluation:

PPE is depreciated according to a straight line method throughout the course of their anticipated useful lifetimes, less any projected residual value, using relevant rates, starting on the date of availability for use.

No.	Item of PPE	Depreciation Rate
A	Leased Property	Over the term of the lease
B	Buildings	2%
C	Investment property	2%
D	Infrastructure	5%
E	Plant and Machinery	10%
F	Transportation Equipment (except K)	20%
G	Office Equipment	25%
H	Furniture and Fittings	20%
I	Specialized Assets (e.g., books, military and paramilitary assets)	10%
J	Bearer Plant	4%
K	Aircraft, ship and train	5%
L	Specific cultural and heritage assets	Unlimited

Assessment:

At the conclusion of each reporting period, the residual values and usable lifetimes of the assets are examined and, if necessary, changed. Revaluation surplus is moved to the revaluation reserve under reserves in the financial situation. If there is a revaluation deficit, it is recorded as an expense in the statement of financial performance or, if there is a surplus on the same class of assets, against the value of the related assets and the corresponding entry to the revaluation reserve.

Disposal Gain or loss resulting from getting rid of a piece of PPE is shown as a surplus or deficit.

Deficit:

When there are signs that a piece of personal protective equipment (PPE) may have been compromised, an impairment test is carried out.

18. Real Estate Investment

These are properties that provide income for a PSE. At first, an investment property is valued at its cost. Investment property is then measured at fair value at the end of the term, and any gain or loss at fair value is recorded as a surplus or deficit.

Income from Investments:

Investment income is defined as the excess or shortfall of rental revenue received or gained from an investment property.

Disposal:

The surplus or deficit represents the gain or loss from the sale of investment property.

19. Non-tangible Resources

These are non-tangible assets that have been created domestically or purchased, and they are stored for usage in order to produce advantages that extend beyond a fiscal year. An intangible asset's total cost includes the acquisition price, non-recurring charges, and any expenses directly related to restoring the asset to its intended condition of use.

20. Deposits:

Resources kept in custody on behalf of third parties make up deposits. Additionally, deposits signify upfront payments for future products and services.

21. Debts and Loans:

Loans are sums of money that are borrowed with an agreed-upon repayment schedule. They are classified as either short-term or long-term loans and are shown as liabilities in the Statement of Financial Position.

22. Unremitted Withheld Taxes:

Money due to third parties, including tax authorities, unions, cooperatives, schemes and organisations, other government agencies, etc., is known as an unremitted deduction. Tax and other at-source deductions are examples of unremitted deductions. The sums are considered as Current Liabilities in the Statement of Financial Position and are reflected in the GPFS at their payback value.

23. Accrued Expenses - Payables

These are sums of money owed to outside parties for products and services obtained.

24. Public Money

These represent the government's financial balances at the conclusion of the fiscal year. The Statement of Financial Position categorises them as Non-Current Liabilities.

25. Reserves:

Reserves such as Surpluses/(Deficits) Reserve, Translation Reserve, Revaluation

Reserve, Fair Value Reserve, and other Reserves are categorised under equity in the Statement of Financial Position.

26. Debts

Initial recognition of borrowings is done at fair value, net of incurred transaction expenses. Following amortisation, borrowings are reported at cost; any discrepancy between proceeds (net of transaction expenses) and redemption value is recognised using the effective interest method in the consolidated statement of financial performance for the duration of the borrowings. The fees incurred for setting up lending facilities are recorded as loan transaction charges. The cost of the charge is capitalised and spread out over the life of the related facility.

27. Assignments to Other Governmental Organisations:

Transfers to other governmental bodies are included as costs in the statement of financial performance as they are non-exchange items.

28. Advances:

According to Edo State Financial Memoranda 16.16, any loans given to Local Government Council employees to carry out projects or make purchases of goods or services on their behalf must be retired by the end of the fiscal year. However, in situations where an advance is made towards the end of the fiscal year or where an advance that has already been made cannot be retired within the fiscal year, the advance and any outstanding amount are included in the Statement of Financial Position.

EGOR LOCAL GOVERNMENT COUNCIL, USELU
STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2023

Previous Year Actual 2022 (N)	Description	NCOA Code	Note	Annual Budget (N)	Actual Revenue/ Expenditure (N)	Percentage of Budget Performance
195,867,541.76	Net Assets/Equity As At 1/1/2023 – A			43,802,885.91	174,225,373.85	
	REVENUE					
	<u>Statutory Allocation:</u>					
1,525,856,785.15	Share of Federation Account	110101	1	2,550,128,382.29	1,328,742,886.84	52%
1,186,875,630.82	Share of Value Added Tax (VAT)	110102	1	1,336,000,000.00	1,631,411,334.17	122%
162,032,920.37	Excess Crude Oil and Others	110103	1	450,000,000.00	1,494,300,286.68	332%
2,874,765,336.34	Sub-Total Statutory Allocation – B			4,336,128,382.29	4,454,454,507.69	103%
	<u>Independent Revenue:</u>					
3,934,430.00	Licences General	120201	2	34,760,000.00	5,991,500.00	17%
194,415,700.92	Fees General	120204	2	330,850,000.00	205,783,679.26	62%
21,761,800.00	Fines General	120205	2	7,000,000.00	23,918,012.00	342%
8,530,000.00	Sales General	120206	2	9,000,000.00	10,593,400.00	118%
31,500,231.07	Earnings General	120207	2	-	37,406,850.00	
-	Rent on Government Building General	120208	2	-	-	
-	Rent on Land and Others General	120211	2	-	-	
-	Repayment General	120213	2	-	-	
13,457,601.11	Investment Income	120214	2	-	-	
273,599,763.10	Sub-Total Independent Revenue – C			381,610,000.00	283,693,441.26	74%
3,344,232,641.20	Total Receipts (A+B+C)			4,761,541,268.20	4,912,373,322.80	103%
	EXPENDITURE					

	<u>Recurrent Expenditure:</u>					
467,147,746.18	Salaries and Wages	210101	3	867,851,268.20	460,451,673.03	53%
465,770,637.54	Overhead Cost	220201	4	524,550,000.00	384,346,788.98	73%
2,075,921,582.68	SUBEB and other Transfers to Local Govt. Entities	220701	5	2,363,000,000.00	2,603,703,971.31	110%
-	Depreciation			-	-	
3,008,839,966.40	Sub-Total Recurrent Expenditure: E			3,755,401,268.20	3,448,502,433.32	92%
	<u>Capital Expenditure:</u>					
-	Land and Building General	320101	6	515,500,000.00	472,765,719.17	92%
87,549,876.00	Infrastructure General	320102	6	491,590,000.00	444,000,771.12	90%
-	Furniture and Fittings General	320106	6	68,750,000.00	76,000,000.00	111%
71,617,425.95	Intangible Assets	320301	6	14,300,000.00	10,000,000.00	70%
159,167,301.95	Sub-Total Capital Expenditure: F			1,090,140,000.00	1,002,766,490.29	92%
3,168,007,268.35	Total Expenditure: G = E + F			4,845,541,268.20	4,451,268,923.61	92%
174,225,373.85	Net Assets/Equity As At 31/12/2023				461,104,399.19	
3,342,232,642.20					4,912,373,322.80	

EGOR LOCAL GOVERNMENT COUNCIL, USELU
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2023

Description	NCOA Code	Note	2023 (N)	2023 (N)	2022 (N)	2022 (N)
ASSETS						
<u>Current Assets:</u>						
Cash and Cash Equivalent	310101	7	197,596,585.27		46,662,652.47	
Inventories	310501	7	-		-	
Receivables	310601	7	-		-	
Prepayments	310801	7	-		-	
Total Current Assets: A				197,596,585.27		46,662,652.47
<u>Non-Current Assets:</u>						
Loan Granted (Local Govt. Loan Fund)	311001	7	-		-	
Investments	310901	7	-		-	
Property, Plant and Equipment (PPE)	320101	7	976,621,655.71		883,296,350.77	
Investment Properties	320201	7	-		-	
Intangible Assets (Advances)	320301	7	-		-	
Total Non-Current Assets: B				976,621,655.71		883,296,350.77
Total Assets: C = A+B				1,174,218,240.98		929,959,003.24
LIABILITIES						
<u>Current Liabilities:</u>						
Deposits	410101	8	374,972,587.22		417,592,374.82	
Short Term Loans and Debts	410201	8	-		-	
Payables (Accrued Expenses)	410401	8	338,141,254.57		338,141,254.57	
Total Current Liabilities: D				713,113,841.79		755,733,629.39
<u>Non-Current Liabilities:</u>						
Long Term Borrowing	4601/4602	8	-		-	
Total Non-Current Liabilities: E				-		-
Total Liabilities: F = D+E				713,113,841.79		755,733,629.39
Net Assets: G = C-F				461,104,399.19		174,225,373.85
NET ASSETS/EQUITY						
Reserves: H	4701	9	174,225,373.85		195,867,541.17	
Accumulated Surpluses/(Deficits): I	4702	9	286,879,025.34		- 21,642,167.32	
Total Net Assets/Equity: G = H+I				461,104,399.19		174,225,373.85

<p style="text-align: center;">EGOR LOCAL GOVERNMENT COUNCIL, USELU CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2023</p>						
NCOA Code	Details	Note	2023 (N)	2023 (N)	2022 (N)	2022 (N)
	CASH FLOW FROM OPERATING ACTIVITIES:					
	<u>INFLOWS:</u>					
	<u>Statutory Allocations</u>					
110101	Share of Federation Account	1	1,328,742,886.84		1,583,856,786.15	
110102	Share of Value Added Tax (VAT)	1	1,631,411,334.17		1,186,875,630.82	
110103	Excess Crude Oil and Others	1	1,494,300,286.68		162,032,920.37	
	Sub-Total Statutory Revenue – A			4,454,454,507.69		2,932,765,337.34
	<u>Independent Revenue</u>					
120201	Licences General	2	5,991,500.00		3,934,430.00	
120204	Fees General	2	205,783,679.26		134,415,700.92	
120205	Fines General	2	23,918,012.00		21,761,800.00	
120206	Sales General	2	10,593,400.00		8,530,000.00	
120207	Earnings General	2	37,406,850.00		31,500,231.07	
120208	Rent on Government Buildings General	2	-		-	
120209	Rent on Land and Others General	2	-		-	
120210	Repayments General	2	-		-	
120211	Investment Income	2	-		13,457,601.11	
	Sub-Total Independent Revenue – B			283,693,441.26		213,599,763.10
	Total Inflow from Operating Activities C = A+B			4,738,147,948.95		3,146,365,100.44

	OUTFLOWS:					
210101	Salaries and Wages	3	460,451,673.03		467,147,746.18	
220201	Overhead Cost	4	384,346,788.98		465,770,637.54	
220701	SUBEB and other Transfers to Local Government Entities	5	2,603,703,971.31		2,075,921,582.68	
	Depreciation		-		-	
	Total Outflow from Operating Activities – D			3,448,502,433.32		3,008,839,966.40
	Net Cashflow from Operating Activities – E = C-D			1,289,645,515.63		137,525,134.04
	CASHFLOW FROM INVESTING ACTIVITIES:					
320101	Land and Building General	6	472,765,719.17		-	
320102	Infrastructure General	6	444,000,771.12		87,549,876.00	
320106	Furniture and Fittings General	6	76,000,000.00		-	
320301	Intangible Assets	6	10,000,000.00		71,617,425.95	
	Total Outflow from Investing Activities – F			1,002,766,490.29		159,167,301.95
	Net Cashflow from Investing Activities – G = E - F			286,879,025.34		- 21,642,167.91
	CASHFLOW FROM FINANCIAL ACTIVITIES:					
301801	Advances		-		-	
410101	Deposits		- 42,619,787.60		12,253,074.64	
410102	Other Accounts – Loan		-		- 14,282,787.58	
	Other Accounts – Investment		-		-	
420301	Proceeds from Borrowings		-		-	
	Payment/Charges on Borrowings		-		-	
	Net Cashflow from Financing Activities – H			42,619,787.60		2,029,712.94
	Net Cashflow from all Activities – I = G - H			244,259,237.74		- 23,671,880.85
	Cash and Cash Equivalent As At 1/1/2023			- 46,662,652.47		- 22,990,771.62
	Cash and Cash Equivalent As At 31/12/2023			197,596,585.27		- 46,662,652.47

NOTES TO THE ACCOUNTS

NOTE 1: SCHEDULE OF STATUTORY ALLOCATION TO EGOR LOCAL GOVERNMENT COUNCIL, USELU FOR THE YEAR ENDED 31ST DECEMBER 2023				
Month	Federation Account	Value Added Tax	Others	Total
January	181,579,490.11	118,604,822.49	367,351,246.86	667,535,559.46
February	104,860,310.45	119,130,006.80	42,345,370.40	266,335,687.65
March	99,799,462.23	121,035,585.75	38,140,099.98	258,975,147.96
April	136,036,644.54	107,988,665.41	9,261,405.19	253,286,715.14
May	96,632,988.46	102,366,187.56	33,561,017.77	232,560,193.79
June	146,158,276.01	132,023,433.96	253,667,072.42	531,848,782.39
July	81,941,172.31	141,434,972.00	349,356,043.56	572,732,187.87
August	106,393,446.22	139,125,368.50	87,120,429.22	332,639,243.94
September	88,632,763.62	171,800,331.12	73,082,102.97	333,515,197.71
October	106,593,557.02	141,208,099.61	54,944,730.27	302,746,386.90
November	82,423,933.68	163,021,966.53	79,678,985.73	325,124,885.94
December	97,690,842.19	173,671,894.44	105,791,782.31	377,154,518.94
Total	1,328,742,886.84	1,631,411,334.17	1,494,300,286.68	4,454,454,507.69

NOTE 2:**SCHEDULE OF INDEPENDENT REVENUE OF EGOR LOCAL GOVERNMENT COUNCIL, USELU FOR THE YEAR 2023**

Month	120201 Licences General	120204 Fees General	120205 Fines General	120206 Sales General	120207 Earnings General	120208 Rent On Govt. Buildings General	120209 Rent On Land & Others General	120210 Repayments General	120211 Investmen t Income	Monthly Total
January	627,000.00	15,792,330.00	1,042,000.00	2,051,700.00	2,458,750.00	-	-	-	-	21,971,780.00
February	205,000.00	10,270,500.00	2,042,000.00	-	3,215,000.00	-	-	-	-	15,732,500.00
March	507,500.00	14,782,533.00	1,107,000.00	1,152,000.00	4,319,900.00	-	-	-	-	21,868,933.00
April	587,500.00	15,835,395.26	1,272,000.00	1,101,000.00	3,243,650.00	-	-	-	-	22,039,545.26
May	347,500.00	18,490,560.00	2,896,000.00	2,084,200.00	2,458,850.00	-	-	-	-	26,277,110.00
June	312,500.00	16,722,140.00	2,401,000.00	1,090,500.00	4,331,350.00	-	-	-	-	24,857,490.00
July	297,500.00	17,871,060.00	3,261,000.00	1,074,000.00	3,181,350.00	-	-	-	-	25,684,910.00
August	1,810,000.00	24,675,526.00	3,030,000.00	-	2,436,450.00	-	-	-	-	31,951,976.00
September	275,000.00	17,556,960.00	2,265,000.00	-	3,868,650.00	-	-	-	-	23,965,610.00
October	423,500.00	18,255,965.00	2,379,000.00	-	2,376,050.00	-	-	-	-	23,434,515.00
November	356,000.00	19,750,010.00	1,060,000.00	2,040,000.00	2,225,000.00	-	-	-	-	25,431,010.00
December	242,500.00	15,780,700.00	1,163,012.00	-	3,291,850.00	-	-	-	-	20,478,062.00
Total	5,991,500.00	205,783,679.26	23,918,012.00	10,593,400.00	37,406,850.00	-	-	-	-	283,693,441.26

NOTE: 3 SCHEDULE OF SALARIES AND WAGES OF EGOR LOCAL GOVERNMENT COUNCIL, USELU FOR THE YEAR ENDED 31ST DECEMBER, 2023

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
21010101	Office of the Chairman	55,128,548.04	21,794,097.00	40%
21010102	The Council (Legislative)	98,714,184.04	31,158,582.52	32%
21010103	Personnel Management	116,642,696.54	137,281,786.05	118%
21010104	Internal Audit	3,536,915.36	2,743,779.74	78%
21010105	Information	6,594,748.02	6,708,161.43	102%
21010106	Office of the Head of LGA	5,420,766.12	5,715,702.04	105%
21010107	Agriculture and National Resources	5,385,693.82	6,816,039.99	127%
21010108	Finance and Supply	38,994,738.30	39,403,380.60	101%
21010109	Budget, Planning & Statistics	14,254,209.14	9,706,155.07	68%
21010110	Revenue	40,999,056.05	35,638,196.39	87%
21010111	Works and Housing	70,366,878.96	58,639,463.49	83%
21010112	Procurement	8,752,010.42	7,100,375.87	81%
21010113	Legal Services	10,964,700.62	10,747,655.00	98%
21010114	Youth, Women & Social Development	30,388,067.65	40,400,951.32	133%
21010115	Primary Health Care	-	-	
21010116	Environment	56,281,639.09	40,896,442.85	73%
21010117	Water and Sanitary Hygiene	3,464,355.68	5,700,903.67	165%
	Total	565,889,207.85	460,451,673.03	81%

NOTE: 4 SCHEDULE OF OVERHEAD COST OF EGOR LOCAL GOVERNMENT, USELU FOR THE YEAR ENDED 31ST DECEMBER, 2023

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
22020101	Office of the Chairman	46,350,000.00	45,561,894.08	98%
22020102	The Council (Legislative)	26,200,000.00	22,438,999.70	86%
22020103	Personnel Management (Admin)	125,400,000.00	115,875,943.23	92%
22020104	Internal Audit	14,050,000.00	9,242,480.00	66%
22020105	Information	15,500,000.00	15,300,000.00	99%
22020106	Office of the Head of LGA	23,400,000.00	5,108,000.00	22%
22020107	Agriculture and National Resources	6,450,000.00	3,744,000.00	58%
22020108	Finance and Supply	53,700,000.00	51,458,000.00	96%
22020109	Budget, Planning & Statistics	9,950,000.00	4,000,000.00	40%
22020110	Procurement	5,500,000.00	8,830,000.00	161%
22020111	Revenue	31,050,000.00	9,976,900.00	32%
22020112	Works & Housing	24,480,000.00	17,033,952.75	70%
22020113	Legal Services	7,400,000.00	2,140,000.00	29%
22020114	Social Development	25,200,000.00	19,475,250.00	77%
22020115	Primary Health Care	11,970,000.00	629,000.00	5%
22020116	Environment	55,700,000.00	41,437,369.22	74%
22020117	Water and Sanitary Hygiene	10,800,000.00	95,000.00	1%
22020118	Contribution to LG Service Commission	31,450,000.00	12,000,000.00	38%
	Total	524,550,000.00	384,346,788.98	73%

NOTE 5: SCHEDULE OF TRANSFERS TO SUBEB AND OTHER LOCAL GOVERNMENT ENTITIES IN EGOR LOCAL GOVERNMENT, USELU

Month	Deductions for Mandatory Expenditure				Total
	Subvention to LGEA (SUBEB)	Total Salary for Teaching and LGEAs	5% Traditional Council	Other Transfers to Local Govt. Entities	
January	485,185.28	89,251,131.77	16,117,145.69	119,232,895.23	225,086,357.97
February	485,185.28	85,685,903.22	13,316,784.38	109,758,812.70	209,246,685.58
March	485,185.28	85,749,541.12	12,948,757.40	113,889,897.84	213,073,381.64
April	485,185.28	81,028,331.91	12,664,335.76	109,968,087.72	204,145,940.67
May	485,185.28	80,258,753.87	11,628,009.69	103,358,234.92	195,730,183.76
June	485,185.28	78,986,505.06	14,384,185.52	116,621,153.14	210,477,029.00
July	485,185.28	107,455,812.05	15,895,416.41	146,133,394.34	269,969,808.08
August	485,185.28	78,038,893.54	16,531,962.20	112,048,601.19	207,104,642.21
September	485,185.28	79,767,386.18	16,675,759.89	111,604,356.16	208,532,687.51
October	485,185.28	79,732,122.60	15,137,319.35	120,376,117.50	215,730,744.73
November	485,185.28	80,684,345.76	16,256,244.30	115,778,027.72	213,203,803.06
December	485,185.28	78,041,485.06	18,857,725.95	134,018,310.81	231,402,707.10
Total	5,822,223.36	1,004,680,212.14	180,413,646.54	1,412,787,889.27	2,603,703,971.31

NOTE 6: SCHEDULE OF CAPITAL EXPENDITURE OF EGOR LOCAL GOVERNMENT, USELU FOR THE YEAR ENDED 31ST DECEMBER, 2023					
Month	Land & Building General 320101	Infrastructure General 320102	Furniture & Fittings 320106	Intangible Assets 320301	Monthly Total
January	154,566,840.05	29,999,500.00	20,000,000.00	-	204,566,340.05
February	59,217,213.34	65,000,000.00	15,000,000.00	-	139,217,213.34
March	-	65,514,632.16	-	-	65,514,632.16
April	-	18,038,750.00	-	-	18,038,750.00
May	14,651,150.84	10,000,000.00	-	-	24,651,150.84
June	23,574,124.83	27,000,000.00	23,000,000.00	10,000,000.00	83,574,124.83
July	-	65,983,998.67	-	-	65,983,998.67
August	-	48,606,668.39	-	-	48,606,668.39
September	20,000,000.00	29,574,743.46	-	-	49,574,743.46
October	37,000,000.00	20,895,155.24	-	-	57,895,155.24
November	41,050,000.00	31,387,323.20	-	-	72,437,323.20
December	122,706,390.11	32,000,000.00	18,000,000.00	-	172,706,390.11
Total	472,765,719.17	444,000,771.12	76,000,000.00	10,000,000.00	1,002,766,490.29

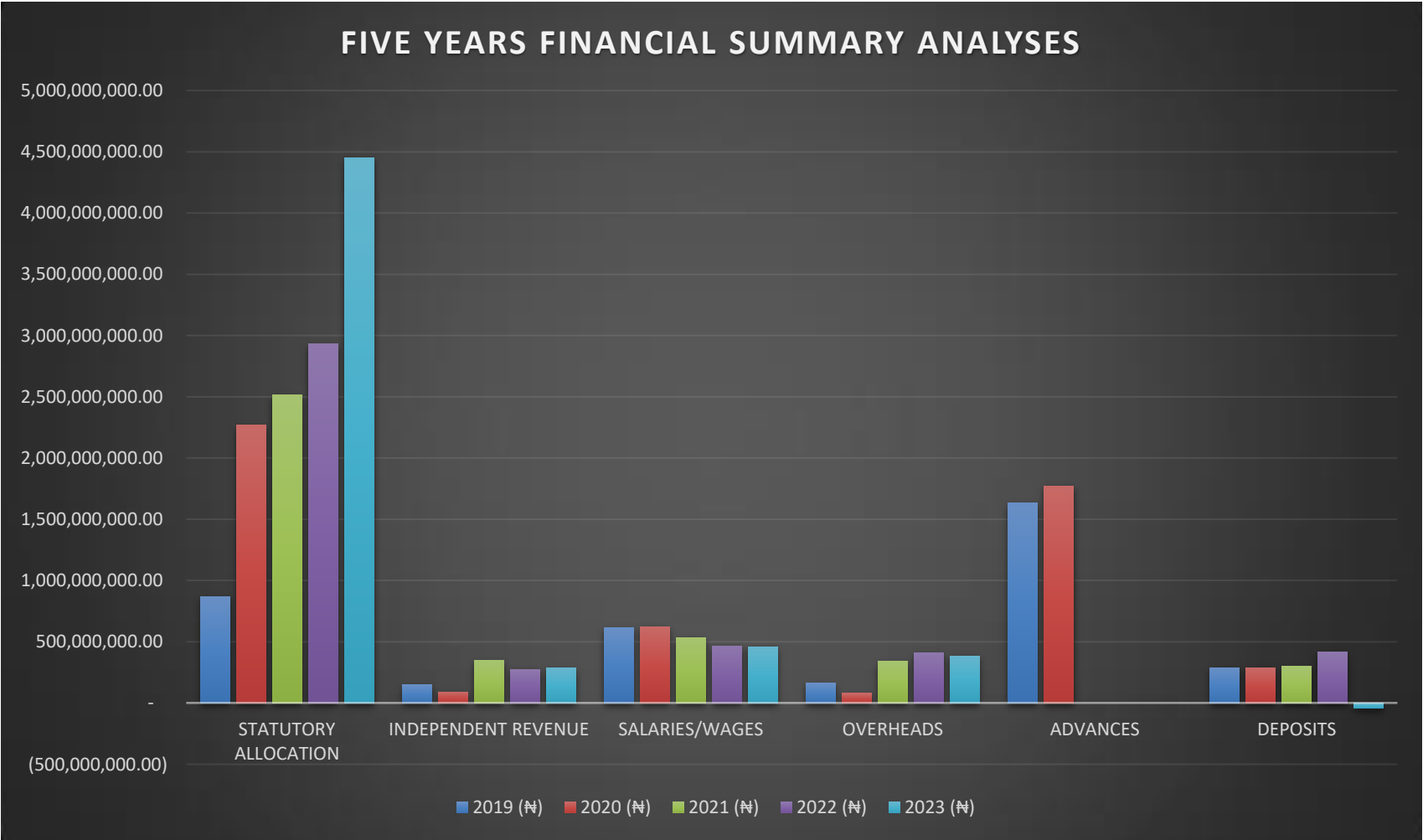
NOTE 7:	
CURRENT AND NON-CURRENT ASSETS AS AT 31ST DECEMBER, 2023	
Cash and Cash Equivalent	197,596,585.27
Inventories	-
Loans Granted	-
Investments	-
Property, Plant and Equipment (PPE)	976,621,655.71
Advances	-
Total Assets	₦ 1,174,218,240.98

NOTE 8:	
CURRENT AND NON-CURRENT LIABILITIES AS AT 31ST DECEMBER, 2023	
Deposits	374,972,587.22
Loans/Debts	-
Payables	338,141,254.57
Long Term Borrowings	-
Total Liabilities	₦ 713,113,841.79

NOTE 9:	
CAPITAL RESERVES	
Reserves as at 1/1/2023	174,225,373.85
Accumulated Surpluses/Deficits for the Year	286,879,025.34
Net Assets/Equity as at 31/12/2023	₦ 461,104,399.19

NOTE 10:					
DETAILS OF AUDIT QUERIES ISSUED TO EGOR LOCAL GOVERNMENT COUNCIL, USELU IN RESPECT OF 2023 ACCOUNTS					
S/No.	Query Number	P.V. No./Date	Reason	Amount (₦)	Remark
	<u>Current Year:</u>				
1.	AQ/ELG/USL/1/2023	125/Jan/2023	Irregular Expenditure	8,000,000.00	Resolved
2.	AQ/ELG/USL/2/2023	38/Oct/2023	Irregular Expenditure	1,150,000.00	Resolved
3.	AQ/ELG/USL/3/2023	Various	Unreceipted Payments	6,640,000.00	Resolved
4.	AQ/ELG/USL/4/2023	39/Jul/2023	Irregular Expenditure	4,987,500.00	Resolved
5.	AQ/ELG/USL/5/2023	122/Nov/2023	Irregular Expenditure	315,705.00	Resolved
6.	AQ/ELG/USL/6/2023	5/Jul/2023	Irregular Expenditure	416,000.00	Resolved
	Grand Total			21,509,205.00	

EGOR LOCAL GOVERNMENT COUNCIL, USELU							
FIVE YEARS FINANCIAL SUMMARY ANALYSES							
S/N		2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)	2023 (₦)	TOTAL (₦)
1	STATUTORY ALLOCATION	869,318,590.22	2,266,821,179.67	2,512,590,658.78	2,932,765,337.34	4,454,454,507.69	13,035,950,273.70
2	INDEPENDENT REVENUE	147,960,032.29	91,427,551.57	346,637,469.73	273,599,763.10	283,693,441.26	1,143,318,257.95
3	SALARIES/WAGES	613,044,845.40	624,655,912.72	533,504,036.80	467,147,746.18	460,451,673.03	2,698,804,214.13
4	OVERHEADS	160,761,926.00	78,915,676.00	338,416,581.57	406,909,962.40	384,346,788.98	1,369,350,934.95
5	ADVANCES	1,632,023,212.67	1,772,910,683.61	-	-	-	3,404,933,896.28
6	DEPOSITS	288,802,326.19	288,802,326.19	296,916,655.39	417,592,374.82	- 42,619,787.60	1,249,493,894.99
	TOTAL	3,711,910,932.77	5,123,533,329.76	4,028,065,402.27	4,498,015,183.84	5,540,326,623.36	22,901,851,472.00





ESAN CENTRAL LOCAL GOVERNMENT COUNCIL

P.M.B. 004, IRRUA,
EDO STATE, NIGERIA

Our Ref: _____

Your Ref: _____

Date: _____

STATEMENT OF FINANCIAL RESPONSIBILITY

RESPONSIBILITY FOR FINANCIAL STATEMENTS

These Financial Statements have been prepared by the Director of Finance and Accounts of Esan Central Local Government Council in accordance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS. The Financial Statements complied with generally accepted accounting practice.

The Director of Finance and Accounts is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly recorded the use of all public financial resources by the Local Government Council. To the best of my knowledge, this system of internal control has operated adequately throughout the reporting period.

Mrs. Omorodion, Eunice U.

Director of Finance and Accounts

24/6/24

Date

We accept responsibility for the integrity of these Financial Statements, the information they contain and their compliance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS.

In our opinion, these financial statements fairly reflect the financial position of Esan Central Local Government Council as at 31st December 2023 and its operations for the year ended on that date.

Mrs. Okhiku, O.E. FCPA

Head of Local Government Administration

24/6/24

Date

Hon. Paul Iyoha
Executive Chairman

24-06-24

Date



OFFICE OF THE AUDITOR-GENERAL (LOCAL GOVERNMENTS)

19 BOUNDARY ROAD, G.R.A.

P.M.B. 1128

BENIN CITY

EDO STATE OF NIGERIA

**REPORT OF THE STATE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS
TO THE MEMBERS OF THE EDO STATE HOUSE OF ASSEMBLY**

The Financial Statements of Esan Central Local Government Council, Irrua for the year ended 31st December 2023 as contained in this report prepared under the International Public Sector Accounting Standards (IPSAS) Accrual accounting framework and on the basis of Accounting Policies detailed in the Financial Statements have been audited as required by the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended.

RESPONSIBILITY OF THE DIRECTOR OF FINANCE AND ACCOUNTS

The Director of Finance and Accounts to Esan Central Local Government Council, Irrua is responsible for the preparation and presentation of the Financial Statements in accordance with the Finance (Control and management) Act 1958 as amended. He is to ensure that there are no material misstatements in the Financial Statements.

AUDITOR-GENERAL'S RESPONSIBILITY

It is my statutory responsibility to form an independent opinion based on the audit of the Financial Statements and to report thereon.

BASIS OF OPINION

The audit was conducted in accordance with International Standards on Auditing (ISA) as applicable to the public sector, International Organization of Supreme Audit Institutions (INTOSAI), Auditing Standards, the provisions of the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended. The audit includes examination on a test basis of evidence relevant to the figures disclosed in the Financial Statements. It also includes an assessment of significant estimates and judgments made by the Council in the preparation of the Financial Statements and whether the accounting policies were appropriate in the Council's circumstances, consistently applied and adequately disclosed. The audit was planned and performed to obtain all information and explanations considered necessary to have reasonable assurance that the Financial Statements are free from material misstatements. I have not obtained all the information and explanations that I required.

OPINION

In my opinion, the Financial Statement of Esan Central Local Government Council, Irrua for the year ended 31st December 2023 show a true and fair view of the Council's state of financial position, performance and of the cashflow in accordance with all legal and regulatory frameworks, subject to the observations and comments contained in this report.

S.O. Johnson, FCA, ACTI, FIMC, FCCSA
(FRC/2022/PRO/ICAN004/188858)
Auditor-General (Local Governments)
Edo State,

28th June, 2024

AUDITOR-GENERAL'S REPORT FOR LOCAL GOVERNMENTS, EDO STATE
GENERAL DISCLOSURES AND INSIGHTS REGARDING THE FINANCIAL
STATEMENTS OF THE ESAN CENTRAL LOCAL GOVERNMENT COUNCIL,
IRRUA FOR THE YEAR ENDED DECEMBER 31, 2023

1. REVENUE

The entire income realised by the Esan Central Local Government Council during the year that concluded on December 31, 2023, was N3,166,178,073.08. Of this total, N44,623,332.00 represented independent revenue, while N3,121,554,741.08 was obtained as statutory allocations from the federation account. For more information, see Notes 1 and 2.

SUMMARY

Throughout the time under review, the Local Government Council remained mostly dependent on funding from the Federation Account. To lessen an excessive reliance on statutory allocations, the Local Government Council is urged to examine its own internal operations and devise strategies to increase money produced internally.

2. SLGJAAC ALLOCATIONS TO LOCAL GOVERNMENT COUNCILS ARE COMPLETE

According to source documents from the Edo State Ministry of Local Government Affairs, the entire amount of N1,938,434,657.65 that accrued from the federation account to Esan Central Local Government Councils, Irrua as statutory allocations transferred through the State-Local Government Joint Account Allocation Committee (SLGJAAC) was received in full by the Council and was included in the Council's Financial Statements for the year that ended on December 31, 2023. For more information, see Note 1.

3. EXPENDITURE

Esan Central Local Government Council, Irrua spent N362,087,561.04 on salaries and wages during the review period. It also incurred overhead of N369,028,650.90. Transfers to SUBEB and Other Local Government Entities was N1,601,124,634.08. The total amount spent on capital for the year was N685,070,356.45.

4. CASH AND CASH EQUIVALENT

As of December 31, 2023, Esan Central Local Government Council, Irrua has N192,538,358.71 in cash and financial equivalents. The Local Government Council created bank reconciliation statements for the time period under examination. But

not enough information was provided for us to determine the cash book bank balance for reconciliation.

SUMMARY

To ensure correct reconciliation at the end of the year, the Local Government Council is urged to always complete monthly bank reconciliation statements in accordance with Financial Memoranda 19:23-30. However, it is praiseworthy that an attempt was made to create Bank Reconciliation Statements.

5. ADVANCES

As of December 31, 2023, the Local Government Councils' unretired advances totalled N855,705,349.93. It was noted that, despite my cautions in earlier reports and circular letters, as of December 31, 2023, advances given to different Council officials as working advances had not been retired, in violation of F.M. 16.16.

SUMMARY

In compliance with F.M. 16.16, the Treasurers of the Local Government Councils and the Heads of Local Government Administration are therefore called upon to promptly retire ALL outstanding operating advances.

6. GENERAL INVESTMENTS

As of December 31, 2023, the investments owned by the Esan Central Local Government Council, Irrua, were valued at N103,199.98. Due to the Council's failure to keep investment registers or ledgers, the investments were not appropriately documented. Consequently, it was not feasible to confirm the investments and determine their current valuations.

SUMMARY

The Local Government Council should conduct an investigation into the investments' current state in order to determine their existence, viability, and valuations. It is necessary to reassess all investments, write off any that are no longer in operation, and declare any that are at fair market value.

7. LIABILITIES:

(A) DEPOSITS

A total of N524,509,495.56 was owed in the Esan Central Local Government Council, Irrua, Deposit Accounts as of December 31, 2023. Pay As You Earn (PAYE),

union dues (NULGE), car refurbishing loans deducted for loans obtained from other councils, retention fees, value-added tax (VAT), withholding tax (WT), and other deductions from staff salaries are all represented by the Deposit Accounts.

SUMMARY

After the deposits have been thoroughly examined, the Council is responsible for making sure the beneficiaries receive their money back. Any deposit whose owner cannot be located or has not made any use of it for more than five years after the repayment deadline should be adjusted to revenue in line with F.M. 24.25(5).

(B) SHORT TERM LOANS

The Local Government Council owed several banks a total of N56,907,781.29 in combined short-term loans and bank overdrafts.

8. BUDGET PERFORMANCE

The Esan Central Local Government Council, Irrua's budget performance for the year that concluded on December 31, 2023, is outlined below:

Description	Approved Estimate 2023 (₦)	Actual Revenue/Expenditure 2023 (₦)	Percentage Performance
REVENUE			
Statutory Allocation	2,730,391,000.00	3,121,554,741.08	114%
Independent Revenue	49,000,000.00	44,623,332.00	185%
EXPENDITURE			
Salary and Wages	437,471,175.88	362,087,561.04	91%
Overhead Cost	561,455,000.00	369,028,650.90	66%
Transferred to SUBEB and other Local Government Entities	1,118,000,000.00	1,601,124,634.08	143%
Capital Expenditure	1,546,526,214.16	685,070,356.45	44%

Observation:

The aforementioned data indicates that 2023's actual performance for capital projects was below average.

SUMMARY

- i) In order to enable the Office of the Auditor-General to monitor and audit capital project performance in accordance with F.M. 1.4(12)(g) and F.M. 39.1(8) and ensure that the Council obtained value for the expenditure, the Local Government Council should always forward contract agreements and other pertinent documents to the office.
- ii) In order to prevent unnecessary budgetary spending, the Local Government Council is also recommended to consistently allocate sufficient funds for transfers to SUBEB and other Local Government Entities.

9. APPROVAL

Sections 92, 93, and 94 of the Edo State Local Government Law 2000, as amended, lawfully authorise all of the expenditures reflected in the Statements of Actual Expenditure for the year ended December 31, 2023.

10. ASSET REVALUATION

The revaluation of assets in accordance with IPSAS has not yet been completed by the Esan Central Local Government Council, Irrua (Accruals).

SUMMARY

In order to correctly portray the assets in the Statement of Financial Position, the Local Government Council should immediately hire pertinent specialists and have their assets revalued in accordance with IPSAS.

11. BUDGETARY PLANNING

The Office of the Auditor-General (Local Governments) should receive copies of the approved budget so that it can track financial performance. The Esan Central Local Government Council, Irrua, is responsible for making sure that the annual budget is prepared on time and in compliance with the National Chart of Accounts, as advised by International Public Sector Accounting Standards (IPSAS).

12. AUDIT QUERIES

The Chairman has already received the audit enquiries regarding the discovered inconsistencies of N54,508,600.00 that are attached to the Audit Inspection Reports on the 2023 accounts for Esan Central Local Government Council, Irrua, so he may take the appropriate action. Note 10 of this report includes specifics on the audit enquiries pertaining to the 2023 accounts.

13. DISALLOWANCE

Allowance has been set aside for the expenses listed in Note 10 of this report and in paragraph 12 above, pending acceptable responses to the questions posed therein.

14. THE overall condition of the accounts and maintaining records

The following highlights the way that accounting books and records are rendered in local government councils:

a) Annual Financial Statement Rendition

In accordance with current legislation, the Local Government Council submitted the 2023 Financial Statements on time. It is praiseworthy that the yearly financial statements were produced on schedule.

b) Maintaining Records

i) Subordinate Ledgers and Books

Subsidiary books were occasionally either not updated or maintained. The appropriate maintenance of subsidiary books of accounts is a responsibility of the Local Government Council. Registers for investments, loans/overdraft, and fixed/mobile assets have to be kept up to date.

ii) Cheque Books

At the conclusion of each month, cash books were not properly balanced, and in certain instances, balances were recorded in pencil rather than ink. Cash books need to be updated on a regular basis from now on.

c) Financial Statements and Underlying Records Reconciliation

i) Several entries in the Departmental Vote Revenue Account (DVRA) and Departmental Vote Expenditure Account (DVEA) Books were missing. As a result, precisely categorising expenses and income into Heads and Sub-Heads became challenging.

ii) During the time under examination, the ledgers for advances and deposits were also not updated. The outstanding balances in the ledgers are inaccurate since certain entries were not submitted to them. As a result, depending solely on the ledgers makes it impossible to precisely ascertain outstanding advances and deposits.

It is recommended that Local Government Council Treasurers oversee the treasury department's employees and make sure that accounting records are updated and reconciled to remove inaccuracies and omissions.

iii) Bank Reconciliation: In accordance with Financial Memoranda 19.23-24, the Esan Central Local Government Council, Irrua, prepared bank reconciliation statements. It's a great effort, and one that ought to continue.

d) Answering Audit Questions

The amount of response to audit enquiries sent to the Esan Central Local Government Council, Irrua, is displayed in Note 10 to the accounts. This serves as a reminder to the Local Government Council to always reply to audit enquiries as soon as possible.

e) Implementing IPSAS

The International Public Sector Accounting Standards have not yet been completely adopted by the Local Government Council (IPSAS). Revaluing the Local Government Council's assets and liabilities and reflecting them in the books of accounts in accordance with IPSAS is urgently required.

Accounting Policies (IPSAS Accrual)

1. Basis for Measurement:

The preparation of these *General-Purpose Financial States (GPFS)* complies with the historical cost convention, IPSAS, and other applicable requirements as specified by pertinent legislation.

2. The foundation of accounting:

These GPFS were created using the accrual method of accounting.

3. Time of Accounting:

According to National Treasury Circular Ref. OAGF/CAD/026/Vol.1/102 on December 30, 2013, the accounting year (fiscal year) runs from January 1 to December 31. The accounting system was designed to divide each accounting year into twelve calendar months, or periods.

4. Currency Reporting:

The GPFS was developed using Naira (Nigeria's currency).

5. Comparative Data:

The *General Purpose Financial Statements* included all the numerical data for the prior time frame.

6. Financial Data:

These numbers come from the approved budget, which was created on a cash basis in compliance with the Local Government Councils' Appropriation Bye-Law.

7. Income from Taxes, Fees, and Fines:

When fees, taxes, and other non-exchange transaction revenue are collected and meet the requirements for asset recognition, they are recorded as revenue. When it is likely that the company will get future economic benefits or service possibilities from the asset and it is reasonably possible to determine the asset's fair value, other non-exchange revenues are recognised.

Additional Operating Profits:

Exchange transactions that take place in the regular course of the entity's operations provide additional operational revenues. The fair value of the payment received or receivable for the sale of goods and services is included in revenues.

Sales of Products:

When the major risks and benefits of ownership have been passed to the buyer, generally with delivery of the products, revenue from the sale of those things is recognised.

Additional Income/Revenue:

Fees, fines, debt forgiveness, commissions, earnings from the sale of assets, and other sources make up other revenue. Any gain or disposal is recorded on the day the asset is turned over to the buyer and is calculated by reducing the asset's carrying value from the proceeds on that date.

8. Changes from Other Governmental Organisations:

When an asset (cash, goods, services, or properties) is received condition-free and there is a reasonable probability that the asset's potential for economic benefit or service will be reliably measured, revenues from non-exchange transactions with other government entities are recognised at fair value.

9. Costs:

All costs are recorded on an accrual basis, which means that regardless of when the money is received, costs are recorded at the time they are incurred or when the associated services are used.

10. Loan Interest:

In the financial performance report (Statement of Financial Performance), interest on loans is accounted for either an expense or a charge. To calculate interest expenditure for each period, interest is accumulated by applying the effective interest rate method to the principle amount owed.

11. Cash Flow Statement:

The direct technique was used to create this statement, which followed the GPFS format. There are three (3) parts in the cash flow statement:

Operating Activities:

These track the cash payments made for the provision of goods and services as well as the cash received by Local Government Councils from all sources of income.

Investing activities are those that have to do with buying and selling non-current assets.

Financial Activities: These include adjustments to the PSE's debt and equity capital structure.

12. Currency and Its Equivalent:

The term "cash and cash equivalent" refers to the amount of cash that is on hand, held in bank accounts, demand deposits, and other highly liquid investments with an initial maturity of three months or less. These investments are made by the entity as part of its daily cash management process, and they are easily convertible into known amounts of cash with little to no risk of value fluctuations. Cash and Cash Equivalent are included in the Statement of Financial Position under Current Assets.

13. Accounts Receivable: Exchange Transaction Receivables

Exchange transaction receivables are first recorded at fair value and then, using the effective interest method, evaluated at amortised cost, minus allowance for impairment. When there is, a receivables impairment provision is created.

Receivables from Transactions Without Exchange:

Receivables from non-exchange transactions include social benefit receivables that don't stem from contracts, as well as fees, taxes, fines, and other penalties related to these activities. These receivables are first valued at face value, or nominal amount; that is, the amount of tax due, levy, fine, etc., is reflected in the receivable. These accounts receivable are first evaluated at face value or nominal amount, meaning that the receivable represents the total amount of taxes due, levies, fines, etc. Following their charging, these receivables are modified for penalties or may be written off due to impairment. The statement of financial performance presents interest and penalties on tax receivables as tax revenue..

14. Advance payments:

Amounts paid in advance of receiving goods or services are referred to as prepaid costs. They signify payments made in one year for benefits to be obtained in other years, or payments made early in the year for benefits to be received throughout the course of the year.

15. Inventory:

- (a): The net realisable value of an inventory is subtracted from its cost.
- (b) The FIFO approach is used to calculate costs.
- (c) Where appropriate, inventories retained for distribution for the benefit of the

public are documented at cost less any prospective loss of services.

(d) In the Financial Position Statement, inventories are included under Current Assets.

16. Awarded Loans:

The approved loans are displayed at their estimated realisable value, which takes into account impairments and bad or dubious debts.

17. Plant, machinery, and equipment:

(a) The historical cost of all PPE is reported, less cumulative depreciation and any impairment losses. Costs directly related to the acquisition of the assets are included in the historical cost.

(b) When an asset is purchased through a non-exchange transaction for nominal or no consideration, it is first recorded in the statement of financial performance at fair value, which is a value that can be consistently ascertained and expressed as income during the PPE's useful life.

(c) The subsequent items are considered PPE expenses:

i) The price paid for the acquisition of these assets as well as any additional pertinent costs associated with restoring the asset to operational condition.

ii) Building expenses, which include labour, supplies, and overhead.

iii) Modifications to current PPE that greatly extend its usable life.

Price:

A piece of PPE's total cost includes the purchase price, import fees, one-time expenses, and any expenditures directly related to relocating and restoring the asset to its original location and state of functionality. The purchase price is calculated after subtracting trade discounts and rebates. PPE are reported at cost or at their expert appraisal less cumulative impairment and depreciation.

Devaluation:

PPE is depreciated according to a straight line method throughout the course of their anticipated useful lifetimes, less any projected residual value, using relevant rates, starting on the date of availability for use.

No.	Item of PPE	Depreciation Rate
A	Leased Property	Over the term of the lease
B	Buildings	2%
C	Investment property	2%
D	Infrastructure	5%
E	Plant and Machinery	10%
F	Transportation Equipment (except K)	20%
G	Office Equipment	25%
H	Furniture and Fittings	20%
I	Specialized Assets (e.g., books, military and paramilitary assets)	10%
J	Bearer Plant	4%
K	Aircraft, ship and train	5%
L	Specific cultural and heritage assets	Unlimited

Assessment:

At the conclusion of each reporting period, the residual values and usable lifetimes of the assets are examined and, if necessary, changed. Revaluation surplus is moved to the revaluation reserve under reserves in the financial situation. If there is a revaluation deficit, it is recorded as an expense in the statement of financial performance or, if there is a surplus on the same class of assets, against the value of the related assets and the corresponding entry to the revaluation reserve.

Disposal Gain or loss resulting from getting rid of a piece of PPE is shown as a surplus or deficit.

Deficit:

When there are signs that a piece of personal protective equipment (PPE) may have been compromised, an impairment test is carried out.

18. Real Estate Investment

These are properties that provide income for a PSE. At first, an investment property is valued at its cost. Investment property is then measured at fair value at the end of the term, and any gain or loss at fair value is recorded as a surplus or deficit.

Income from Investments:

Investment income is defined as the excess or shortfall of rental revenue received or gained from an investment property.

Disposal:

The surplus or deficit represents the gain or loss from the sale of investment property.

19. Non-tangible Resources

These are non-tangible assets that have been created domestically or purchased, and they are stored for usage in order to produce advantages that extend beyond a fiscal year. An intangible asset's total cost includes the acquisition price, non-recurring charges, and any expenses directly related to restoring the asset to its intended condition of use.

20. Deposits:

Resources kept in custody on behalf of third parties make up deposits. Additionally, deposits signify upfront payments for future products and services.

21. Debts and Loans:

Loans are sums of money that are borrowed with an agreed-upon repayment schedule. They are classified as either short-term or long-term loans and are shown as liabilities in the Statement of Financial Position.

22. Unremitted Withheld Taxes:

Money due to third parties, including tax authorities, unions, cooperatives, schemes and organisations, other government agencies, etc., is known as an unremitted deduction. Tax and other at-source deductions are examples of unremitted deductions. The sums are considered as Current Liabilities in the Statement of Financial Position and are reflected in the GPFS at their payback value.

23. Accrued Expenses - Payables

These are sums of money owed to outside parties for products and services obtained.

24. Public Money

These represent the government's financial balances at the conclusion of the fiscal year. The Statement of Financial Position categorises them as Non-Current Liabilities.

25. Reserves:

Reserves such as Surpluses/(Deficits) Reserve, Translation Reserve, Revaluation

Reserve, Fair Value Reserve, and other Reserves are categorised under equity in the Statement of Financial Position.

26. Debts

Initial recognition of borrowings is done at fair value, net of incurred transaction expenses. Following amortisation, borrowings are reported at cost; any discrepancy between proceeds (net of transaction expenses) and redemption value is recognised using the effective interest method in the consolidated statement of financial performance for the duration of the borrowings. The fees incurred for setting up lending facilities are recorded as loan transaction charges. The cost of the charge is capitalised and spread out over the life of the related facility.

27. Assignments to Other Governmental Organisations:

Transfers to other governmental bodies are included as costs in the statement of financial performance as they are non-exchange items.

28. Advances:

According to Edo State Financial Memoranda 16.16, any loans given to Local Government Council employees to carry out projects or make purchases of goods or services on their behalf must be retired by the end of the fiscal year. However, in situations where an advance is made towards the end of the fiscal year or where an advance that has already been made cannot be retired within the fiscal year, the advance and any outstanding amount are included in the Statement of Financial Position.

ESAN CENTRAL LOCAL GOVERNMENT COUNCIL, IRRUA
STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2023

Previous Year Actual 2022 (N)	Description	NCOA Code	Note	Annual Budget (N)	Actual Revenue/ Expenditure (N)	Percentage of Budget Performance
649,996,682.73	Net Assets/Equity As At 1/1/2023 – A			188,045,817.66	741,011,022.02	
	REVENUE					
	<u>Statutory Allocation:</u>					
1,047,617,399.33	Share of Federation Account	110101	1	1,300,000,000.00	876,530,611.94	67%
783,390,073.57	Share of Value Added Tax (VAT)	110102	1	950,000,000.00	1,075,988,174.52	113%
107,427,184.75	Excess Crude Oil and Others	110103	1	480,391,000.00	1,169,035,954.62	243%
1,938,434,657.65	Sub-Total Statutory Allocation – B			2,730,391,000.00	3,121,554,741.08	114%
	<u>Independent Revenue:</u>					
5,150,000.00	Licences General	120201	2	7,200,000.00	130,000.00	2%
29,557,850.00	Fees General	120204	2	24,000,000.00	10,580,000.00	44%
-	Fines General	120205	2	3,792,000.00	10,000.00	0%
9,883,735.00	Sales General	120206	2	144,000.00	-	
-	Earnings General	120207	2	13,824,000.00	33,495,032.00	242%
-	Rent on Government Building General	120208	2	-	160,000.00	
-	Rent on Land and Others General	120211	2	-		
-	Repayment General	120213	2	40,000.00	248,300.00	621%
-	Investment Income	120214	2	-	-	

44,591,585.00	Sub-Total Independent Revenue – C			49,000,000.00	44,623,332.00	91%
2,633,022,925.38	Total Receipts (A+B+C)			2,967,436,817.66	3,907,189,095.10	132%
	EXPENDITURE					
	<u>Recurrent Expenditure:</u>					
343,475,854.24	Salaries and Wages	210101	3	437,471,175.88	362,087,561.04	83%
132,447,214.87	Overhead Cost	220201	4	561,455,000.00	369,028,650.90	66%
1,263,402,089.34	SUBEB and other Transfers to Local Govt. Entities	220701	5	1,118,000,000.00	1,601,124,634.08	143%
-	Depreciation			-	-	
1,739,325,158.45	Sub-Total Recurrent Expenditure: E			2,116,926,175.88	2,332,240,846.02	110%
	<u>Capital Expenditure:</u>					
37,135,700.00	Land and Building General	320101	6	483,950,000.00	210,754,700.00	44%
	Infrastructure General	320102	6	401,750,000.00	182,101,708.00	45%
12,500,000.00	Furniture and Fittings General	320106	6	23,000,000.00	42,587,598.00	185%
103,051,044.96	Intangible Assets	320301	6	637,826,214.16	249,626,350.45	39%
152,686,744.96	Sub-Total Capital Expenditure: F			1,546,526,214.16	685,070,356.45	44%
1,892,011,903.41	Total Expenditure: G = E + F			3,663,452,390.04	3,017,311,202.47	82%
741,011,022.02	Net Assets/Equity As At 31/12/2023				889,877,892.63	
2,633,022,925.43					3,907,189,095.10	

ESAN CENTRAL LOCAL GOVERNMENT COUNCIL, IRRUA
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2023

Description	NCOA Code	Note	2023 (₦)	2023 (₦)	2022 (₦)	2022 (₦)
ASSETS						
<u>Current Assets:</u>						
Cash and Cash Equivalent	310101	7	192,538,358.71		4,934,546.68	
Inventories	310501	7	-		-	
Receivables	310601	7	-		-	
Prepayments	310801	7	-		-	
Total Current Assets: A				192,538,358.71		4,934,546.68
<u>Non-Current Assets:</u>						
Loan Granted (Local Govt. Loan Fund)	311001	7	1,020,035.00		1,020,035.00	
Investments	310901	7	103,199.98		103,199.98	
Property, Plant and Equipment (PPE)	320101	7	422,308,225.86		422,308,225.86	
Investment Properties	320201	7	-		-	
Intangible Assets (Advances)	320301	7	855,325,349.93		855,705,349.93	
Total Non-Current Assets: B				1,278,756,810.77		1,279,136,810.77
Total Assets: C = A+B				1,471,295,169.48		1,284,071,357.45
LIABILITIES						
<u>Current Liabilities:</u>						
Deposits	410101	8	524,509,495.56		486,152,554.14	
Short Term Loans and Debts	410201	8	56,907,781.29		56,907,781.29	
Payables (Accrued Expenses)	410401	8	-		-	
Total Current Liabilities: D				581,417,276.85		543,060,335.43
<u>Non-Current Liabilities:</u>						
Long Term Borrowing	4601/4602	8	-		-	
Total Non-Current Liabilities: E				-		-
Total Liabilities: F = D+E				581,417,276.85		543,060,335.43
Net Assets: G = C-F				889,877,892.63		741,011,022.02
NET ASSETS/EQUITY						
Reserves: H	4701	9	741,011,022.02		-	
Accumulated Surpluses/(Deficits): I	4702	9	148,866,870.61		741,011,022.02	
Total Net Assets/Equity: G = H+I				889,877,892.63		741,011,022.02

ESAN CENTRAL LOCAL GOVERNMENT COUNCIL, IRRUA
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2023

NCOA Code	Details	Note	2023 (N)	2023 (N)	2022 (N)	2022 (N)
	CASH FLOW FROM OPERATING ACTIVITIES:					
	<u>INFLOWS:</u>					
	<u>Statutory Allocations</u>					
110101	Share of Federation Account	1	876,530,611.94		1,047,617,399.33	
110102	Share of Value Added Tax (VAT)	1	1,075,988,174.52		783,390,073.57	
110103	Excess Crude Oil and Others	1	1,169,035,954.62		107,427,184.75	
	Sub-Total Statutory Revenue – A			3,121,554,741.08		1,938,434,657.65
	<u>Independent Revenue</u>					
120201	Licences General	2	130,000.00		5,150,000.00	
120204	Fees General	2	10,580,000.00		29,557,850.00	
120205	Fines General	2	10,000.00		-	
120206	Sales General	2	-		9,883,735.00	
120207	Earnings General	2	33,495,032.00		-	
120208	Rent on Government Buildings General	2	160,000.00		-	
120209	Rent on Land and Others General	2	-		-	
120210	Repayments General	2	248,300.00		-	
120211	Investment Income	2	-		-	
	Sub-Total Independent Revenue – B			44,623,332.00		44,591,585.00
	Total Inflow from Operating Activities C = A+B			3,166,178,073.08		1,983,026,242.65

	<u>OUTFLOWS:</u>					
210101	Salaries and Wages	3	362,087,561.04		343,475,854.24	
220201	Overhead Cost	4	369,028,650.90		132,447,214.87	
220701	SUBEB and other Transfers to Local Government Entities	5	1,601,124,634.08		1,263,402,089.34	
	Depreciation		-		-	
	Total Outflow from Operating Activities – D			2,332,240,846.02		1,739,325,158.45
	Net Cashflow from Operating Activities – E = C-D			833,937,227.06		243,701,084.20
	CASHFLOW FROM INVESTING ACTIVITIES:					
320101	Land and Building General	6	210,754,700.00		37,135,700.00	
320102	Infrastructure General	6	182,101,708.00		-	
320106	Furniture and Fittings General	6	42,587,598.00		12,500,000.00	
320301	Intangible Assets	6	249,626,350.45		103,051,044.96	
	Total Outflow from Investing Activities – F			685,070,356.45		152,686,744.96
	Net Cashflow from Investing Activities – G = E - F			148,866,870.61		91,014,339.24
	CASHFLOW FROM FINANCIAL ACTIVITIES:					
301801	Advances		- 380,000.00		- 16,850,000.00	
410101	Deposits		38,356,941.42		66,499,709.64	
410102	Other Accounts – Loan		-		-	
	Other Accounts – Investment		-		-	
420301	Proceeds from Borrowings		-		-	
	Payment/Charges on Borrowings		-		-	
	Net Cashflow from Financing Activities – H			- 38,736,941.42		- 83,349,709.64
	Net Cashflow from all Activities – I = G - H			187,603,812.03		174,364,048.88
	Cash and Cash Equivalent As At 1/1/2023			4,934,546.68		- 169,429,502.20
	Cash and Cash Equivalent As At 31/12/2023			192,538,358.71		4,934,546.68

NOTES TO THE ACCOUNTS

NOTE 1:				
SCHEDULE OF STATUTORY ALLOCATION TO ESAN CENTRAL LOCAL GOVERNMENT COUNCIL, IRRUA FOR THE YEAR ENDED 31ST DECEMBER, 2023				
Month	Federation Account	Value Added Tax	Others	Total
January	120,154,474.41	77,553,876.30	360,888,011.88	558,596,362.59
February	69,387,988.04	78,161,452.10	28,567,930.64	176,117,370.78
March	66,039,132.08	81,576,317.60	25,699,644.33	173,315,094.01
April	90,017,939.33	72,319,750.29	6,711,886.08	169,049,575.70
May	63,943,818.39	66,685,101.81	22,843,507.89	153,472,428.09
June	96,715,608.26	87,746,791.96	224,905,684.73	409,368,084.95
July	54,221,974.55	93,354,231.68	231,637,459.16	379,213,665.39
August	70,402,492.06	91,269,490.39	58,168,038.19	219,840,020.64
September	55,927,029.61	115,146,772.22	48,977,235.73	220,051,037.56
October	70,534,909.04	91,466,018.35	36,828,683.56	198,829,610.95
November	54,541,426.59	106,103,526.75	53,338,018.19	213,982,971.53
December	64,643,819.58	114,604,845.07	70,469,854.24	249,718,518.89
Total	876,530,611.94	1,075,988,174.52	1,169,035,954.62	3,121,554,741.08

NOTE 2:										
SCHEDULE OF INDEPENDENT REVENUE OF ESAN CENTRAL LOCAL GOVERNMENT COUNCIL, IRRUA FOR THE YEAR, 2023										
Month	120201 Licences General	120204 Fees General	120205 Fines General	120206 Sales General	120207 Earnings General	120208 Rent On Govt. Buildings General	120209 Rent On Land & Others General	120210 Repayments General	120211 Investment Income	Monthly Total
January	10,000.00	1,000,000.00	-	-	-	20,000.00	-	50,000.00	-	1,080,000.00
February	10,000.00	1,000,000.00	-	-	2,000,000.00	10,000.00	-	-	-	3,020,000.00
March	10,000.00	500,000.00	-	-	1,220,000.00	30,000.00	-	-	-	1,760,000.00
April	10,000.00	1,000,000.00	-	-	1,000,000.00	10,000.00	-	40,000.00	-	2,060,000.00
May	10,000.00	580,000.00	-	-	5,000,000.00	20,000.00	-	-	-	5,610,000.00
June	20,000.00	1,000,000.00	-	-	5,000,000.00	10,000.00	-	60,000.00	-	6,090,000.00
July	10,000.00	1,000,000.00	-	-	2,000,000.00	10,000.00	-	50,000.00	-	3,070,000.00
August	10,000.00	1,000,000.00	10,000.00	-	3,495,032.00	10,000.00	-	-	-	4,525,032.00
September	10,000.00	1,000,000.00	-	-	5,000,000.00	10,000.00	-	-	-	6,020,000.00
October	10,000.00	500,000.00	-	-	5,000,000.00	10,000.00	-	-	-	5,520,000.00
November	10,000.00	1,000,000.00	-	-	3,500,000.00	10,000.00	-	48,300.00	-	4,568,300.00
December	10,000.00	1,000,000.00	-	-	280,000.00	10,000.00	-	-	-	1,300,000.00
Total	130,000.00	10,580,000.00	10,000.00	-	33,495,032.00	160,000.00	-	248,300.00	-	44,623,332.00

NOTE: 3 SCHEDULE OF SALARIES AND WAGES OF ESAN CENTRAL LOCAL GOVERNMENT, IRRUA FOR THE YEAR ENDED

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
21010101	Office of the Chairman	32,334,000.00	9,414,013.39	29%
21010102	The Council (Legislative)	16,000,000.00	8,566,334.15	54%
21010103	Personnel Management	128,691,228.49	166,522,398.72	129%
21010104	Internal Audit	6,505,224.05	7,072,593.66	109%
21010105	Information	4,498,421.90	4,305,588.39	96%
21010106	Office of the Head of LGA	-	-	
21010107	Agriculture and National Resources	6,625,501.64	9,699,956.71	146%
21010108	Finance and Supply	29,075,504.26	23,458,881.12	81%
21010109	Budget, Planning & Statistics	8,990,313.72	7,919,835.07	88%
2101010	Revenue	18,476,753.20	21,860,825.14	118%
2101011	Works and Housing	43,989,233.45	47,751,768.41	109%
2101012	Procurement	5,296,921.93	3,243,431.60	61%
2101013	Legal Services	5,318,137.67	4,106,363.99	77%
2101014	Youth, Women & Social Development	21,310,139.58	28,525,628.78	134%
2101015	Primary Health Care	-	-	
2101016	Environment	26,466,111.51	11,516,595.83	44%
2101017	Water and Sanitary Hygiene	7,904,122.19	8,123,346.08	103%
	Total	361,481,613.59	362,087,561.04	100%

NOTE: 4 SCHEDULE OF OVERHEAD COST OF ESAN CENTRAL LOCAL GOVERNMENT, IRRUA FOR THE YEAR 2023

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
22020101	Office of the Chairman	101,000,000.00	18,448,100.00	18%
22020102	The Council (Legislative)	53,000,000.00	3,717,000.00	7%
22020103	Personnel Management (Admin)	113,100,000.00	151,225,902.00	134%
22020104	Internal Audit	2,700,000.00	928,000.00	34%
22020105	Information	7,150,000.00	6,850,000.00	96%
22020106	Office of the Head of LGA	47,100,000.00	45,909,793.00	97%
22020107	Agriculture and National Resources	12,650,000.00	15,986,000.00	126%
22020108	Finance and Supply	26,600,000.00	13,424,106.60	50%
22020109	Budget, Planning & Statistics	4,600,000.00	5,860,000.00	127%
22020110	Procurement	9,300,000.00	17,950,000.00	193%
22020111	Revenue	8,150,000.00	14,434,019.00	177%
22020112	Works & Housing	26,300,000.00	1,097,500.00	4%
22020113	Legal Services	3,300,000.00	2,785,000.00	84%
22020114	Social Development	61,150,000.00	48,432,500.00	79%
22020115	Primary Health Care	70,750,000.00	14,947,730.30	21%
22020116	Environment	13,305,000.00	3,400,000.00	26%
22020117	Water and Sanitary Hygiene	1,300,000.00	3,633,000.00	279%
22020118	Contribution to LG Service Commission	-	-	
	Total	561,455,000.00	369,028,650.90	66%

NOTE 5: SCHEDULE OF TRANSFERS TO SUBEB AND OTHER LOCAL GOVERNMENT ENTITIES IN ESAN CENTRAL LOCAL GOVERNMENT, IRRUA					
Month	Deductions for Mandatory Expenditure				Total
	Subvention to LGEA (SUBEB)	Total Salary for Teaching and LGEAs	5% Traditional Council	Other Transfers to Local Govt. Entities	
January	290,699.10	59,087,767.84	10,670,185.84	72,931,567.42	142,980,220.20
February	290,699.10	56,660,735.64	8,805,868.53	64,554,929.38	130,312,232.65
March	290,699.10	57,061,845.37	8,665,754.70	69,877,248.57	135,895,547.74
April	290,699.10	54,080,235.21	8,452,478.79	67,617,057.43	130,440,470.53
May	290,699.10	52,964,807.22	7,673,621.40	59,158,791.21	120,087,918.93
June	290,699.10	52,544,681.09	9,568,880.66	67,859,805.70	130,264,066.55
July	290,699.10	71,585,932.37	10,529,602.50	83,080,380.73	165,486,614.70
August	290,699.10	51,575,610.15	10,992,001.03	61,744,384.96	124,602,695.24
September	290,699.10	52,629,973.73	11,002,551.87	61,355,067.00	125,278,291.70
October	290,699.10	52,364,314.17	9,941,480.54	67,570,118.81	130,166,612.62
November	290,699.10	53,102,905.40	10,699,148.57	64,298,135.36	128,390,888.43
December	290,699.10	51,672,200.87	12,485,925.94	72,770,248.88	137,219,074.79
Total	3,488,389.20	665,331,009.06	119,487,500.37	812,817,735.45	1,601,124,634.08

NOTE 6: SCHEDULE OF CAPITAL EXPENDITURE OF ESAN CENTRAL LOCAL GOVERNMENT, IRRUA FOR THE YEAR ENDED 31ST DECEMBER, 2023					
Month	Land & Building General 320101	Infrastructure General 320102	Furniture & Fittings 320106	Intangible Assets 320301	Monthly Total
January	13,000,000.00	5,000,000.00	3,000,000.00	13,500,000.00	34,500,000.00
February	15,000,000.00	10,000,000.00	2,000,000.00	15,500,000.00	42,500,000.00
March	9,500,000.00	15,000,000.00	3,000,000.00	19,000,000.00	46,500,000.00
April	7,500,000.00	15,101,708.00	4,000,000.00	18,000,000.00	44,601,708.00
May	12,000,000.00	30,000,000.00	3,000,000.00	12,500,000.00	57,500,000.00
June	20,000,000.00	20,000,000.00	5,587,598.00	21,000,000.00	66,587,598.00
July	15,000,000.00	20,000,000.00	5,000,000.00	18,126,350.45	58,126,350.45
August	25,000,000.00	20,000,000.00	3,000,000.00	26,000,000.00	74,000,000.00
September	30,000,000.00	12,000,000.00	5,000,000.00	35,000,000.00	82,000,000.00
October	20,000,000.00	15,000,000.00	3,000,000.00	20,000,000.00	58,000,000.00
November	30,000,000.00	15,000,000.00	3,000,000.00	21,000,000.00	69,000,000.00
December	13,754,700.00	5,000,000.00	3,000,000.00	30,000,000.00	51,754,700.00
Total	210,754,700.00	182,101,708.00	42,587,598.00	249,626,350.45	685,070,356.45

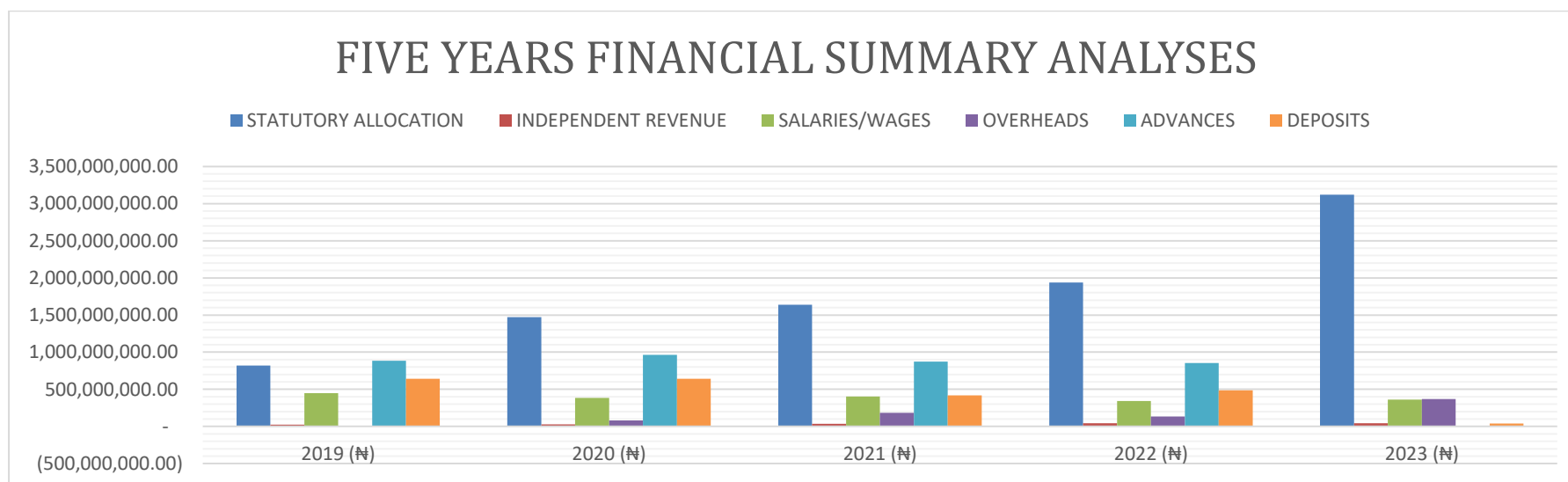
NOTE 7:	
CURRENT AND NON-CURRENT ASSETS AS AT 31ST DECEMBER, 2023	
Cash and Cash Equivalent	192,538,358.71
Inventories	-
Loans Granted	1,020,035.00
Investments	103,199.98
Property, Plant and Equipment(PPE)	422,308,225.86
Advances	855,325,349.93
Total Assets	₱ 1,471,295,169.48

NOTE 8:	
CURRENT AND NON-CURRENT LIABILITIES AS AT 31ST DECEMBER, 2023	
Deposits	524,509,495.56
Loans/Debts	56,907,781.29
Payables	-
Long Term Borrowings	-
Total Liabilities	₱ 581,417,276.85

NOTE 9:	
CAPITAL RESERVES	
Reserves as at 1/1/2023	741,011,022.02
Accumulated Surpluses/Deficits for the Year	148,866,870.61
Net Assets/Equity as at 31/12/2023	₱ 889,877,892.63

NOTE 10:					
DETAILS OF AUDIT QUERIES ISSUED TO ESAN CENTRAL LOCAL GOVERNMENT COUNCIL, IRRUA IN RESPECT OF 2023 ACCOUNTS					
S/No.	Query Number	P.V. No./Date	Reason	Amount (₦)	Remark
	<u>Outstanding:</u>				
1.	AQ/ECLG/IRR/2/2021	Various	Irregular Expenditure	3,000,000.00	Unresolved
2.	AQ/ECLG/IRR/3/2021	Various	Irregular Expenditure	11,250,000.00	Unresolved
3.	AQ/ECLG/IRR/4/2021	82/Jul/2021	Irregular Expenditure	3,000,000.00	Unresolved
4.	AQ/ECLG/IRR/1/2022	Various	Irregular Expenditure	6,200,000.00	Unresolved
5.	AQ/ECLG/IRR/2/2022	2/Feb/2022	Unreasonable Expenditure	2,500,000.00	Unresolved
6.	AQ/ECLG/IRR/3/2022	Various	Irregular Expenditure	5,000,000.00	Unresolved
7.	AQ/ECLG/IRR/4/2022	21/Aug/2022	Irregular Expenditure	4,000,000.00	Unresolved
	Sub-Total			34,950,000.00	
	<u>Current Year:</u>				
1.	AQ/ECLG/IRR/1/2023	Various	Irregular Expenditure	4,620,000.00	Under Correspondence
2.	AQ/ECLG/IRR/2/2023	Various	Irregular Expenditure	4,500,000.00	Under Correspondence
3.	AQ/ECLG/IRR/3/2023	Various	Unreceipted Payments	6,327,000.00	Under Correspondence
4.	AQ/ECLG/IRR/4/2023	29/Aug/2023	Irregular Expenditure	4,111,600.00	Under Correspondence
	Sub-Total			19,558,600.00	
	Grand Total			54,508,600.00	

ESAN CENTRAL LOCAL GOVERNMENT COUNCIL, IRRUA							
FIVE YEARS FINANCIAL SUMMARY ANALYSES							
S/N		2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)	2023 (₦)	TOTAL (₦)
1	STATUTORY ALLOCATION	819,012,014.88	1,472,967,544.16	1,637,571,799.09	1,938,434,657.65	3,121,554,741.08	8,989,540,756.86
2	INDEPENDENT REVENUE	26,000,300.00	29,658,533.42	33,875,441.50	44,591,585.00	44,623,332.00	178,749,191.92
3	SALARIES/WAGES	450,040,188.21	383,469,929.95	403,021,258.65	343,475,854.24	362,087,561.04	1,942,094,792.09
4	OVERHEADS	10,193,566.00	79,691,536.48	183,906,695.00	132,447,214.87	369,028,650.90	775,267,663.25
5	ADVANCES	884,714,499.43	965,404,749.93	872,555,349.93	855,705,349.93	- 380,000.00	3,577,999,949.22
6	DEPOSITS	641,454,011.59	640,451,778.31	419,652,844.50	486,152,554.14	38,356,941.42	2,226,068,129.96
	TOTAL	2,831,414,580.11	3,571,644,072.25	3,550,583,388.67	3,800,807,215.83	3,935,271,226.44	17,689,720,483.30





ESAN NORTH EAST LOCAL GOVERNMENT

URUMI, EDO STATE

Our ref:
Your Ref:


Date :

STATEMENT OF FINANCIAL RESPONSIBILITY

RESPONSIBILITY FOR FINANCIAL STATEMENTS

These Financial Statements have been prepared by the Director of Finance and Accounts of ESAN NORTH EAST Local Government Council, URUMI in accordance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS. The Financial Statements complied with generally accepted accounting practice.

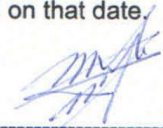
The Director of Finance and Accounts is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly recorded the use of all public financial resources by the Local Government Council. To the best of my knowledge, this system of internal control has operated adequately throughout the reporting period.


IRABOR J. PROMOSELE
Director of Finance and Accounts

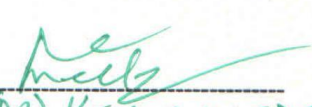
24/6/24
Date

We accept responsibility for the integrity of these Financial Statements, the information they contain and their compliance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS.

In our opinion, these financial statements fairly reflect the financial position of ESAN NORTH EAST Local Government Council, URUMI as at 31st December 2023 and its operations for the year ended on that date.


AYD UDIEGUONIE MICHAEL
Head of Local Government Administration

24/6/24
Date


Hon (Dr) KELLY INEDEGBOR
Chairman

24/6/24
Date



OFFICE OF THE AUDITOR-GENERAL (LOCAL GOVERNMENTS)
19 BOUNDARY ROAD, G.R.A.
P.M.B. 1128
BENIN CITY
EDO STATE OF NIGERIA

REPORT OF THE STATE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS
TO THE MEMBERS OF THE EDO STATE HOUSE OF ASSEMBLY

The Financial Statements of Esan North East Local Government Council, Uromi for the year ended 31st December 2023 as contained in this report prepared under the International Public Sector Accounting Standards (IPSAS) Accrual accounting framework and on the basis of Accounting Policies detailed in the Financial Statements have been audited as required by the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended.

RESPONSIBILITY OF THE DIRECTOR OF FINANCE AND ACCOUNTS

The Director of Finance and Accounts to Esan North East Local Government Council, Uromi is responsible for the preparation and presentation of the Financial Statements in accordance with the Finance (Control and management) Act 1958 as amended. He is to ensure that there are no material misstatements in the Financial Statements.

AUDITOR-GENERAL'S RESPONSIBILITY

It is my statutory responsibility to form an independent opinion based on the audit of the Financial Statements and to report thereon.

BASIS OF OPINION

The audit was conducted in accordance with International Standards on Auditing (ISA) as applicable to the public sector, International Organization of Supreme Audit Institutions (INTOSAI), Auditing Standards, the provisions of the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended. The audit includes examination on a test basis of evidence relevant to the figures disclosed in the Financial Statements. It also includes an assessment of significant estimates and judgments made by the Council in the preparation of the Financial Statements and whether the accounting policies were appropriate in the Council's circumstances, consistently applied and adequately disclosed. The audit was planned and performed to obtain all information and explanations considered necessary to have reasonable assurance that the Financial Statements are free from material misstatements. I have not obtained all the information and explanations that I required.

OPINION

In my opinion, the Financial Statement of Esan North East Local Government Council, Uromi for the year ended 31st December 2023 show a true and fair view of the Council's state of financial position, performance and of the cashflow in accordance with all legal and regulatory frameworks, subject to the observations and comments contained in this report.

S.O. Johnson, FCA, ACTI, FIMC, FCCSA
(FRC/2022/PRO/ICAN004/188858)
Auditor-General (Local Governments)
Edo State,

28th June, 2024

AUDITOR-GENERAL'S REPORT FOR LOCAL GOVERNMENTS, EDO STATE
GENERAL DISCLOSURES AND ENQUIRIES REGARDING THE ESAN NORTH
EAST LOCAL GOVERNMENT COUNCIL, UROMI ACCOUNTS FOR THE YEAR
ENDED DECEMBER 31, 2023

1. REVENUE

The Esan North East Local Government Council received N3,306,046,288.68 in income for the year that concluded on December 31, 2023. Of this amount, N89,862,024.00 represented independent revenue, while N3,216,184,264.68 was obtained as statutory allocations from the federation account. For more information, see Notes 1 and 2.

SUMMARY

Throughout the time under review, the Local Government Council remained mostly dependent on funding from the Federation Account. To lessen an excessive reliance on statutory allocations, the Local Government Council is urged to examine its own internal operations and devise strategies to increase money produced internally.

2. SLGJAAC ALLOCATIONS TO LOCAL GOVERNMENT COUNCILS ARE COMPLETE

The entire amount of N3,216,184,264.68 that was accrued from the federation account to the Esan North East Local Government Councils, Uromi as statutory allocations during the period under review was received by the Council in full and was included in the Financial Statements for the year that ended on December 31, 2023. This information was obtained from source documents from the Edo State Ministry of Local Government Affairs. For more information, see Note 1.

3. EXPENDITURE

Esan North East Local Government Council, Uromi spent N489,176,492.17 on salaries and wages during the review period. Additionally, N161,855,855.00 was spent on overhead, and N1,720,630,509.15 was sent to SUBEB and other local government entities. The year's capital outlay came to N783,156,643.57.

4. CASH AND CASH EQUIVALENT

As of December 31, 2023, Esan North East Local Government Council, Uromi has N90,045,527.22 in cash and financial equivalents. In violation of Financial Memoranda 19:23-30, the Local Government Council failed to compile bank reconciliation statements or provide bank statements to the Council during the time under review. The absence of these crucial records indicates that there was a

discrepancy between the amounts in the cash book and the associated bank accounts.

SUMMARY

It is accordingly recommended that the Local Government Council always create monthly bank reconciliation statements in accordance with Financial Memoranda 19:23-30 and promptly provide the completed paperwork to this office.

5. GENERAL INVESTMENTS

As of December 31, 2023, Esan North East Local Government Council, Uromi has N40,967.56 in investments. Due to the Council's failure to keep investment registers or ledgers, the investments were not appropriately documented. Consequently, it was not feasible to confirm the investments and determine their current valuations.

SUMMARY

The Local Government Council should conduct an investigation into the investments' current state in order to determine their existence, viability, and valuations. It is necessary to reassess all investments, write off any that are no longer in operation, and declare any that are at fair market value.

6. LIABILITIES:

(A) DEPOSITS

The Esan North East Local Government Council, Uromi, has N 281,065,289.27 outstanding in its deposit accounts as of December 31, 2023. The Deposit Accounts show different deductions made from employee salaries, such as Pay As You Earn (PAYE), union dues (NULGE), car refurbishing loans deducted for loans from other councils, and retention fees, value-added tax (VAT), withholding tax (WT), etc. from payments made to contractors.

SUMMARY

After the deposits have been thoroughly examined, the Council is responsible for making sure the beneficiaries receive their money back. Any deposit whose owner cannot be located or has not made any use of it for more than five years after the repayment deadline should be adjusted to revenue in line with F.M. 24.25(5).

(B) SHORT TERM LOANS

The Local Government Council owed several banks a total of N38,324,609.30 in combined short-term loans and bank overdrafts.

7. EXPENDITURE PERFORMANCE

The following summarises the budget performance for the Esan North East Local Government Council, Uromi for the year that concluded on December 31, 2023:

Description	Approved Estimate 2023 (₦)	Actual Revenue/Expenditure 2023 (₦)	Percentage Performance
<u>REVENUE</u>			
Statutory Allocation	3,510,500,000.00	3,216,185,264.68	92%
Independent Revenue	148,900,000.00	89,862,024.00	60%
<u>EXPENDITURE</u>			
Salary and Wages	934,500,000.00	489,176,492.17	52%
Overhead Cost	416,960,000.00	161,855,855.00	39%
Transferred to SUBEB and other Local Government Entities	1,131,650,000.00	1,720,630,509.15	152%
Capital Expenditure	988,360,000.00	783,156,643.57	79%

ASSESSMENT

The information above shows that capital projects for 2023 had excellent real performance.

SUMMARY

- i) In order to enable the Office of the Auditor-General to monitor and audit capital project performance in accordance with F.M. 1.4(12)(g) and F.M. 39.1(8) and ensure that the Council obtained value for the expenditure, the Local Government Council should always forward contract agreements and other pertinent documents to the office.
- ii) In order to prevent unnecessary budgetary spending, the Local Government Council is also recommended to consistently allocate sufficient funds for transfers to SUBEB and other Local Government Entities.

8. APPROVAL

Sections 92, 93, and 94 of the Edo State Local Government Law 2000, as amended, lawfully authorise all of the expenditures reflected in the Statements of Actual Expenditure for the year ended December 31, 2023.

9. ASSET REVALUATION

The IPSAS-compliant asset appraisal has not yet been completed by the Esan North East Local Government Council in Uromi (Accruals).

SUMMARY

In order to correctly portray the assets in the Statement of Financial Position, the Local Government Council should immediately hire pertinent specialists and have their assets revalued in accordance with IPSAS.

10. BUDGETARY PLANNING

In order for the Office of the Auditor-General (Local Governments) to be able to track financial performance, copies of the approved budget must be sent to the council. Esan North East Local Government Council, Uromi is responsible for making sure that the annual budget is prepared on time and in compliance with the National Chart of Accounts as advised by International Public Sector Accounting Standards (IPSAS).

11. AUDIT QUERIES

The Chairman has already received the audit enquiries regarding the discovered inconsistencies of N412,319,972.98 that are attached to the Audit Inspection Reports on the 2023 accounts for the Esan North East Local Government Council, Uromi, so that appropriate action may be taken. Note 10 of this report includes specifics on the audit enquiries pertaining to the 2023 accounts.

12. DISALLOWANCE

Allowance has been set aside for the expenses listed in Note 10 of this report and in paragraph 12 above, pending acceptable responses to the questions posed therein.

13. OVERALL ACCOUNT STATUS AND RECORD KEEPING

The following highlights the way that accounting books and records are rendered in local government councils:

a) Annual Financial Statement Rendition

In accordance with current legislation, the Local Government Council submitted the 2023 Financial Statements on time. It is praiseworthy that the yearly financial statements were produced on schedule.

b) Maintaining Records

i) Subordinate Ledgers and Books

Subsidiary books were occasionally either not updated or maintained. The appropriate maintenance of subsidiary books of accounts is a responsibility of the Local Government Council. Registers for investments, loans/overdraft, and fixed/mobile assets have to be kept up to date.

ii) Cheque Books

At the conclusion of each month, cash books were not properly balanced, and in certain instances, balances were recorded in pencil rather than ink. Cash books need to be updated on a regular basis from now on.

c) Financial Statements and Underlying Records Reconciliation

i) Several entries in the Departmental Vote Revenue Account (DVRA) and Departmental Vote Expenditure Account (DVEA) Books were missing. As a result, precisely categorising expenses and income into Heads and Sub-Heads became challenging.

ii) During the time under examination, the ledgers for advances and deposits were also not updated. The outstanding balances in the ledgers are inaccurate since certain entries were not submitted to them. As a result, depending solely on the ledgers makes it impossible to precisely ascertain outstanding advances and deposits.

It is recommended that Local Government Council Treasurers oversee the treasury department's employees and make sure that accounting records are updated and reconciled to remove inaccuracies and omissions.

iii) Reconciliation in Bank

Financial Memoranda 19.23-24 require Esan North East Local Government Council, Uromi to provide bank reconciliation statements, which they have consistently failed to do. The Local Government Council must immediately prepare monthly bank reconciliation statements in accordance with F.M. 19.23-24.

d) Answering Audit Questions

The amount of response to audit enquiries sent to the Esan North East Local Government Council, Uromi, is displayed in Note 10 to the accounts. This serves as a reminder to the Local Government Council to always reply to audit enquiries as soon as possible.

e) Implementing IPSAS

The International Public Sector Accounting Standards have not yet been completely adopted by the Local Government Council (IPSAS). Revaluing the Local Government Council's assets and liabilities and reflecting them in the books of accounts in accordance with IPSAS is urgently required.

Accounting Policies (IPSAS Accrual)

1. Basis for Measurement:

The preparation of these *General-Purpose Financial States (GPFS)* complies with the historical cost convention, IPSAS, and other applicable requirements as specified by pertinent legislation.

2. The foundation of accounting:

These *GPFS* were created using the accrual method of accounting.

3. Time of Accounting:

According to National Treasury Circular Ref. OAGF/CAD/026/Vol.1/102 on December 30, 2013, the accounting year (fiscal year) runs from January 1 to December 31. The accounting system was designed to divide each accounting year into twelve calendar months, or periods.

4. Currency Reporting:

The *GPFS* was developed using Naira (Nigeria's currency).

5. Comparative Data:

The *General Purpose Financial Statements* included all the numerical data for the prior time frame.

6. Financial Data:

These numbers come from the approved budget, which was created on a cash basis in compliance with the Local Government Councils' Appropriation Bye-Law.

7. Income from Taxes, Fees, and Fines:

When fees, taxes, and other non-exchange transaction revenue are collected and meet the requirements for asset recognition, they are recorded as revenue. When it is likely that the company will get future economic benefits or service possibilities from the asset and it is reasonably possible to determine the asset's fair value, other non-exchange revenues are recognised.

Additional Operating Profits:

Exchange transactions that take place in the regular course of the entity's operations provide additional operational revenues. The fair value of the payment received or receivable for the sale of goods and services is included in revenues.

Sales of Products:

When the major risks and benefits of ownership have been passed to the buyer, generally with delivery of the products, revenue from the sale of those things is recognised.

Additional Income/Revenue:

Fees, fines, debt forgiveness, commissions, earnings from the sale of assets, and other sources make up other revenue. Any gain or disposal is recorded on the day the asset is turned over to the buyer and is calculated by reducing the asset's carrying value from the proceeds on that date.

8. Changes from Other Governmental Organisations:

When an asset (cash, goods, services, or properties) is received condition-free and there is a reasonable probability that the asset's potential for economic benefit or service will be reliably measured, revenues from non-exchange transactions with other government entities are recognised at fair value.

9. Costs:

All costs are recorded on an accrual basis, which means that regardless of when the money is received, costs are recorded at the time they are incurred or when the associated services are used.

10. Loan Interest:

In the financial performance report (Statement of Financial Performance), interest on loans is accounted for either an expense or a charge. To calculate interest expenditure for each period, interest is accumulated by applying the effective interest rate method to the principle amount owed.

11. Cash Flow Statement:

The direct technique was used to create this statement, which followed the GPFS format. There are three (3) parts in the cash flow statement:

Operating Activities:

These track the cash payments made for the provision of goods and services as well as the cash received by Local Government Councils from all sources of income.

Investing activities are those that have to do with buying and selling non-current assets.

Financial Activities: These include adjustments to the PSE's debt and equity capital structure.

12. Currency and Its Equivalent:

The term "cash and cash equivalent" refers to the amount of cash that is on hand, held in bank accounts, demand deposits, and other highly liquid investments with an initial maturity of three months or less. These investments are made by the entity as part of its daily cash management process, and they are easily convertible into known amounts of cash with little to no risk of value fluctuations. Cash and Cash Equivalent are included in the Statement of Financial Position under Current Assets.

13. Accounts Receivable: Exchange Transaction Receivables

Exchange transaction receivables are first recorded at fair value and then, using the effective interest method, evaluated at amortised cost, minus allowance for impairment. When there is, a receivables impairment provision is created.

Receivables from Transactions Without Exchange:

Receivables from non-exchange transactions include social benefit receivables that don't stem from contracts, as well as fees, taxes, fines, and other penalties related to these activities. These receivables are first valued at face value, or nominal amount; that is, the amount of tax due, levy, fine, etc., is reflected in the receivable. These accounts receivable are first evaluated at face value or nominal amount, meaning that the receivable represents the total amount of taxes due, levies, fines, etc. Following their charging, these receivables are modified for penalties or may be written off due to impairment. The statement of financial performance presents interest and penalties on tax receivables as tax revenue..

14. Advance payments:

Amounts paid in advance of receiving goods or services are referred to as prepaid costs. They signify payments made in one year for benefits to be obtained in other years, or payments made early in the year for benefits to be received throughout the course of the year.

15. Inventory:

- (a): The net realisable value of an inventory is subtracted from its cost.
- (b) The FIFO approach is used to calculate costs.
- (c) Where appropriate, inventories retained for distribution for the benefit of the

public are documented at cost less any prospective loss of services.

(d) In the Financial Position Statement, inventories are included under Current Assets.

16. Awarded Loans:

The approved loans are displayed at their estimated realisable value, which takes into account impairments and bad or dubious debts.

17. Plant, machinery, and equipment:

(a) The historical cost of all PPE is reported, less cumulative depreciation and any impairment losses. Costs directly related to the acquisition of the assets are included in the historical cost.

(b) When an asset is purchased through a non-exchange transaction for nominal or no consideration, it is first recorded in the statement of financial performance at fair value, which is a value that can be consistently ascertained and expressed as income during the PPE's useful life.

(c) The subsequent items are considered PPE expenses:

i) The price paid for the acquisition of these assets as well as any additional pertinent costs associated with restoring the asset to operational condition.

ii) Building expenses, which include labour, supplies, and overhead.

iii) Modifications to current PPE that greatly extend its usable life.

Price:

A piece of PPE's total cost includes the purchase price, import fees, one-time expenses, and any expenditures directly related to relocating and restoring the asset to its original location and state of functionality. The purchase price is calculated after subtracting trade discounts and rebates. PPE are reported at cost or at their expert appraisal less cumulative impairment and depreciation.

Devaluation:

PPE is depreciated according to a straight line method throughout the course of their anticipated useful lifetimes, less any projected residual value, using relevant rates, starting on the date of availability for use.

No.	Item of PPE	Depreciation Rate
A	Leased Property	Over the term of the lease
B	Buildings	2%
C	Investment property	2%
D	Infrastructure	5%
E	Plant and Machinery	10%
F	Transportation Equipment (except K)	20%
G	Office Equipment	25%
H	Furniture and Fittings	20%
I	Specialized Assets (e.g., books, military and paramilitary assets)	10%
J	Bearer Plant	4%
K	Aircraft, ship and train	5%
L	Specific cultural and heritage assets	Unlimited

Assessment:

At the conclusion of each reporting period, the residual values and usable lifetimes of the assets are examined and, if necessary, changed. Revaluation surplus is moved to the revaluation reserve under reserves in the financial situation. If there is a revaluation deficit, it is recorded as an expense in the statement of financial performance or, if there is a surplus on the same class of assets, against the value of the related assets and the corresponding entry to the revaluation reserve.

Disposal Gain or loss resulting from getting rid of a piece of PPE is shown as a surplus or deficit.

Deficit:

When there are signs that a piece of personal protective equipment (PPE) may have been compromised, an impairment test is carried out.

18. Real Estate Investment

These are properties that provide income for a PSE. At first, an investment property is valued at its cost. Investment property is then measured at fair value at the end of the term, and any gain or loss at fair value is recorded as a surplus or deficit.

Income from Investments:

Investment income is defined as the excess or shortfall of rental revenue received or gained from an investment property.

Disposal:

The surplus or deficit represents the gain or loss from the sale of investment property.

19. Non-tangible Resources

These are non-tangible assets that have been created domestically or purchased, and they are stored for usage in order to produce advantages that extend beyond a fiscal year. An intangible asset's total cost includes the acquisition price, non-recurring charges, and any expenses directly related to restoring the asset to its intended condition of use.

20. Deposits:

Resources kept in custody on behalf of third parties make up deposits. Additionally, deposits signify upfront payments for future products and services.

21. Debts and Loans:

Loans are sums of money that are borrowed with an agreed-upon repayment schedule. They are classified as either short-term or long-term loans and are shown as liabilities in the Statement of Financial Position.

22. Unremitted Withheld Taxes:

Money due to third parties, including tax authorities, unions, cooperatives, schemes and organisations, other government agencies, etc., is known as an unremitted deduction. Tax and other at-source deductions are examples of unremitted deductions. The sums are considered as Current Liabilities in the Statement of Financial Position and are reflected in the GPFS at their payback value.

23. Accrued Expenses - Payables

These are sums of money owed to outside parties for products and services obtained.

24. Public Money

These represent the government's financial balances at the conclusion of the fiscal year. The Statement of Financial Position categorises them as Non-Current Liabilities.

25. Reserves:

Reserves such as Surpluses/(Deficits) Reserve, Translation Reserve, Revaluation

Reserve, Fair Value Reserve, and other Reserves are categorised under equity in the Statement of Financial Position.

26. Debts

Initial recognition of borrowings is done at fair value, net of incurred transaction expenses. Following amortisation, borrowings are reported at cost; any discrepancy between proceeds (net of transaction expenses) and redemption value is recognised using the effective interest method in the consolidated statement of financial performance for the duration of the borrowings. The fees incurred for setting up lending facilities are recorded as loan transaction charges. The cost of the charge is capitalised and spread out over the life of the related facility.

27. Assignments to Other Governmental Organisations:

Transfers to other governmental bodies are included as costs in the statement of financial performance as they are non-exchange items.

28. Advances:

According to Edo State Financial Memoranda 16.16, any loans given to Local Government Council employees to carry out projects or make purchases of goods or services on their behalf must be retired by the end of the fiscal year. However, in situations where an advance is made towards the end of the fiscal year or where an advance that has already been made cannot be retired within the fiscal year, the advance and any outstanding amount are included in the Statement of Financial Position.

ESAN NORTH EAST LOCAL GOVERNMENT COUNCIL, UROMI						
STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2023						
Previous Year Actual 2022 (N)	Description	NCOA Code	Note	Annual Budget (N)	Actual Revenue/ Expenditure (N)	Percentage of Budget Performance
231,963,457.41	Net Assets/Equity As At 1/1/2023 – A			-	- 385,126,546.06	
	REVENUE					
	<u>Statutory Allocation:</u>					
1,078,592,229.74	Share of Federation Account	110101	1	2,210,500,000.00	902,651,778.82	41%
807,531,543.42	Share of Value Added Tax (VAT)	110102	1	450,000,000.00	1,109,220,420.99	246%
110,722,682.91	Excess Crude Oil and Others	110103	1	850,000,000.00	1,204,312,064.87	142%
1,996,846,456.07	Sub-Total Statutory Allocation – B			3,510,500,000.00	3,216,184,264.68	92%
	<u>Independent Revenue:</u>					
1,660,920.00	Licences General	120201	2	7,700,000.00	346,000.00	4%
92,751,543.53	Fees General	120204	2	110,200,000.00	71,290,010.00	65%
	Fines General	120205	2	1,500,000.00	1,271,000.00	85%
-	Sales General	120206	2	-	-	
37,549,842.27	Earnings General	120207	2	29,500,000.00	16,955,014.00	57%
-	Rent on Government Building General	120208	2	-	-	
-	Rent on Land and Others General	120211	2	-	-	
-	Repayment General	120213	2	-	-	
-	Investment Income	120214	2	-	-	

131,962,305.80	Sub-Total Independent Revenue – C			148,900,000.00	89,862,024.00	60%
2,360,772,219.28	Total Receipts (A+B+C)			3,659,400,000.00	2,920,919,742.62	80%
	EXPENDITURE					
	<u>Recurrent Expenditure:</u>					
472,796,375.85	Salaries and Wages	210101	3	934,500,000.00	489,176,492.17	52%
160,758,051.27	Overhead Cost	220201	4	416,960,000.00	161,855,855.00	39%
1,373,901,825.36	SUBEB and other Transfers to Local Govt. Entities	220701	5	1,131,650,000.00	1,720,630,509.15	152%
-	Depreciation			-	-	
2,007,456,252.48	Sub-Total Recurrent Expenditure: E			2,483,110,000.00	2,371,662,856.32	96%
	<u>Capital Expenditure:</u>					
70,969,228.02	Land and Building General	320101	6	358,360,000.00	372,634,567.00	104%
518,922,415.29	Infrastructure General	320102	6	480,000,000.00	198,377,026.61	41%
48,146,169.46	Furniture and Fittings General	320106	6	43,950,000.00	46,322,949.97	105%
100,404,700.09	Intangible Assets	320301	6	106,050,000.00	165,822,099.99	156%
738,442,512.86	Sub-Total Capital Expenditure: F			988,360,000.00	783,156,643.57	79%
2,745,898,765.34	Total Expenditure: G = E + F			3,471,470,000.00	3,154,819,499.89	91%
- 385,126,546.06	Net Assets/Equity As At 31/12/2023				- 233,899,757.27	
2,360,772,219.28					2,920,919,742.62	

ESAN NORTH EAST LOCAL GOVERNMENT COUNCIL, UROMI
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2023

Description	NCOA Code	Note	2023 (₦)	2023 (₦)	2022 (₦)	2022 (₦)
ASSETS						
Current Assets:						
Cash and Cash Equivalent	310101	7	90,045,527.22		- 62,913,656.42	
Inventories	310501	7	-		-	
Receivables	310601	7	-		-	
Prepayments	310801	7	-		-	
Total Current Assets: A				90,045,527.22		- 62,913,656.42
Non-Current Assets:						
Loan Granted (Local Govt. Loan Fund)	311001	7	30,120.00		30,120.00	
Investments	310901	7	40,967.56		40,967.56	
Property, Plant and Equipment (PPE)	320101	7	268,327,599.87		268,327,599.45	
Investment Properties	320201	7	-		-	
Intangible Assets (Advances)	320301	7	-		-	
Total Non-Current Assets: B				268,398,687.43		268,398,687.01
Total Assets: C = A+B				358,444,214.65		205,485,030.59
LIABILITIES						
Current Liabilities:						
Deposits	410101	8	281,065,289.27		279,332,894.42	
Short Term Loans and Debts	410201	8	38,324,609.30		38,324,609.30	
Payables (Accrued Expenses)	410401	8	272,954,073.35		272,954,073.35	
Total Current Liabilities: D				592,343,971.92		590,611,577.07
Non-Current Liabilities:						
Long Term Borrowing	4601/4602	8	-		-	
Total Non-Current Liabilities: E				-		-
Total Liabilities: F = D+E				592,343,971.92		590,611,577.07
Net Assets: G = C-F				- 233,899,757.27		- 385,126,546.48
NET ASSETS/EQUITY						
Reserves: H	4701	9	- 385,126,546.48		-	
Accumulated Surpluses/(Deficits): I	4702	9	151,226,789.21		- 385,126,546.48	
Total Net Assets/Equity: G = H+I				- 233,899,757.27		- 385,126,546.48

ESAN NORTH EAST LOCAL GOVERNMENT COUNCIL, UROMI
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2023

NCOA Code	Details	Note	2023 (N)	2023 (N)	2022 (N)	2022 (N)
	CASH FLOW FROM OPERATING ACTIVITIES:					
	<u>INFLOWS:</u>					
	<u>Statutory Allocations</u>					
110101	Share of Federation Account	1	902,651,778.82		1,078,592,229.74	
110102	Share of Value Added Tax (VAT)	1	1,109,220,420.99		807,531,543.42	
110103	Excess Crude Oil and Others	1	1,204,312,064.87		110,722,682.91	
	Sub-Total Statutory Revenue – A			3,216,184,264.68		1,996,846,456.07
	<u>Independent Revenue</u>					
120201	Licences General	2	346,000.00		1,660,920.00	
120204	Fees General	2	71,290,010.00		92,751,543.53	
120205	Fines General	2	1,271,000.00		-	
120206	Sales General	2	-		-	
120207	Earnings General	2	16,955,014.00		37,549,842.27	
120208	Rent on Government Buildings General	2	-		-	
120209	Rent on Land and Others General	2	-		-	
120210	Repayments General	2	-		-	
120211	Investment Income	2	-		-	
	Sub-Total Independent Revenue – B			89,862,024.00		131,962,305.80
	Total Inflow from Operating Activities C = A+B			3,306,046,288.68		2,128,808,761.87
	<u>OUTFLOWS:</u>					
210101	Salaries and Wages	3	489,176,492.17		472,796,375.85	
220201	Overhead Cost	4	161,855,855.00		160,758,051.27	

220701	SUBEB and other Transfers to Local Government Entities	5	1,720,630,509.15		1,373,901,825.36	
	Depreciation		-		-	
	Total Outflow from Operating Activities – D			2,371,662,856.32		2,007,456,252.48
	Net Cashflow from Operating Activities – E = C-D			934,383,432.36		121,352,509.39
	CASHFLOW FROM INVESTING ACTIVITIES:					
320101	Land and Building General	6	372,634,567.00		70,969,228.02	
320102	Infrastructure General	6	198,377,026.61		518,922,415.29	
320106	Furniture and Fittings General	6	46,322,949.97		48,146,169.46	
320301	Intangible Assets	6	165,822,099.99		100,404,700.09	
	Total Outflow from Investing Activities – F			783,156,643.57		738,442,512.86
	Net Cashflow from Investing Activities – G = E – F			151,226,788.79		- 617,090,003.47
	CASHFLOW FROM FINANCIAL ACTIVITIES:					
301801	Advances		-		- 681,755,046.26	
410101	Deposits		1,732,394.85		10,985,060.03	
410102	Other Accounts – Loan		-		-	
	Other Accounts – Investment		-		-	
420301	Proceeds from Borrowings		-		-	
	Payment/Charges on Borrowings		-		-	
	Net Cashflow from Financing Activities – H			- 1,732,394.85		- 692,740,106.29
	Net Cashflow from all Activities – I = G – H			152,959,183.64		12,736,446.40
	Cash and Cash Equivalent As At 1/1/2023			- 62,913,656.42		- 75,650,102.82
	Cash and Cash Equivalent As At 31/12/2023			90,045,527.22		- 62,913,656.42

NOTES TO THE ACCOUNTS

NOTE 1:				
SCHEDULE OF STATUTORY ALLOCATION TO ESAN NORTH EAST LOCAL GOVERNMENT COUNCIL, UROMI FOR THE YEAR ENDED 31ST DECEMBER, 2023				
Month	Federation Account	Value Added Tax	Others	Total
January	123,702,571.56	80,010,048.93	361,270,201.98	564,982,822.47
February	71,436,978.10	80,612,695.06	29,368,581.45	181,418,254.61
March	67,989,232.21	83,937,256.46	26,422,483.46	178,348,972.13
April	92,676,120.78	74,453,903.61	6,864,429.68	173,994,454.07
May	65,832,045.04	68,819,983.32	23,467,870.08	158,119,898.44
June	99,571,568.28	90,395,965.39	242,998,405.25	432,965,938.92
July	55,823,120.35	96,231,013.08	238,441,409.83	390,495,543.26
August	72,481,439.87	94,132,817.76	59,845,092.30	226,459,349.93
September	57,816,213.04	118,536,485.09	50,374,742.12	226,727,440.25
October	72,617,767.06	94,442,201.60	37,879,123.77	204,939,092.43
November	56,152,005.65	109,509,088.06	54,865,215.99	220,526,309.70
December	66,552,716.88	118,138,962.63	72,514,508.96	257,206,188.47
Total	902,651,778.82	1,109,220,420.99	1,204,312,064.87	3,216,184,264.68

NOTE 2:										
SCHEDULE OF INDEPENDENT REVENUE OF ESAN NORTH EAST LOCAL GOVERNMENT COUNCIL, UROMI FOR THE YEAR, 2023										
Month	120201 Licences General	120204 Fees General	120205 Fines General	120206 Sales General	120207 Earnings General	120208 Rent On Govt. Buildings General	120209 Rent On Land & Others General	120210 Repayments General	120211 Investment Income	Monthly Total
January	346,000.00	8,351,370.00	-	-	464,000.00	-	-	-	-	9,161,370.00
February	-	1,988,100.00	-	-	1,227,500.00	-	-	-	-	3,215,600.00
March	-	7,374,010.00	-	-	1,711,600.00	-	-	-	-	9,085,610.00
April	-	4,714,800.00	-	-	901,000.00	-	-	-	-	5,615,800.00
May	-	6,387,670.00	-	-	1,727,800.00	-	-	-	-	8,115,470.00
June	-	5,206,150.00	-	-	1,408,600.00	-	-	-	-	6,614,750.00
July	-	5,692,500.00	-	-	1,546,800.00	-	-	-	-	7,239,300.00
August	-	4,717,240.00	-	-	1,059,000.00	-	-	-	-	5,776,240.00
September	-	6,869,060.00	776,000.00	-	1,491,054.00	-	-	-	-	9,136,114.00
October	-	8,912,520.00	495,000.00	-	1,219,000.00	-	-	-	-	10,626,520.00
November	-	6,636,140.00	-	-	2,472,160.00	-	-	-	-	9,108,300.00
December	-	4,440,450.00	-	-	1,726,500.00	-	-	-	-	6,166,950.00
Total	346,000.00	71,290,010.00	1,271,000.00	-	16,955,014.00	-	-	-	-	89,862,024.00

NOTE: 3 SCHEDULE OF SALARIES AND WAGES OF ESAN NORTH WEST LOCAL GOVERNMENT COUNCIL, UROMI FOR THE YEAR ENDED 31ST DECEMBER, 2023

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
21010101	Office of the Chairman	42,000,000.00	30,078,770.72	72%
21010102	The Council (Legislative)	48,000,000.00	43,536,144.61	91%
21010103	Personnel Management	94,000,000.00	89,515,357.41	95%
21010104	Internal Audit	7,000,000.00	5,080,292.82	73%
21010105	Information	14,000,000.00	6,792,941.77	49%
21010106	Office of the Head of LGA	7,000,000.00	11,213,203.00	160%
21010107	Agriculture and National Resources	21,000,000.00	18,034,856.02	86%
21010108	Finance and Supply	36,000,000.00	28,031,299.82	78%
21010109	Budget, Planning & Statistics	16,000,000.00	9,939,544.36	62%
2101010	Revenue	45,000,000.00	39,369,475.51	87%
2101011	Works and Housing	105,000,000.00	82,528,461.45	79%
2101012	Procurement	11,000,000.00	4,977,787.26	45%
2101013	Legal Services	15,000,000.00	12,523,652.21	83%
2101014	Youth, Women & Social Development	22,000,000.00	18,784,058.07	85%
2101015	Primary Health Care	350,500,000.00	35,182,115.21	10%
2101016	Environment	40,000,000.00	35,450,671.24	89%
2101017	Water and Sanitary Hygiene	19,000,000.00	18,137,860.69	95%
	Total	892,500,000.00	489,176,492.17	55%

NOTE: 4 SCHEDULE OF OVERHEAD COST OF ESAN NORTH EAST LOCAL GOVERNMENT, UROMI FOR THE YEAR, 2023				
Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
22020101	Office of the Chairman	81,500,000.00	17,001,000.00	21%
22020102	The Council (Legislative)	20,000,000.00	12,500,000.00	63%
22020103	Personnel Management (Admin)	32,000,000.00	20,883,000.00	65%
22020104	Internal Audit	3,000,000.00	110,000.00	4%
22020105	Information	7,000,000.00	4,879,500.00	70%
22020106	Office of the Head of LGA	32,500,000.00	27,400,000.00	84%
22020107	Agriculture and National Resources	9,000,000.00	3,700,000.00	41%
22020108	Finance and Supply	14,000,000.00	8,865,955.00	63%
22020109	Budget, Planning & Statistics	6,000,000.00	3,754,200.00	63%
22020110	Procurement	2,500,000.00	1,415,000.00	57%
22020111	Revenue	13,500,000.00	8,550,000.00	63%
22020112	Works & Housing	20,000,000.00	17,839,300.00	89%
22020113	Legal Services	7,400,000.00	1,636,800.00	22%
22020114	Social Development	25,200,000.00	14,898,100.00	59%
22020115	Primary Health Care	49,860,000.00	8,688,000.00	17%
22020116	Environment	9,000,000.00	8,000,000.00	89%
22020117	Water and Sanitary Hygiene	3,000,000.00	1,735,000.00	58%
22020118	Contribution to LG Service Commission	-	-	
	Total	335,460,000.00	161,855,855.00	48%

NOTE 5: SCHEDULE OF TRANSFERS TO SUBEB AND OTHER LOCAL GOVERNMENT ENTITIES IN ESAN NORTH EAST LOCAL GOVERNMENT, UROMI					
Month	Deductions for Mandatory Expenditure				Total
	Subvention to LGEA (SUBEB)	Total Salary for Teaching and LGEAs	5% Traditional Council	Other Transfers to Local Govt. Entities	
January	384,741.44	60,856,067.22	10,989,508.83	73,332,768.19	145,563,085.68
February	384,741.44	58,366,143.66	9,070,912.73	72,487,659.32	140,309,457.15
March	384,741.44	58,719,187.31	8,917,448.60	78,095,768.63	146,117,145.98
April	384,741.44	55,662,139.12	8,699,722.70	75,141,037.52	139,887,640.78
May	384,741.44	54,568,693.82	7,905,994.92	66,875,568.48	129,734,998.66
June	384,741.44	54,098,633.50	9,851,870.01	75,953,727.16	140,288,972.11
July	384,741.44	73,164,052.98	10,844,731.11	91,694,337.85	176,087,863.38
August	384,741.44	53,128,539.17	11,322,967.49	72,161,918.86	136,998,166.96
September	384,741.44	54,226,780.10	11,336,372.01	70,507,650.11	136,455,543.66
October	384,741.44	53,973,324.05	10,246,954.62	76,042,622.78	140,647,642.89
November	384,741.44	54,726,727.45	11,026,315.48	73,557,907.15	139,695,691.52
December	384,741.44	53,221,562.80	12,860,309.42	82,377,686.72	148,844,300.38
Total	4,616,897.28	684,711,851.18	123,073,107.92	908,228,652.77	1,720,630,509.15

**NOTE 6: SCHEDULE OF CAPITAL EXPENDITURE OF ESAN NORTH EAST LOCAL GOVERNMENT, UROMI FOR THE YEAR ENDED
31ST DECEMBER, 2023**

Month	Land & Building General 320101	Infrastructure General 320102	Furniture & Fittings 320106	Intangible Assets 320301	Monthly Total
January	17,500,000.00	48,000,000.00	5,077,500.00	10,000,000.00	80,577,500.00
February	112,000,000.00	15,875,000.00	2,000,000.00	6,700,000.00	136,575,000.00
March	18,500,000.00	13,678,000.00	-	16,000,000.00	48,178,000.00
April	17,200,000.00	6,588,976.61	6,000,000.00	15,800,000.00	45,588,976.61
May	55,465,567.00	17,000,000.00	-	12,000,000.00	84,465,567.00
June	16,700,000.00	12,030,000.00	9,500,000.00	8,950,000.00	47,180,000.00
July	11,400,000.00	14,568,000.00	-	12,000,000.00	37,968,000.00
August	15,569,000.00	10,498,050.00	8,900,000.00	27,042,099.99	62,009,149.99
September	28,000,000.00	15,000,000.00	300,000.00	6,505,000.00	49,805,000.00
October	11,000,000.00	12,950,000.00	4,675,500.00	13,750,000.00	42,375,500.00
November	43,500,000.00	17,689,000.00	9,869,949.97	8,425,000.00	79,483,949.97
December	25,800,000.00	14,500,000.00	-	28,650,000.00	68,950,000.00
Total	372,634,567.00	198,377,026.61	46,322,949.97	165,822,099.99	783,156,643.57

NOTE 7:	
CURRENT AND NON-CURRENT ASSETS AS AT 31ST DECEMBER, 2023	
Cash and Cash Equivalent	90,045,527.22
Inventories	-
Loans Granted	30,120.00
Investments	40,967.56
Property Plant and Equipment	268,327,599.87
Advances	-
Total Assets	₦ 358,444,214.65

NOTE 8:	
CURRENT AND NON-CURRENT LIABILITIES AS AT 31ST DECEMBER, 2023	
Deposits	281,065,289.27
Loans/Debts	38,324,609.30
Payables	272,954,073.25
Long Term Borrowings	-
Total Liabilities	₦ 592,343,971.82

NOTE 9:	
CAPITAL RESERVES	
Reserves as at 1/1/2023	- 385,126,546.48
Accumulated Surpluses/Deficits for the Year	151,226,789.21
Net Assets/Equity as at 31/12/2023	-₦ 233,899,757.27

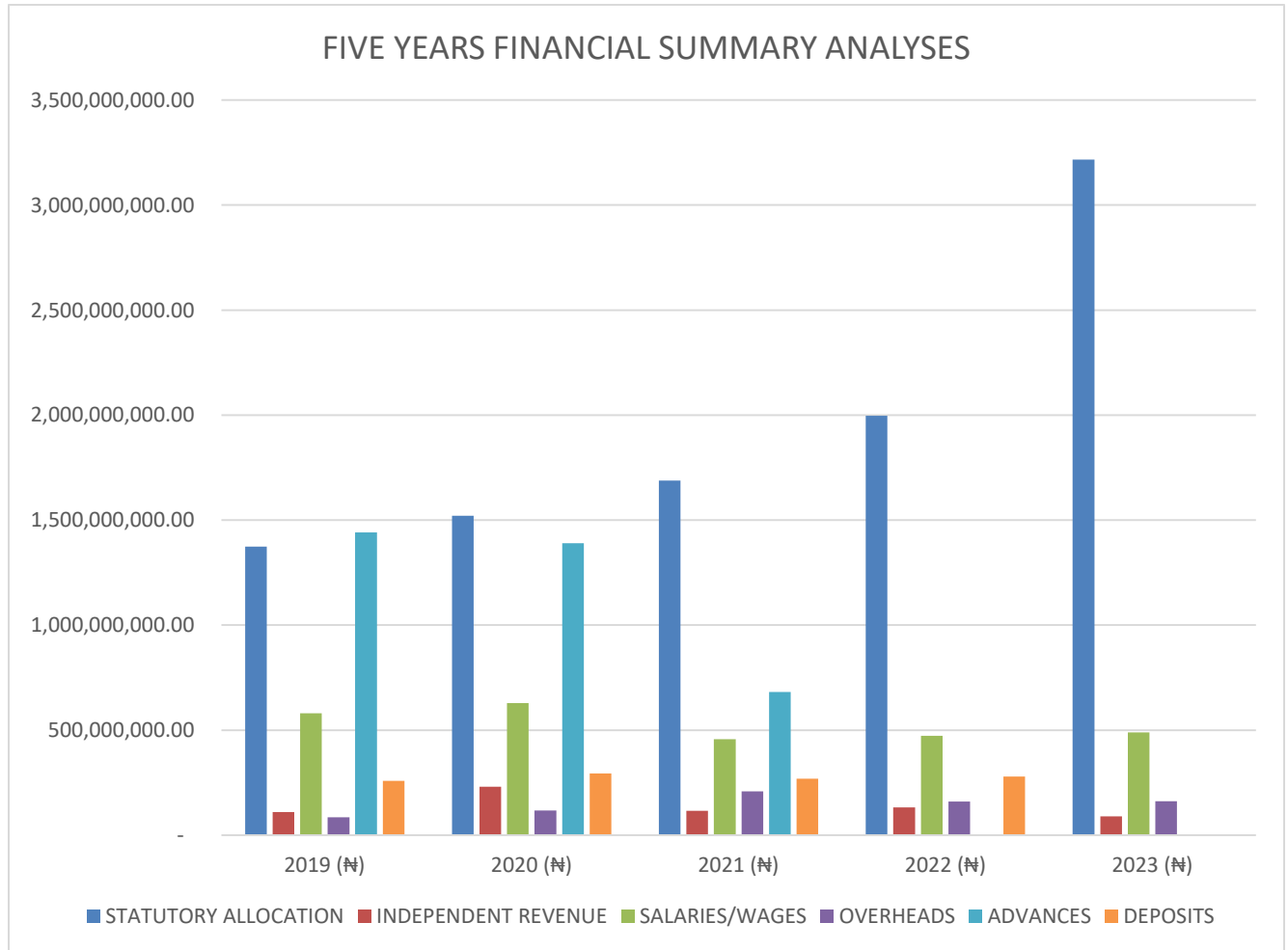
NOTE 10:**DETAILS OF AUDIT QUERIES ISSUED TO ESAN NORTH EAST LOCAL GOVERNMENT COUNCIL, UROMI IN RESPECT OF 2023 ACCOUNTS**

S/No.	Query Number	P.V. No./Date	Reason	Amount (₦)	Remark
	<u>Outstanding:</u>				
1.	AQ/ENELG/URM/1/2021	Various	Irregular Expenditure	13,200,000.00	Unresolved
2.	AQ/ENELG/URM/2/2021	Various	Unvouched Payments	520,258.78	Unresolved
3.	AQ/ENELG/URM/3/2021	Various	Irregular Expenditure	18,827,000.00	Unresolved
4.	AQ/ENELG/URM/4/2021	Various	Irregular Expenditure	338,388,964.20	Unresolved
5.	AQ/ENELG/URM/5/2021	Various	Irregular Expenditure	1,800,000.00	Unresolved
6.	AQ/ENELG/URM/1/2022	Various	Irregular Expenditure	9,000,000.00	Unresolved
7.	AQ/ENELG/URM/2/2022	Various	Irregular Expenditure	7,645,000.00	Unresolved
8.	AQ/ENELG/URM/3/2022	84/Aug/2022	Irregular Expenditure	423,000.00	Unresolved
9.	AQ/ENELG/URM/4/2022	76/Jul/2022	Irregular Expenditure	300,000.00	Unresolved
10.	AQ/ENELG/URM/5/2022	Various	Irregular Expenditure	8,595,750.00	Unresolved
	Sub-Total			398,699,972.98	
	<u>Current Year:</u>				
1.	AQ/ENELG/URM/1/2022	Various	Irregular Expenditure	1,420,000.00	Under Correspondence
2.	AQ/ENELG/URM/2/2022	68/Jan/2023	Irregular Expenditure	200,000.00	Under Correspondence
3.	AQ/ENELG/URM/3/2022	84/Jan/2023	Irregular Expenditure	3,000,000.00	Under Correspondence
4.	AQ/ENELG/URM/4/2022	84/Jan/2023	Irregular Expenditure	9,000,000.00	Under Correspondence
	Sub-Total			13,620,000.00	
	Grand Total			412,319,972.98	

ESAN NORTH EAST LOCAL GOVERNMENT COUNCIL, UROMI

FIVE YEARS FINANCIAL SUMMARY ANALYSES

S/N		2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)	2023 (₦)	TOTAL (₦)
1	STATUTORY ALLOCATION	1,374,087,994.35	1,520,974,512.51	1,688,807,716.85	1,996,846,456.07	3,216,184,264.68	9,796,900,944.46
2	INDEPENDENT REVENUE	109,875,592.15	230,523,016.78	116,188,072.94	131,962,305.80	89,862,024.00	678,411,011.67
3	SALARIES/WAGES	580,505,094.05	628,261,313.15	456,626,839.22	472,796,375.85	489,176,492.17	2,627,366,114.44
4	OVERHEADS	84,587,100.26	117,582,954.00	208,672,366.80	160,758,051.27	161,855,855.00	733,456,327.33
5	ADVANCES	1,441,122,647.25	1,389,663,290.73	681,755,046.26	-	-	3,512,540,984.24
6	DEPOSITS	259,067,210.55	294,590,485.22	268,347,834.39	279,332,894.42	1,732,394.85	1,103,070,819.43
	TOTAL	3,849,245,638.61	4,181,595,572.39	3,420,397,876.46	3,041,696,083.41	3,958,811,030.70	18,451,746,201.57





ESAN SOUTH-EAST LOCAL GOVERNMENT

P. M. B. 2 Ubiaja, Edo State, Nigeria
Tel: (055)91162

Our Ref: _____

28th March, 2024

Your Ref: _____


Date: _____

STATEMENT OF FINANCIAL RESPONSIBILITY

RESPONSIBILITIES FOR THE FINANCIAL STATEMENT

These financial statement have been prepared by the Director of finance and Account of Esan South East Local Government Council, Ubiaja in accordance with the provisions of the finance [Control and Management] Act 1958 as amended and IPSAS Compliance. The financial statements complied with generally accepted accounting practice.

The Director of Finance and Accounts is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly recorded the use of all public financial resources by the Local Government Council. To the best of my knowledge, this system of internal control has operated adequately throughout the reporting period.



Aidelaje Aigbevoile

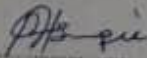
Ag. Director of Finance and Accounts

28/3/24

Date

We accept responsibility for the integrity of these financial statements, the information they contain and their compliance with the provisions of the finance [Control and Management] Act 1958 as amended and IPSAS

In our opinion, These financial statement fairly reflect the financial position of Esan South East Local Government Council as at 31st December 2023 and its operations for the year ended on that date.



Mr. Osemwegie Ogbemudia Friday

Head of Local Government Administration



Hon. Louis Imhandegbele

Executive Chairman

28/5/24

Date

28/3/24

Date



OFFICE OF THE AUDITOR-GENERAL (LOCAL GOVERNMENTS)
19 BOUNDARY ROAD, G.R.A.
P.M.B. 1128
BENIN CITY
EDO STATE OF NIGERIA

**REPORT OF THE STATE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS
TO THE MEMBERS OF THE EDO STATE HOUSE OF ASSEMBLY**

The Financial Statements of Esan South East Local Government Council, Ubiaja for the year ended 31st December 2023 as contained in this report prepared under the International Public Sector Accounting Standards (IPSAS) Accrual accounting framework and on the basis of Accounting Policies detailed in the Financial Statements have been audited as required by the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended.

RESPONSIBILITY OF THE DIRECTOR OF FINANCE AND ACCOUNTS

The Director of Finance and Accounts to Esan South East Local Government Council, Ubiaja is responsible for the preparation and presentation of the Financial Statements in accordance with the Finance (Control and management) Act 1958 as amended. He is to ensure that there are no material misstatements in the Financial Statements.

AUDITOR-GENERAL'S RESPONSIBILITY

It is my statutory responsibility to form an independent opinion based on the audit of the Financial Statements and to report thereon.

BASIS OF OPINION

The audit was conducted in accordance with International Standards on Auditing (ISA) as applicable to the public sector, International Organization of Supreme Audit Institutions (INTOSAI), Auditing Standards, the provisions of the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended. The audit includes examination on a test basis of evidence relevant to the figures disclosed in the Financial Statements. It also includes an assessment of significant estimates and judgments made by the Council in the preparation of the Financial Statements and whether the accounting policies were appropriate in the Council's circumstances, consistently applied and adequately disclosed. The audit was planned and performed to obtain all information and explanations considered necessary to have reasonable assurance that the Financial Statements are free from material misstatements. I have not obtained all the information and explanations that I required.

OPINION

In my opinion, the Financial Statement of Esan South East Local Government Council, Ubiaja for the year ended 31st December 2023 show a true and fair view of the Council's state of financial position, performance and of the cashflow in accordance with all legal and regulatory frameworks, subject to the observations and comments contained in this report.

S.O. Johnson, FCA, ACTI, FIMC, FCCSA
(FRC/2022/PRO/ICAN004/188858)
Auditor-General (Local Governments)

Edo State,

28th June, 2024

AUDITOR-GENERAL'S REPORT FOR LOCAL GOVERNMENTS, EDO STATE
GENERAL DISCLOSURES AND INSIGHTS REGARDING THE ESAN SOUTH
EAST LOCAL GOVERNMENT COUNCIL, UBIAJA'S ACCOUNTS OF EASN
FOR THE YEAR ENDED DECEMBER 31, 2023

1. REVENUE

The Esan South East Local Government Council received N3,650,052,194.82 in income for the year that concluded on December 31, 2023. Of this amount, N35,041,810.00 represented independent revenue, while N3,615,010,384.82 was obtained as statutory allocations from the federation account. For more information, see Notes 1 and 2.

SUMMARY

Throughout the time under review, the Local Government Council remained mostly dependent on funding from the Federation Account. To lessen an excessive reliance on statutory allocations, the Local Government Council is urged to examine its own internal operations and devise strategies to increase money produced internally.

2. SLGJAAC ALLOCATIONS TO LOCAL GOVERNMENT COUNCILS ARE COMPLETE

According to source documents from the Edo State Ministry of Local Government Affairs, the entire amount of N3,615,010,384.82 that accrued from the federation account to Esan South East Local Government Councils, Ubiaja as statutory allocations transferred through the State-Local Government Joint Account Allocation Committee (SLGJAAC) was received in full by the Council and was included in the Financial Statements for the year ended December 31, 2023. For more information, see Note 1.

3. EXPENDITURE

Esan South East Local Government Council, Ubiaja spent N426,496,784.63 on salaries and wages during the review period. It also incurred overhead of N372,528,116.12, and N1,861,713,299.97 was transferred to SUBEB and other local government entities. The total amount spent on capital for the year was N869,709,272.15.

4. CASH AND CASH EQUIVALENT

As of December 31, 2023, the Esan South East Local Government Council, Ubiaja, has N263,655,891.39 in cash and financial equivalents. The Local Government Council created bank reconciliation statements for the time period under

examination. But not enough information was provided for us to determine the cash book bank balance for reconciliation.

SUMMARY

To ensure correct reconciliation at the end of the year, the Local Government Council is urged to always complete monthly bank reconciliation statements in accordance with Financial Memoranda 19:23-30. However, it is praiseworthy that an attempt was made to create Bank Reconciliation Statements.

5. ADVANCES

As of December 31, 2023, the Local Government Councils' unretired advances totalled N765,708,488.07. It was noted that, despite my cautions in earlier reports and circular letters, as of December 31, 2023, advances given to different Council officials as working advances had not been retired, in violation of F.M. 16.16.

SUMMARY

In compliance with F.M. 16.16, the Treasurers of the Local Government Councils and the Heads of Local Government Administration are therefore called upon to promptly retire ALL outstanding operating advances.

6. GENERAL INVESTMENTS

As of December 31, 2023, the investments owned by the Esan South East Local Government Council, Ubiaja, were valued at N516,662.89. Due to the Council's failure to keep investment registers or ledgers, the investments were not appropriately documented. Consequently, it was not feasible to confirm the investments and determine their current valuations.

SUMMARY

The Local Government Council should conduct an investigation into the investments' current state in order to determine their existence, viability, and valuations. It is necessary to reassess all investments, write off any that are no longer in operation, and declare any that are at fair market value.

7. LIABILITIES:

(A) DEPOSITS

The Esan South East Local Government Council, Ubiaja, has N206,727,736.23 outstanding in its deposit accounts as of December 31, 2023. Pay As You Earn (PAYE), union dues (NULGE), car refurbishing loans deducted for loans obtained

from other councils, retention fees, value-added tax (VAT), withholding tax (WT), and other deductions from staff salaries are all represented by the Deposit Accounts.

SUMMARY

After the deposits have been thoroughly examined, the Council is responsible for making sure the beneficiaries receive their money back. Any deposit whose owner cannot be located or has not made any use of it for more than five years after the repayment deadline should be adjusted to revenue in line with F.M. 24.25(5).

(B) SHORT TERM LOANS

The Local Government Council owed a total of N810,186.42 in bank overdrafts and combined short-term loans to several banks.

8. FINANCIAL PERFORMANCE

Below is a summary of the budget performance for the Esan South East Local Government Council, Ubiaja, for the year that concluded on December 31, 2023:

Description	Approved Estimate 2023 (₦)	Actual Revenue/Expenditure 2023 (₦)	Percentage Performance
<u>REVENUE</u>			
Statutory Allocation	3,006,860,000.00	2,310,147,010.51	95%
Independent Revenue	108,500,000.00	35,041,810.00	32%
<u>EXPENDITURE</u>			
Salary and Wages	1,174,800,000.00	426,496,784.63	36%
Overhead Cost	462,550,000.00	372,528,116.12	81%
Transferred to SUBEB and other Local Government Entities	1,540,000,000.00	1,861,713,299.97	121%
Capital Expenditure	548,460,000.00	869,709,212.12	159%

Observation:

The picture illustrates the excellent real performance for capital projects in 2023.

SUMMARY

- i) In order to enable the Office of the Auditor-General to monitor and audit capital project performance in accordance with F.M. 1.4(12)(g) and F.M. 39.1(8) and ensure that the Council obtained value for the expenditure, the Local Government Council should always forward contract agreements and other pertinent documents to the office.
- ii) In order to prevent unnecessary budgetary spending, the Local Government Council is also recommended to consistently allocate sufficient funds for transfers to SUBEB and other Local Government Entities.

9. APPROVAL

Sections 92, 93, and 94 of the Edo State Local Government Law 2000, as amended, lawfully authorise all of the expenditures reflected in the Statements of Actual Expenditure for the year ended December 31, 2023.

10. ASSET REVALUATION

The revaluation of assets in accordance with IPSAS has not yet been completed by the Esan South East Local Government Council in Ubiaja (Accruals).

SUMMARY

In order to correctly portray the assets in the Statement of Financial Position, the Local Government Council should immediately hire pertinent specialists and have their assets revalued in accordance with IPSAS.

11. BUDGETARY PLANNING

The Office of the Auditor-General (Local Governments) should receive copies of the approved budget so that it can track financial performance. The Esan South East Local Government Council, Ubiaja, is responsible for making sure that the annual budget is prepared on time and in compliance with the National Chart of Accounts, as advised by International Public Sector Accounting Standards (IPSAS).

12. AUDIT QUERIES

The Chairman has already received the audit enquiries regarding the detected inconsistencies totalling N242,796,000.00 that are attached to the Audit Inspection Reports on the 2023 accounts for the Esan North East Local Government Council, Ubiaja, so he can take the appropriate action. Note 10 of this report includes specifics on the audit enquiries pertaining to the 2023 accounts.

13. DISALLOWANCE

Allowance has been set aside for the expenses listed in Note 10 of this report and in paragraph 12 above, pending acceptable responses to the questions posed therein.

14. THE overall condition of the accounts and maintaining records

The following highlights the way that accounting books and records are rendered in local government councils:

a) Annual Financial Statement Rendition

In accordance with current legislation, the Local Government Council submitted the 2023 Financial Statements on time. It is praiseworthy that the yearly financial statements were produced on schedule.

b) Maintaining Records

i) Subordinate Ledgers and Books

Subsidiary books were occasionally either not updated or maintained. The appropriate maintenance of subsidiary books of accounts is a responsibility of the Local Government Council. Registers for investments, loans/overdraft, and fixed/mobile assets have to be kept up to date.

ii) Cheque Books

At the conclusion of each month, cash books were not properly balanced, and in certain instances, balances were recorded in pencil rather than ink. Cash books should now be updated on a regular basis.

c) Financial Statements and Underlying Records Reconciliation

i) Several entries in the Departmental Vote Revenue Account (DVRA) and Departmental Vote Expenditure Account (DVEA) Books were missing. As a result, precisely categorising expenses and income into Heads and Sub-Heads became challenging.

ii) During the time under examination, the ledgers for advances and deposits were also not updated. The outstanding balances in the ledgers are inaccurate since certain entries were not submitted to them. As a result, depending solely on the ledgers makes it impossible to precisely ascertain outstanding advances and deposits.

It is recommended that Local Government Council Treasurers oversee the treasury

department's employees and make sure that accounting records are updated and reconciled to remove inaccuracies and omissions.

iii) Reconciliation in Bank

In accordance with Financial Memoranda 19.23-24, Esan South East Local Government Council, Ubiaja, generated bank reconciliation statements. It's a great effort, and one that ought to continue.

d) Answering Audit Questions

The degree of response to audit enquiries sent to the Esan South East Local Government Council, Ubiaja, is displayed in Note 10 to the accounts. This serves as a reminder to the Local Government Council to always reply to audit enquiries as soon as possible.

e) Implementing IPSAS

The International Public Sector Accounting Standards have not yet been completely adopted by the Local Government Council (IPSAS). Revaluing the Local Government Council's assets and liabilities and reflecting them in the books of accounts in accordance with IPSAS is urgently required.

Accounting Policies (IPSAS Accrual)

1. Basis for Measurement:

The preparation of these *General-Purpose Financial States (GPFS)* complies with the historical cost convention, IPSAS, and other applicable requirements as specified by pertinent legislation.

2. The foundation of accounting:

These GPFS were created using the accrual method of accounting.

3. Time of Accounting:

According to National Treasury Circular Ref. OAGF/CAD/026/Vol.1/102 on December 30, 2013, the accounting year (fiscal year) runs from January 1 to December 31. The accounting system was designed to divide each accounting year into twelve calendar months, or periods.

4. Currency Reporting:

The GPFS was developed using Naira (Nigeria's currency).

5. Comparative Data:

The *General Purpose Financial Statements* included all the numerical data for the prior time frame.

6. Financial Data:

These numbers come from the approved budget, which was created on a cash basis in compliance with the Local Government Councils' Appropriation Bye-Law.

7. Income from Taxes, Fees, and Fines:

When fees, taxes, and other non-exchange transaction revenue are collected and meet the requirements for asset recognition, they are recorded as revenue. When it is likely that the company will get future economic benefits or service possibilities from the asset and it is reasonably possible to determine the asset's fair value, other non-exchange revenues are recognised.

Additional Operating Profits:

Exchange transactions that take place in the regular course of the entity's operations provide additional operational revenues. The fair value of the payment received or receivable for the sale of goods and services is included in revenues.

Sales of Products:

When the major risks and benefits of ownership have been passed to the buyer, generally with delivery of the products, revenue from the sale of those things is recognised.

Additional Income/Revenue:

Fees, fines, debt forgiveness, commissions, earnings from the sale of assets, and other sources make up other revenue. Any gain or disposal is recorded on the day the asset is turned over to the buyer and is calculated by reducing the asset's carrying value from the proceeds on that date.

8. Changes from Other Governmental Organisations:

When an asset (cash, goods, services, or properties) is received condition-free and there is a reasonable probability that the asset's potential for economic benefit or service will be reliably measured, revenues from non-exchange transactions with other government entities are recognised at fair value.

9. Costs:

All costs are recorded on an accrual basis, which means that regardless of when the money is received, costs are recorded at the time they are incurred or when the associated services are used.

10. Loan Interest:

In the financial performance report (Statement of Financial Performance), interest on loans is accounted for either an expense or a charge. To calculate interest expenditure for each period, interest is accumulated by applying the effective interest rate method to the principle amount owed.

11. Cash Flow Statement:

The direct technique was used to create this statement, which followed the GPFS format. There are three (3) parts in the cash flow statement:

Operating Activities:

These track the cash payments made for the provision of goods and services as well as the cash received by Local Government Councils from all sources of income.

Investing activities are those that have to do with buying and selling non-current assets.

Financial Activities: These include adjustments to the PSE's debt and equity capital structure.

12. Currency and Its Equivalent:

The term "cash and cash equivalent" refers to the amount of cash that is on hand, held in bank accounts, demand deposits, and other highly liquid investments with an initial maturity of three months or less. These investments are made by the entity as part of its daily cash management process, and they are easily convertible into known amounts of cash with little to no risk of value fluctuations. Cash and Cash Equivalent are included in the Statement of Financial Position under Current Assets.

13. Accounts Receivable: Exchange Transaction Receivables

Exchange transaction receivables are first recorded at fair value and then, using the effective interest method, evaluated at amortised cost, minus allowance for impairment. When there is, a receivables impairment provision is created.

Receivables from Transactions Without Exchange:

Receivables from non-exchange transactions include social benefit receivables that don't stem from contracts, as well as fees, taxes, fines, and other penalties related to these activities. These receivables are first valued at face value, or nominal amount; that is, the amount of tax due, levy, fine, etc., is reflected in the receivable. These accounts receivable are first evaluated at face value or nominal amount, meaning that the receivable represents the total amount of taxes due, levies, fines, etc. Following their charging, these receivables are modified for penalties or may be written off due to impairment. The statement of financial performance presents interest and penalties on tax receivables as tax revenue..

14. Advance payments:

Amounts paid in advance of receiving goods or services are referred to as prepaid costs. They signify payments made in one year for benefits to be obtained in other years, or payments made early in the year for benefits to be received throughout the course of the year.

15. Inventory:

- (a): The net realisable value of an inventory is subtracted from its cost.
- (b) The FIFO approach is used to calculate costs.
- (c) Where appropriate, inventories retained for distribution for the benefit of the

public are documented at cost less any prospective loss of services.

(d) In the Financial Position Statement, inventories are included under Current Assets.

16. Awarded Loans:

The approved loans are displayed at their estimated realisable value, which takes into account impairments and bad or dubious debts.

17. Plant, machinery, and equipment:

(a) The historical cost of all PPE is reported, less cumulative depreciation and any impairment losses. Costs directly related to the acquisition of the assets are included in the historical cost.

(b) When an asset is purchased through a non-exchange transaction for nominal or no consideration, it is first recorded in the statement of financial performance at fair value, which is a value that can be consistently ascertained and expressed as income during the PPE's useful life.

(c) The subsequent items are considered PPE expenses:

i) The price paid for the acquisition of these assets as well as any additional pertinent costs associated with restoring the asset to operational condition.

ii) Building expenses, which include labour, supplies, and overhead.

iii) Modifications to current PPE that greatly extend its usable life.

Price:

A piece of PPE's total cost includes the purchase price, import fees, one-time expenses, and any expenditures directly related to relocating and restoring the asset to its original location and state of functionality. The purchase price is calculated after subtracting trade discounts and rebates. PPE are reported at cost or at their expert appraisal less cumulative impairment and depreciation.

Devaluation:

PPE is depreciated according to a straight line method throughout the course of their anticipated useful lifetimes, less any projected residual value, using relevant rates, starting on the date of availability for use.

No.	Item of PPE	Depreciation Rate
A	Leased Property	Over the term of the lease
B	Buildings	2%
C	Investment property	2%
D	Infrastructure	5%
E	Plant and Machinery	10%
F	Transportation Equipment (except K)	20%
G	Office Equipment	25%
H	Furniture and Fittings	20%
I	Specialized Assets (e.g., books, military and paramilitary assets)	10%
J	Bearer Plant	4%
K	Aircraft, ship and train	5%
L	Specific cultural and heritage assets	Unlimited

Assessment:

At the conclusion of each reporting period, the residual values and usable lifetimes of the assets are examined and, if necessary, changed. Revaluation surplus is moved to the revaluation reserve under reserves in the financial situation. If there is a revaluation deficit, it is recorded as an expense in the statement of financial performance or, if there is a surplus on the same class of assets, against the value of the related assets and the corresponding entry to the revaluation reserve.

Disposal Gain or loss resulting from getting rid of a piece of PPE is shown as a surplus or deficit.

Deficit:

When there are signs that a piece of personal protective equipment (PPE) may have been compromised, an impairment test is carried out.

18. Real Estate Investment

These are properties that provide income for a PSE. At first, an investment property is valued at its cost. Investment property is then measured at fair value at the end of the term, and any gain or loss at fair value is recorded as a surplus or deficit.

Income from Investments:

Investment income is defined as the excess or shortfall of rental revenue received or gained from an investment property.

Disposal:

The surplus or deficit represents the gain or loss from the sale of investment property.

19. Non-tangible Resources

These are non-tangible assets that have been created domestically or purchased, and they are stored for usage in order to produce advantages that extend beyond a fiscal year. An intangible asset's total cost includes the acquisition price, non-recurring charges, and any expenses directly related to restoring the asset to its intended condition of use.

20. Deposits:

Resources kept in custody on behalf of third parties make up deposits. Additionally, deposits signify upfront payments for future products and services.

21. Debts and Loans:

Loans are sums of money that are borrowed with an agreed-upon repayment schedule. They are classified as either short-term or long-term loans and are shown as liabilities in the Statement of Financial Position.

22. Unremitted Withheld Taxes:

Money due to third parties, including tax authorities, unions, cooperatives, schemes and organisations, other government agencies, etc., is known as an unremitted deduction. Tax and other at-source deductions are examples of unremitted deductions. The sums are considered as Current Liabilities in the Statement of Financial Position and are reflected in the GPFS at their payback value.

23. Accrued Expenses - Payables

These are sums of money owed to outside parties for products and services obtained.

24. Public Money

These represent the government's financial balances at the conclusion of the fiscal year. The Statement of Financial Position categorises them as Non-Current Liabilities.

25. Reserves:

Reserves such as Surpluses/(Deficits) Reserve, Translation Reserve, Revaluation

Reserve, Fair Value Reserve, and other Reserves are categorised under equity in the Statement of Financial Position.

26. Debts

Initial recognition of borrowings is done at fair value, net of incurred transaction expenses. Following amortisation, borrowings are reported at cost; any discrepancy between proceeds (net of transaction expenses) and redemption value is recognised using the effective interest method in the consolidated statement of financial performance for the duration of the borrowings. The fees incurred for setting up lending facilities are recorded as loan transaction charges. The cost of the charge is capitalised and spread out over the life of the related facility.

27. Assignments to Other Governmental Organisations:

Transfers to other governmental bodies are included as costs in the statement of financial performance as they are non-exchange items.

28. Advances:

According to Edo State Financial Memoranda 16.16, any loans given to Local Government Council employees to carry out projects or make purchases of goods or services on their behalf must be retired by the end of the fiscal year. However, in situations where an advance is made towards the end of the fiscal year or where an advance that has already been made cannot be retired within the fiscal year, the advance and any outstanding amount are included in the Statement of Financial Position.

ESAN SOUTH EAST LOCAL GOVERNMENT COUNCIL, UBIAJA
STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2023

Previous Year Actual 2022 (N)	Description	NCOA Code	Note	Annual Budget (N)	Actual Revenue/ Expenditure (N)	Percentage of Budget Performance
1,706,099,097.70	Net Assets/Equity As At 1/1/2023 – A			141,242,944.35	1,707,238,397.75	
	REVENUE					
	<u>Statutory Allocation:</u>					
1,291,709,221.29	Share of Federation Account	110101	1	2,059,017,055.65	1,082,373,973.72	53%
890,734,992.17	Share of Value Added Tax (VAT)	110102	1	950,000,000.00	1,223,755,183.24	129%
127,702,797.05	Excess Crude Oil and Others	110103	1	797,500,000.00	1,308,881,227.86	164%
2,310,147,010.51	Sub-Total Statutory Allocation – B			3,806,517,055.65	3,615,010,384.82	95%
	<u>Independent Revenue:</u>					
3,573,823.05	Licences General	120201	2	10,650,000.00	9,355,000.00	88%
29,804,110.00	Fees General	120204	2	29,950,000.00	18,684,560.00	62%
-	Fines General	120205	2	200,000.00	-	
390,000.00	Sales General	120206	2	26,300,000.00	-	
11,933,400.00	Earnings General	120207	2	32,400,000.00	7,002,250.00	22%
-	Rent on Government Building General	120208	2	-	-	
-	Rent on Land and Others General	120211	2	2,000,000.00	-	
-	Repayment General	120213	2	6,700,000.00	-	
-	Investment Income	120214	2	300,000.00	-	
45,701,333.05	Sub-Total Independent Revenue – C			108,500,000.00	35,041,810.00	32%

4,061,947,441.26	Total Receipts (A+B+C)			4,056,260,000.00	5,357,290,592.57	132%
	EXPENDITURE					
	<u>Recurrent Expenditure:</u>					
596,675,709.52	Salaries and Wages	210101	3	1,174,800,000.00	426,496,784.63	36%
95,886,350.34	Overhead Cost	220201	4	462,550,000.00	372,528,116.12	81%
1,438,574,708.65	SUBEB and other Transfers to Local Govt. Entities	220701	5	1,540,000,000.00	1,861,713,299.97	121%
-	Depreciation			-	-	
2,131,136,768.51	Sub-Total Recurrent Expenditure: E			3,177,350,000.00	2,660,738,200.72	84%
	<u>Capital Expenditure:</u>					
24,264,000.00	Land and Building General	320101	6	98,100,000.00	198,975,453.00	203%
36,530,000.00	Infrastructure General	320102	6	128,650,000.00	228,159,509.41	177%
550,000.00	Furniture and Fittings General	320106	6	19,500,000.00	17,664,600.00	91%
162,228,275.00	Intangible Assets	320301	6	302,210,000.00	424,909,649.74	141%
223,572,275.00	Sub-Total Capital Expenditure: F			548,460,000.00	869,709,212.15	159%
2,354,709,043.51	Total Expenditure: G = E + F			3,725,810,000.00	3,530,447,412.87	95%
1,707,238,397.75	Net Assets/Equity As At 31/12/2023				1,826,843,119.70	
4,061,947,441.26					5,357,290,532.57	

ESAN SOUTH EAST LOCAL GOVERNMENT COUNCIL, UBIAJA

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2023

Description	NCOA Code	Note	2023 (N)	2023 (N)	2022 (N)	2022 (N)
ASSETS						
<u>Current Assets:</u>						
Cash and Cash Equivalent	310101	7	263,655,891.39		130,339,536.56	
Inventories	310501	7	-		-	
Receivables	310601	7	-		-	
Prepayments	310801	7	-		-	
Total Current Assets: A				263,655,891.39		130,339,536.56
<u>Non-Current Assets:</u>						
Loan Granted (Local Govt. Loan Fund)	311001	7	-		-	
Investments	310901	7	516,662.89		516,662.89	
Property, Plant and Equipment (PPE)	320101	7	1,004,500,000.00		1,004,500,000.00	
Investment Properties	320201	7	-		-	
Intangible Assets (Advances)	320301	7	765,708,488.07		805,306,488.07	
Total Non-Current Assets: B				1,770,725,150.96		1,810,323,150.96
Total Assets: C = A+B				2,034,381,042.35		1,940,662,687.52
LIABILITIES						
<u>Current Liabilities:</u>						
Deposits	410101	8	206,727,736.23		232,614,103.35	
Short Term Loans and Debts	410201	8	810,186.42		810,186.42	
Payables (Accrued Expenses)	410401	8	-		-	
Total Current Liabilities: D				207,537,922.65		233,424,289.77
<u>Non-Current Liabilities:</u>						
Long Term Borrowing	4601/4602	8	-		-	
Total Non-Current Liabilities: E				-		-
Total Liabilities: F = D+E				207,537,922.65		233,424,289.77
Net Assets: G = C-F				1,826,843,119.70		1,707,238,397.75
NET ASSETS/EQUITY						
Reserves: H	4701	9	1,707,238,397.75		-	
Accumulated Surpluses/(Deficits): I	4702	9	119,604,721.95		1,707,238,397.75	
Total Net Assets/Equity: G = H+I				1,826,843,119.70		1,707,238,397.75

ESAN SOUTH EAST LOCAL GOVERNMENT COUNCIL, UBIAJA
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2023

NCOA Code	Details	Note	2023 (N)	2023 (N)	2022 (N)	2022 (N)
	CASH FLOW FROM OPERATING ACTIVITIES:					
	<u>INFLOWS:</u>					
	<u>Statutory Allocations</u>					
110101	Share of Federation Account	1	1,082,373,973.72		1,291,709,221.29	
110102	Share of Value Added Tax (VAT)	1	1,223,755,183.24		890,734,992.17	
110103	Excess Crude Oil and Others	1	1,308,881,227.86		127,702,797.05	
	Sub-Total Statutory Revenue – A			3,615,010,384.82		2,310,147,010.51
	<u>Independent Revenue</u>					
120201	Licences General	2	9,355,000.00		3,573,823.05	
120204	Fees General	2	18,684,560.00		29,804,110.00	
120205	Fines General	2	-		-	
120206	Sales General	2	-		390,000.00	
120207	Earnings General	2	7,002,250.00		11,933,400.00	
120208	Rent on Government Buildings General	2	-		-	
120209	Rent on Land and Others General	2	-		-	
120210	Repayments General	2	-		-	
120211	Investment Income	2	-		-	
	Sub-Total Independent Revenue – B			35,041,810.00		45,701,333.05
	Total Inflow from Operating Activities C = A+B			3,650,052,194.82		2,355,848,343.56

	OUTFLOWS:					
210101	Salaries and Wages	3	426,496,784.63		596,675,709.52	
220201	Overhead Cost	4	372,528,116.12		95,886,350.34	
220701	SUBEB and other Transfers to Local Government Entities	5	1,861,713,299.97		1,438,574,708.65	
	Depreciation		-		-	
	Total Outflow from Operating Activities – D			2,660,738,200.72		2,131,136,768.51
	Net Cashflow from Operating Activities – E = C-D			989,313,994.10		224,711,575.05
	CASHFLOW FROM INVESTING ACTIVITIES:					
320101	Land and Building General	6	198,975,453.00		24,264,000.00	
320102	Infrastructure General	6	228,159,569.41		36,530,000.00	
320106	Furniture and Fittings General	6	17,664,600.00		550,000.00	
320301	Intangible Assets	6	424,909,649.74		162,228,275.00	
	Total Outflow from Investing Activities – F			869,709,272.15		223,572,275.00
	Net Cashflow from Investing Activities – G = E - F			119,604,721.95		1,139,300.05
	CASHFLOW FROM FINANCIAL ACTIVITIES:					
301801	Advances		- 39,598,000.00		- 31,343,800.00	
410101	Deposits		- 25,886,367.12		22,303,034.47	
410102	Other Accounts – Loan		-		-	
	Other Accounts – Investment		-		-	
420301	Proceeds from Borrowings		-		-	
	Payment/Charges on Borrowings		-		-	
	Net Cashflow from Financing Activities – H			- 13,711,632.88		- 53,646,834.47
	Net Cashflow from all Activities – I = G - H			133,316,354.83		54,786,134.52
	Cash and Cash Equivalent As At 1/1/2023			130,339,536.56		75,553,402.04
	Cash and Cash Equivalent As At 31/12/2023			263,655,891.39		130,339,536.56

NOTES TO THE ACCOUNTS

NOTE 1:				
SCHEDULE OF STATUTORY ALLOCATION TO ESAN SOUTH EAST LOCAL GOVERNMENT COUNCIL, UBIAJA FOR THE YEAR ENDED 31ST DECEMBER, 2023				
Month	Federation Account	Value Added Tax	Others	Total
January	148,114,643.63	88,475,234.94	363,020,699.41	599,610,577.98
February	85,534,701.65	89,060,890.96	34,398,380.68	208,993,973.29
March	81,406,560.69	92,074,219.82	30,974,837.12	204,455,617.63
April	110,965,280.90	81,809,251.76	7,390,170.39	200,164,703.05
May	78,823,663.62	76,177,841.21	27,238,842.84	182,240,347.67
June	119,221,509.83	99,526,327.67	234,947,200.04	453,695,037.54
July	66,839,528.67	106,145,825.00	284,841,333.08	457,826,686.75
August	86,785,282.64	104,001,260.46	70,919,568.30	261,706,111.40
September	70,814,414.61	130,219,112.63	59,480,154.06	260,513,681.30
October	86,948,513.30	104,699,601.48	44,709,156.82	236,357,271.60
November	67,233,317.80	121,246,337.13	64,810,580.30	253,290,235.23
December	79,686,556.38	130,319,280.18	86,150,304.82	296,156,141.38
Total	1,082,373,973.72	1,223,755,183.24	1,308,881,227.86	3,615,010,384.82

NOTE 2:										
SCHEDULE OF INDEPENDENT REVENUE OF ESAN SOUTH EAST LOCAL GOVERNMENT COUNCIL, UBIAJA FOR THE YEAR ENDED 31ST DECEMBER, 2023										
Month	120201 Licences General	120204 Fees General	120205 Fines General	120206 Sales General	120207 Earnings General	120208 Rent On Govt. Buildings General	120209 Rent On Land & Others General	120210 Repayments General	120211 Investment Income	Monthly Total
January	386,950.00	1,507,500.00	-	-	526,000.00	-	-	-	-	2,420,450.00
February	322,400.00	1,025,250.00	-	-	566,790.00	-	-	-	-	1,914,440.00
March	341,150.00	1,463,650.00	-	-	1,214,260.00	-	-	-	-	3,019,060.00
April	638,450.00	1,379,650.00	-	-	419,450.00	-	-	-	-	2,437,550.00
May	258,750.00	1,414,560.00	-	-	446,000.00	-	-	-	-	2,119,310.00
June	862,450.00	1,632,600.00	-	-	433,650.00	-	-	-	-	2,928,700.00
July	616,100.00	1,401,700.00	-	-	796,250.00	-	-	-	-	2,814,050.00
August	555,750.00	1,533,100.00	-	-	843,900.00	-	-	-	-	2,932,750.00
September	2,046,200.00	2,095,800.00	-	-	570,700.00	-	-	-	-	4,712,700.00
October	1,235,650.00	2,300,950.00	-	-	469,400.00	-	-	-	-	4,006,000.00
November	1,363,600.00	1,286,250.00	-	-	318,300.00	-	-	-	-	2,968,150.00
December	727,550.00	1,643,550.00	-	-	397,550.00	-	-	-	-	2,768,650.00
Total	9,355,000.00	18,684,560.00	-	-	7,002,250.00	-	-	-	-	35,041,810.00

**NOTE: 3 SCHEDULE OF SALARIES AND WAGES OF ESAN SOUTH EAST LOCAL GOVERNMENT COUNCIL, UBIAJA FOR THE YEAR ENDED
DECEMBER 31ST 2023**

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
21010101	Office of the Chairman	184,500,000.00	16,743,071.76	9%
21010102	The Council (Legislative)	128,500,000.00	15,877,123.37	12%
21010103	Personnel Management	245,500,000.00	189,815,579.47	77%
21010104	Internal Audit	9,000,000.00	3,132,184.20	35%
21010105	Information	5,300,000.00	3,581,772.79	68%
21010106	Office of the Head of LGA	20,000,000.00	14,524,964.80	73%
21010107	Agriculture and National Resources	19,000,000.00	7,567,099.54	40%
21010108	Finance and Supply	46,000,000.00	34,558,055.88	75%
21010109	Budget, Planning & Statistics	21,000,000.00	8,987,887.04	43%
2101010	Revenue	19,000,000.00	6,059,054.93	32%
2101011	Works and Housing	93,000,000.00	63,901,533.87	69%
2101012	Procurement	7,000,000.00	4,348,285.37	62%
2101013	Legal Services	7,000,000.00	4,396,225.20	63%
2101014	Youth, Women & Social Development	37,000,000.00	28,359,544.35	77%
2101015	Primary Health Care	240,000,000.00	-	
2101016	Environment	67,500,000.00	19,343,283.05	29%
2101017	Water and Sanitary Hygiene	20,500,000.00	5,301,119.01	26%
	Total	1,169,800,000.00	426,496,784.63	36%

**NOTE: 4 SCHEDULE OF OVERHEAD COST OF ESAN SOUTH EAST LOCAL GOVERNMENT COUNCIL, UBIAJA
FOR THE YEAR 2023**

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
22020101	Office of the Chairman	80,900,000.00	66,762,000.00	83%
22020102	The Council (Legislative)	18,200,000.00	4,565,000.00	25%
22020103	Personnel Management (Admin)	59,800,000.00	126,109,125.00	211%
22020104	Internal Audit	6,000,000.00	575,000.00	10%
22020105	Information	15,900,000.00	1,720,000.00	11%
22020106	Office of the Head of LGA	200,200,000.00	90,931,000.00	45%
22020107	Agriculture and National Resources	1,900,000.00	860,000.00	45%
22020108	Finance and Supply	16,900,000.00	9,440,320.00	56%
22020109	Budget, Planning & Statistics	6,600,000.00	3,050,000.00	46%
22020110	Procurement	1,000,000.00	1,405,000.00	141%
22020111	Revenue	3,850,000.00	1,939,000.00	50%
22020112	Works & Housing	15,500,000.00	20,335,421.12	131%
22020113	Legal Services	3,200,000.00	1,202,000.00	38%
22020114	Social Development	15,600,000.00	12,983,000.00	83%
22020115	Primary Health Care	7,000,000.00	12,906,250.00	184%
22020116	Environment	7,900,000.00	16,442,000.00	208%
22020117	Water and Sanitary Hygiene	2,100,000.00	1,303,000.00	62%
22020118	Contribution to LG Service Commission	-	-	
	Total	462,550,000.00	372,528,116.12	81%

**NOTE 5: SCHEDULE OF TRANSFERS TO SUBEB AND OTHER LOCAL GOVERNMENT ENTITIES IN ESAN SOUTH EAST,
LOCAL GOVERNMENT, UBIAJA**

Month	Deductions for Mandatory Expenditure				Total
	Subvention to LGEA (SUBEB)	Total Salary for Teaching and LGEAs	5% Traditional Council	Other Transfers to Local Govt. Entities	
January	365,556.19	70,443,888.88	12,720,896.61	80,777,407.68	164,307,749.36
February	365,556.19	67,237,843.82	10,449,698.66	74,097,194.82	152,150,293.49
March	365,556.19	67,314,476.59	10,222,780.88	77,858,526.53	155,761,340.19
April	365,556.19	64,034,199.29	10,008,235.15	76,212,414.54	150,620,405.17
May	365,556.19	62,892,892.25	9,112,017.38	67,664,650.92	140,035,116.74
June	365,556.19	62,150,059.92	11,318,110.49	77,498,507.22	151,332,233.82
July	365,556.19	84,335,611.03	12,498,325.43	95,583,464.54	192,782,957.19
August	365,556.19	61,397,612.39	13,085,305.57	73,279,792.85	148,128,267.00
September	365,556.19	62,307,491.73	13,025,684.06	69,592,375.28	145,291,107.26
October	365,556.19	62,247,702.28	11,817,863.58	77,813,043.90	152,244,165.95
November	365,556.19	62,857,559.67	12,664,511.76	72,697,217.63	148,584,845.25
December	365,556.19	61,281,156.45	14,807,807.06	84,020,298.85	160,474,818.55
Total	4,386,674.28	788,500,494.30	141,731,236.63	927,094,894.76	1,861,713,299.97

**NOTE 6: SCHEDULE OF CAPITAL EXPENDITURE OF ESAN SOUTH EAST LOCAL GOVERNMENT COUNCIL, UBIAJA FOR THE YEAR ENDED
31ST DECEMBER, 2023**

Month	Land & Building General 320101	Infrastructure General 320102	Furniture & Fittings 320106	Intangible Assets 320301	Monthly Total
January	25,400,000.00	4,500,000.00	12,500,000.00	31,550,000.00	73,950,000.00
February	45,755,000.00	18,756,000.00	-	20,000,000.00	84,511,000.00
March	20,000,000.00	12,500,000.00	-	38,560,000.00	71,060,000.00
April	5,800,000.00	39,780,194.41	3,164,600.00	19,000,000.00	67,744,794.41
May	11,000,000.00	34,000,000.00	-	14,750,000.00	59,750,000.00
June	4,435,250.00	15,700,000.00	2,000,000.00	56,000,000.00	78,135,250.00
July	26,750,000.00	29,650,000.00	-	33,678,000.00	90,078,000.00
August	13,000,000.00	28,400,000.00	-	47,000,000.00	88,400,000.00
September	21,700,000.00	17,200,000.00	-	20,675,000.00	59,575,000.00
October	7,700,000.00	5,500,000.00	-	38,000,000.00	51,200,000.00
November	3,000,000.00	15,350,000.00	-	29,225,000.00	47,575,000.00
December	14,435,203.00	6,823,375.00	-	76,471,649.74	97,730,227.74
Total	198,975,453.00	228,159,569.41	17,664,600.00	424,909,649.74	869,709,272.15

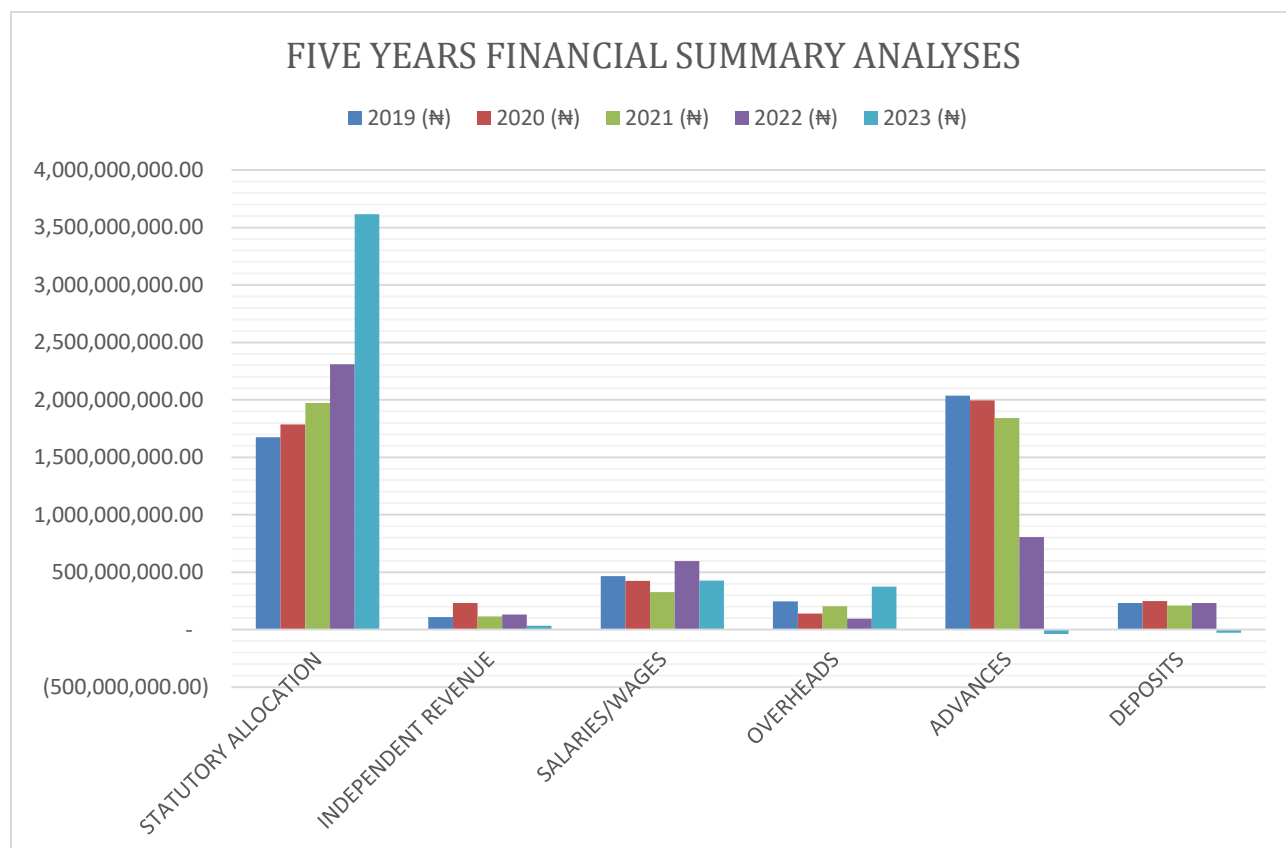
NOTE 7:	
CURRENT AND NON-CURRENT ASSETS AS AT 31ST DECEMBER, 2023	
Cash and Cash Equivalent	263,655,891.39
Inventories	-
Loans Granted	-
Investments	516,662.89
Advances	765,708,488.07
Property, Plant and Equipment	1,004,500,000.00
Total Assets	₦ 2,034,381,042.35

NOTE 8:	
CURRENT AND NON-CURRENT LIABILITIES AS AT 31ST DECEMBER, 2023	
Deposits	206,727,736.23
Loans/Debts	810,186.42
Payables	-
Long Term Borrowings	-
Total Liabilities	₦ 207,537,922.65

NOTE 9:	
CAPITAL RESERVES	
Reserves as at 1/1/2023	1,707,238,397.75
Accumulated Surpluses/Deficits for the Year	119,604,721.95
Net Assets/Equity as at 31/12/2023	₦ 1,826,843,119.70

NOTE 10:					
DETAILS OF AUDIT QUERIES ISSUED TO ESAN SOUTH EAST LOCAL GOVERNMENT COUNCIL, UBIAJA IN RESPECT OF 2023 ACCOUNTS					
S/No.	Query Number	P.V. No./Date	Reason	Amount (₦)	Remark
	<u>Outstanding:</u>				
1.	AQ/ESELG/UBJ/1/2021	34/Mar/2021	Irregular Expenditure	6,012,000.00	Unresolved
2.	AQ/ESELG/UBJ/2/2021	35/Mar/2021	Irregular Expenditure	6,840,000.00	Unresolved
3.	AQ/ESELG/UBJ3/2021	Various	Irregular Expenditure	21,676,000.00	Unresolved
4.	AQ/ESELG/UBJ/4/2021	Various	Irregular Expenditure	3,500,000.00	Unresolved
5.	AQ/ESELG/UBJ/5/2021	53/Oct/2021	Irregular Expenditure	9,723,000.00	Unresolved
6.	AQ/ESELG/UBJ/6/2021	152/Aug/2021	Irregular Expenditure	4,500,000.00	Unresolved
7.	AQ/ESELG/UBJ/1/2022	Various	Irregular Expenditure	8,205,000.00	Unresolved
	Sub-Total			60,456,000.00	
	<u>Current Year:</u>				
1.	AQ/ESELG/UBJ/1/2023	4/Feb/2023	Irregular Expenditure	1,500,000.00	Under Correspondence
2.	AQ/ESELG/UBJ/2/2023	5/Feb/2023	Irregular Expenditure	1,700,000.00	Under Correspondence
3.	AQ/ESELG/UBJ/3/2023	21/Feb/2023	Irregular Expenditure	4,500,000.00	Under Correspondence
4.	AQ/ESELG/UBJ/4/2023	53/Mar/2023	Irregular Expenditure	5,000,000.00	Under Correspondence
5.	AQ/ESELG/UBJ/5/2023	Various	Irregular Expenditure	18,000,000.00	Under Correspondence
6.	AQ/ESELG/UBJ/6/2023	199/Aug/2023	Irregular Expenditure	5,000,000.00	Under Correspondence
7.	AQ/ESELG/UBJ/7/2023	26/Dec/2023	Irregular Expenditure	6,000,000.00	Under Correspondence
8.	AQ/ESELG/UBJ/8/2023	Various	Irregular Expenditure	33,940,000.00	Under Correspondence
9.	AQ/ESELG/UBJ/9/2023	Various	Irregular Expenditure	106,700,000.00	Under Correspondence
	Sub-Total			182,340,000.00	
	Grand Total			242,796,000.00	

ESAN SOUTH EAST LOCAL GOVERNMENT COUNCIL, UBIAJA							
FIVE YEARS FINANCIAL SUMMARY ANALYSES							
S/N		2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)	2023 (₦)	TOTAL (₦)
1	STATUTORY ALLOCATION	1,674,865,531.88	1,785,466,340.48	1,972,604,538.07	2,310,147,010.51	3,615,010,384.82	11,358,093,805.76
2	INDEPENDENT REVENUE	109,875,592.15	230,523,016.78	116,188,072.94	131,962,305.80	35,041,810.00	623,590,797.67
3	SALARIES/WAGES	465,433,120.27	424,112,573.99	325,785,258.27	596,675,709.52	426,496,784.63	2,238,503,446.68
4	OVERHEADS	246,166,645.60	139,184,443.68	203,111,344.85	95,886,350.34	372,528,116.12	1,056,876,900.59
5	ADVANCES	2,035,855,888.07	1,994,134,338.07	1,841,150,288.07	805,306,488.07	-39,598,000.00	6,636,849,002.28
6	DEPOSITS	231,482,482.29	249,357,160.77	210,311,068.88	232,614,103.35	-25,886,367.12	897,878,448.17
	TOTAL	4,763,679,260.26	4,822,777,873.77	4,669,150,571.08	4,172,591,967.59	4,383,592,728.45	22,811,792,401.15





OFFICIAL

ESAN WEST LOCAL GOVERNMENT

P.M.B. 003, EKPOMA, EDO STATE OF NIGERIA.

Our Ref: C.578/T/68

Your Ref: _____

Date: 24-6-2024

STATEMENT OF FINANCIAL RESPONSIBILITY

These Financial Statements have been prepared by the Director of Finance and Accounts **Dr. S.A. Isemila fcim/fena** of Esan West Local Government Council, Ekpoma in accordance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS. The Financial Statements complied with generally accepted accounting practice.

The Director of Finance and Accounts is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly recorded the use of all public financial resources by the Local Government Council. To the best of my knowledge, this system of internal control has operated adequately throughout the reporting period.

Dr. S.A. Isemila FCIM/FENA
Director of Finance & Accounts
Esan West Local Government
Ekpoma.

We accept responsibility for the integrity of these Financial Statements, the information they contain and their compliance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS.

In our opinion, these Financial Statements fairly reflect the financial position of Esan West Local Government Council, Ekpoma as at **31st December, 2023** and its operations for the year ended on that date.

8.

DR. CHARLES OMHEAKA OKPERE
Head of Local Government Administration
Esan West Local Government
Ekpoma.

†

HON. AIGBOGUN COLLINS
Executive Chairman
Esan West Local Government
Ekpoma.



OFFICE OF THE AUDITOR-GENERAL (LOCAL GOVERNMENTS)

19 BOUNDARY ROAD, G.R.A.

P.M.B. 1128

BENIN CITY

EDO STATE OF NIGERIA

**REPORT OF THE STATE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS
TO THE MEMBERS OF THE EDO STATE HOUSE OF ASSEMBLY**

The Financial Statements of Esan West Local Government Council, Ekpoma for the year ended 31st December 2023 as contained in this report prepared under the International Public Sector Accounting Standards (IPSAS) Accrual accounting framework and on the basis of Accounting Policies detailed in the Financial Statements have been audited as required by the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended.

RESPONSIBILITY OF THE DIRECTOR OF FINANCE AND ACCOUNTS

The Director of Finance and Accounts to Esan West Local Government Council, Ekpoma is responsible for the preparation and presentation of the Financial Statements in accordance with the Finance (Control and management) Act 1958 as amended. He is to ensure that there are no material misstatements in the Financial Statements.

AUDITOR-GENERAL'S RESPONSIBILITY

It is my statutory responsibility to form an independent opinion based on the audit of the Financial Statements and to report thereon.

BASIS OF OPINION

The audit was conducted in accordance with International Standards on Auditing (ISA) as applicable to the public sector, International Organization of Supreme Audit Institutions (INTOSAI), Auditing Standards, the provisions of the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended. The audit includes examination on a test basis of evidence relevant to the figures disclosed in the Financial Statements. It also includes an assessment of significant estimates and judgments made by the Council in the preparation of the Financial Statements and whether the accounting policies were appropriate in the Council's circumstances, consistently applied and adequately disclosed. The audit was planned and performed to obtain all information and explanations considered necessary to have reasonable assurance that the Financial Statements are free from material misstatements. I have not obtained all the information and explanations that I required.

OPINION

In my opinion, the Financial Statement of Esan West Local Government Council, Ekpoma for the year ended 31st December 2023 show a true and fair view of the Council's state of financial position, performance and of the cashflow in accordance with all legal and regulatory frameworks, subject to the observations and comments contained in this report.

S.O. Johnson, FCA, ACTI, FIMC, FCCSA

(FRC/2022/PRO/ICAN004/188858)

Auditor-General (Local Governments)

Edo State,

28th June, 2024

AUDITOR-GENERAL'S REPORT FOR LOCAL GOVERNMENTS, EDO STATE
GENERAL DISCLOSURES AND OBSERVATIONS REGARDING THE ESAN
WEST LOCAL GOVERNMENT COUNCIL'S ACCOUNTS, EKOPAMA, FOR THE
YEAR ENDED DECEMBER 31, 2023

1. REVENUE

The entire income realised by the Esan West Local Government Council during the year that concluded on December 31, 2023, was N3,413,714,872.63. Of this amount, N171,178,278.85 represented independent revenue, while the remaining N3,242,536,593.78 came from federation account statutory allocations. For more information, see Notes 1 and 2.

SUMMARY

Throughout the time under review, the Local Government Council remained mostly dependent on funding from the Federation Account. To lessen an excessive reliance on statutory allocations, the Local Government Council is urged to examine its own internal operations and devise strategies to increase money produced internally.

2. SLGJAAC ALLOCATIONS TO LOCAL GOVERNMENT COUNCILS ARE COMPLETE

According to source documents from the Edo State Ministry of Local Government Affairs, the entire amount of N3,242,536,593.78 accrued from the federation account to Esan West Local Government Councils, Ekpoma as statutory allocations transferred through the State-Local Government Joint Account Allocation Committee (SLGJAAC) was received in full by the Council and was included in the Council's Financial Statements for the year ended December 31, 2023. For more information, see Note 1.

3. EXPENDITURE

Esan West Local Government Council, Ekpoma, spent N627,800,674.8 on salaries and wages during the review period. It also incurred overhead of N162,301,700.12. Transfers to SUBEB and Other Local Government Entities was N1,754,817,903.95. The total amount of capital expenses for the year was N790,055,376.50.

4. CASH AND CASH EQUIVALENT

As of December 31, 2023, Esan West Local Government Council, Ekpoma, has N104,970,529.72 in cash and financial equivalents. The Local Government Council created bank reconciliation statements for the time period under examination. But

not enough information was provided for us to determine the cash book bank balance for reconciliation.

SUMMARY

To ensure correct reconciliation at the end of the year, the Local Government Council is urged to always complete monthly bank reconciliation statements in accordance with Financial Memoranda 19:23-30. However, it is praiseworthy that an attempt was made to create Bank Reconciliation Statements.

5. ADVANCES

As of December 31, 2023, the Local Government Councils' unretired advances totalled N386,532,966.70. It was noted that, despite my cautions in earlier reports and circular letters, as of December 31, 2023, advances given to different Council officials as working advances had not been retired, in violation of F.M. 16.16.

SUMMARY

In compliance with F.M. 16.16, the Treasurers of the Local Government Councils and the Heads of Local Government Administration are therefore called upon to promptly retire ALL outstanding operating advances.

6. GENERAL INVESTMENTS

As of December 31, 2023, the investments owned by the Esan West Local Government Council, Ekpoma, were valued at N28,685.43. Due to the Council's failure to keep investment registers or ledgers, the investments were not appropriately documented. Consequently, it was not feasible to confirm the investments and determine their current valuations.

SUMMARY

The Local Government Council should conduct an investigation into the investments' current state in order to determine their existence, viability, and valuations. It is necessary to reassess all investments, write off any that are no longer in operation, and declare any that are at fair market value.

7. LIABILITIES:

(A) DEPOSITS

As of December 31, 2023, there was an outstanding balance of N907,088,501.08 in the Esan West Local Government Council, Ekpoma, Deposits Accounts. Pay As You Earn (PAYE), union dues (NULGE), car refurbishing loans deducted for loans

obtained from other councils, retention fees, value-added tax (VAT), withholding tax (WT), and other deductions from staff salaries are all represented by the Deposit Accounts.

SUMMARY

After the deposits have been thoroughly examined, the Council is responsible for making sure the beneficiaries receive their money back. Any deposit whose owner cannot be located or has not made any use of it for more than five years after the repayment deadline should be adjusted to revenue in line with F.M. 24.25(5).

(B) SHORT TERM LOANS

The Local Government Council owed a total of N800,000.00 in bank overdrafts and combined short-term loans to other banks.

8. FINANCIAL PERFORMANCE

The following summarises the budget performance for the Esan West Local Government Council, Ekpoma, for the year that concluded on December 31, 2023:

Description	Approved Estimate 2023 (₦)	Actual Revenue/Expenditure 2023 (₦)	Percentage Performance
<u>REVENUE</u>			
Statutory Allocation	3,086,502,696.55	3,242,536,593.78	105%
Independent Revenue	256,240,483.97	171,178,278.85	33%
<u>EXPENDITURE</u>			
Salary and Wages	458,662,375.50	627,800,674.80	137%
Overhead Cost	295,907,503.77	162,301,700.12	55%
Transferred to SUBEB and other Local Government Entities	609,519,962.42	1,754,817,903.95	288%
Capital Expenditure	1,654,200,830.98	790,055,376.50	48%

Observation

The information above makes clear how poorly capital projects actually performed in 2023.

SUMMARY

- i) In order to enable the Office of the Auditor-General to monitor and audit capital project performance in accordance with F.M. 1.4(12)(g) and F.M. 39.1(8) and ensure that the Council obtained value for the expenditure, the Local Government Council should always forward contract agreements and other pertinent documents to the office.
- ii) In order to prevent unnecessary budgetary spending, the Local Government Council is also recommended to consistently allocate sufficient funds for Overhead Costs and Transfers to SUBEB and other Local Government Entities.

9. APPROVAL

Sections 92, 93, and 94 of the Edo State Local Government Law 2000, as amended, lawfully authorise all of the expenditures reflected in the Statements of Actual Expenditure for the year ended December 31, 2023.

10. ASSET REVALUATION

The IPSAS-compliant asset appraisal has not yet been completed by the Esan West Local Government Council in Ekpoma (Accruals).

SUMMARY

In order to correctly portray the assets in the Statement of Financial Position, the Local Government Council should immediately hire pertinent specialists and have their assets revalued in accordance with IPSAS.

11. BUDGETARY PLANNING

The Office of the Auditor-General (Local Governments) should receive copies of the approved budget so that it can track financial performance. The Esan West Local Government Council, Ekpoma, is responsible for making sure that the annual budget is prepared on time and in compliance with the National Chart of Accounts, as advised by International Public Sector Accounting Standards (IPSAS).

12. AUDIT QUERIES

The Chairman has already received the audit enquiries regarding the discovered inconsistencies of N142,740,000.00 that are attached to the Audit Inspection Reports on the 2023 accounts for Esan West Local Government Council, Ekpoma, so he may take the appropriate action. Note 10 of this report includes specifics on the audit enquiries pertaining to the 2023 accounts.

13. DISALLOWANCE

Allowance has been set aside for the expenses listed in Note 10 of this report and in paragraph 12 above, pending acceptable responses to the questions posed therein.

14. THE overall condition of the accounts and maintaining records

The following highlights the way that accounting books and records are rendered in local government councils:

a) Annual Financial Statement Rendition

In accordance with current legislation, the Local Government Council submitted the 2023 Financial Statements on time. It is praiseworthy that the yearly financial statements were produced on schedule.

b) Maintaining Records

i) Subordinate Ledgers and Books

Subsidiary books were occasionally either not updated or maintained. The appropriate maintenance of subsidiary books of accounts is a responsibility of the Local Government Council. Registers for investments, loans/overdraft, and fixed/mobile assets have to be kept up to date.

ii) Cheque Books

At the conclusion of each month, cash books were not properly balanced, and in certain instances, balances were recorded in pencil rather than ink. Cash books need to be updated on a regular basis from now on.

c) Financial Statements and Underlying Records Reconciliation

i) Several entries in the Departmental Vote Revenue Account (DVRA) and Departmental Vote Expenditure Account (DVEA) Books were missing. As a result, precisely categorising expenses and income into Heads and Sub-Heads became challenging.

ii) During the time under examination, the ledgers for advances and deposits were also not updated. The outstanding balances in the ledgers are inaccurate since certain entries were not submitted to them. As a result, depending solely on the ledgers makes it impossible to precisely ascertain outstanding advances and deposits.

It is recommended that Local Government Council Treasurers oversee the treasury

department's employees and make sure that accounting records are updated and reconciled to remove inaccuracies and omissions.

iii) Reconciliation in Bank

In accordance with Financial Memoranda 19.23-24, Esan West Local Government Council, Ekpoma, generated bank reconciliation statements. It's a great effort, and one that ought to continue.

d) Answering Audit Questions

The amount of response to audit enquiries sent to Esan West Local Government Council, Ekpoma, is displayed in Note 10 to the accounts. This serves as a reminder to the Local Government Council to always reply to audit enquiries as soon as possible.

e) Implementing IPSAS

The International Public Sector Accounting Standards have not yet been completely adopted by the Local Government Council (IPSAS). The Local Government Council's assets and liabilities urgently need to be reevaluated and recorded in the books of accounts in accordance with IPSAS.

Accounting Policies (IPSAS Accrual)

1. Basis for Measurement:

The preparation of these *General-Purpose Financial States (GPFS)* complies with the historical cost convention, IPSAS, and other applicable requirements as specified by pertinent legislation.

2. The foundation of accounting:

These GPFS were created using the accrual method of accounting.

3. Time of Accounting:

According to National Treasury Circular Ref. OAGF/CAD/026/Vol.1/102 on December 30, 2013, the accounting year (fiscal year) runs from January 1 to December 31. The accounting system was designed to divide each accounting year into twelve calendar months, or periods.

4. Currency Reporting:

The GPFS was developed using Naira (Nigeria's currency).

5. Comparative Data:

The *General Purpose Financial Statements* included all the numerical data for the prior time frame.

6. Financial Data:

These numbers come from the approved budget, which was created on a cash basis in compliance with the Local Government Councils' Appropriation Bye-Law.

7. Income from Taxes, Fees, and Fines:

When fees, taxes, and other non-exchange transaction revenue are collected and meet the requirements for asset recognition, they are recorded as revenue. When it is likely that the company will get future economic benefits or service possibilities from the asset and it is reasonably possible to determine the asset's fair value, other non-exchange revenues are recognised.

Additional Operating Profits:

Exchange transactions that take place in the regular course of the entity's operations provide additional operational revenues. The fair value of the payment received or receivable for the sale of goods and services is included in revenues.

Sales of Products:

When the major risks and benefits of ownership have been passed to the buyer, generally with delivery of the products, revenue from the sale of those things is recognised.

Additional Income/Revenue:

Fees, fines, debt forgiveness, commissions, earnings from the sale of assets, and other sources make up other revenue. Any gain or disposal is recorded on the day the asset is turned over to the buyer and is calculated by reducing the asset's carrying value from the proceeds on that date.

8. Changes from Other Governmental Organisations:

When an asset (cash, goods, services, or properties) is received condition-free and there is a reasonable probability that the asset's potential for economic benefit or service will be reliably measured, revenues from non-exchange transactions with other government entities are recognised at fair value.

9. Costs:

All costs are recorded on an accrual basis, which means that regardless of when the money is received, costs are recorded at the time they are incurred or when the associated services are used.

10. Loan Interest:

In the financial performance report (Statement of Financial Performance), interest on loans is accounted for either an expense or a charge. To calculate interest expenditure for each period, interest is accumulated by applying the effective interest rate method to the principle amount owed.

11. Cash Flow Statement:

The direct technique was used to create this statement, which followed the GPFS format. There are three (3) parts in the cash flow statement:

Operating Activities:

These track the cash payments made for the provision of goods and services as well as the cash received by Local Government Councils from all sources of income.

Investing activities are those that have to do with buying and selling non-current assets.

Financial Activities: These include adjustments to the PSE's debt and equity capital structure.

12. Currency and Its Equivalent:

The term "cash and cash equivalent" refers to the amount of cash that is on hand, held in bank accounts, demand deposits, and other highly liquid investments with an initial maturity of three months or less. These investments are made by the entity as part of its daily cash management process, and they are easily convertible into known amounts of cash with little to no risk of value fluctuations. Cash and Cash Equivalent are included in the Statement of Financial Position under Current Assets.

13. Accounts Receivable: Exchange Transaction Receivables

Exchange transaction receivables are first recorded at fair value and then, using the effective interest method, evaluated at amortised cost, minus allowance for impairment. When there is, a receivables impairment provision is created.

Receivables from Transactions Without Exchange:

Receivables from non-exchange transactions include social benefit receivables that don't stem from contracts, as well as fees, taxes, fines, and other penalties related to these activities. These receivables are first valued at face value, or nominal amount; that is, the amount of tax due, levy, fine, etc., is reflected in the receivable. These accounts receivable are first evaluated at face value or nominal amount, meaning that the receivable represents the total amount of taxes due, levies, fines, etc. Following their charging, these receivables are modified for penalties or may be written off due to impairment. The statement of financial performance presents interest and penalties on tax receivables as tax revenue..

14. Advance payments:

Amounts paid in advance of receiving goods or services are referred to as prepaid costs. They signify payments made in one year for benefits to be obtained in other years, or payments made early in the year for benefits to be received throughout the course of the year.

15. Inventory:

- (a): The net realisable value of an inventory is subtracted from its cost.
- (b) The FIFO approach is used to calculate costs.
- (c) Where appropriate, inventories retained for distribution for the benefit of the

public are documented at cost less any prospective loss of services.

(d) In the Financial Position Statement, inventories are included under Current Assets.

16. Awarded Loans:

The approved loans are displayed at their estimated realisable value, which takes into account impairments and bad or dubious debts.

17. Plant, machinery, and equipment:

(a) The historical cost of all PPE is reported, less cumulative depreciation and any impairment losses. Costs directly related to the acquisition of the assets are included in the historical cost.

(b) When an asset is purchased through a non-exchange transaction for nominal or no consideration, it is first recorded in the statement of financial performance at fair value, which is a value that can be consistently ascertained and expressed as income during the PPE's useful life.

(c) The subsequent items are considered PPE expenses:

i) The price paid for the acquisition of these assets as well as any additional pertinent costs associated with restoring the asset to operational condition.

ii) Building expenses, which include labour, supplies, and overhead.

iii) Modifications to current PPE that greatly extend its usable life.

Price:

A piece of PPE's total cost includes the purchase price, import fees, one-time expenses, and any expenditures directly related to relocating and restoring the asset to its original location and state of functionality. The purchase price is calculated after subtracting trade discounts and rebates. PPE are reported at cost or at their expert appraisal less cumulative impairment and depreciation.

Devaluation:

PPE is depreciated according to a straight line method throughout the course of their anticipated useful lifetimes, less any projected residual value, using relevant rates, starting on the date of availability for use.

No.	Item of PPE	Depreciation Rate
A	Leased Property	Over the term of the lease
B	Buildings	2%
C	Investment property	2%
D	Infrastructure	5%
E	Plant and Machinery	10%
F	Transportation Equipment (except K)	20%
G	Office Equipment	25%
H	Furniture and Fittings	20%
I	Specialized Assets (e.g., books, military and paramilitary assets)	10%
J	Bearer Plant	4%
K	Aircraft, ship and train	5%
L	Specific cultural and heritage assets	Unlimited

Assessment:

At the conclusion of each reporting period, the residual values and usable lifetimes of the assets are examined and, if necessary, changed. Revaluation surplus is moved to the revaluation reserve under reserves in the financial situation. If there is a revaluation deficit, it is recorded as an expense in the statement of financial performance or, if there is a surplus on the same class of assets, against the value of the related assets and the corresponding entry to the revaluation reserve.

Disposal Gain or loss resulting from getting rid of a piece of PPE is shown as a surplus or deficit.

Deficit:

When there are signs that a piece of personal protective equipment (PPE) may have been compromised, an impairment test is carried out.

18. Real Estate Investment

These are properties that provide income for a PSE. At first, an investment property is valued at its cost. Investment property is then measured at fair value at the end of the term, and any gain or loss at fair value is recorded as a surplus or deficit.

Income from Investments:

Investment income is defined as the excess or shortfall of rental revenue received or gained from an investment property.

Disposal:

The surplus or deficit represents the gain or loss from the sale of investment property.

19. Non-tangible Resources

These are non-tangible assets that have been created domestically or purchased, and they are stored for usage in order to produce advantages that extend beyond a fiscal year. An intangible asset's total cost includes the acquisition price, non-recurring charges, and any expenses directly related to restoring the asset to its intended condition of use.

20. Deposits:

Resources kept in custody on behalf of third parties make up deposits. Additionally, deposits signify upfront payments for future products and services.

21. Debts and Loans:

Loans are sums of money that are borrowed with an agreed-upon repayment schedule. They are classified as either short-term or long-term loans and are shown as liabilities in the Statement of Financial Position.

22. Unremitted Withheld Taxes:

Money due to third parties, including tax authorities, unions, cooperatives, schemes and organisations, other government agencies, etc., is known as an unremitted deduction. Tax and other at-source deductions are examples of unremitted deductions. The sums are considered as Current Liabilities in the Statement of Financial Position and are reflected in the GPFS at their payback value.

23. Accrued Expenses - Payables

These are sums of money owed to outside parties for products and services obtained.

24. Public Money

These represent the government's financial balances at the conclusion of the fiscal year. The Statement of Financial Position categorises them as Non-Current Liabilities.

25. Reserves:

Reserves such as Surpluses/(Deficits) Reserve, Translation Reserve, Revaluation

Reserve, Fair Value Reserve, and other Reserves are categorised under equity in the Statement of Financial Position.

26. Debts

Initial recognition of borrowings is done at fair value, net of incurred transaction expenses. Following amortisation, borrowings are reported at cost; any discrepancy between proceeds (net of transaction expenses) and redemption value is recognised using the effective interest method in the consolidated statement of financial performance for the duration of the borrowings. The fees incurred for setting up lending facilities are recorded as loan transaction charges. The cost of the charge is capitalised and spread out over the life of the related facility.

27. Assignments to Other Governmental Organisations:

Transfers to other governmental bodies are included as costs in the statement of financial performance as they are non-exchange items.

28. Advances:

According to Edo State Financial Memoranda 16.16, any loans given to Local Government Council employees to carry out projects or make purchases of goods or services on their behalf must be retired by the end of the fiscal year. However, in situations where an advance is made towards the end of the fiscal year or where an advance that has already been made cannot be retired within the fiscal year, the advance and any outstanding amount are included in the Statement of Financial Position.

ESAN WEST LOCAL GOVERNMENT COUNCIL, EKPOMA
STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2023

Previous Year Actual 2022 (N)	Description	NCOA Code	Note	Annual Budget (N)	Actual Revenue/ Expenditure (N)	Percentage of Budget Performance
953,686,248.41	Net Assets/Equity As At 1/1/2023 – A			-	974,790,674.52	
	REVENUE					
	<u>Statutory Allocation:</u>					
1,097,706,711.23	Share of Federation Account	110101	1	1,850,387,710.44	918,771,078.09	50%
818,704,455.15	Share of Value Added Tax (VAT)	110102	1	876,002,088.25	1,124,600,634.24	128%
112,517,042.90	Excess Crude Oil and Others	110103	1	360,112,897.86	1,199,164,881.45	333%
2,028,928,209.28	Sub-Total Statutory Allocation – B			3,086,502,696.55	3,242,536,593.78	105%
	<u>Independent Revenue:</u>					
11,398,000.00	Licences General	120201	2	74,872,348.32	10,374,500.00	14%
159,776,210.00	Fees General	120204	2	66,975,149.43	138,524,187.42	207%
6,085,400.00	Fines General	120205	2	4,131,644.16	5,147,000.00	125%
-	Sales General	120206	2	3,899,545.32	-	
18,279,480.00	Earnings General	120207	2	106,361,796.74	17,132,591.43	16%
-	Rent on Government Building General	120208	2	-	-	
-	Rent on Land and Others General	120211	2	-	-	
-	Repayment General	120213	2	-	-	
-	Investment Income	120214	2	-	-	

195,539,090.00	Sub-Total Independent Revenue – C			256,240,483.97	171,178,278.85	67%
3,178,153,547.69	Total Receipts (A+B+C)			3,342,743,180.52	4,388,505,547.15	131%
	EXPENDITURE					
	<u>Recurrent Expenditure:</u>					
451,143,119.53	Salaries and Wages	210101	3	458,662,375.50	627,800,674.80	137%
298,255,819.63	Overhead Cost	220201	4	295,907,503.77	162,301,700.12	55%
1,415,222,521.81	SUBEB and other Transfers to Local Govt. Entities	220701	5	609,519,962.42	1,754,817,903.95	288%
-	Depreciation			-	-	
2,164,621,460.97	Sub-Total Recurrent Expenditure: E			1,364,089,841.69	2,544,920,278.87	187%
	<u>Capital Expenditure:</u>					
6,306,762.20	Land and Building General	320101	6	879,099,369.43	354,042,728.97	40%
28,535,900.00	Infrastructure General	320102	6	369,060,036.25	208,940,338.03	57%
-	Furniture and Fittings General	320106	6	47,361,101.30	24,846,875.50	52%
3,898,750.00	Intangible Assets	320301	6	358,680,324.00	202,225,434.00	56%
38,741,412.20	Sub-Total Capital Expenditure: F			1,654,200,830.98	790,055,376.50	48%
2,203,362,873.17	Total Expenditure: G = E + F			3,018,290,672.67	3,334,975,655.37	110%
974,790,674.52	Net Assets/Equity As At 31/12/2023				1,053,529,891.78	
3,178,153,547.69					4,388,505,547.15	

ESAN WEST LOCAL GOVERNMENT COUNCIL, EKPOMA						
STATEMENT OF FINANCIAL POSITION AS AT 31 ST DECEMBER, 2023						
Description	NCOA Code	Note	2023 (N)	2023 (N)	2022 (N)	2022 (N)
ASSETS						
<u>Current Assets:</u>						
Cash and Cash Equivalent	310101	7	104,970,529.72		25,241,298.78	
Inventories	310501	7	-		-	
Receivables	310601	7	-		-	
Prepayments	310801	7	-		-	
Total Current Assets: A				104,970,529.72		25,241,298.78
<u>Non-Current Assets:</u>						
Loan Granted (Local Govt. Loan Fund)	311001	7	572,970.07		572,970.07	
Investments	310901	7	28,685.43		28,685.43	
Property, Plant and Equipment (PPE)	320101	7	1,468,953,256.94		1,607,151,746.92	
Investment Properties	320201	7	359,984.00		359,984.00	
Intangible Assets (Advances)	320301	7	386,532,966.70		387,832,966.70	
Total Non-Current Assets: B				1,856,447,863.14		1,995,946,353.12
Total Assets: C = A+B				1,961,418,392.86		2,021,187,651.90
LIABILITIES						
<u>Current Liabilities:</u>						
Deposits	410101	8	907,088,501.08		1,045,596,977.38	
Short Term Loans and Debts	410201	8	800,000.00		800,000.00	
Payables (Accrued Expenses)	410401	8	-		-	
Total Current Liabilities: D				907,888,501.08		1,046,396,977.38
<u>Non-Current Liabilities:</u>						
Long Term Borrowing	4601/4602	8	-		-	
Total Non-Current Liabilities: E				-		-
Total Liabilities: F = D+E				907,888,501.08		1,046,396,977.38
Net Assets: G = C-F				1,053,529,891.78		974,790,674.52
NET ASSETS/EQUITY						
Reserves: H	4701	9	974,790,674.52		953,686,248.41	
Accumulated Surpluses/(Deficits): I	4702	9	78,739,217.26		21,104,426.11	
Total Net Assets/Equity: G = H+I				1,053,529,891.78		974,790,674.52

ESAN WEST LOCAL GOVERNMENT COUNCIL, EKPOMA CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2023						
NCOA Code	Details	Note	2023 (N)	2023 (N)	2022 (N)	2022 (N)
	CASH FLOW FROM OPERATING ACTIVITIES:					
	<u>INFLOWS:</u>					
	<u>Statutory Allocations</u>					
110101	Share of Federation Account	1	918,771,078.09		1,097,706,711.23	
110102	Share of Value Added Tax (VAT)	1	1,124,600,634.24		818,704,455.15	
110103	Excess Crude Oil and Others	1	1,199,164,881.45		112,517,042.90	
	Sub-Total Statutory Revenue – A			3,242,536,593.78		2,028,928,209.28
	<u>Independent Revenue</u>					
120201	Licences General	2	10,374,500.00		11,398,000.00	
120204	Fees General	2	138,524,187.42		159,776,210.00	
120205	Fines General	2	5,147,000.00		6,085,400.00	
120206	Sales General	2	-		-	
120207	Earnings General	2	17,132,591.43		18,279,480.00	
120208	Rent on Government Buildings General	2	-		-	
120209	Rent on Land and Others General	2	-		-	
120210	Repayments General	2	-		-	
120211	Investment Income	2	-		-	
	Sub-Total Independent Revenue – B			171,178,278.85		195,539,090.00
	Total Inflow from Operating Activities C = A+B			3,413,714,872.63		2,224,467,299.28

	OUTFLOWS:					
210101	Salaries and Wages	3	627,800,674.80		451,143,119.53	
220201	Overhead Cost	4	162,301,700.12		298,255,819.63	
220701	SUBEB and other Transfers to Local Government Entities	5	1,754,817,903.95		1,415,222,521.81	
	Depreciation		-		-	
	Total Outflow from Operating Activities – D			2,544,920,278.87		2,164,621,460.97
	Net Cashflow from Operating Activities – E = C-D			868,794,593.76		59,845,838.31
	CASHFLOW FROM INVESTING ACTIVITIES:					
320101	Land and Building General	6	354,042,728.97		6,306,762.20	
320102	Infrastructure General	6	208,940,338.03		28,535,900.00	
320106	Furniture and Fittings General	6	24,846,875.50		-	
320301	Intangible Assets	6	202,225,434.00		3,898,750.00	
	Total Outflow from Investing Activities – F			790,055,376.50		38,741,412.20
	Net Cashflow from Investing Activities – G = E - F			78,739,217.26		21,104,426.11
	CASHFLOW FROM FINANCIAL ACTIVITIES:					
301801	Advances		-		- 71,176,400.00	
410101	Deposits		990,013.68		33,929,903.71	
410102	Other Accounts – Loan		-		-	
	Other Accounts - Investment		-		-	
420301	Proceeds from Borrowings		-		-	
	Payment/Charges on Borrowings		-		-	
	Net Cashflow from Financing Activities – H			- 990,013.68		- 105,106,303.71
	Net Cashflow from all Activities – I = G - H			79,729,230.94		126,210,729.82
	Cash and Cash Equivalent As At 1/1/2023			25,241,298.78		- 100,969,431.04
	Cash and Cash Equivalent As At 31/12/2023			104,970,529.72		25,241,298.78

NOTES TO THE ACCOUNTS

NOTE 1:				
SCHEDULE OF STATUTORY ALLOCATION TO ESAN WEST LOCAL GOVERNMENT COUNCIL, EKPOMA FOR THE YEAR ENDED 31ST DECEMBER 2023				
Month	Federation Account	Value Added Tax	Others	Total
January	125,892,092.43	81,146,789.98	361,466,551.33	568,505,433.74
February	72,701,404.15	81,747,154.61	29,841,141.29	184,289,700.05
March	69,192,633.57	85,029,922.38	26,849,628.56	181,072,184.51
April	94,316,477.14	75,441,610.93	6,935,028.37	176,693,116.44
May	66,997,264.44	69,808,027.66	23,829,580.23	160,634,872.33
June	101,333,973.24	91,622,029.13	227,497,330.36	420,453,332.73
July	56,811,182.96	97,562,416.04	242,621,530.17	396,995,129.17
August	73,764,352.77	95,457,994.07	60,859,140.23	230,081,487.07
September	58,982,022.87	120,105,277.83	51,216,229.27	230,303,529.97
October	73,903,092.93	95,819,608.72	38,509,494.40	208,232,196.05
November	57,145,889.50	111,085,215.60	55,782,382.42	224,013,487.52
December	67,730,692.09	119,774,587.29	73,756,844.82	261,262,124.20
Total	918,771,078.09	1,124,600,634.24	1,199,164,881.45	3,242,536,593.78

NOTE 2:										
SCHEDULE OF INDEPENDENT REVENUE OF ESAN WEST LOCAL GOVERNMENT COUNCIL, EKPOMA FOR THE YEAR 2023										
Month	120201 Licences General	120204 Fees General	120205 Fines General	120206 Sales General	120207 Earnings General	120208 Rent On Govt. Buildings General	120209 Rent On Land & Others General	120210 Repayments General	120211 Investment Income	Monthly Total
January	933,574.00	12,938,457.00	507,370.00	-	1,394,700.00	-	-	-	-	15,774,101.00
February	988,454.00	9,120,766.00	375,000.00	-	1,293,407.00	-	-	-	-	11,777,627.00
March	403,700.00	11,873,700.00	469,740.00	-	1,339,487.21	-	-	-	-	14,086,627.21
April	983,507.00	11,676,707.00	200,000.00	-	1,107,200.00	-	-	-	-	13,967,414.00
May	979,358.00	11,907,103.00	430,000.00	-	1,207,100.00	-	-	-	-	14,523,561.00
June	975,000.00	11,959,178.15	233,260.00	-	1,301,503.00	-	-	-	-	14,468,941.15
July	903,304.00	10,547,500.00	400,000.00	-	1,111,100.00	-	-	-	-	12,961,904.00
August	610,000.00	10,940,000.00	450,000.00	-	1,345,000.00	-	-	-	-	13,345,000.00
September	813,400.00	11,943,700.00	175,800.00	-	1,424,859.00	-	-	-	-	14,357,759.00
October	927,703.00	11,987,576.27	675,700.00	-	1,675,000.00	-	-	-	-	15,265,979.27
November	922,500.00	12,175,500.00	507,802.00	-	1,987,534.22	-	-	-	-	15,593,336.22
December	934,000.00	11,454,000.00	722,328.00	-	1,945,701.00	-	-	-	-	15,056,029.00
Total	10,374,500.00	138,524,187.42	5,147,000.00	-	17,132,591.43	-	-	-	-	171,178,278.85

NOTE: 3 SCHEDULE OF SALARIES AND WAGES OF ESAN WEST LOCAL GOVERNMENT, EKPOMA FOR THE YEAR ENDED 31ST DECEMBER, 2023

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
21010101	Office of the Chairman	28,555,220.32	56,540,700.00	198%
21010102	The Council (Legislative)	20,791,400.05	39,345,000.00	189%
21010103	Personnel Management	144,898,589.06	136,759,543.37	94%
21010104	Internal Audit	3,816,042.57	2,500,000.00	66%
21010105	Information	10,448,297.12	8,975,400.00	86%
21010106	Office of the Head of LGA	3,825,220.18	2,745,704.00	72%
21010107	Agriculture and National Resources	11,016,804.80	10,976,700.00	100%
21010108	Finance and Supply	31,751,772.24	47,540,000.00	150%
21010109	Budget, Planning & Statistics	10,187,982.56	39,945,100.00	392%
2101010	Revenue	21,453,536.10	49,594,720.00	231%
2101011	Works and Housing	84,122,434.18	82,945,714.43	99%
2101012	Procurement	9,454,832.36	7,844,100.00	83%
2101013	Legal Services	4,550,960.84	3,400,000.00	75%
2101014	Youth, Women & Social Development	54,510,972.68	67,545,700.00	124%
2101015	Primary Health Care	-	-	
2101016	Environment	19,278,310.44	49,893,700.00	259%
2101017	Water and Sanitary Hygiene	-	21,248,593.00	
	Total	458,662,375.50	627,800,674.80	137%

NOTE: 4 SCHEDULE OF OVERHEAD COST OF ESAN WEST LOCAL GOVERNMENT, EKPOMA FOR THE YEAR 2023				
Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
22020101	Office of the Chairman	29,745,600.10	17,754,543.20	60%
22020102	The Council (Legislative)	18,867,957.57	7,734,000.00	41%
22020103	Personnel Management (Admin)	39,747,856.86	20,754,343.16	52%
22020104	Internal Audit	10,820,100.20	5,176,140.00	48%
22020105	Information	10,535,200.01	7,594,700.00	72%
22020106	Office of the Head of LGA	21,491,248.72	7,375,000.00	34%
22020107	Agriculture and National Resources	12,504,226.91	6,700,000.00	54%
22020108	Finance and Supply	29,714,929.20	15,703,000.00	53%
22020109	Budget, Planning & Statistics	12,500,878.33	6,101,000.00	49%
22020110	Procurement	29,161,902.04	11,174,500.00	38%
22020111	Revenue	17,631,603.16	4,345,400.00	25%
22020112	Works & Housing	26,420,612.67	21,170,000.00	80%
22020113	Legal Services	14,840,788.00	4,767,000.00	32%
22020114	Social Development	18,524,300.17	5,999,988.00	32%
22020115	Primary Health Care	-	-	
22020116	Environment	18,562,201.87	7,952,085.76	43%
22020117	Water and Sanitary Hygiene	-	-	
22020118	Contribution to LG Service Commission	14,000,000.00	12,000,000.00	86%
	Total	325,069,405.81	162,301,700.12	50%

NOTE 5: SCHEDULE OF TRANSFERS TO SUBEB AND OTHER LOCAL GOVERNMENT ENTITIES IN ESAN WEST LOCAL GOVERNMENT, EKPOMA

Month	Deductions for Mandatory Expenditure				Total
	Subvention to LGEA (SUBEB)	Total Salary for Teaching and LGEAs	5% Traditional Council	Other Transfers to Local Govt. Entities	
January	325,782.36	61,831,416.85	11,165,639.39	74,912,648.52	148,235,487.12
February	325,782.36	59,289,949.25	9,214,485.00	73,784,868.44	142,615,085.05
March	325,782.36	59,615,771.22	9,053,609.22	78,986,191.69	147,981,354.49
April	325,782.36	56,525,461.58	8,834,655.82	76,810,989.84	142,496,889.60
May	325,782.36	55,436,635.44	8,031,743.61	68,420,326.45	132,214,487.86
June	325,782.36	54,938,941.63	10,004,898.02	77,619,771.87	142,889,393.88
July	325,782.36	74,325,095.04	11,016,074.61	96,053,878.76	181,720,830.77
August	325,782.36	53,978,311.34	11,504,074.35	71,669,837.03	137,478,005.08
September	325,782.36	55,081,601.10	11,515,076.49	72,664,191.60	139,586,651.55
October	325,782.36	54,840,604.89	10,411,609.80	78,579,229.06	144,157,226.11
November	325,782.36	55,592,120.03	11,200,674.37	76,603,258.55	143,721,835.31
December	325,782.36	54,060,824.25	13,063,106.21	84,270,944.31	151,720,657.13
Total	3,909,388.32	695,516,732.62	125,015,646.89	930,376,136.12	1,754,817,903.95

NOTE 6: SCHEDULE OF CAPITAL EXPENDITURE OF ESAN WEST LOCAL GOVERNMENT, EKPOMA FOR THE YEAR ENDED 31ST DECEMBER, 2023					
Month	Land & Building General 320101	Infrastructure General 320102	Furniture & Fittings 320106	Intangible Assets 320301	Monthly Total
January	42,245,400.00	17,540,000.00	-	11,143,730.00	70,929,130.00
February	32,745,340.00	14,347,500.00	-	34,110,000.00	81,202,840.00
March	27,795,110.00	25,491,535.17	-	18,110,100.00	71,396,745.17
April	31,974,543.17	29,833,100.00	-	24,157,800.00	85,965,443.17
May	34,754,300.00	27,977,000.00	-	-	62,731,300.00
June	26,345,105.00	26,476,702.86	-	-	52,821,807.86
July	30,754,500.00	-	8,526,000.00	25,144,000.00	64,424,500.00
August	20,815,094.00	18,343,400.00	-	23,874,000.00	63,032,494.00
September	22,875,700.00	-	7,735,500.00	22,379,405.00	52,990,605.00
October	28,149,757.00	27,831,100.00	-	18,929,899.00	74,910,756.00
November	32,783,489.30	21,100,000.00	8,585,375.50	-	62,468,864.80
December	22,804,390.50	-	-	24,376,500.00	47,180,890.50
Total	354,042,728.97	208,940,338.03	24,846,875.50	202,225,434.00	790,055,376.50

NOTE 7:	
CURRENT AND NON-CURRENT ASSETS AS AT 31ST DECEMBER, 2023	
Cash and Cash Equivalent	104,970,529.72
Inventories	-
Loans Granted	572,970.07
Investments	28,685.43
Property Plant and Equipment	1,468,953,256.94
Investment Property	359,984.00
Advances	386,532,966.70
Total Assets	₱ 1,961,418,392.86

NOTE 8:	
CURRENT AND NON-CURRENT LIABILITIES AS AT 31ST DECEMBER, 2023	
Deposits	907,088,501.08
Loans/Debts	800,000.00
Payables	-
Long Term Borrowings	-
Total Liabilities	₱ 907,888,501.08

NOTE 9:	
CAPITAL RESERVES	
Reserves as at 1/1/2023	974,970,674.52
Accumulated Surpluses/Deficits for the Year	78,739,217.26
Net Assets/Equity as at 31/12/2023	₱ 1,053,709,891.78

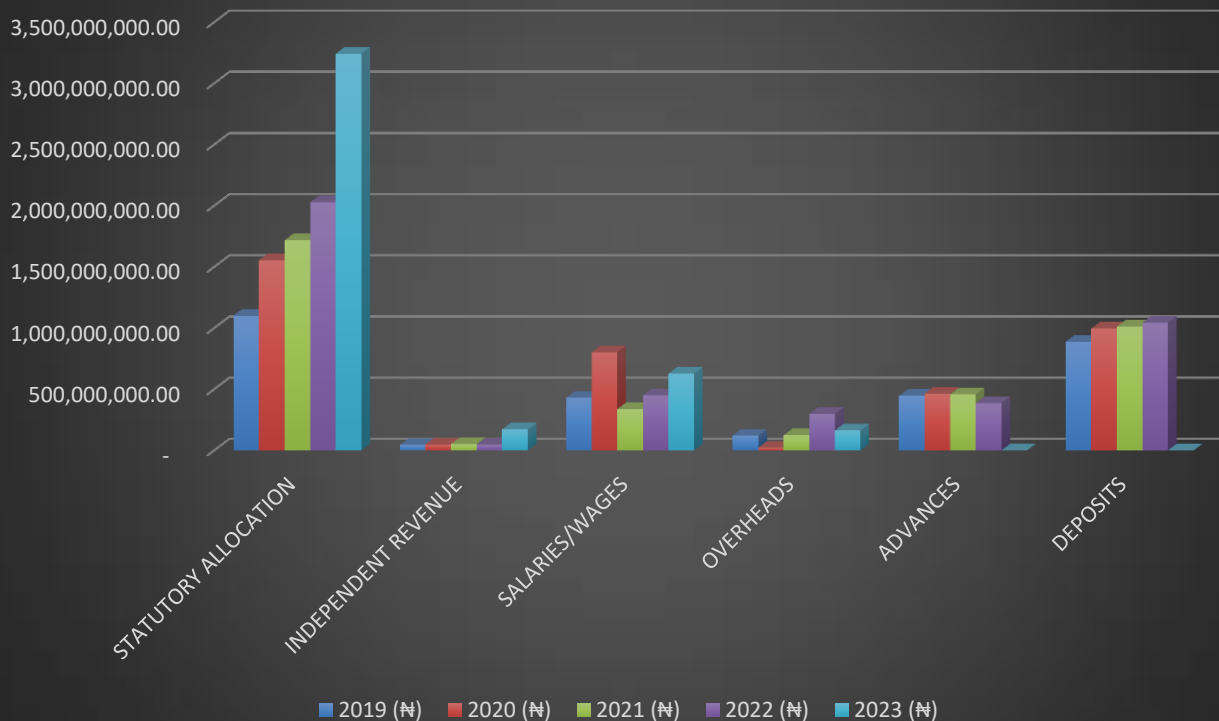
NOTE 10:					
DETAILS OF AUDIT QUERIES ISSUED TO ESAN WEST LOCAL GOVERNMENT COUNCIL, EKPOMA IN RESPECT OF 2023 ACCOUNTS					
S/No.	Query Number	P.V. No./Date	Reason	Amount (₦)	Remark
	<u>Outstanding:</u>				
1.	AQ/EWLG/EKP/1/2022	42/Mar/2022	Expenditure Not Supported By Proper Records or Accounts	1,800,000.00	Unresolved
2.	AQ/EWLG/EKP/2/2022	Various	Irregular Expenditure	1,400,000.00	Unresolved
3.	AQ/EWLG/EKP/3/2022	9/Aug/2022	Irregular Expenditure	2,000,000.00	Unresolved
	Sub-Total			5,200,000.00	
	<u>Current Year:</u>				
1.	AQ/EWLG/EKP/1/2023	Various	Irregular Expenditure	58,550,000.00	Under Correspondence
2.	AQ/EWLG/EKP/2/2023	Various	Irregular Expenditure	40,500,000.00	Under Correspondence
3.	AQ/EWLG/EKP/3/2023	Various	Irregular Expenditure	5,200,000.00	Under Correspondence
4.	AQ/EWLG/EKP/4/2023	Various	Unreceipted Payments	31,000,000.00	Under Correspondence
5.	AQ/EWLG/EKP/5/2023	31/Sept/2023	Unreceipted Payment	200,000.00	Under Correspondence
6.	AQ/EWLG/EKP/6/2023	Various	Irregular Expenditure	2,090,000.00	Under Correspondence
	Sub-Total			137,540,000.00	
	Grand Total			142,740,000.00	

ESAN WEST LOCAL GOVERNMENT COUNCIL, EKPOMA

FIVE YEARS FINANCIAL SUMMARY ANALYSES

S/N		2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)	2023 (₦)	TOTAL (₦)
1	STATUTORY ALLOCATION	1,101,254,527.67	1,554,666,852.10	1,717,337,426.83	2,028,928,209.28	3,242,536,593.78	9,644,723,609.66
2	INDEPENDENT REVENUE	43,836,587.40	49,438,942.73	51,368,745.55	45,701,333.05	171,178,278.85	361,523,887.58
3	SALARIES/WAGES	429,244,708.58	803,032,020.89	337,002,097.20	451,143,119.53	627,800,674.80	2,648,222,621.00
4	OVERHEADS	121,182,954.00	20,299,700.00	123,903,377.63	298,255,819.63	162,301,700.12	725,943,551.38
5	ADVANCES	445,467,480.70	463,483,034.26	459,009,366.70	387,832,966.70	-	1,755,792,848.36
6	DEPOSITS	888,016,969.42	995,560,251.88	1,011,667,073.67	1,045,596,977.38	990,013.68	3,941,831,286.03
	TOTAL	3,029,003,227.77	3,886,480,801.86	3,700,288,087.58	4,257,458,425.57	4,204,807,261.23	19,078,037,804.01

FIVE YEARS FINANCIAL SUMMARY ANALYSES





ETSAKO CENTRAL LOCAL GOVERNMENT

FUGAR

EDO STATE OF NIGERIA

ECLG/1108/342

20th March, 2024

Our Ref: _____

Date: _____

Your Ref: _____

STATEMENT OF FINANCIAL RESPONSIBILITY

RESPONSIBILITY FOR FINANCIAL STATEMENTS

These Financial Statements have been prepared by the Director of Finance and Accounts of Etsako Central Local Government Council, Fugar in accordance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS. The Financial Statements complied with generally accepted accounting practice.

The Director of Finance and Accounts is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly recorded the use of all public financial resources by the Local Government Council. To the best of my knowledge, this system of internal control has operated adequately throughout the reporting period.



Lawal Zainab
Director of Finance and Accounts
Etsako Central Local Govt., Fugar

20-03-2024

Date

We accept responsibility for the integrity of these Financial Statements, the information they contain and their compliance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS.

In our opinion, these financial statements fairly reflect the financial position of Etsako Central Local Government Council, Fugar as at 31st December 2023 and its operations for the year ended on that date.



Mr. James E. Okungbowa
Head of Local Government Administration
Etsako Central Local Govt., Fugar

20-03-2024

Date



Hon. Solomon Obomighie
Executive Chairman
Etsako Central Local Govt., Fugar

20-03-2024

Date



OFFICE OF THE AUDITOR-GENERAL (LOCAL GOVERNMENTS)
19 BOUNDARY ROAD, G.R.A.
P.M.B. 1128
BENIN CITY
EDO STATE OF NIGERIA

REPORT OF THE STATE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS
TO THE MEMBERS OF THE EDO STATE HOUSE OF ASSEMBLY

The Financial Statements of Etsako Central Local Government Council, Fugar for the year ended 31st December 2023 as contained in this report prepared under the International Public Sector Accounting Standards (IPSAS) Accrual accounting framework and on the basis of Accounting Policies detailed in the Financial Statements have been audited as required by the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended.

RESPONSIBILITY OF THE DIRECTOR OF FINANCE AND ACCOUNTS

The Director of Finance and Accounts to Etsako Central Local Government Council, Fugar is responsible for the preparation and presentation of the Financial Statements in accordance with the Finance (Control and management) Act 1958 as amended. He is to ensure that there are no material misstatements in the Financial Statements.

AUDITOR-GENERAL'S RESPONSIBILITY

It is my statutory responsibility to form an independent opinion based on the audit of the Financial Statements and to report thereon.

BASIS OF OPINION

The audit was conducted in accordance with International Standards on Auditing (ISA) as applicable to the public sector, International Organization of Supreme Audit Institutions (INTOSAI), Auditing Standards, the provisions of the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended. The audit includes examination on a test basis of evidence relevant to the figures disclosed in the Financial Statements. It also includes an assessment of significant estimates and judgments made by the Council in the preparation of the Financial Statements and whether the accounting policies were appropriate in the Council's circumstances, consistently applied and adequately disclosed. The audit was planned and performed to obtain all information and explanations considered necessary to have reasonable assurance that the Financial Statements are free from material misstatements. I have not obtained all the information and explanations that I required.

OPINION

In my opinion, the Financial Statement of Etsako Central Local Government Council, Fugar for the year ended 31st December 2023 show a true and fair view of the Council's state of financial position, performance and of the cashflow in accordance with all legal and regulatory frameworks, subject to the observations and comments contained in this report.

S.O. Johnson, FCA, ACTI, FIMC, FCCSA
(FRC/2022/PRO/ICAN004/188858)
Auditor-General (Local Governments)

Edo State,

28th June, 2024

AUDITOR-GENERAL'S REPORT FOR LOCAL GOVERNMENTS, EDO STATE
GENERAL DISCLOSURES AND ENQUIRIES REGARDING THE ETSAKO
CENTRAL LOCAL GOVERNMENT COUNCIL, FUGAR ACCOUNTS FOR THE
YEAR ENDED DECEMBER 31, 2023

1. REVENUE

The Etsako Central Local Government Council received N3,183,836,640.37 in income for the year that concluded on December 31, 2023. Of this total, N19,734,300.00 represented independent revenue, while the remaining amount, N3,164,102,340.37, came from federation account statutory allocations. For more information, see Notes 1 and 2.

SUMMARY

Throughout the time under review, the Local Government Council remained mostly dependent on funding from the Federation Account. To lessen an excessive reliance on statutory allocations, the Local Government Council is urged to examine its own internal operations and devise strategies to increase money produced internally.

2. SLGJAAC ALLOCATIONS TO LOCAL GOVERNMENT COUNCILS ARE COMPLETE

According to source documents from the Edo State Ministry of Local Government Affairs, the total amount of N3,164,102,340.37 that accrued from the federation account to Etsako Central Local Government Councils, Fugar as statutory allocations transferred through the State-Local Government Joint Account Allocation Committee (SLGJAAC) was received in full by the Council and was included in the Financial Statements for the year ended December 31, 2023. For more information, see Note 1.

3. EXPENDITURE

Etsako Central Local Government Council, Fugar spent N547,837,323.13 on salaries and wages during the review period. It also incurred overhead of N418,513,919.32, and N1,604,720,690.38 in payments to SUBEB and other local government entities. The total amount spent on capital for the year was N430,266,674.70.

4. CASH AND CASH EQUIVALENT

As of December 31, 2023, Etsako Central Local Government Council, Fugar has N182,250,767.90 in cash and financial equivalents. The Local Government Council created bank reconciliation statements for the time period under examination. But not enough information was provided for us to determine the cash book bank balance for reconciliation.

SUMMARY

To ensure correct reconciliation at the end of the year, the Local Government Council is urged to always complete monthly bank reconciliation statements in accordance with Financial Memoranda 19:23-30. However, it is praiseworthy that an attempt was made to create Bank Reconciliation Statements.

5. GENERAL INVESTMENTS

As of December 31, 2023, Etsako Central Local Government Council, Fugar has N35,021,514.25, worth of investments. Due to the Council's failure to keep investment registers or ledgers, the investments were not appropriately documented. Consequently, it was not feasible to confirm the investments and determine their current valuations.

SUMMARY

The Local Government Council should conduct an investigation into the investments' current state in order to determine their existence, viability, and valuations. Any dormant investments should be reevaluated, written off, and the current ones should be stated at their correct valuations.

6. OBLIGATIONS:

CREDIT DEPOSITS

A total of N520,460,155.69 was owed in the Etsako Central Local Government Council, Fugar, Deposit Accounts as of December 31, 2023. Pay As You Earn (PAYE), union dues (NULGE), car refurbishing loans deducted for loans obtained from other councils, retention fees, value-added tax (VAT), withholding tax (WT), and other deductions from staff salaries are all represented by the Deposit Accounts.

SUMMARY

After the deposits have been thoroughly examined, the Council is responsible for making sure the beneficiaries receive their money back. Any deposit whose owner cannot be located or has not made any use of it for more than five years after the repayment deadline should be adjusted to revenue in line with F.M. 24.25(5).

7. EXPENDITURE PERFORMANCE

The following is an overview of Etsako Central Local Government Council, Fugar's budget performance for the year that concluded on December 31, 2023:

Description	Approved Estimate 2023 (₦)	Actual Revenue/Expenditure 2023 (₦)	Percentage Performance
REVENUE			
Statutory Allocation	4,097,993,410.31	3,164,102,340.37	77%
Independent Revenue	57,328,000.00	19,734,300.00	34%
EXPENDITURE			
Salary and Wages	862,723,186.03	547,837,323.13	64%
Overhead Cost	559,955,000.00	418,513,919.32	75%
Transferred to SUBEB and other Local Government Entities	948,000,000.00	1,604,720,690.38	169%
Capital Expenditure	1,216,200,000.00	430,266,674.70	35%

Observation:

The aforementioned data indicates that 2023's actual performance for capital projects was below average.

SUGGESTIONS

- i) When carrying out capital projects, the Local Government Council must always adhere to F.M. 1.4(12)(g) and F.M. 39.1(8).
- ii) To enhance the local economy and social welfare of the residents of the Local Government Areas, the Local Government Council shall work to reduce spending on recurring expenses and raise capital expenditures.

8. APPROVAL

Sections 92, 93, and 94 of the Edo State Local Government Law 2000, as amended, lawfully authorise all of the expenditures reflected in the Statements of Actual Expenditure for the year ended December 31, 2023.

9. ASSET REVALUATION

The revaluation of assets in accordance with IPSAS has not yet been completed by the Etsako Central Local Government Council in Fugar (Accruals).

SUMMARY

In order to correctly portray the assets in the Statement of Financial Position, the Local Government Council should immediately hire pertinent specialists and have their assets revalued in accordance with IPSAS.

10. BUDGETARY PLANNING

In order for the Office of the Auditor-General (Local Governments) to be able to track financial performance, copies of the approved budget must be sent to the office. Etsako Central Local Government Council, Fugar is responsible for making sure that the annual budget is prepared on time and in compliance with the National Chart of Accounts as advised by International Public Sector Accounting Standards (IPSAS).

11. AUDIT QUERIES

All audit issues about noted anomalies of N6,657,000.00 that were connected to the Audit Inspection Reports on the 2023 accounts for the Etsako Central Local Government Council, Fugar, have been addressed. Note 10 of this report includes specifics on the audit enquiries pertaining to the 2023 accounts.

12. DISALLOWANCE

Allowance has been set aside for the expenses listed in Note 10 of this report and in paragraph 12 above, pending acceptable responses to the questions posed therein.

13. OVERALL ACCOUNT STATUS AND RECORD KEEPING

The following highlights the way that accounting books and records are rendered in local government councils:

a) Annual Financial Statement Rendition

In accordance with current legislation, the Local Government Council submitted the 2023 Financial Statements on time. It is praiseworthy that the yearly financial statements were produced on schedule.

b) Maintaining Records

i) Subordinate Ledgers and Books

Subsidiary books were occasionally either not updated or maintained. The appropriate maintenance of subsidiary books of accounts is a responsibility of the Local Government Council. Registers for investments, loans/overdraft, and fixed/mobile assets have to be kept up to date.

ii) Cheque Books

At the conclusion of each month, cash books were not properly balanced, and in certain instances, balances were recorded in pencil rather than ink. Cash books need to be updated on a regular basis from now on.

c) Financial Statements and Underlying Records Reconciliation

i) Several entries in the Departmental Vote Revenue Account (DVRA) and Departmental Vote Expenditure Account (DVEA) Books were missing. As a result, precisely categorising expenses and income into Heads and Sub-Heads became challenging.

ii) During the time under examination, the ledgers for advances and deposits were also not updated. The outstanding balances in the ledgers are inaccurate since certain entries were not submitted to them. As a result, depending solely on the ledgers makes it impossible to precisely ascertain outstanding advances and deposits.

It is recommended that Local Government Council Treasurers oversee the treasury department's employees and make sure that accounting records are updated and reconciled to remove inaccuracies and omissions.

iii) Bank Reconciliation: In accordance with Financial Memoranda 19.23-24, the Etsako Central Local Government Council, Fugar, prepared bank reconciliation statements. It's a great effort, and one that ought to continue.

d) Implementing IPSAS

The International Public Sector Accounting Standards have not yet been completely adopted by the Local Government Council (IPSAS). The Local Government Council's assets and liabilities urgently need to be reevaluated and recorded in the books of accounts in accordance with IPSAS.

Accounting Policies (IPSAS Accrual)

1. Basis for Measurement:

The preparation of these *General-Purpose Financial States (GPFS)* complies with the historical cost convention, IPSAS, and other applicable requirements as specified by pertinent legislation.

2. The foundation of accounting:

These *GPFS* were created using the accrual method of accounting.

3. Time of Accounting:

According to National Treasury Circular Ref. *OAGF/CAD/026/Vol.1/102* on December 30, 2013, the accounting year (fiscal year) runs from January 1 to December 31. The accounting system was designed to divide each accounting year into twelve calendar months, or periods.

4. Currency Reporting:

The *GPFS* was developed using Naira (Nigeria's currency).

5. Comparative Data:

The *General Purpose Financial Statements* included all the numerical data for the prior time frame.

6. Financial Data:

These numbers come from the approved budget, which was created on a cash basis in compliance with the Local Government Councils' Appropriation Bye-Law.

7. Income from Taxes, Fees, and Fines:

When fees, taxes, and other non-exchange transaction revenue are collected and meet the requirements for asset recognition, they are recorded as revenue. When it is likely that the company will get future economic benefits or service possibilities from the asset and it is reasonably possible to determine the asset's fair value, other non-exchange revenues are recognised.

Additional Operating Profits:

Exchange transactions that take place in the regular course of the entity's operations provide additional operational revenues. The fair value of the payment received or receivable for the sale of goods and services is included in revenues.

Sales of Products:

When the major risks and benefits of ownership have been passed to the buyer, generally with delivery of the products, revenue from the sale of those things is recognised.

Additional Income/Revenue:

Fees, fines, debt forgiveness, commissions, earnings from the sale of assets, and other sources make up other revenue. Any gain or disposal is recorded on the day the asset is turned over to the buyer and is calculated by reducing the asset's carrying value from the proceeds on that date.

8. Changes from Other Governmental Organisations:

When an asset (cash, goods, services, or properties) is received condition-free and there is a reasonable probability that the asset's potential for economic benefit or service will be reliably measured, revenues from non-exchange transactions with other government entities are recognised at fair value.

9. Costs:

All costs are recorded on an accrual basis, which means that regardless of when the money is received, costs are recorded at the time they are incurred or when the associated services are used.

10. Loan Interest:

In the financial performance report (Statement of Financial Performance), interest on loans is accounted for either an expense or a charge. To calculate interest expenditure for each period, interest is accumulated by applying the effective interest rate method to the principle amount owed.

11. Cash Flow Statement:

The direct technique was used to create this statement, which followed the GPFS format. There are three (3) parts in the cash flow statement:

Operating Activities:

These track the cash payments made for the provision of goods and services as well as the cash received by Local Government Councils from all sources of income.

Investing activities are those that have to do with buying and selling non-current assets.

Financial Activities: These include adjustments to the PSE's debt and equity capital structure.

12. Currency and Its Equivalent:

The term "cash and cash equivalent" refers to the amount of cash that is on hand, held in bank accounts, demand deposits, and other highly liquid investments with an initial maturity of three months or less. These investments are made by the entity as part of its daily cash management process, and they are easily convertible into known amounts of cash with little to no risk of value fluctuations. Cash and Cash Equivalent are included in the Statement of Financial Position under Current Assets.

13. Accounts Receivable: Exchange Transaction Receivables

Exchange transaction receivables are first recorded at fair value and then, using the effective interest method, evaluated at amortised cost, minus allowance for impairment. When there is, a receivables impairment provision is created.

Receivables from Transactions Without Exchange:

Receivables from non-exchange transactions include social benefit receivables that don't stem from contracts, as well as fees, taxes, fines, and other penalties related to these activities. These receivables are first valued at face value, or nominal amount; that is, the amount of tax due, levy, fine, etc., is reflected in the receivable. These accounts receivable are first evaluated at face value or nominal amount, meaning that the receivable represents the total amount of taxes due, levies, fines, etc. Following their charging, these receivables are modified for penalties or may be written off due to impairment. The statement of financial performance presents interest and penalties on tax receivables as tax revenue..

14. Advance payments:

Amounts paid in advance of receiving goods or services are referred to as prepaid costs. They signify payments made in one year for benefits to be obtained in other years, or payments made early in the year for benefits to be received throughout the course of the year.

15. Inventory:

- (a): The net realisable value of an inventory is subtracted from its cost.
- (b) The FIFO approach is used to calculate costs.
- (c) Where appropriate, inventories retained for distribution for the benefit of the

public are documented at cost less any prospective loss of services.

(d) In the Financial Position Statement, inventories are included under Current Assets.

16. Awarded Loans:

The approved loans are displayed at their estimated realisable value, which takes into account impairments and bad or dubious debts.

17. Plant, machinery, and equipment:

(a) The historical cost of all PPE is reported, less cumulative depreciation and any impairment losses. Costs directly related to the acquisition of the assets are included in the historical cost.

(b) When an asset is purchased through a non-exchange transaction for nominal or no consideration, it is first recorded in the statement of financial performance at fair value, which is a value that can be consistently ascertained and expressed as income during the PPE's useful life.

(c) The subsequent items are considered PPE expenses:

i) The price paid for the acquisition of these assets as well as any additional pertinent costs associated with restoring the asset to operational condition.

ii) Building expenses, which include labour, supplies, and overhead.

iii) Modifications to current PPE that greatly extend its usable life.

Price:

A piece of PPE's total cost includes the purchase price, import fees, one-time expenses, and any expenditures directly related to relocating and restoring the asset to its original location and state of functionality. The purchase price is calculated after subtracting trade discounts and rebates. PPE are reported at cost or at their expert appraisal less cumulative impairment and depreciation.

Devaluation:

PPE is depreciated according to a straight line method throughout the course of their anticipated useful lifetimes, less any projected residual value, using relevant rates, starting on the date of availability for use.

No.	Item of PPE	Depreciation Rate
A	Leased Property	Over the term of the lease
B	Buildings	2%
C	Investment property	2%
D	Infrastructure	5%
E	Plant and Machinery	10%
F	Transportation Equipment (except K)	20%
G	Office Equipment	25%
H	Furniture and Fittings	20%
I	Specialized Assets (e.g., books, military and paramilitary assets)	10%
J	Bearer Plant	4%
K	Aircraft, ship and train	5%
L	Specific cultural and heritage assets	Unlimited

Assessment:

At the conclusion of each reporting period, the residual values and usable lifetimes of the assets are examined and, if necessary, changed. Revaluation surplus is moved to the revaluation reserve under reserves in the financial situation. If there is a revaluation deficit, it is recorded as an expense in the statement of financial performance or, if there is a surplus on the same class of assets, against the value of the related assets and the corresponding entry to the revaluation reserve.

Disposal Gain or loss resulting from getting rid of a piece of PPE is shown as a surplus or deficit.

Deficit:

When there are signs that a piece of personal protective equipment (PPE) may have been compromised, an impairment test is carried out.

18. Real Estate Investment

These are properties that provide income for a PSE. At first, an investment property is valued at its cost. Investment property is then measured at fair value at the end of the term, and any gain or loss at fair value is recorded as a surplus or deficit.

Income from Investments:

Investment income is defined as the excess or shortfall of rental revenue received or gained from an investment property.

Disposal:

The surplus or deficit represents the gain or loss from the sale of investment property.

19. Non-tangible Resources

These are non-tangible assets that have been created domestically or purchased, and they are stored for usage in order to produce advantages that extend beyond a fiscal year. An intangible asset's total cost includes the acquisition price, non-recurring charges, and any expenses directly related to restoring the asset to its intended condition of use.

20. Deposits:

Resources kept in custody on behalf of third parties make up deposits. Additionally, deposits signify upfront payments for future products and services.

21. Debts and Loans:

Loans are sums of money that are borrowed with an agreed-upon repayment schedule. They are classified as either short-term or long-term loans and are shown as liabilities in the Statement of Financial Position.

22. Unremitted Withheld Taxes:

Money due to third parties, including tax authorities, unions, cooperatives, schemes and organisations, other government agencies, etc., is known as an unremitted deduction. Tax and other at-source deductions are examples of unremitted deductions. The sums are considered as Current Liabilities in the Statement of Financial Position and are reflected in the GPFS at their payback value.

23. Accrued Expenses - Payables

These are sums of money owed to outside parties for products and services obtained.

24. Public Money

These represent the government's financial balances at the conclusion of the fiscal year. The Statement of Financial Position categorises them as Non-Current Liabilities.

25. Reserves:

Reserves such as Surpluses/(Deficits) Reserve, Translation Reserve, Revaluation

Reserve, Fair Value Reserve, and other Reserves are categorised under equity in the Statement of Financial Position.

26. Debts

Initial recognition of borrowings is done at fair value, net of incurred transaction expenses. Following amortisation, borrowings are reported at cost; any discrepancy between proceeds (net of transaction expenses) and redemption value is recognised using the effective interest method in the consolidated statement of financial performance for the duration of the borrowings. The fees incurred for setting up lending facilities are recorded as loan transaction charges. The cost of the charge is capitalised and spread out over the life of the related facility.

27. Assignments to Other Governmental Organisations:

Transfers to other governmental bodies are included as costs in the statement of financial performance as they are non-exchange items.

28. Advances:

According to Edo State Financial Memoranda 16.16, any loans given to Local Government Council employees to carry out projects or make purchases of goods or services on their behalf must be retired by the end of the fiscal year. However, in situations where an advance is made towards the end of the fiscal year or where an advance that has already been made cannot be retired within the fiscal year, the advance and any outstanding amount are included in the Statement of Financial Position.

ETSAKO CENTRAL LOCAL GOVERNMENT COUNCIL, FUGAR
STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2023

Previous Year Actual 2022 (N)	Description	NCOA Code	Note	Annual Budget (N)	Actual Revenue/ Expenditure (N)	Percentage of Budget Performance
1,666,058,227.62	Net Assets/Equity As At 1/1/2023 – A			-	476,083,981.37	
	REVENUE					
	<u>Statutory Allocation:</u>					
1,098,717,585.70	Share of Federation Account	110101	1	1,759,406,165.30	919,623,551.57	52%
764,926,217.80	Share of Value Added Tax (VAT)	110102	1	1,235,380,218.66	1,050,571,519.79	85%
109,455,730.20	Excess Crude Oil and Others	110103	1	1,103,207,026.35	1,193,907,269.01	108%
1,973,099,533.70	Sub-Total Statutory Allocation – B			4,097,993,410.31	3,164,102,340.37	77%
	<u>Independent Revenue:</u>					
1,034,500.00	Licences General	120201	2	2,488,000.00	1,247,300.00	50%
27,754,533.27	Fees General	120204	2	35,570,000.00	14,897,177.00	42%
432,700.00	Fines General	120205	2	700,000.00	675,100.00	96%
-	Sales General	120206	2	5,700,000.00	-	
2,754,312.12	Earnings General	120207	2	12,670,000.00	2,914,723.00	23%
-	Rent on Government Building General	120208	2	-	-	
-	Rent on Land and Others General	120211	2	-	-	
-	Repayment General	120213	2	-	-	
1,156,894.00	Investment Income	120214	2	200,000.00	-	

33,132,939.39	Sub-Total Independent Revenue – C			57,328,000.00	19,734,300.00	34%
3,672,290,700.71	Total Receipts (A+B+C)			4,155,321,410.31	3,659,920,621.74	88%
	EXPENDITURE					
	<u>Recurrent Expenditure:</u>					
524,033,206.12	Salaries and Wages	210101	3	862,723,186.03	547,837,323.13	64%
63,056,370.92	Overhead Cost	220201	4	559,955,000.00	418,513,919.32	75%
1,249,535,325.38	SUBEB and other Transfers to Local Govt. Entities	220701	5	948,000,000.00	1,604,720,690.38	169%
-	Depreciation			-	-	
1,836,624,902.42	Sub-Total Recurrent Expenditure: E			2,370,678,186.03	2,571,071,932.83	108%
	<u>Capital Expenditure:</u>					
473,780,743.37	Land and Building General	320101	6	285,600,000.00	130,843,150.27	46%
227,450,000.00	Infrastructure General	320102	6	600,000,000.00	220,837,871.43	37%
52,596,811.07	Furniture and Fittings General	320106	6	62,000,000.00	12,172,370.00	20%
605,754,343.48	Intangible Assets	320301	6	268,600,000.00	66,413,283.00	25%
1,359,581,897.92	Sub-Total Capital Expenditure: F			1,216,200,000.00	430,266,674.70	35%
3,196,206,800.34	Total Expenditure: G = E + F			3,586,878,186.03	3,001,338,607.53	84%
476,083,981.37	Net Assets/Equity As At 31/12/2023				658,582,014.21	
3,672,290,781.71					3,659,920,621.74	

<p style="text-align: center;">ETSAKO CENTRAL LOCAL GOVERNMENT COUNCIL, FUGAR STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2023</p>						
Description	NCOA Code	Note	2023 (N)	2023 (N)	2022 (N)	2022 (N)
ASSETS						
Current Assets:						
Cash and Cash Equivalent	310101	7	182,250,767.90		- 319,975.99	
Inventories	310501	7	-		-	
Receivables	310601	7	-		-	
Prepayments	310801	7	-		-	
Total Current Assets: A				182,250,767.90		- 319,975.99
Non-Current Assets:						
Loan Granted (Local Govt. Loan Fund)	311001	7	-		-	
Investments	310901	7	35,021,514.25		35,021,514.25	
Property, Plant and Equipment (PPE)	320101	7	1,198,532,702.63		802,251,968.89	
Investment Properties	320201	7	89,293,000.00		-	
Intangible Assets (Advances)	320301	7	-		-	
Total Non-Current Assets: B				1,322,847,216.88		837,273,483.14
Total Assets: C = A+B				1,505,097,984.78		836,953,507.15
LIABILITIES						
Current Liabilities:						
Deposits	410101	8	520,460,155.69		360,869,525.78	
Short Term Loans and Debts	410201	8	-			
Payables (Accrued Expenses)	410401	8	326,055,814.88		-	
Total Current Liabilities: D				846,515,970.57		360,869,525.78
Non-Current Liabilities:						
Long Term Borrowing	4601/4602	8	-		-	
Total Non-Current Liabilities: E				-		-
Total Liabilities: F = D+E				846,515,970.57		360,869,525.78
Net Assets: G = C-F				658,582,014.21		476,083,981.37
NET ASSETS/EQUITY						
Reserves: H	4701	9	476,083,981.37		1,666,058,227.62	
Accumulated Surpluses/(Deficits): I	4702	9	182,498,032.84		- 1,189,974,246.25	
Total Net Assets/Equity: G = H+I				658,582,014.21		476,083,981.37

ETSAKO CENTRAL LOCAL GOVERNMENT COUNCIL, FUGAR
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2023

NCOA Code	Details	Note	2023 (N)	2023 (N)	2022 (N)	2022 (N)
	CASH FLOW FROM OPERATING ACTIVITIES:					
	INFLOWS:					
	<u>Statutory Allocations</u>					
110101	Share of Federation Account	1	919,623,551.57		1,098,717,585.70	
110102	Share of Value Added Tax (VAT)	1	1,050,571,519.79		764,926,217.80	
110103	Excess Crude Oil and Others	1	1,193,907,269.01		109,455,730.20	
	Sub-Total Statutory Revenue – A			3,164,102,340.37		1,973,099,533.70
	<u>Independent Revenue</u>					
120201	Licences General	2	1,247,300.00		1,034,500.00	
120204	Fees General	2	14,897,177.00		27,754,533.27	
120205	Fines General	2	675,100.00		432,700.00	
120206	Sales General	2	-		-	
120207	Earnings General	2	2,914,723.00		2,754,312.12	
120208	Rent on Government Buildings General	2	-		-	
120209	Rent on Land and Others General	2	-		-	
120210	Repayments General	2	-		-	
120211	Investment Income	2	-		1,156,895.00	
	Sub-Total Independent Revenue – B			19,734,300.00		33,132,940.39
	Total Inflow from Operating Activities C = A+B			3,183,836,640.37		2,006,232,474.09
	OUTFLOWS:					
210101	Salaries and Wages	3	547,837,323.13		524,033,206.12	

220201	Overhead Cost	4	418,513,919.32		71,900,840.00	
220701	SUBEB and other Transfers to Local Government Entities	5	1,604,720,690.38		1,240,690,856.30	
	Depreciation		-		-	
	Total Outflow from Operating Activities – D			2,571,071,932.83		1,836,624,902.42
	Net Cashflow from Operating Activities – E = C-D			612,764,707.54		169,607,571.67
	CASHFLOW FROM INVESTING ACTIVITIES:					
320101	Land and Building General	6	130,843,150.27		473,780,743.37	
320102	Infrastructure General	6	220,837,871.43		227,450,000.00	
320106	Furniture and Fittings General	6	12,172,370.00		52,596,811.07	
320301	Intangible Assets	6	66,413,283.00		605,754,343.48	
	Total Outflow from Investing Activities – F			430,266,674.70		1,359,581,897.92
	Net Cashflow from Investing Activities – G = E - F			182,498,032.84		- 1,189,974,326.25
	CASHFLOW FROM FINANCIAL ACTIVITIES:					
301801	Advances		-		- 1,150,456,721.40	
410101	Deposits		-		- 48,385,987.40	
410102	Other Accounts – Loan		72,711.05		- 16,152,249.16	
	Other Accounts – Investment		-		34,703,703.10	
420301	Proceeds from Borrowings		-		-	
	Payment/Charges on Borrowings		-		-	
	Net Cashflow from Financing Activities – H			- 72,711.05		- 1,051,214,781.74
	Net Cashflow from all Activities – I = G - H			182,570,743.89		- 138,759,544.51
	Cash and Cash Equivalent As At 1/1/2023			- 319,975.99		139,079,520.50
	Cash and Cash Equivalent As At 31/12/2023			182,250,767.90		- 319,975.99

NOTES TO THE ACCOUNTS

NOTE 1:

SCHEDULE OF STATUTORY ALLOCATION TO ETSAKO CENTRAL LOCAL GOVERNMENT COUNCIL, FUGAR FOR THE YEAR ENDED 31ST DECEMBER 2023

Month	Federation Account	Value Added Tax	Others	Total
January	126,007,885.83	75,675,348.72	360,900,373.86	562,583,608.41
February	72,768,273.66	76,286,694.83	29,552,015.81	178,606,984.30
March	69,256,275.77	79,770,626.61	26,596,091.42	175,622,993.80
April	94,403,227.82	70,687,509.20	6,595,217.84	171,685,954.86
May	67,058,887.38	65,052,303.78	23,504,486.60	155,615,677.76
June	101,427,178.50	85,720,653.68	225,371,640.00	412,519,472.18
July	56,863,436.94	91,154,014.51	242,571,407.28	390,588,858.73
August	73,832,199.97	89,079,563.11	60,608,315.36	223,520,078.44
September	59,043,677.03	112,554,255.29	50,924,210.48	222,522,142.80
October	73,971,067.73	89,189,776.74	38,282,233.34	201,443,077.81
November	57,198,451.32	103,498,888.64	55,462,126.33	216,159,466.29
December	67,792,989.62	111,901,884.68	73,539,150.69	253,234,024.99
Total	919,623,551.57	1,050,571,519.79	1,193,907,269.01	3,164,102,340.37

NOTE 2:**SCHEDULE OF INDEPENDENT REVENUE OF ETSAKO CENTRAL LOCAL GOVERNMENT COUNCIL, FUGAR FOR THE YEAR 2023**

Month	120201 Licences General	120204 Fees General	120205 Fines General	120206 Sales General	120207 Earnings General	120208 Rent On Govt. Buildings General	120209 Rent On Land & Others General	120210 Repayments General	120211 Investment Income	Monthly Total
January	200,000.00	895,497.00	81,100.00	-	368,403.00	-	-	-	-	1,545,000.00
February	93,000.00	971,085.00	86,000.00	-	399,915.00	-	-	-	-	1,550,000.00
March	101,100.00	1,216,500.00	47,800.00	-	202,300.00	-	-	-	-	1,567,700.00
April	84,345.00	1,357,525.00	57,000.00	-	199,500.00	-	-	-	-	1,698,370.00
May	91,000.00	1,238,830.00	100,000.00	-	240,170.00	-	-	-	-	1,670,000.00
June	83,000.00	1,300,600.00	37,000.00	-	240,100.00	-	-	-	-	1,660,700.00
July	100,000.00	1,351,509.00	27,101.00	-	200,000.00	-	-	-	-	1,678,610.00
August	84,904.00	1,393,136.00	31,100.00	-	199,790.00	-	-	-	-	1,708,930.00
September	84,101.00	1,312,539.00	39,000.00	-	189,760.00	-	-	-	-	1,625,400.00
October	102,300.00	1,265,600.00	41,000.00	-	190,000.00	-	-	-	-	1,598,900.00
November	120,450.00	1,300,156.00	75,869.00	-	241,745.00	-	-	-	-	1,738,220.00
December	103,100.00	1,294,140.00	52,130.00	-	243,100.00	-	-	-	-	1,692,470.00
Total	1,247,300.00	14,897,117.00	675,100.00	-	2,914,783.00	-	-	-	-	19,734,300.00

NOTE: 3 SCHEDULE OF SALARIES AND WAGES OF ETSAKO CENTRAL LOCAL GOVERNMENT, FUGAR FOR THE YEAR ENDED

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
21010101	Office of the Chairman	114,132,775.74	20,460,795.07	18%
21010102	The Council (Legislative)	69,924,458.96	12,594,229.59	18%
21010103	Personnel Management	286,467,536.55	230,214,730.56	80%
21010104	Internal Audit	4,540,071.80	2,334,392.85	51%
21010105	Information	9,787,344.63	7,270,695.35	74%
21010106	Office of the Head of LGA	18,086,508.70	5,162,036.67	29%
21010107	Agriculture and National Resources	17,416,828.49	13,173,443.10	76%
21010108	Finance and Supply	31,710,599.11	26,974,401.56	85%
21010109	Budget, Planning & Statistics	14,917,078.60	10,376,645.65	70%
21010110	Revenue	45,925,142.54	33,196,057.40	72%
21010111	Works and Housing	161,160,076.47	126,731,568.55	79%
21010112	Procurement	7,151,399.61	5,684,910.40	79%
21010113	Legal Services	7,422,570.47	5,382,377.30	73%
21010114	Youth, Women & Social Development	40,686,898.60	31,476,799.77	77%
21010115	Primary Health Care	-	-	
21010116	Environment	19,884,981.00	10,826,670.79	54%
21010117	Water and Sanitary Hygiene	13,508,914.76	5,977,568.52	44%
	Total	862,723,186.03	547,837,323.13	64%

NOTE: 4 SCHEDULE OF OVERHEAD COST OF ETSAKO CENTRAL LOCAL GOVERNMENT, FUGAR FOR THE YEAR 2023

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
22020101	Office of the Chairman	128,000,000.00	62,287,513.00	49%
22020102	The Council (Legislative)	28,350,000.00	3,803,000.00	13%
22020103	Personnel Management (Admin)	68,560,000.00	63,353,548.32	92%
22020104	Internal Audit	9,100,000.00	8,549,500.00	94%
22020105	Information	34,665,000.00	33,390,000.00	96%
22020106	Office of the Head of LGA	13,800,000.00	11,021,085.00	80%
22020107	Agriculture and National Resources	5,800,000.00	4,429,000.00	76%
22020108	Finance and Supply	38,850,000.00	25,591,750.00	66%
22020109	Budget, Planning & Statistics	49,860,000.00	46,395,800.00	93%
22020110	Procurement	6,400,000.00	5,964,439.00	93%
22020111	Revenue	10,700,000.00	5,105,000.00	48%
22020112	Works & Housing	9,360,000.00	8,409,434.00	90%
22020113	Legal Services	3,910,000.00	3,003,000.00	77%
22020114	Social Development	56,800,000.00	51,790,500.00	91%
22020115	Primary Health Care	10,500,000.00	7,112,000.00	68%
22020116	Environment	56,650,000.00	56,327,100.00	99%
22020117	Water and Sanitary Hygiene	13,700,000.00	11,231,250.00	82%
22020118	Contribution to LG Service Commission	14,000,000.00	10,750,000.00	77%
	Total	559,005,000.00	418,513,919.32	75%

NOTE 5: SCHEDULE OF TRANSFERS TO SUBEB AND OTHER LOCAL GOVERNMENT ENTITIES IN ETSAKO CENTRAL LOCAL GOVERNMENT COUNCIL, FUGAR.					
Month	Deductions for Mandatory Expenditure				Total
	Subvention to LGEA (SUBEB)	Total Salary for Teaching and LGEAs	5% Traditional Council	Other Transfers to Local Govt. Entities	
January	282,356.02	60,191,766.68	10,869,548.13	72,107,624.07	143,451,294.90
February	282,356.02	57,461,697.70	8,930,349.21	64,054,285.82	130,728,688.75
March	282,356.02	57,821,692.75	8,781,149.69	69,290,567.15	136,175,765.61
April	282,356.02	54,923,632.80	8,584,297.74	67,665,915.10	131,456,201.66
May	282,356.02	53,704,463.24	7,780,783.88	58,718,486.04	120,486,089.18
June	282,356.02	53,251,737.27	9,697,642.24	67,333,057.16	130,564,792.69
July	282,356.02	53,523,208.41	10,687,636.02	81,329,310.64	145,822,511.09
August	282,356.02	52,438,970.82	11,176,003.92	65,944,066.19	129,841,396.95
September	282,356.02	53,220,992.09	11,126,107.14	65,227,220.90	129,856,676.15
October	282,356.02	53,052,604.00	10,072,153.89	66,771,802.77	130,178,916.68
November	282,356.02	53,643,033.41	10,807,973.31	66,595,290.52	131,328,653.26
December	282,356.02	52,399,635.65	12,661,701.24	79,486,010.55	144,829,703.46
Total	3,388,272.24	655,633,434.82	121,175,346.41	824,523,636.91	1,604,720,690.38

**NOTE 6: SCHEDULE OF CAPITAL EXPENDITURE OF ETSAKO CENTRAL LOCAL GOVERNMENT, FUGAR FOR THE YEAR ENDED
31ST DECEMBER, 2023**

Month	Land & Building General 320101	Infrastructure General 320102	Furniture & Fittings 320106	Intangible Assets 320301	Monthly Total
January	7,346,773.00	14,174,380.00	-	18,345,400.00	39,866,553.00
February	37,145,110.00	41,743,434.27	-	27,110,000.00	105,998,544.27
March	11,100,000.00	9,451,500.00	-	7,173,404.00	27,724,904.00
April	43,143,735.00	19,374,343.11	-	17,343,100.00	79,861,178.11
May	11,431,000.00	-	-	12,110,000.00	23,541,000.00
June	-	-	-	14,137,800.00	14,137,800.00
July	9,845,378.11	4,754,334.07	-	-	14,599,712.18
August	-	-	-	-	-
September	19,147,343.00	12,340,000.00	-	11,334,500.00	42,821,843.00
October	13,461,300.00	10,130,000.00	-	3,778,700.00	27,370,000.00
November	-	11,528,458.16	-	3,327,600.00	14,856,058.16
December	20,343,700.00	14,300,000.00	-	21,345,000.00	55,988,700.00
Total	172,964,339.11	137,796,449.61	-	136,005,504.00	446,766,292.72

NOTE 7:	
CURRENT AND NON-CURRENT ASSETS AS AT 31ST DECEMBER, 2023	
Cash and Cash Equivalent	182,250,767.90
Property, Plant and Equipment (PPE)	1,198,532,702.63
Investment Properties	89,293,000.00
Investments	35,021,514.25
Advances	-
Total Assets	₪ 1,505,097,984.78

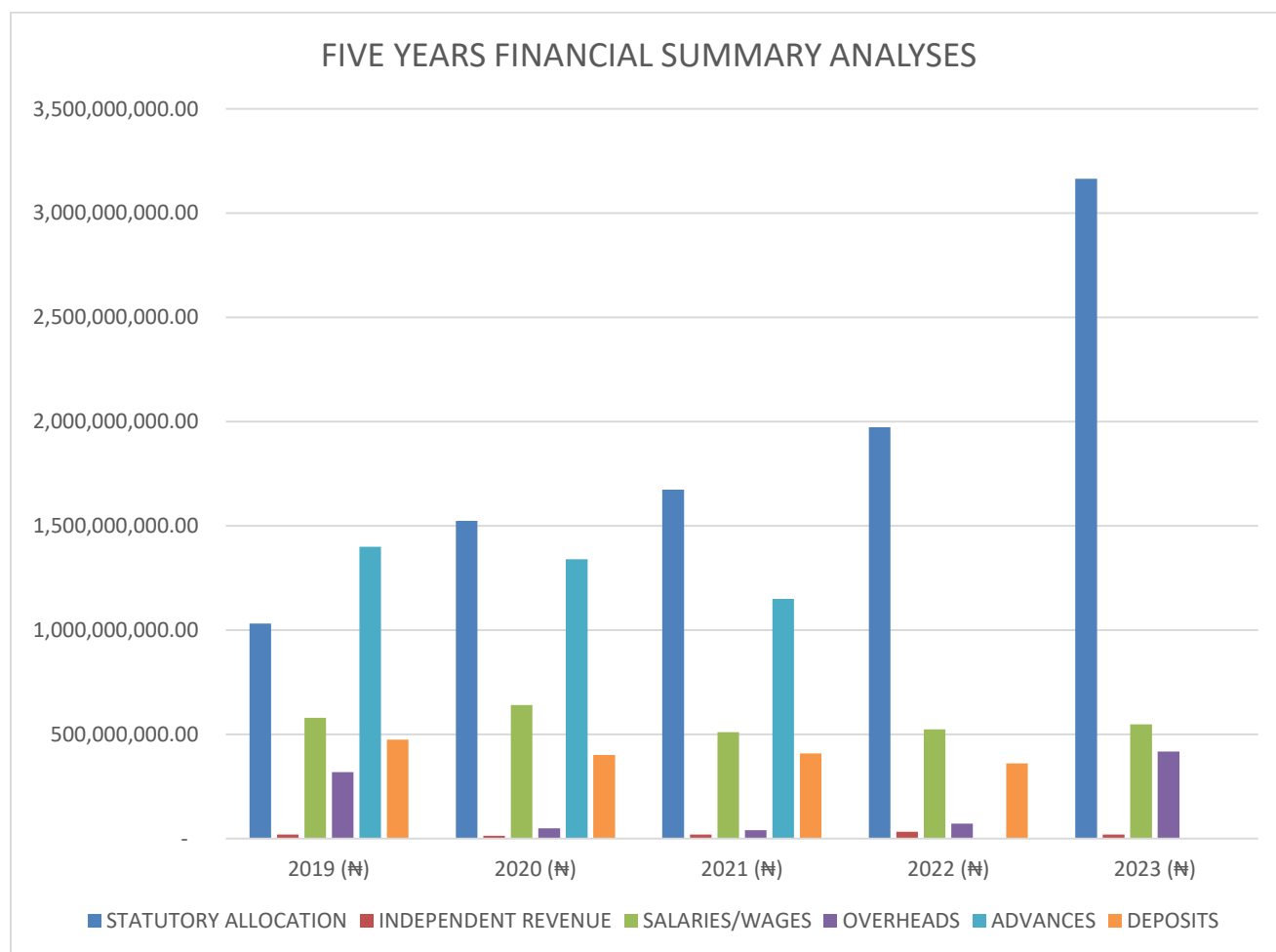
NOTE 8:	
CURRENT AND NON-CURRENT LIABILITIES AS AT 31ST DECEMBER, 2023	
Deposits	520,460,155.69
Loans/Debts	-
Payables	326,055,814.88
Long Term Borrowings	-
Total Liabilities	₪ 846,515,970.57

NOTE 9:	
CAPITAL RESERVES	
Reserves as at 1/1/2023	476,083,981.37
Accumulated Surpluses/Deficits for the Year	182,498,032.84
Net Assets/Equity as at 31/12/2023	₪ 658,582,014.21

NOTE 10:**DETAILS OF AUDIT QUERIES ISSUED TO ETSAKO CENTRAL LOCAL GOVERNMENT COUNCIL, FUGAR IN RESPECT OF 2023 ACCOUNTS**

S/No.	Query Number	P.V. No./Date	Reason	Amount (₦)	Remark
	Current Year:				
1.	AQ/ECLG/FUG/1/2023	Various	Irregular Expenditure	1,338,000.00	Resolved
2.	AQ/ECLG/FUG/2/2023	42/Feb/2023	Unreceipted Payment	2,000,000.00	Resolved
3.	AQ/ECLG/FUG/3/2023	Various	Irregular Expenditure	819,000.00	Resolved
4.	AQ/ECLG/FUG/4/2023	37/Dec/2023	Unreceipted Payment	1,000,000.00	Resolved
5.	AQ/ECLG/FUG/5/2023	39/Oct/2023	Unreceipted Payment	1,500,000.00	Resolved
	Total			6,657,000.00	

ETSAKO CENTRAL LOCAL GOVERNMENT COUNCIL, FUGAR							
FIVE YEARS FINANCIAL SUMMARY ANALYSES							
S/N		2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)	2023 (₦)	TOTAL (₦)
1	STATUTORY ALLOCATION	1,032,225,546.29	1,523,536,575.04	1,673,773,679.86	1,973,099,533.70	3,164,102,340.37	9,366,737,675.26
2	INDEPENDENT REVENUE	19,230,455.46	13,520,846.19	19,650,954.54	33,132,940.39	19,734,300.00	105,269,496.58
3	SALARIES/WAGES	580,381,240.11	641,687,211.67	510,487,129.25	524,033,206.12	547,837,323.13	2,804,426,110.28
4	OVERHEADS	319,180,159.18	50,103,230.00	41,100,726.65	71,892,840.00	418,513,919.32	900,790,875.15
5	ADVANCES	1,399,890,620.12	1,339,484,071.40	1,150,456,721.40	-	-	3,889,831,412.92
6	DEPOSITS	474,485,091.53	401,781,388.98	409,255,593.18	360,869,605.78	-	1,646,391,679.47
	TOTAL	3,825,393,112.69	3,970,113,323.28	3,804,724,804.88	2,963,028,125.99	4,150,187,882.82	18,713,447,249.66





ETSAKO EAST LOCAL GOVERNMENT COUNCIL

P.O. BOX 001, AGENEBODE-EDO STATE, NIGERIA.

Our Ref: EELG 2449T

Your Ref: _____

13th March, 2024
Date: _____

STATEMENT OF FINANCIAL RESPONSIBILITY

RESPONSIBILITY FOR FINANCIAL STATEMENTS

These Financial Statements have been prepared by the Director of Finance and Accounts of Etsako East Local Government Council, Agenebode in accordance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS. The Financial Statements complied with generally accepted accounting practice.

The Director of Finance and Accounts is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly recorded the use of all public financial resources by the Local Government Council. To the best of my knowledge, this system of internal control has operated adequately throughout the reporting period.

Alh Murana Izuagie
Director of Finance and Accounts
Etsako East Local Government
Agenebode

13/3/24
Date

We accept responsibility for the integrity of these Financial Statements, the information they contain and their compliance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS.

In our opinion, these financial statements fairly reflect the financial position of Etsako East Local Government Council, Agenebode as at 31st December 2023 and its operations for the year ended on that date.

Dr. Sunday Yerumoh
Head of Local Government Administration
Etsako East Local Government
Agenebode

13/3/2024
Date

Hon. Benedicta Attoh
Executive Chairman
Etsako East Local Government
Agenebode

13/3/24
Date



OFFICE OF THE AUDITOR-GENERAL (LOCAL GOVERNMENTS)
19 BOUNDARY ROAD, G.R.A.
P.M.B. 1128
BENIN CITY
EDO STATE OF NIGERIA

**REPORT OF THE STATE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS
TO THE MEMBERS OF THE EDO STATE HOUSE OF ASSEMBLY**

The Financial Statements of Etsako East Local Government Council, Agenebode for the year ended 31st December 2023 as contained in this report prepared under the International Public Sector Accounting Standards (IPSAS) Accrual accounting framework and on the basis of Accounting Policies detailed in the Financial Statements have been audited as required by the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended.

RESPONSIBILITY OF THE DIRECTOR OF FINANCE AND ACCOUNTS

The Director of Finance and Accounts to Etsako East Local Government Council, Agenebode is responsible for the preparation and presentation of the Financial Statements in accordance with the Finance (Control and management) Act 1958 as amended. He is to ensure that there are no material misstatements in the Financial Statements.

AUDITOR-GENERAL'S RESPONSIBILITY

It is my statutory responsibility to form an independent opinion based on the audit of the Financial Statements and to report thereon.

BASIS OF OPINION

The audit was conducted in accordance with International Standards on Auditing (ISA) as applicable to the public sector, International Organization of Supreme Audit Institutions (INTOSAI), Auditing Standards, the provisions of the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended. The audit includes examination on a test basis of evidence relevant to the figures disclosed in the Financial Statements. It also includes an assessment of significant estimates and judgments made by the Council in the preparation of the Financial Statements and whether the accounting policies were appropriate in the Council's circumstances, consistently applied and adequately disclosed. The audit was planned and performed to obtain all information and explanations considered necessary to have reasonable assurance that the Financial Statements are free from material misstatements. I have not obtained all the information and explanations that I required.

OPINION

In my opinion, the Financial Statement of Etsako East Local Government Council, Agenebode for the year ended 31st December 2023 show a true and fair view of the Council's state of financial position, performance and of the cashflow in accordance with all legal and regulatory frameworks, subject to the observations and comments contained in this report.

S.O. Johnson, FCA, ACTI, FIMC, FCCSA
(FRC/2022/PRO/ICAN004/188858)
Auditor-General (Local Governments)
Edo State,

28th June, 2024

AUDITOR-GENERAL'S REPORT FOR LOCAL GOVERNMENTS, EDO STATE
GENERAL DISCLOSURES AND REMARKS REGARDING THE ETSAKO EAST
LOCAL GOVERNMENT COUNCIL, AGENEBODE ACCOUNTS FOR THE YEAR
ENDED DECEMBER 31, 2023

1. REVENUE

The entire amount of income realised by the Etsako East Local Government Council during the year that concluded on December 31, 2023, was N3,570,452,487.14. Of this total, N34,024,123.72 represented independent revenue, while N3,536,428,363.42 was obtained as statutory allocations from the federation account. For more information, see Notes 1 and 2.

SUMMARY

Throughout the time under review, the Local Government Council remained mostly dependent on funding from the Federation Account. To lessen an excessive reliance on statutory allocations, the Local Government Council is urged to examine its own internal operations and devise strategies to increase money produced internally.

2. SLGJAAC ALLOCATIONS TO LOCAL GOVERNMENT COUNCILS ARE COMPLETE

According to source documents from the Edo State Ministry of Local Government Affairs, the total amount of N3,536,428,363.42 accrued from the federation account to Etsako East Local Government Councils, Agenebode as statutory allocations transferred through the State-Local Government Joint Account Allocation Committee (SLGJAAC) was received in full by the Council and included in the Financial Statements for the year ended December 31, 2023. For more information, see Note 1.

3. EXPENDITURE

Etsako East Local Government Council, Agenebode, spent N368,492,679.49 on salaries and wages during the year under review. It also incurred overhead of N152,305,262.30. Transfers to SUBEB and Other Local Government Entities was N1,436,647,758.40. The total amount spent on capital for the year was N1,848,557,286.88.

4. CASH AND CASH EQUIVALENT

As of December 31, 2023, Etsako East Local Government Council, Agenebode has N144,077,556.23 in cash and financial equivalents. In violation of Financial Memoranda 19:23-30, the Local Government Council failed to compile bank reconciliation statements or provide bank statements to the Council during the

time under review. The absence of these crucial records indicates that there was a discrepancy between the amounts in the cash book and the associated bank accounts.

SUMMARY

It is accordingly recommended that the Local Government Council always create monthly bank reconciliation statements in accordance with Financial Memoranda 19:23-30 and promptly provide the completed paperwork to this office.

5. GENERAL INVESTMENTS

As of December 31, 2023, Etsako East Local Government Council, Agenebode has N200,157.27 in investments. Due to the Council's failure to keep investment registers or ledgers, the investments were not appropriately documented. Consequently, it was not feasible to confirm the investments and determine their current valuations.

SUMMARY

The Local Government Council should conduct an investigation into the investments' current state in order to determine their existence, viability, and valuations. It is necessary to reassess all investments, write off any that are no longer in operation, and declare any that are at fair market value.

6. LIABILITIES:

(A) DEPOSITS

A total of N215,620,990.40 was owed in the Etsako East Local Government Council, Agenebode, deposits accounts as of December 31, 2023. Pay As You Earn (PAYE), union dues (NULGE), car refurbishing loans deducted for loans obtained from other councils, retention fees, value-added tax (VAT), withholding tax (WT), and other deductions from staff salaries are all represented by the Deposit Accounts.

SUMMARY

After the deposits have been thoroughly examined, the Council is responsible for making sure the beneficiaries receive their money back. Any deposit whose owner cannot be located or has not made any use of it for more than five years after the repayment deadline should be adjusted to revenue in line with F.M. 24.25(5).

(B) SHORT TERM LOANS

The Local Government Council owed different banks N1,966,883.97 in total for combined short-term loans and bank overdrafts.

7. FINANCIAL PERFORMANCE

The following provides an overview of Etsako East Local Government Council, Agenebode's budget performance for the year that concluded on December 31, 2023:

Description	Approved Estimate 2023 (₦)	Actual Revenue/Expenditure 2023 (₦)	Percentage Performance
REVENUE			
Statutory Allocation	3,763,920,550.08	3,536,428,363.42	94%
Independent Revenue	144,775,000.00	34,024,123.72	24%
EXPENDITURE			
Salary and Wages	900,012,153.13	619,248,726.92	69%
Overhead Cost	229,700,000.00	471,129,960.44	205%
Transferred to SUBEB and other Local Government Entities	1,834,200,000.00	1,831,757,238.29	100%
Capital Expenditure	956,087,846.87	593,862,364.23	62%

Observation

The aforementioned data indicates that capital projects actually performed well in 2023.

SUMMARY

- i) In order to enable the Office of the Auditor-General to monitor and audit capital project performance in accordance with F.M. 1.4(12)(g) and F.M. 39.1(8) and ensure that the Council obtained value for the expenditure, the Local Government Council should always forward contract agreements and other pertinent documents to the office.
- ii) In order to prevent unforeseen expenses, the Local Government Council is also recommended to consistently provide sufficient funds for capital expenditures as well as transfers to SUBEB and other Local Government Entities.

8. APPROVAL

Sections 92, 93, and 94 of the Edo State Local Government Law 2000, as amended, lawfully authorise all of the expenditures reflected in the Statements of Actual

Expenditure for the year ended December 31, 2023.

9. ASSET REVALUATION

The IPSAS-compliant asset appraisal has not yet been completed by the Etsako East Local Government Council in Agenebode (Accruals).

SUMMARY

In order to correctly portray the assets in the Statement of Financial Position, the Local Government Council should immediately hire pertinent specialists and have their assets revalued in accordance with IPSAS.

10. BUDGETARY PLANNING

In order for the Office of the Auditor-General (Local Governments) to be able to track financial performance, copies of the approved budget must be sent to the office. Etsako East Local Government Council, Agenebode is responsible for making sure that the annual budget is prepared on time and in compliance with the National Chart of Accounts as advised by International Public Sector Accounting Standards (IPSAS).

11. AUDIT QUERIES

The audit inspection reports on the 2023 accounts for Etsako East Local Government Council, Agenebode, which included audit enquiries about detected errors of N70,018,560.95 have already been addressed. Note 10 of this report includes specifics on the audit enquiries pertaining to the 2023 accounts.

12. DISALLOWANCE

Allowance has been set aside for the expenses listed in Note 10 of this report and in paragraph 12 above, pending acceptable responses to the questions posed therein.

13. THE overall condition of the accounts and maintaining records

The following highlights the way that accounting books and records are rendered in local government councils:

a) Annual Financial Statement Rendition

In accordance with current requirements, the Local Government Council submitted the 2022 Financial Statements on time. It is praiseworthy that the yearly financial statements were produced on schedule.

b) Maintaining Records

i) Subordinate Ledgers and Books

Subsidiary books were occasionally either not updated or maintained. The appropriate maintenance of subsidiary books of accounts is a responsibility of the Local Government Council. Registers for investments, loans/overdraft, and fixed/mobile assets have to be kept up to date.

ii) Cheque Books

At the conclusion of each month, cash books were not properly balanced, and in certain instances, balances were recorded in pencil rather than ink. Cash books need to be updated on a regular basis from now on.

c) Financial Statements and Underlying Records Reconciliation

i) Several entries in the Departmental Vote Revenue Account (DVRA) and Departmental Vote Expenditure Account (DVEA) Books were missing. As a result, precisely categorising expenses and income into Heads and Sub-Heads became challenging.

ii) During the time under examination, the ledgers for advances and deposits were also not updated. The outstanding balances in the ledgers are inaccurate since certain entries were not submitted to them. As a result, depending solely on the ledgers makes it impossible to precisely ascertain outstanding advances and deposits.

It is recommended that Local Government Council Treasurers oversee the treasury department's employees and make sure that accounting records are updated and reconciled to remove inaccuracies and omissions.

iii) Bank Reconciliation: In accordance with Financial Memoranda 19.23-24, Etsako East Local Government Council, Agenebode has consistently neglected to produce bank reconciliation statements. The Local Government Council must immediately prepare monthly bank reconciliation statements in accordance with F.M. 19.23-24.

d) Answering Audit Questions

The amount of response to audit enquiries sent to Etsako East Local Government Council, Agenebode, is displayed in Note 10 to the accounts. This serves as a reminder to the Local Government Council to always reply to audit enquiries as soon as possible.

e) Implementing IPSAS

The International Public Sector Accounting Standards have not yet been completely adopted by the Local Government Council (IPSAS). Revaluing the Local Government Council's assets and liabilities and reflecting them in the books of accounts in accordance with IPSAS is urgently required.

Accounting Policies (IPSAS Accrual)

1. Basis for Measurement:

The preparation of these *General-Purpose Financial States (GPFS)* complies with the historical cost convention, IPSAS, and other applicable requirements as specified by pertinent legislation.

2. The foundation of accounting:

These *GPFS* were created using the accrual method of accounting.

3. Time of Accounting:

According to National Treasury Circular Ref. *OAGF/CAD/026/Vol.1/102* on December 30, 2013, the accounting year (fiscal year) runs from January 1 to December 31. The accounting system was designed to divide each accounting year into twelve calendar months, or periods.

4. Currency Reporting:

The *GPFS* was developed using Naira (Nigeria's currency).

5. Comparative Data:

The *General Purpose Financial Statements* included all the numerical data for the prior time frame.

6. Financial Data:

These numbers come from the approved budget, which was created on a cash basis in compliance with the Local Government Councils' Appropriation Bye-Law.

7. Income from Taxes, Fees, and Fines:

When fees, taxes, and other non-exchange transaction revenue are collected and meet the requirements for asset recognition, they are recorded as revenue. When it is likely that the company will get future economic benefits or service possibilities from the asset and it is reasonably possible to determine the asset's fair value, other non-exchange revenues are recognised.

Additional Operating Profits:

Exchange transactions that take place in the regular course of the entity's operations provide additional operational revenues. The fair value of the payment received or receivable for the sale of goods and services is included in revenues.

Sales of Products:

When the major risks and benefits of ownership have been passed to the buyer, generally with delivery of the products, revenue from the sale of those things is recognised.

Additional Income/Revenue:

Fees, fines, debt forgiveness, commissions, earnings from the sale of assets, and other sources make up other revenue. Any gain or disposal is recorded on the day the asset is turned over to the buyer and is calculated by reducing the asset's carrying value from the proceeds on that date.

8. Changes from Other Governmental Organisations:

When an asset (cash, goods, services, or properties) is received condition-free and there is a reasonable probability that the asset's potential for economic benefit or service will be reliably measured, revenues from non-exchange transactions with other government entities are recognised at fair value.

9. Costs:

All costs are recorded on an accrual basis, which means that regardless of when the money is received, costs are recorded at the time they are incurred or when the associated services are used.

10. Loan Interest:

In the financial performance report (Statement of Financial Performance), interest on loans is accounted for either an expense or a charge. To calculate interest expenditure for each period, interest is accumulated by applying the effective interest rate method to the principle amount owed.

11. Cash Flow Statement:

The direct technique was used to create this statement, which followed the GPFS format. There are three (3) parts in the cash flow statement:

Operating Activities:

These track the cash payments made for the provision of goods and services as well as the cash received by Local Government Councils from all sources of income.

Investing activities are those that have to do with buying and selling non-current assets.

Financial Activities: These include adjustments to the PSE's debt and equity capital structure.

12. Currency and Its Equivalent:

The term "cash and cash equivalent" refers to the amount of cash that is on hand, held in bank accounts, demand deposits, and other highly liquid investments with an initial maturity of three months or less. These investments are made by the entity as part of its daily cash management process, and they are easily convertible into known amounts of cash with little to no risk of value fluctuations. Cash and Cash Equivalent are included in the Statement of Financial Position under Current Assets.

13. Accounts Receivable: Exchange Transaction Receivables

Exchange transaction receivables are first recorded at fair value and then, using the effective interest method, evaluated at amortised cost, minus allowance for impairment. When there is, a receivables impairment provision is created.

Receivables from Transactions Without Exchange:

Receivables from non-exchange transactions include social benefit receivables that don't stem from contracts, as well as fees, taxes, fines, and other penalties related to these activities. These receivables are first valued at face value, or nominal amount; that is, the amount of tax due, levy, fine, etc., is reflected in the receivable. These accounts receivable are first evaluated at face value or nominal amount, meaning that the receivable represents the total amount of taxes due, levies, fines, etc. Following their charging, these receivables are modified for penalties or may be written off due to impairment. The statement of financial performance presents interest and penalties on tax receivables as tax revenue..

14. Advance payments:

Amounts paid in advance of receiving goods or services are referred to as prepaid costs. They signify payments made in one year for benefits to be obtained in other years, or payments made early in the year for benefits to be received throughout the course of the year.

15. Inventory:

- (a): The net realisable value of an inventory is subtracted from its cost.
- (b) The FIFO approach is used to calculate costs.
- (c) Where appropriate, inventories retained for distribution for the benefit of the

public are documented at cost less any prospective loss of services.

(d) In the Financial Position Statement, inventories are included under Current Assets.

16. Awarded Loans:

The approved loans are displayed at their estimated realisable value, which takes into account impairments and bad or dubious debts.

17. Plant, machinery, and equipment:

(a) The historical cost of all PPE is reported, less cumulative depreciation and any impairment losses. Costs directly related to the acquisition of the assets are included in the historical cost.

(b) When an asset is purchased through a non-exchange transaction for nominal or no consideration, it is first recorded in the statement of financial performance at fair value, which is a value that can be consistently ascertained and expressed as income during the PPE's useful life.

(c) The subsequent items are considered PPE expenses:

i) The price paid for the acquisition of these assets as well as any additional pertinent costs associated with restoring the asset to operational condition.

ii) Building expenses, which include labour, supplies, and overhead.

iii) Modifications to current PPE that greatly extend its usable life.

Price:

A piece of PPE's total cost includes the purchase price, import fees, one-time expenses, and any expenditures directly related to relocating and restoring the asset to its original location and state of functionality. The purchase price is calculated after subtracting trade discounts and rebates. PPE are reported at cost or at their expert appraisal less cumulative impairment and depreciation.

Devaluation:

PPE is depreciated according to a straight line method throughout the course of their anticipated useful lifetimes, less any projected residual value, using relevant rates, starting on the date of availability for use.

No.	Item of PPE	Depreciation Rate
A	Leased Property	Over the term of the lease
B	Buildings	2%
C	Investment property	2%
D	Infrastructure	5%
E	Plant and Machinery	10%
F	Transportation Equipment (except K)	20%
G	Office Equipment	25%
H	Furniture and Fittings	20%
I	Specialized Assets (e.g., books, military and paramilitary assets)	10%
J	Bearer Plant	4%
K	Aircraft, ship and train	5%
L	Specific cultural and heritage assets	Unlimited

Assessment:

At the conclusion of each reporting period, the residual values and usable lifetimes of the assets are examined and, if necessary, changed. Revaluation surplus is moved to the revaluation reserve under reserves in the financial situation. If there is a revaluation deficit, it is recorded as an expense in the statement of financial performance or, if there is a surplus on the same class of assets, against the value of the related assets and the corresponding entry to the revaluation reserve.

Disposal Gain or loss resulting from getting rid of a piece of PPE is shown as a surplus or deficit.

Deficit:

When there are signs that a piece of personal protective equipment (PPE) may have been compromised, an impairment test is carried out.

18. Real Estate Investment

These are properties that provide income for a PSE. At first, an investment property is valued at its cost. Investment property is then measured at fair value at the end of the term, and any gain or loss at fair value is recorded as a surplus or deficit.

Income from Investments:

Investment income is defined as the excess or shortfall of rental revenue received or gained from an investment property.

Disposal:

The surplus or deficit represents the gain or loss from the sale of investment property.

19. Non-tangible Resources

These are non-tangible assets that have been created domestically or purchased, and they are stored for usage in order to produce advantages that extend beyond a fiscal year. An intangible asset's total cost includes the acquisition price, non-recurring charges, and any expenses directly related to restoring the asset to its intended condition of use.

20. Deposits:

Resources kept in custody on behalf of third parties make up deposits. Additionally, deposits signify upfront payments for future products and services.

21. Debts and Loans:

Loans are sums of money that are borrowed with an agreed-upon repayment schedule. They are classified as either short-term or long-term loans and are shown as liabilities in the Statement of Financial Position.

22. Unremitted Withheld Taxes:

Money due to third parties, including tax authorities, unions, cooperatives, schemes and organisations, other government agencies, etc., is known as an unremitted deduction. Tax and other at-source deductions are examples of unremitted deductions. The sums are considered as Current Liabilities in the Statement of Financial Position and are reflected in the GPFS at their payback value.

23. Accrued Expenses - Payables

These are sums of money owed to outside parties for products and services obtained.

24. Public Money

These represent the government's financial balances at the conclusion of the fiscal year. The Statement of Financial Position categorises them as Non-Current Liabilities.

25. Reserves:

Reserves such as Surpluses/(Deficits) Reserve, Translation Reserve, Revaluation

Reserve, Fair Value Reserve, and other Reserves are categorised under equity in the Statement of Financial Position.

26. Debts

Initial recognition of borrowings is done at fair value, net of incurred transaction expenses. Following amortisation, borrowings are reported at cost; any discrepancy between proceeds (net of transaction expenses) and redemption value is recognised using the effective interest method in the consolidated statement of financial performance for the duration of the borrowings. The fees incurred for setting up lending facilities are recorded as loan transaction charges. The cost of the charge is capitalised and spread out over the life of the related facility.

27. Assignments to Other Governmental Organisations:

Transfers to other governmental bodies are included as costs in the statement of financial performance as they are non-exchange items.

28. Advances:

According to Edo State Financial Memoranda 16.16, any loans given to Local Government Council employees to carry out projects or make purchases of goods or services on their behalf must be retired by the end of the fiscal year. However, in situations where an advance is made towards the end of the fiscal year or where an advance that has already been made cannot be retired within the fiscal year, the advance and any outstanding amount are included in the Statement of Financial Position.

ETSAKO EAST LOCAL GOVERNMENT COUNCIL, AGENEBODE STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2023						
Previous Year Actual 2022 (N)	Description	NCOA Code	Note	Annual Budget (N)	Actual Revenue/ Expenditure (N)	Percentage of Budget Performance
2,086,752,427.34	Net Assets/Equity As At 1/1/2023 – A			-	629,395,166.84	
	REVENUE					
	<u>Statutory Allocation:</u>					
1,274,816,780.94	Share of Federation Account	110101	1	2,561,982,703.08	1,068,128,528.36	42%
853,368,688.86	Share of Value Added Tax (VAT)	110102	1	900,000,000.00	1,172,318,124.65	130%
125,041,543.68	Excess Crude Oil and Others	110103	1	301,937,847.00	1,295,981,710.41	429%
2,253,227,013.48	Sub-Total Statutory Allocation – B			3,763,920,550.08	3,536,428,363.42	94%
	<u>Independent Revenue:</u>					
3,745,700.00	Licences General	120201	2	20,225,000.00	2,734,705.00	14%
52,094,012.02	Fees General	120204	2	29,400,000.00	23,367,189.72	79%
2,103,400.00	Fines General	120205	2	2,200,000.00	1,983,453.00	90%
-	Sales General	120206	2	5,950,000.00	-	
37,475,601.07	Earnings General	120207	2	87,000,000.00	5,938,776.00	7%
-	Rent on Government Building General	120208	2	-	-	
-	Rent on Land and Others General	120211	2	-	-	
-	Repayment General	120213	2	-	-	
-	Investment Income	120214	2	-	-	
95,418,713.09	Sub-Total Independent Revenue – C			144,775,000.00	34,024,123.72	24%
4,435,398,153.91	Total Receipts (A+B+C)			3,908,695,550.08	4,199,847,653.98	107%
	EXPENDITURE					

	<u>Recurrent Expenditure:</u>					
368,492,679.49	Salaries and Wages	210101	3	900,012,153.13	619,248,726.92	69%
153,305,262.30	Overhead Cost	220201	4	229,700,000.00	471,129,960.44	205%
1,436,647,758.40	SUBEB and other Transfers to Local Govt. Entities	220701	5	1,834,200,000.00	1,831,757,238.29	100%
-	Depreciation			-	-	
1,958,445,700.19	Sub-Total Recurrent Expenditure: E			2,963,912,153.13	2,922,135,925.65	99%
	<u>Capital Expenditure:</u>					
642,753,542.27	Land and Building General	320101	6	454,456,723.30	289,175,110.00	64%
427,745,731.21	Infrastructure General	320102	6	319,734,100.00	212,340,046.10	66%
35,754,470.00	Furniture and Fittings General	320106	6	60,110,000.00	4,937,400.00	8%
742,303,543.40	Intangible Assets	320301	6	121,787,023.57	87,409,808.13	72%
1,848,557,286.88	Sub-Total Capital Expenditure: F			956,087,846.87	593,862,364.23	62%
3,807,002,987.07	Total Expenditure: G = E + F			3,920,000,000.00	3,515,998,289.88	90%
629,395,166.84	Net Assets/Equity As At 31/12/2023				683,849,364.10	
4,436,398,153.91					4,199,847,653.98	

ETSAKO EAST LOCAL GOVERNMENT COUNCIL, AGENEBODE
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2023

Description	NCOA Code	Note	2023 (A)	2023 (A)	2022 (A)	2022 (A)
ASSETS						
Current Assets:						
Cash and Cash Equivalent	310101	7	144,077,556.23		91,395,403.01	
Inventories	310501	7	-		-	
Receivables	310601	7	-		-	
Prepayments	310801	7	-		-	
Total Current Assets: A				144,077,556.23		91,395,403.01
Non-Current Assets:						
Loan Granted (Local Govt. Loan Fund)	311001	7	200,157.27		200,157.27	
Investments	310901	7	-		-	
Property, Plant and Equipment (PPE)	320101	7	899,269,230.05		404,988,629.76	
Investment Properties	320201	7	58,112,285.73		-	
Intangible Assets (Advances)	320301	7	-		401,512,802.00	
Total Non-Current Assets: B				957,581,673.05		806,701,589.03
Total Assets: C = A+B				1,101,659,229.28		898,096,992.04
LIABILITIES						
Current Liabilities:						
Deposits	410101	8	215,620,990.40		266,734,941.23	
Short Term Loans and Debts	410201	8	1,966,883.97		1,966,883.97	
Payables (Accrued Expenses)	410401	8	200,221,990.81		-	
Total Current Liabilities: D				417,809,865.18		268,701,825.20
Non-Current Liabilities:						
Long Term Borrowing	4601/4602	8	-		-	
Total Non-Current Liabilities: E				-		-
Total Liabilities: F = D+E				417,809,865.18		268,701,825.20
Net Assets: G = C-F				683,849,364.10		629,395,166.84
NET ASSETS/EQUITY						
Reserves: H	4701	9	629,395,166.84		2,086,752,427.34	
Accumulated Surpluses/(Deficits): I	4702	9	54,454,197.26		- 1,457,357,260.50	
Total Net Assets/Equity: G = H+I				683,849,364.10		629,395,166.84

ETSAKO EAST LOCAL GOVERNMENT COUNCIL, AGENEBODE
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2023

NCOA Code	Details	Note	2023 (N)	2023 (N)	2022 (N)	2022 (N)
	CASH FLOW FROM OPERATING ACTIVITIES:					
	<u>INFLOWS:</u>					
	<u>Statutory Allocations</u>					
110101	Share of Federation Account	1	1,068,128,528.36		1,274,816,780.94	
110102	Share of Value Added Tax (VAT)	1	1,172,318,124.65		853,368,688.86	
110103	Excess Crude Oil and Others	1	1,295,981,710.41		125,041,543.68	
	Sub-Total Statutory Revenue – A			3,536,428,363.42		2,253,227,013.48
	<u>Independent Revenue</u>					
120201	Licences General	2	2,734,705.00		3,745,700.00	
120204	Fees General	2	23,367,189.72		52,094,012.02	
120205	Fines General	2	1,983,453.00		2,103,400.00	
120206	Sales General	2	-		-	
120207	Earnings General	2	5,938,776.00		37,475,601.07	
120208	Rent on Government Buildings General	2	-		-	
120209	Rent on Land and Others General	2	-		-	
120210	Repayments General	2	-		-	
120211	Investment Income	2	-		-	
	Sub-Total Independent Revenue – B			34,024,123.72		95,418,713.09
	Total Inflow from Operating Activities C = A+B			3,570,452,487.14		2,348,645,726.57

	OUTFLOWS:					
210101	Salaries and Wages	3	619,248,726.92		368,492,679.49	
220201	Overhead Cost	4	471,129,960.44		187,729,710.30	
220701	SUBEB and other Transfers to Local Government Entities	5	1,831,757,238.29		1,401,223,310.40	
	Depreciation		-		-	
	Total Outflow from Operating Activities – D			2,922,135,925.65		1,957,445,700.19
	Net Cashflow from Operating Activities – E = C-D			648,316,561.49		391,200,026.38
	CASHFLOW FROM INVESTING ACTIVITIES:					
320101	Land and Building General	6	289,175,110.00		642,753,542.27	
320102	Infrastructure General	6	212,340,046.10		427,745,731.21	
320106	Furniture and Fittings General	6	4,937,400.00		35,754,470.00	
320301	Intangible Assets	6	87,409,808.13		742,303,493.40	
	Total Outflow from Investing Activities – F			593,862,364.23		1,848,557,236.88
	Net Cashflow from Investing Activities – G = E - F			54,454,197.26		- 1,457,357,210.50
	CASHFLOW FROM FINANCIAL ACTIVITIES:					
301801	Advances		- 31,910,722.00		- 1,379,767,978.13	
410101	Deposits		149,108,039.98		28,409,285.38	
410102	Other Accounts - Loan		-		-	
	Other Accounts - Investment		-		-	
420301	Proceeds from Borrowings		-		-	
	Payment/Charges on Borrowings		-		-	
	Net Cashflow from Financing Activities – H			- 181,018,761.98		- 1,408,177,263.51
	Net Cashflow from all Activities – I = G - H			235,472,959.24		49,179,996.99
	Cash and Cash Equivalent As At 1/1/2023			- 91,395,403.01		- 140,575,400.00
	Cash and Cash Equivalent As At 31/12/2023			144,077,556.23		- 91,395,403.01

NOTES TO THE ACCOUNTS

NOTE 1:				
SCHEDULE OF STATUTORY ALLOCATION TO ETSAKO EAST LOCAL GOVERNMENT COUNCIL, AGENEBODE FOR THE YEAR ENDED 31ST DECEMBER 2023				
Month	Federation Account	Value Added Tax	Others	Total
January	146,179,652.58	84,673,557.09	362,555,632.03	593,408,841.70
February	84,417,263.98	85,266,843.30	33,821,919.45	203,506,026.73
March	80,343,053.65	88,419,945.32	30,457,721.24	199,220,720.21
April	109,515,614.48	78,505,997.22	7,154,062.55	195,175,674.25
May	77,793,899.92	72,873,459.55	26,745,121.86	177,412,481.33
June	117,663,982.84	95,425,922.08	233,055,678.58	446,145,583.50
July	65,966,327.43	101,693,126.52	281,010,018.46	448,669,472.41
August	85,651,507.20	99,569,386.20	69,869,453.10	255,090,346.50
September	69,784,129.12	124,972,495.92	58,569,156.43	253,325,781.47
October	85,812,605.39	100,093,048.25	44,020,292.28	229,925,945.92
November	66,354,972.04	115,975,190.13	63,813,566.47	246,143,728.64
December	78,645,519.73	124,849,153.07	84,909,087.96	288,403,760.76
Total	1,068,128,528.36	1,172,318,124.65	1,295,981,710.41	3,536,428,363.42

NOTE 2:										
SCHEDULE OF INDEPENDENT REVENUE OF ETSAKO EAST LOCAL GOVERNMENT COUNCIL, AGENEBODE FOR THE YEAR 2023										
Month	120201 Licences General	120204 Fees General	120205 Fines General	120206 Sales General	120207 Earnings General	120208 Rent On Govt. Buildings General	120209 Rent On Land & Others General	120210 Repayments General	120211 Investment Income	Monthly Total
January	200,000.00	2,202,041.00	300,000.00	-	731,942.00	-	-	-	-	3,433,983.00
February	-	3,129,630.00	-	-	545,710.00	-	-	-	-	3,675,340.00
March	-	2,344,998.32	210,000.00	-	419,347.00	-	-	-	-	2,974,345.32
April	400,000.00	1,543,457.00	159,754.00	-	591,334.00	-	-	-	-	2,694,545.00
May	380,000.00	1,256,361.00	-	-	474,343.00	-	-	-	-	2,110,704.00
June	420,000.00	2,223,600.00	120,000.00	-	400,100.00	-	-	-	-	3,163,700.00
July	-	1,621,551.00	137,799.00	-	430,100.00	-	-	-	-	2,189,450.00
August	280,000.00	2,126,634.00	293,100.00	-	443,700.00	-	-	-	-	3,143,434.00
September	220,000.00	1,203,173.27	170,000.00	-	510,000.00	-	-	-	-	2,103,173.27
October	274,205.00	2,022,095.00	332,400.00	-	311,000.00	-	-	-	-	2,939,700.00
November	340,000.00	2,181,003.00	87,000.00	-	493,700.00	-	-	-	-	3,101,703.00
December	220,500.00	1,512,646.13	173,400.00	-	587,500.00	-	-	-	-	2,494,046.13
Total	2,734,705.00	23,367,189.72	1,983,453.00	-	5,938,776.00	-	-	-	-	34,024,123.72

NOTE: 3 SCHEDULE OF SALARIES AND WAGES OF ETSAKO EAST LOCAL GOVERNMENT, AGENEBODE FOR THE YEAR ENDED

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
21010101	Office of the Chairman	40,332,544.24	22,564,795.20	56%
21010102	The Council (Legislative)	54,862,331.24	14,543,700.00	27%
21010103	Personnel Management	304,212,062.75	295,734,126.27	97%
21010104	Internal Audit	3,900,000.00	2,914,600.00	75%
21010105	Information	5,040,087.20	4,314,274.21	86%
21010106	Office of the Head of LGA	8,517,892.00	6,734,704.71	79%
21010107	Agriculture and National Resources	9,368,051.38	8,174,500.00	87%
21010108	Finance and Supply	51,643,168.95	39,845,617.31	77%
21010109	Budget, Planning & Statistics	14,204,098.58	12,450,376.61	88%
2101010	Revenue	37,120,298.78	26,336,743.11	71%
2101011	Works and Housing	108,597,636.00	92,809,332.55	85%
2101012	Procurement	7,092,053.11	5,674,311.17	80%
2101013	Legal Services	7,370,341.59	5,170,334.12	70%
2101014	Youth, Women & Social Development	40,573,189.60	37,118,707.00	91%
2101015	Primary Health Care	199,688,163.76	27,543,700.00	14%
2101016	Environment	14,582,287.06	12,144,114.70	83%
2101017	Water and Sanitary Hygiene	7,523,501.00	5,174,789.13	69%
	Total	914,627,707.24	619,248,726.09	68%

NOTE: 4 SCHEDULE OF OVERHEAD COST OF ETSAKO EAST LOCAL GOVERNMENT, AGENEBODE FOR THE YEAR 2023

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
22020101	Office of the Chairman	81,900,000.00	45,140,000.00	55%
22020102	The Council (Legislative)	48,300,000.00	27,100,000.00	56%
22020103	Personnel Management (Admin)	120,000,000.00	64,244,821.17	54%
22020104	Internal Audit	3,750,000.00	1,100,000.00	29%
22020105	Information	20,000,000.00	10,900,000.00	55%
22020106	Office of the Head of LGA	22,900,000.00	6,736,540.00	29%
22020107	Agriculture and National Resources	27,900,000.00	13,741,700.00	49%
22020108	Finance and Supply	87,050,000.00	37,723,501.00	43%
22020109	Budget, Planning & Statistics	27,750,000.00	5,417,320.00	20%
22020110	Procurement	15,200,000.00	4,110,000.00	27%
22020111	Revenue	13,750,000.00	5,417,320.00	39%
22020112	Works & Housing	43,050,000.00	37,101,500.00	86%
22020113	Legal Services	4,900,000.00	873,500.00	18%
22020114	Social Development	63,700,000.00	58,741,415.00	92%
22020115	Primary Health Care	62,250,000.00	59,879,403.27	96%
22020116	Environment	97,600,000.00	74,178,240.00	76%
22020117	Water and Sanitary Hygiene	9,400,000.00	6,724,700.00	72%
22020118	Contribution to LG Service Commission	14,000,000.00	12,000,000.00	86%
	Total	763,400,000.00	471,129,960.44	62%

NOTE 5: SCHEDULE OF TRANSFERS TO SUBEB AND OTHER LOCAL GOVERNMENT ENTITIES IN ETSAKO EAST LOCAL GOVERNMENT, AGENEBODE

Month	Deductions for Mandatory Expenditure				Total
	Subvention to LGEA (SUBEB)	Total Salary for Teaching and LGEAs	5% Traditional Council	Other Transfers to Local Govt. Entities	
January	469,383.40	68,726,736.25	12,410,809.80	73,419,416.37	155,026,345.82
February	469,383.40	65,472,253.70	10,175,301.33	72,974,660.28	149,091,598.71
March	469,383.40	65,590,951.53	9,961,036.01	77,901,340.50	153,922,711.44
April	469,383.40	62,438,171.33	9,758,783.71	76,301,356.08	148,967,694.52
May	469,383.40	61,226,749.26	8,870,624.06	67,457,310.81	138,024,067.53
June	469,383.40	60,531,815.39	11,023,412.94	77,318,213.75	149,342,825.48
July	469,383.40	82,130,948.87	12,176,240.48	96,850,315.73	191,626,888.48
August	469,383.40	59,845,519.60	12,754,517.32	71,174,062.90	144,243,483.22
September	469,383.40	60,588,349.74	12,666,289.07	70,803,192.36	144,527,214.57
October	469,383.40	60,553,930.63	11,496,297.29	78,604,529.43	151,124,140.75
November	469,383.40	61,084,052.83	12,307,186.43	73,328,315.90	147,188,938.56
December	469,383.40	59,677,020.04	14,420,188.04	84,104,737.73	158,671,329.21
Total	5,632,600.80	767,866,499.17	138,020,686.48	920,237,451.84	1,831,757,238.29

**NOTE 6: SCHEDULE OF CAPITAL EXPENDITURE OF ETSAKO EAST LOCAL GOVERNMENT, AGENEBODE FOR THE YEAR ENDED
31ST DECEMBER, 2023**

Month	Land & Building General 320101	Infrastructure General 320102	Furniture & Fittings 320106	Intangible Assets 320301	Monthly Total
January	7,500,000.00	-	-	4,700,000.00	12,200,000.00
February	17,178,700.00	270,750,000.00	-	12,922,676.94	300,851,376.94
March	-	14,834,734.00	-	72,038,582.56	86,873,316.56
April	-	13,430,000.00	-	-	13,430,000.00
May	14,343,800.00	28,743,200.00	-	18,904,589.00	61,991,589.00
June	4,873,700.00	9,826,300.00	-	-	14,700,000.00
July	11,874,300.00	15,143,740.00	-	5,856,900.00	32,874,940.00
August	27,743,411.00	17,430,000.00	-	12,125,000.00	57,298,411.00
September	3,145,000.00	3,927,000.00	-	-	7,072,000.00
October	-	18,527,700.00	-	2,762,360.00	21,290,060.00
November	-	8,000,000.00	-	-	8,000,000.00
December	17,463,750.00	12,167,000.00	-	2,544,250.00	32,175,000.00
Total	104,122,661.00	412,779,674.00	-	131,854,358.50	648,756,693.50

NOTE 7:	
CURRENT AND NON-CURRENT ASSETS AS AT 31ST DECEMBER, 2023	
Cash and Cash Equivalent	144,077,556.23
Property, Plant and Equipment (PPE)	899,269,230.05
Loans Granted	200,157.27
Investment Properties	58,112,285.73
Advances	-
Total Assets	₪ 1,101,659,229.28

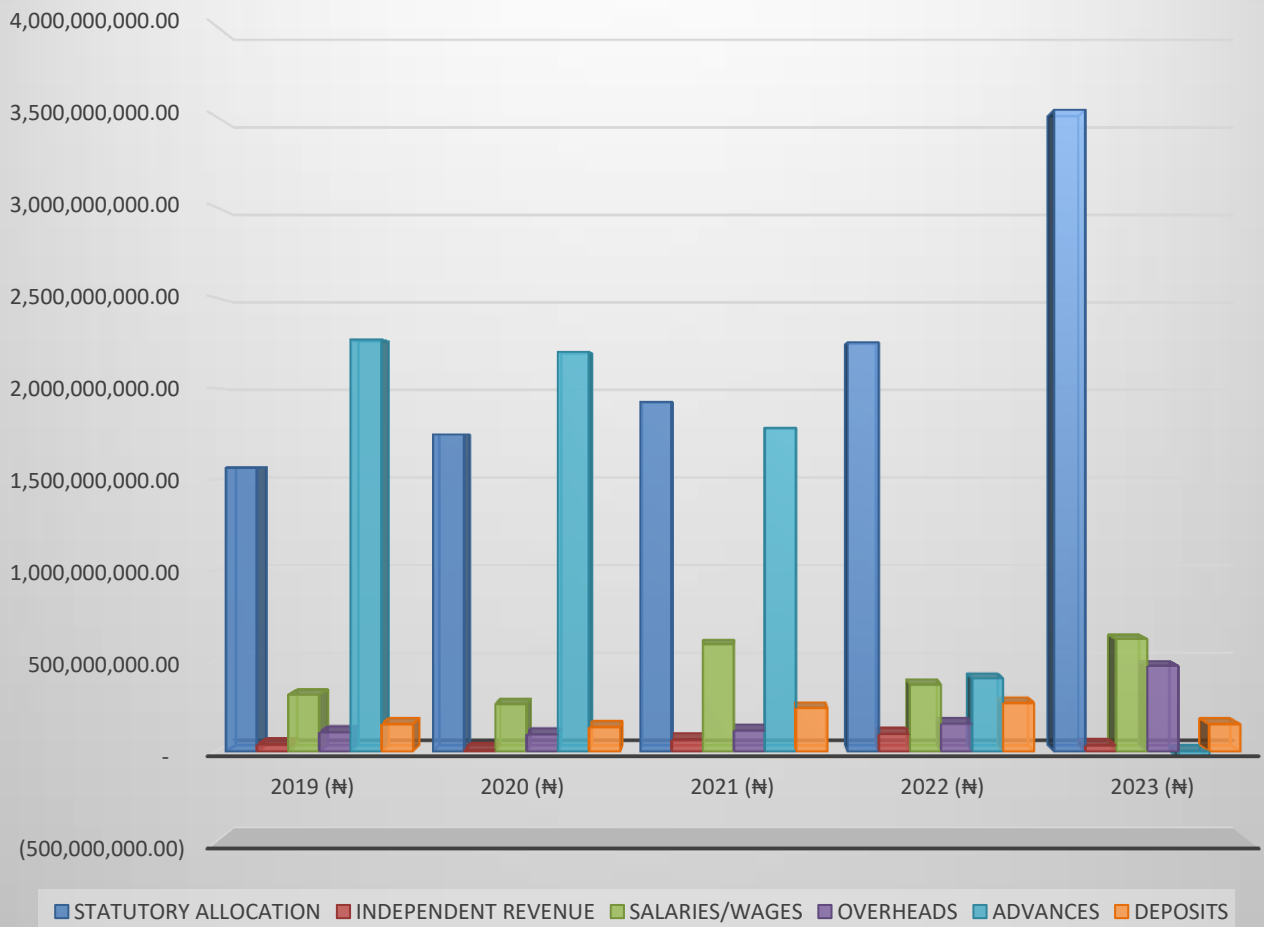
NOTE 8:	
CURRENT AND NON-CURRENT LIABILITIES AS AT 31ST DECEMBER, 2023	
Deposits	215,620,990.40
Loans/Debts	1,966,883.97
Payables	200,221,990.81
Long Term Borrowings	-
Total Liabilities	₪ 417,809,865.18

NOTE 9:	
CAPITAL RESERVES	
Reserves as at 1/1/2023	629,395,166.84
Accumulated Surpluses/Deficits for the Year	54,454,197.26
Net Assets/Equity as at 31/12/2023	₪ 683,849,364.10

NOTE 10:					
DETAILS OF AUDIT QUERIES ISSUED TO ETSAKO EAST LOCAL GOVERNMENT COUNCIL, AGENEBODE IN RESPECT OF 2023 ACCOUNTS					
S/No.	Query Number	P.V. No./Date	Reason	Amount (₦)	Remark
	<u>Outstanding:</u>				
1.	AQ/EELG/AGD/1/2022	Various	UnreasonableExpenditure	22,545,000.00	Resolved
2.	AQ/EELG/AGD/2/2022	56/May/2022	UnreasonableExpenditure	1,500,000.00	Resolved
3.	AQ/EELG/AGD/3/2022	Various	Irregular Expenditure	14,735,000.00	Resolved
4.	AQ/EELG/AGD/4/2022	15/Aug/2022	Irregular Expenditure	2,700,000.00	Resolved
	Sub-Total			41,480,000.00	
	<u>Current Year:</u>				
1.	AQ/EELG/AGD/1/2023	27/May/2023	Unreceipted	300,000.00	Resolved
2.	AQ/EELG/AGD/2/2023	Various	Irregular Expenditure	6,361,000.00	Resolved
3.	AQ/EELG/AGD/3/2023	Various	Unreceipted Payments	5,546,200.00	Resolved
4.	AQ/EELG/AGD/4/2023	294/Dec/2023	Irregular Expenditure	16,331,360.95	Resolved
	Sub-Total			28,538,560.95	
	Grand Total			70,018,560.95	

ETSAKO EAST LOCAL GOVERNMENT COUNCIL, AGENEBODE							
FIVE YEARS FINANCIAL SUMMARY ANALYSES							
S/N		2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)	2023 (₦)	TOTAL (₦)
1	STATUTORY ALLOCATION	1,562,755,367.54	1,745,936,669.93	1,924,600,043.24	2,253,227,013.48	3,536,428,363.42	11,022,947,457.61
2	INDEPENDENT REVENUE	37,820,450.00	9,754,059.93	65,683,402.23	95,418,713.09	34,024,123.72	242,700,748.97
3	SALARIES/WAGES	311,432,231.30	259,672,398.82	590,957,421.69	368,492,679.54	619,248,726.92	2,149,803,458.27
4	OVERHEADS	104,978,110.91	93,677,564.43	114,835,279.66	152,305,262.30	471,129,960.44	936,926,177.74
5	ADVANCES	2,268,518,489.88	2,201,383,745.09	1,781,280,780.13	401,512,802.00	-31,910,722.00	6,620,785,095.10
6	DEPOSITS	151,163,303.80	134,138,224.73	238,325,655.85	266,734,941.23	149,108,039.98	939,470,165.59
	TOTAL	4,436,667,953.43	4,444,562,662.93	4,715,682,582.80	3,537,691,411.64	4,778,028,492.48	21,912,633,103.28

FIVE YEARS FINANCIAL SUMMARY ANALYSES





ETSAKO WEST LOCAL GOVERNMENT AUCHI, EDO STATE OF NIGERIA

P.M.B. 012

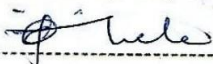
Date: 28th March, 2024

STATEMENT OF FINANCIAL RESPONSIBILITY

RESPONSIBILITY FOR FINANCIAL STATEMENTS

These Financial Statements have been prepared by the Director of Finance and Accounts of Etsako West Local Government Council, Auchi in accordance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS. The Financial Statements complied with generally accepted accounting practice.

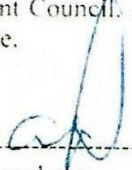
The Director of Finance and Accounts is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly recorded the use of all public financial resources by the Local Government Council. To the best of my knowledge, this system of internal control has operated adequately throughout the reporting period.


Emmanuel Ehiwele
Director of Finance and Accounts

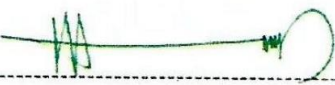
28/3/24
Date

We accept responsibility for the integrity of these Financial Statements, the information they contain and their compliance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS.

In our opinion, these financial statements fairly reflect the financial position of Etsako West Local Government Council, as at 31st December 2023 and its operations for the year ended on that date.


Dr. Innocent Alenoghena
Head of Local Government Administration

28/3/24
Date


(Hon. Muhizu Zibiri Marvelous
Chairman

28/3/24
Date



OFFICE OF THE AUDITOR-GENERAL (LOCAL GOVERNMENTS)
19 BOUNDARY ROAD, G.R.A.
P.M.B. 1128
BENIN CITY
EDO STATE OF NIGERIA

**REPORT OF THE STATE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS
TO THE MEMBERS OF THE EDO STATE HOUSE OF ASSEMBLY**

The Financial Statements of Etsako West Local Government Council, Auchi for the year ended 31st December 2023 as contained in this report prepared under the International Public Sector Accounting Standards (IPSAS) Accrual accounting framework and on the basis of Accounting Policies detailed in the Financial Statements have been audited as required by the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended.

RESPONSIBILITY OF THE DIRECTOR OF FINANCE AND ACCOUNTS

The Director of Finance and Accounts to Etsako West Local Government Council, Auchi is responsible for the preparation and presentation of the Financial Statements in accordance with the Finance (Control and management) Act 1958 as amended. He is to ensure that there are no material misstatements in the Financial Statements.

AUDITOR-GENERAL'S RESPONSIBILITY

It is my statutory responsibility to form an independent opinion based on the audit of the Financial Statements and to report thereon.

BASIS OF OPINION

The audit was conducted in accordance with International Standards on Auditing (ISA) as applicable to the public sector, International Organization of Supreme Audit Institutions (INTOSAI), Auditing Standards, the provisions of the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended. The audit includes examination on a test basis of evidence relevant to the figures disclosed in the Financial Statements. It also includes an assessment of significant estimates and judgments made by the Council in the preparation of the Financial Statements and whether the accounting policies were appropriate in the Council's circumstances, consistently applied and adequately disclosed. The audit was planned and performed to obtain all information and explanations considered necessary to have reasonable assurance that the Financial Statements are free from material misstatements. I have not obtained all the information and explanations that I required.

OPINION

In my opinion, the Financial Statement of Etsako West Local Government Council, Auchi for the year ended 31st December 2023 show a true and fair view of the Council's state of financial position, performance and of the cashflow in accordance with all legal and regulatory frameworks, subject to the observations and comments contained in this report.

S.O. Johnson, FCA, ACTT, FEMC, FCCSA
(FRC/2022/PRO/ICAN004/188858)
Auditor-General (Local Governments)
Edo State,

28th June, 2024

AUDITOR-GENERAL'S REPORT FOR LOCAL GOVERNMENTS, EDO STATE
GENERAL DISCLOSURES AND OBSERVATIONS REGARDING THE ETSAKO
WEST LOCAL GOVERNMENT COUNCIL, AUCHI ACCOUNTS FOR THE YEAR
ENDED DECEMBER 31, 2023

1. REVENUE

The entire income realised by the Etsako West Local Government Council during the year that concluded on December 31, 2023, was N4,0195,01,648.99. Of this amount, N183,488,488.00 constituted independent revenue, while N3,836,013,160.99 was obtained as statutory allocations from the federation account. For more information, see Notes 1 and 2.

SUMMARY

Throughout the time under review, the Local Government Council remained mostly dependent on funding from the Federation Account. To lessen an excessive reliance on statutory allocations, the Local Government Council is urged to examine its own internal operations and devise strategies to increase money produced internally.

2. SLGJAAC ALLOCATIONS TO LOCAL GOVERNMENT COUNCILS ARE COMPLETE

According to source documents from the Edo State Ministry of Local Government Affairs, the entire amount of N3,836,013,160.99 that accrued from the federation account to Etsako West Local Government Councils, Auchi as statutory allocations transferred through the State-Local Government Joint Account Allocation Committee (SLGJAAC) was received in full by the Council and was included in the Council's Financial Statements for the year that ended on December 31, 2023. For more information, see Note 1.

3. EXPENDITURE

Etsako West Local Government Council, Auchi spent N554,273,703.50 on salaries and wages during the review period. It also incurred overhead costs of N795,578,505.04 and sent N2,162,727,116.86 to SUBEB and other local government entities. The year's capital outlay came to N206,185,371.76.

4. CASH AND CASH EQUIVALENT

As of December 31, 2023, the Etsako West Local Government Council in Auchi has N 240,031,603.07 in cash and financial equivalents. In violation of Financial Memoranda 19:23-30, the Local Government Council failed to compile bank reconciliation statements or provide bank statements to the Council during the time under review. The absence of these crucial records indicates that there was a

discrepancy between the amounts in the cash book and the associated bank accounts.

SUMMARY

It is accordingly recommended that the Local Government Council always create monthly bank reconciliation statements in accordance with Financial Memoranda 19:23-30 and promptly provide the completed paperwork to this office.

5. ADVANCES

As of December 31, 2023, the Local Government Councils' unretired advances totalled N 490,426,801.85. It was noted that, despite my cautions in earlier reports and circular letters, as of December 31, 2023, advances given to different Council officials as working advances had not been retired, in violation of F.M. 16.16.

SUMMARY

In compliance with F.M. 16.16, the Treasurers of the Local Government Councils and the Heads of Local Government Administration are therefore called upon to promptly retire ALL outstanding operating advances.

6. GENERAL INVESTMENTS

As of December 31, 2023, Etsako West Local Government Council, Auchi has N1,024,375.21 in investments. Due to the Council's failure to keep investment registers or ledgers, the investments were not appropriately documented. Consequently, it was not feasible to confirm the investments and determine their current valuations.

SUMMARY

The Local Government Council should conduct an investigation into the investments' current state in order to determine their existence, viability, and valuations. It is necessary to reassess all investments, write off any that are no longer in operation, and declare any that are at fair market value.

7. LIABILITIES:

(A) DEPOSITS

The Etsako West Local Government Council, Auchi, has N516,448,991.09 outstanding in its deposit accounts as of December 31, 2023. Pay As You Earn (PAYE), union dues (NULGE), car refurbishing loans deducted for loans obtained from other councils, retention fees, value-added tax (VAT), withholding tax (WT),

and other deductions from staff salaries are all represented by the Deposit Accounts.

SUMMARY

After the deposits have been thoroughly examined, the Council is responsible for making sure the beneficiaries receive their money back. Any deposit whose owner cannot be located or has not made any use of it for more than five years after the repayment deadline should be adjusted to revenue in line with F.M. 24.25(5).

(B) SHORT TERM LOANS

N67,522,988.40 was the total amount of short-term loans and bank overdrafts that the Local Government Council owed to several banks.

8. FINANCIAL PERFORMANCE

The following summarises the budget performance for Auchis Etsako West Local Government Council for the year that concluded on December 31, 2023:

Description	Approved Estimate 2023 (₦)	Actual Revenue/Expenditure 2023 (₦)	Percentage Performance
REVENUE			
Statutory Allocation	4,984,070,000.00	3,836,013,160.99	77%
Independent Revenue	170,970,000.00	183,488,488.00	107%
EXPENDITURE			
Salary and Wages	913,204,407.89	554,273,703.50	61%
Overhead Cost	791,556,199.62	795,578,505.04	101%
Transferred to SUBEB and other Local Government Entities	1,020,000,000.00	2,162,727,116.86	212%
Capital Expenditure	184,275,000.00	206,185,371.76	112%

ASSESSMENT

The information above shows that capital projects for 2023 had excellent real performance.

SUMMARY

- i) In order to enable the Office of the Auditor-General to monitor and audit capital project performance in accordance with F.M. 1.4(12)(g) and F.M. 39.1(8) and ensure that the Council obtained value for the expenditure, the Local Government Council should always forward contract agreements and other pertinent documents to the office.
- ii) It is also recommended that the Local Government Council consistently allocate sufficient funds for capital expenditures.

9. APPROVAL

Sections 92, 93, and 94 of the Edo State Local Government Law 2000, as amended, lawfully authorise all of the expenditures reflected in the Statements of Actual Expenditure for the year ended December 31, 2023.

10. ASSET REVALUATION

The revaluation of assets in accordance with IPSAS has not yet been completed by Auchi's Etsako West Local Government Council (Accruals).

SUMMARY

In order to correctly portray the assets in the Statement of Financial Position, the Local Government Council should immediately hire pertinent specialists and have their assets revalued in accordance with IPSAS.

11. BUDGETARY PLANNING

In order for the Office of the Auditor-General (Local Governments) to be able to track financial performance, copies of the approved budget must be sent to the office. Etsako West Local Government Council, Auchi, is responsible for making sure that the annual budget is prepared on time and in compliance with the National Chart of Accounts as advised by International Public Sector Accounting Standards (IPSAS).

12. AUDIT QUERIES

The Chairman of the Etsako West Local Government Council, Auchi has already received the audit concerns regarding the identified inconsistencies of N182,901,407.89 that are attached to the Audit Inspection Reports on the 2023 accounts and would require his appropriate action. Note 10 of this report includes specifics on the audit enquiries pertaining to the 2023 accounts.

13. DISALLOWANCE

Allowance has been set aside for the expenses listed in Note 10 of this report and in paragraph 12 above, pending acceptable responses to the questions posed therein.

14. THE overall condition of the accounts and maintaining records

The following highlights the way that accounting books and records are rendered in local government councils:

a) Annual Financial Statement Rendition

In accordance with current requirements, the Local Government Council submitted the 2022 Financial Statements on time. It is praiseworthy that the yearly financial statements were produced on schedule.

b) Maintaining Records

i) Subordinate Ledgers and Books

Subsidiary books were occasionally either not updated or maintained. The appropriate maintenance of subsidiary books of accounts is a responsibility of the Local Government Council. Registers for investments, loans/overdraft, and fixed/mobile assets have to be kept up to date.

ii) Cheque Books

At the conclusion of each month, cash books were not properly balanced, and in certain instances, balances were recorded in pencil rather than ink. Cash books need to be updated on a regular basis from now on.

c) Financial Statements and Underlying Records Reconciliation

i) Several entries in the Departmental Vote Revenue Account (DVRA) and Departmental Vote Expenditure Account (DVEA) Books were missing. As a result, precisely categorising expenses and income into Heads and Sub-Heads became challenging.

ii) During the time under examination, the ledgers for advances and deposits were also not updated. The outstanding balances in the ledgers are inaccurate since certain entries were not submitted to them. As a result, depending solely on the ledgers makes it impossible to precisely ascertain outstanding advances and deposits.

It is recommended that Local Government Council Treasurers oversee the treasury

department's employees and make sure that accounting records are updated and reconciled to remove inaccuracies and omissions.

iii) Bank Reconciliation: According to Financial Memoranda 19.23-24, Auchi's Etsako West Local Government Council has consistently neglected to produce bank reconciliation statements. The Local Government Council must immediately prepare monthly bank reconciliation statements in accordance with F.M. 19.23-24.

d) Answering Audit Questions

The amount of response to audit enquiries sent to Auchi's Etsako West Local Government Council is displayed in Note 10 to the accounts. This reminds the Local Government Council that it is always required to reply to audit enquiries as soon as possible.

e) Implementing IPSAS

The International Public Sector Accounting Standards have not yet been completely adopted by the Local Government Council (IPSAS). Revaluing the Local Government Council's assets and liabilities and reflecting them in the books of accounts in accordance with IPSAS is urgently required.

Accounting Policies (IPSAS Accrual)

1. Basis for Measurement:

The preparation of these *General-Purpose Financial States (GPFS)* complies with the historical cost convention, IPSAS, and other applicable requirements as specified by pertinent legislation.

2. The foundation of accounting:

These *GPFS* were created using the accrual method of accounting.

3. Time of Accounting:

According to National Treasury Circular Ref. *OAGF/CAD/026/Vol.1/102* on December 30, 2013, the accounting year (fiscal year) runs from January 1 to December 31. The accounting system was designed to divide each accounting year into twelve calendar months, or periods.

4. Currency Reporting:

The *GPFS* was developed using Naira (Nigeria's currency).

5. Comparative Data:

The *General Purpose Financial Statements* included all the numerical data for the prior time frame.

6. Financial Data:

These numbers come from the approved budget, which was created on a cash basis in compliance with the *Local Government Councils' Appropriation Bye-Law*.

7. Income from Taxes, Fees, and Fines:

When fees, taxes, and other non-exchange transaction revenue are collected and meet the requirements for asset recognition, they are recorded as revenue. When it is likely that the company will get future economic benefits or service possibilities from the asset and it is reasonably possible to determine the asset's fair value, other non-exchange revenues are recognised.

Additional Operating Profits:

Exchange transactions that take place in the regular course of the entity's operations provide additional operational revenues. The fair value of the payment received or receivable for the sale of goods and services is included in revenues.

Sales of Products:

When the major risks and benefits of ownership have been passed to the buyer, generally with delivery of the products, revenue from the sale of those things is recognised.

Additional Income/Revenue:

Fees, fines, debt forgiveness, commissions, earnings from the sale of assets, and other sources make up other revenue. Any gain or disposal is recorded on the day the asset is turned over to the buyer and is calculated by reducing the asset's carrying value from the proceeds on that date.

8. Changes from Other Governmental Organisations:

When an asset (cash, goods, services, or properties) is received condition-free and there is a reasonable probability that the asset's potential for economic benefit or service will be reliably measured, revenues from non-exchange transactions with other government entities are recognised at fair value.

9. Costs:

All costs are recorded on an accrual basis, which means that regardless of when the money is received, costs are recorded at the time they are incurred or when the associated services are used.

10. Loan Interest:

In the financial performance report (Statement of Financial Performance), interest on loans is accounted for either an expense or a charge. To calculate interest expenditure for each period, interest is accumulated by applying the effective interest rate method to the principle amount owed.

11. Cash Flow Statement:

The direct technique was used to create this statement, which followed the GPFS format. There are three (3) parts in the cash flow statement:

Operating Activities:

These track the cash payments made for the provision of goods and services as well as the cash received by Local Government Councils from all sources of income.

Investing activities are those that have to do with buying and selling non-current assets.

Financial Activities: These include adjustments to the PSE's debt and equity capital structure.

12. Currency and Its Equivalent:

The term "cash and cash equivalent" refers to the amount of cash that is on hand, held in bank accounts, demand deposits, and other highly liquid investments with an initial maturity of three months or less. These investments are made by the entity as part of its daily cash management process, and they are easily convertible into known amounts of cash with little to no risk of value fluctuations. Cash and Cash Equivalent are included in the Statement of Financial Position under Current Assets.

13. Accounts Receivable: Exchange Transaction Receivables

Exchange transaction receivables are first recorded at fair value and then, using the effective interest method, evaluated at amortised cost, minus allowance for impairment. When there is, a receivables impairment provision is created.

Receivables from Transactions Without Exchange:

Receivables from non-exchange transactions include social benefit receivables that don't stem from contracts, as well as fees, taxes, fines, and other penalties related to these activities. These receivables are first valued at face value, or nominal amount; that is, the amount of tax due, levy, fine, etc., is reflected in the receivable. These accounts receivable are first evaluated at face value or nominal amount, meaning that the receivable represents the total amount of taxes due, levies, fines, etc. Following their charging, these receivables are modified for penalties or may be written off due to impairment. The statement of financial performance presents interest and penalties on tax receivables as tax revenue..

14. Advance payments:

Amounts paid in advance of receiving goods or services are referred to as prepaid costs. They signify payments made in one year for benefits to be obtained in other years, or payments made early in the year for benefits to be received throughout the course of the year.

15. Inventory:

- (a): The net realisable value of an inventory is subtracted from its cost.
- (b) The FIFO approach is used to calculate costs.
- (c) Where appropriate, inventories retained for distribution for the benefit of the

public are documented at cost less any prospective loss of services.

(d) In the Financial Position Statement, inventories are included under Current Assets.

16. Awarded Loans:

The approved loans are displayed at their estimated realisable value, which takes into account impairments and bad or dubious debts.

17. Plant, machinery, and equipment:

(a) The historical cost of all PPE is reported, less cumulative depreciation and any impairment losses. Costs directly related to the acquisition of the assets are included in the historical cost.

(b) When an asset is purchased through a non-exchange transaction for nominal or no consideration, it is first recorded in the statement of financial performance at fair value, which is a value that can be consistently ascertained and expressed as income during the PPE's useful life.

(c) The subsequent items are considered PPE expenses:

i) The price paid for the acquisition of these assets as well as any additional pertinent costs associated with restoring the asset to operational condition.

ii) Building expenses, which include labour, supplies, and overhead.

iii) Modifications to current PPE that greatly extend its usable life.

Price:

A piece of PPE's total cost includes the purchase price, import fees, one-time expenses, and any expenditures directly related to relocating and restoring the asset to its original location and state of functionality. The purchase price is calculated after subtracting trade discounts and rebates. PPE are reported at cost or at their expert appraisal less cumulative impairment and depreciation.

Devaluation:

PPE is depreciated according to a straight line method throughout the course of their anticipated useful lifetimes, less any projected residual value, using relevant rates, starting on the date of availability for use.

No.	Item of PPE	Depreciation Rate
A	Leased Property	Over the term of the lease
B	Buildings	2%
C	Investment property	2%
D	Infrastructure	5%
E	Plant and Machinery	10%
F	Transportation Equipment (except K)	20%
G	Office Equipment	25%
H	Furniture and Fittings	20%
I	Specialized Assets (e.g., books, military and paramilitary assets)	10%
J	Bearer Plant	4%
K	Aircraft, ship and train	5%
L	Specific cultural and heritage assets	Unlimited

Assessment:

At the conclusion of each reporting period, the residual values and usable lifetimes of the assets are examined and, if necessary, changed. Revaluation surplus is moved to the revaluation reserve under reserves in the financial situation. If there is a revaluation deficit, it is recorded as an expense in the statement of financial performance or, if there is a surplus on the same class of assets, against the value of the related assets and the corresponding entry to the revaluation reserve.

Disposal Gain or loss resulting from getting rid of a piece of PPE is shown as a surplus or deficit.

Deficit:

When there are signs that a piece of personal protective equipment (PPE) may have been compromised, an impairment test is carried out.

18. Real Estate Investment

These are properties that provide income for a PSE. At first, an investment property is valued at its cost. Investment property is then measured at fair value at the end of the term, and any gain or loss at fair value is recorded as a surplus or deficit.

Income from Investments:

Investment income is defined as the excess or shortfall of rental revenue received or gained from an investment property.

Disposal:

The surplus or deficit represents the gain or loss from the sale of investment property.

19. Non-tangible Resources

These are non-tangible assets that have been created domestically or purchased, and they are stored for usage in order to produce advantages that extend beyond a fiscal year. An intangible asset's total cost includes the acquisition price, non-recurring charges, and any expenses directly related to restoring the asset to its intended condition of use.

20. Deposits:

Resources kept in custody on behalf of third parties make up deposits. Additionally, deposits signify upfront payments for future products and services.

21. Debts and Loans:

Loans are sums of money that are borrowed with an agreed-upon repayment schedule. They are classified as either short-term or long-term loans and are shown as liabilities in the Statement of Financial Position.

22. Unremitted Withheld Taxes:

Money due to third parties, including tax authorities, unions, cooperatives, schemes and organisations, other government agencies, etc., is known as an unremitted deduction. Tax and other at-source deductions are examples of unremitted deductions. The sums are considered as Current Liabilities in the Statement of Financial Position and are reflected in the GPFS at their payback value.

23. Accrued Expenses - Payables

These are sums of money owed to outside parties for products and services obtained.

24. Public Money

These represent the government's financial balances at the conclusion of the fiscal year. The Statement of Financial Position categorises them as Non-Current Liabilities.

25. Reserves:

Reserves such as Surpluses/(Deficits) Reserve, Translation Reserve, Revaluation

Reserve, Fair Value Reserve, and other Reserves are categorised under equity in the Statement of Financial Position.

26. Debts

Initial recognition of borrowings is done at fair value, net of incurred transaction expenses. Following amortisation, borrowings are reported at cost; any discrepancy between proceeds (net of transaction expenses) and redemption value is recognised using the effective interest method in the consolidated statement of financial performance for the duration of the borrowings. The fees incurred for setting up lending facilities are recorded as loan transaction charges. The cost of the charge is capitalised and spread out over the life of the related facility.

27. Assignments to Other Governmental Organisations:

Transfers to other governmental bodies are included as costs in the statement of financial performance as they are non-exchange items.

28. Advances:

According to Edo State Financial Memoranda 16.16, any loans given to Local Government Council employees to carry out projects or make purchases of goods or services on their behalf must be retired by the end of the fiscal year. However, in situations where an advance is made towards the end of the fiscal year or where an advance that has already been made cannot be retired within the fiscal year, the advance and any outstanding amount are included in the Statement of Financial Position.

ETSAKO WEST LOCAL GOVERNMENT COUNCIL, AUCHI STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2023						
Previous Year Actual 2022 (N)	Description	NCOA Code	Note	Annual Budget (N)	Actual Revenue/ Expenditure (N)	Percentage of Budget Performance
674,123,042.95	Net Assets/Equity As At 1/1/2023 – A			-	501,971,059.44	
	REVENUE					
	<u>Statutory Allocation:</u>					
1,403,226,088.37	Share of Federation Account	110101	1	2,650,000,000.00	1,176,416,480.46	44%
942,141,393.73	Share of Value Added Tax (VAT)	110102	1	1,500,000,000.00	1,294,519,317.08	86%
137,910,028.61	Excess Crude Oil and Others	110103	1	834,070,000.00	1,365,077,363.45	164%
2,483,277,510.71	Sub-Total Statutory Allocation – B			4,984,070,000.00	3,836,013,160.99	77%
	<u>Independent Revenue:</u>					
12,241,610.00	Licences General	120201	2	42,470,000.00	8,537,050.00	20%
260,351,973.00	Fees General	120204	2	55,500,000.00	159,687,070.00	288%
1,527,450.00	Fines General	120205	2	-	-	
-	Sales General	120206	2	-	-	
16,803,436.00	Earnings General	120207	2	73,000,000.00	15,264,368.00	21%
-	Rent on Government Building General	120208	2	-	-	
-	Rent on Land and Others General	120211	2	-	-	
-	Repayment General	120213	2	-	-	
-	Investment Income	120214	2	-	-	
290,924,469.00	Sub-Total Independent Revenue – C			170,970,000.00	183,488,488.00	107%

3,448,325,022.66	Total Receipts (A+B+C)			5,155,040,000.00	4,521,472,708.43	88%
	EXPENDITURE					
	<u>Recurrent Expenditure:</u>					
642,624,549.74	Salaries and Wages	210101	3	913,204,407.89	554,273,703.50	61%
265,465,165.54	Overhead Cost	220201	4	791,556,199.62	795,578,505.04	101%
1,710,235,734.19	SUBEB and other Transfers to Local Govt. Entities	220701	5	1,020,000,000.00	2,162,727,116.86	212%
-	Depreciation			-	-	
2,618,325,449.47	Sub-Total Recurrent Expenditure: E			2,724,760,607.51	3,512,579,325.40	129%
	<u>Capital Expenditure:</u>					
105,840,000.00	Land and Building General	320101	6	37,730,000.00	85,454,100.00	226%
183,821,538.75	Infrastructure General	320102	6	39,445,000.00	71,100,275.00	180%
-	Furniture and Fittings General	320106	6	17,000,000.00	27,170,000.00	160%
38,366,975.00	Intangible Assets	320301	6	90,100,000.00	22,460,996.76	25%
328,028,513.75	Sub-Total Capital Expenditure: F			184,275,000.00	206,185,371.76	112%
2,946,353,963.22	Total Expenditure: G = E + F			2,909,035,607.51	3,718,764,697.16	128%
501,971,059.44	Net Assets/Equity As At 31/12/2023				802,708,011.27	
3,448,325,022.66					4,521,472,708.43	

ETSAKO WEST LOCAL GOVERNMENT COUNCIL, AUCHI
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2023

Description	NCOA Code	Note	2023 (N)	2023 (N)	2022 (N)	2022 (N)
ASSETS						
<u>Current Assets:</u>						
Cash and Cash Equivalent	310101	7	240,031,603.07		- 178,217,387.71	
Inventories	310501	7	471,138.28		471,138.28	
Receivables	310601	7	-		-	
Prepayments	310801	7	-		-	
Total Current Assets: A				240,502,741.35		- 177,746,249.43
<u>Non-Current Assets:</u>						
Loan Granted (Local Govt. Loan Fund)	311001	7	-		-	
Investments	310901	7	1,024,375.21		1,024,375.21	
Property, Plant and Equipment (PPE)	320101	7	654,726,072.35		654,726,072.35	
Investment Properties	320201	7	-		-	
Intangible Assets (Advances)	320301	7	490,426,801.85		500,483,676.85	
Total Non-Current Assets: B				1,146,177,249.41		1,156,234,124.41
Total Assets: C = A+B				1,386,679,990.76		978,487,874.98
LIABILITIES						
<u>Current Liabilities:</u>						
Deposits	410101	8	516,448,991.09		408,993,827.14	
Short Term Loans and Debts	410201	8	67,522,988.40		67,522,988.40	
Payables (Accrued Expenses)	410401	8	-		-	
Total Current Liabilities: D				583,971,979.49		476,516,815.54
<u>Non-Current Liabilities:</u>						
Long Term Borrowing	4601/4602	8	-		-	
Total Non-Current Liabilities: E				-		-
Total Liabilities: F = D+E				583,971,979.49		476,516,815.54
Net Assets: G = C-F				802,708,011.27		501,971,059.44
NET ASSETS/EQUITY						
Reserves: H	4701	9	501,971,059.44		674,123,042.95	
Accumulated Surpluses/(Deficits): I	4702	9	300,736,951.83		- 172,151,983.51	
Total Net Assets/Equity: G = H+I				802,708,011.27		501,971,059.44

ETSAKO WEST LOCAL GOVERNMENT COUNCIL, AUCHI CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2023						
NCOA Code	Details	Note	2023 (N)	2023 (N)	2022 (N)	2022 (N)
	CASH FLOW FROM OPERATING ACTIVITIES:					
	<u>INFLOWS:</u>					
	<u>Statutory Allocations</u>					
110101	Share of Federation Account	1	1,176,416,480.46		1,403,226,088.37	
110102	Share of Value Added Tax (VAT)	1	1,294,519,317.08		942,141,393.73	
110103	Excess Crude Oil and Others	1	1,365,077,363.45		137,910,028.61	
	Sub-Total Statutory Revenue – A			3,836,013,160.99		2,483,277,510.71
	<u>Independent Revenue</u>					
120201	Licences General	2	8,537,050.00		12,241,610.00	
120204	Fees General	2	159,687,070.00		16,803,436.00	
120205	Fines General	2	-		1,527,450.00	
120206	Sales General	2	-		-	
120207	Earnings General	2	15,264,368.00		260,351,973.00	
120208	Rent on Government Buildings General	2	-		-	
120209	Rent on Land and Others General	2	-		-	
120210	Repayments General	2	-		-	
120211	Investment Income	2	-		-	
	Sub-Total Independent Revenue – B			183,488,488.00		290,924,469.00
	Total Inflow from Operating Activities C = A+B			4,019,501,648.99		2,774,201,979.71

	<u>OUTFLOWS:</u>					
210101	Salaries and Wages	3	554,273,703.50		642,624,549.74	
220201	Overhead Cost	4	795,578,505.04		265,465,165.54	
220701	SUBEB and other Transfers to Local Government Entities	5	2,162,727,116.86		1,710,235,734.19	
	Depreciation		-		-	
	Total Outflow from Operating Activities – D			3,512,579,325.40		2,618,325,449.47
	Net Cashflow from Operating Activities – E = C-D			506,922,323.59		155,876,530.24
	CASHFLOW FROM INVESTING ACTIVITIES:					
320101	Land and Building General	6	85,454,100.00		105,840,000.00	
320102	Infrastructure General	6	71,100,275.00		183,821,538.75	
320106	Furniture and Fittings General	6	27,170,000.00		-	
320301	Intangible Assets	6	22,460,996.76		38,366,975.00	
	Total Outflow from Investing Activities – F			206,185,371.76		328,028,513.75
	Net Cashflow from Investing Activities – G = E - F			300,736,951.83	-	172,151,983.51
	CASHFLOW FROM FINANCIAL ACTIVITIES:					
301801	Advances		- 10,056,875.00		- 13,000,500.00	
410101	Deposits		107,455,163.95		20,332,916.09	
410102	Other Accounts - Loan		-		-	
	Other Accounts - Investment		-		-	
420301	Proceeds from Borrowings		-		-	
	Payment/Charges on Borrowings		-		-	
	Net Cashflow from Financing Activities – H			- 117,512,038.95	-	33,333,416.09
	Net Cashflow from all Activities – I = G - H			418,248,990.78	-	138,818,567.42
	Cash and Cash Equivalent As At 1/1/2023			- 178,217,387.71	-	39,398,820.29
	Cash and Cash Equivalent As At 31/12/2023			240,031,603.07	-	178,217,387.71

NOTES TO THE ACCOUNTS

NOTE 1:

SCHEDULE OF STATUTORY ALLOCATION TO ETSAKO WEST LOCAL GOVERNMENT COUNCIL, AUCHI FOR THE YEAR ENDED 31ST DECEMBER, 2023

Month	Federation Account	Value Added Tax	Others	Total
January	160,888,649.94	93,705,363.72	364,020,121.14	618,614,134.80
February	92,911,560.50	94,280,522.60	37,075,765.70	224,267,848.80
March	88,427,391.95	97,101,559.55	33,396,892.80	218,925,844.30
April	120,535,375.82	86,353,678.55	7,714,993.92	214,604,048.29
May	85,621,735.38	80,723,818.60	29,261,884.03	195,607,438.01
June	129,503,655.34	105,167,428.82	231,680,700.99	466,351,785.15
July	72,604,040.13	112,271,590.34	309,160,082.85	494,035,713.32
August	94,269,996.65	110,098,377.05	76,758,528.25	281,126,901.95
September	77,615,931.03	137,437,104.82	64,293,106.27	279,346,142.12
October	94,447,304.98	111,037,031.30	48,320,797.14	253,805,133.42
November	73,031,791.23	128,498,076.68	70,068,021.79	271,597,889.70
December	86,559,047.51	137,844,765.05	93,326,468.57	317,730,281.13
Total	1,176,416,480.46	1,294,519,317.08	1,365,077,363.45	3,836,013,160.99

NOTE 2:										
SCHEDULE OF INDEPENDENT REVENUE OF ETSAKO WEST LOCAL GOVERNMENT COUNCIL, AUCHI FOR THE YEAR ENDED 31ST DECEMBER, 2023										
Month	120201 Licences General	120204 Fees General	120205 Fines General	120206 Sales General	120207 Earnings General	120208 Rent On Govt. Buildings General	120209 Rent On Land & Others General	120210 Repayments General	120211 Investment Income	Monthly Total
January	1,148,100.00	10,856,680.00	-	-	2,436,900.00	-	-	-	-	14,441,680.00
February	814,900.00	7,335,150.00	-	-	1,795,700.00	-	-	-	-	9,945,750.00
March	466,600.00	9,533,650.00	-	-	1,629,400.00	-	-	-	-	11,629,650.00
April	553,150.00	11,961,450.00	-	-	1,002,900.00	-	-	-	-	13,517,500.00
May	774,600.00	13,960,860.00	-	-	1,178,500.00	-	-	-	-	15,913,960.00
June	568,650.00	13,510,200.00	-	-	660,000.00	-	-	-	-	14,738,850.00
July	64,800.00	13,972,960.00	-	-	1,595,368.00	-	-	-	-	15,633,128.00
August	745,700.00	16,303,850.00	-	-	884,500.00	-	-	-	-	17,934,050.00
September	606,900.00	15,703,850.00	-	-	1,286,600.00	-	-	-	-	17,597,350.00
October	637,800.00	15,351,170.00	-	-	990,000.00	-	-	-	-	16,978,970.00
November	1,246,250.00	17,057,650.00	-	-	1,297,500.00	-	-	-	-	19,601,400.00
December	909,600.00	14,139,600.00	-	-	507,000.00	-	-	-	-	15,556,200.00
Total	8,537,050.00	159,687,070.00	-	-	15,264,368.00	-	-	-	-	183,488,488.00

NOTE: 3 SCHEDULE OF SALARIES AND WAGES OF ETSAKO WEST LOCAL GOVERNMENT, AUCHI FOR THE YEAR ENDED 31ST DECEMBER, 2023

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
21010101	Office of the Chairman	66,535,064.00	11,260,565.06	17%
21010102	The Council (Legislative)	47,640,556.00	19,266,926.31	40%
21010103	Personnel Management	275,058,138.81	206,933,752.81	75%
21010104	Internal Audit	11,583,093.21	7,201,629.37	62%
21010105	Information	10,955,789.70	8,620,757.10	79%
21010106	Office of the Head of LGA	11,952,217.82	11,786,866.22	99%
21010107	Agriculture and National Resources	10,731,888.29	8,413,501.42	78%
21010108	Finance and Supply	54,275,175.29	48,212,037.38	89%
21010109	Budget, Planning & Statistics	14,118,127.66	13,198,734.64	93%
21010110	Revenue	67,582,273.77	32,708,606.97	48%
21010111	Works and Housing	109,272,943.31	93,252,791.58	85%
21010112	Procurement	13,004,620.55	8,862,660.01	68%
21010113	Legal Services	4,773,098.84	4,122,298.44	86%
21010114	Youth, Women & Social Development	47,469,551.44	39,582,211.39	83%
21010115	Primary Health Care	-	-	
21010116	Environment	161,834,380.68	19,764,551.06	12%
21010117	Water and Sanitary Hygiene	6,417,488.52	21,085,813.74	329%
	Total	913,204,407.89	554,273,703.50	61%

NOTE: 4 SCHEDULE OF OVERHEAD COST OF ETSAKO WEST LOCAL GOVERNMENT COUNCIL, AUCHI FOR THE YEAR ENDED 31ST DECEMBER, 2023

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
22020101	Office of the Chairman	66,500,000.00	17,430,878.00	26%
22020102	The Council (Legislative)	17,450,000.00	4,845,000.00	28%
22020103	Personnel Management (Admin)	27,100,000.00	6,229,815.00	23%
22020104	Internal Audit	24,690,677.62	5,267,000.00	21%
22020105	Information	19,450,000.00	11,284,000.00	58%
22020106	Office of the Head of LGA	158,520,000.00	19,621,000.00	12%
22020107	Agriculture and National Resources	11,450,000.00	4,950,000.00	43%
22020108	Finance and Supply	46,574,522.00	8,143,530.00	17%
22020109	Budget, Planning & Statistics	19,610,000.00	715,000.00	4%
22020110	Procurement	12,810,000.00	697,650.00	5%
22020111	Revenue	84,700,000.00	623,619,732.04	736%
22020112	Works & Housing	41,100,000.00	9,552,250.00	23%
22020113	Legal Services	17,450,000.00	4,874,600.00	28%
22020114	Social Development	66,650,000.00	11,141,750.00	17%
22020115	Primary Health Care	45,250,000.00	11,249,800.00	25%
22020116	Environment	73,200,000.00	43,556,500.00	60%
22020117	Water and Sanitary Hygiene	45,051,000.00	400,000.00	1%
22020118	Contribution to LG Service Commission	14,000,000.00	12,000,000.00	86%
	Total	791,556,199.62	795,578,505.04	101%

NOTE 5: SCHEDULE OF TRANSFERS TO SUBEB AND OTHER LOCAL GOVERNMENT ENTITIES IN ETSAKO WEST LOCAL GOVERNMENT COUNCIL, AUCHI					
Month	Deductions for Mandatory Expenditure				Total
	Subvention to LGEA (SUBEB)	Total Salary for Teaching and LGEAs	5% Traditional Council	Other Transfers to Local Govt. Entities	
January	557,485.61	75,705,642.37	13,671,074.45	99,532,686.84	189,466,889.27
February	557,485.61	72,151,777.17	11,213,392.44	89,630,064.51	173,552,719.73
March	557,485.61	72,078,619.27	10,946,292.21	95,334,487.71	178,916,884.80
April	557,485.61	68,653,454.82	10,730,202.41	91,777,862.52	171,719,005.36
May	557,485.61	67,506,003.35	9,780,371.90	85,196,093.07	163,039,953.93
June	557,485.61	66,613,719.00	12,130,984.80	96,032,614.05	175,334,803.46
July	557,485.61	90,518,644.96	13,412,441.61	119,889,713.30	224,378,285.48
August	557,485.61	65,953,830.68	14,056,345.10	92,004,715.27	172,572,376.66
September	557,485.61	66,811,682.80	13,967,307.10	91,583,287.56	172,919,763.07
October	557,485.61	66,842,819.24	12,690,256.67	97,622,715.33	177,713,276.85
November	557,485.61	67,400,863.45	13,579,894.48	94,447,103.03	175,985,346.57
December	557,485.61	65,745,315.89	15,886,514.05	104,938,496.13	187,127,811.68
Total	6,689,827.32	845,982,373.00	152,065,077.22	1,157,989,839.32	2,162,727,116.86

**NOTE 6: SCHEDULE OF CAPITAL EXPENDITURE OF ETSAKO WEST LOCAL GOVERNMENT COUNCIL, AUCHI FOR THE YEAR ENDED
31ST DECEMBER, 2023**

Month	Land & Building General 320101	Infrastructure General 320102	Furniture & Fittings 320106	Intangible Assets 320301	Monthly Total
January	-	8,543,210.98	-	6,321,109.89	14,864,320.87
February	12,345,678.00	6,789,012.34	-	-	19,134,690.34
March	9,876,543.21	5,678,901.23	-	-	15,555,444.44
April	-	9,876,543.21	-	-	9,876,543.21
May	7,654,321.09	4,321,098.76	-	-	11,975,419.85
June	15,432,210.87	7,654,321.09	-	5,678,901.23	28,765,433.19
July	-	3,456,789.01	-	4,567,890.12	8,024,679.13
August	7,038,118.98	10,558,176.78	-	-	17,596,295.76
September	11,092,876.54	-	9,500,000.00	-	20,592,876.54
October	8,765,432.11	6,109,876.54	8,170,000.00	-	23,045,308.65
November	13,248,919.20	-	-	-	13,248,919.20
December	-	8,112,345.06	9,500,000.00	5,893,095.52	23,505,440.58
Total	85,454,100.00	71,100,275.00	27,170,000.00	22,460,996.76	206,185,371.76

NOTE 7:	
CURRENT AND NON-CURRENT ASSETS AS AT 31ST DECEMBER, 2023	
Cash and Cash Equivalent	240,031,603.07
Inventories	471,138.28
Property, Plant and Equipment (PPE)	654,726,072.35
Investments	1,024,375.21
Advances	490,426,801.85
Total Assets	₪ 1,386,679,990.76

NOTE 8:	
CURRENT AND NON-CURRENT LIABILITIES AS AT 31ST DECEMBER, 2023	
Deposits	516,448,991.09
Loans/Debts	67,522,988.40
Payables	-
Long Term Borrowings	-
Total Liabilities	₪ 583,971,979.49

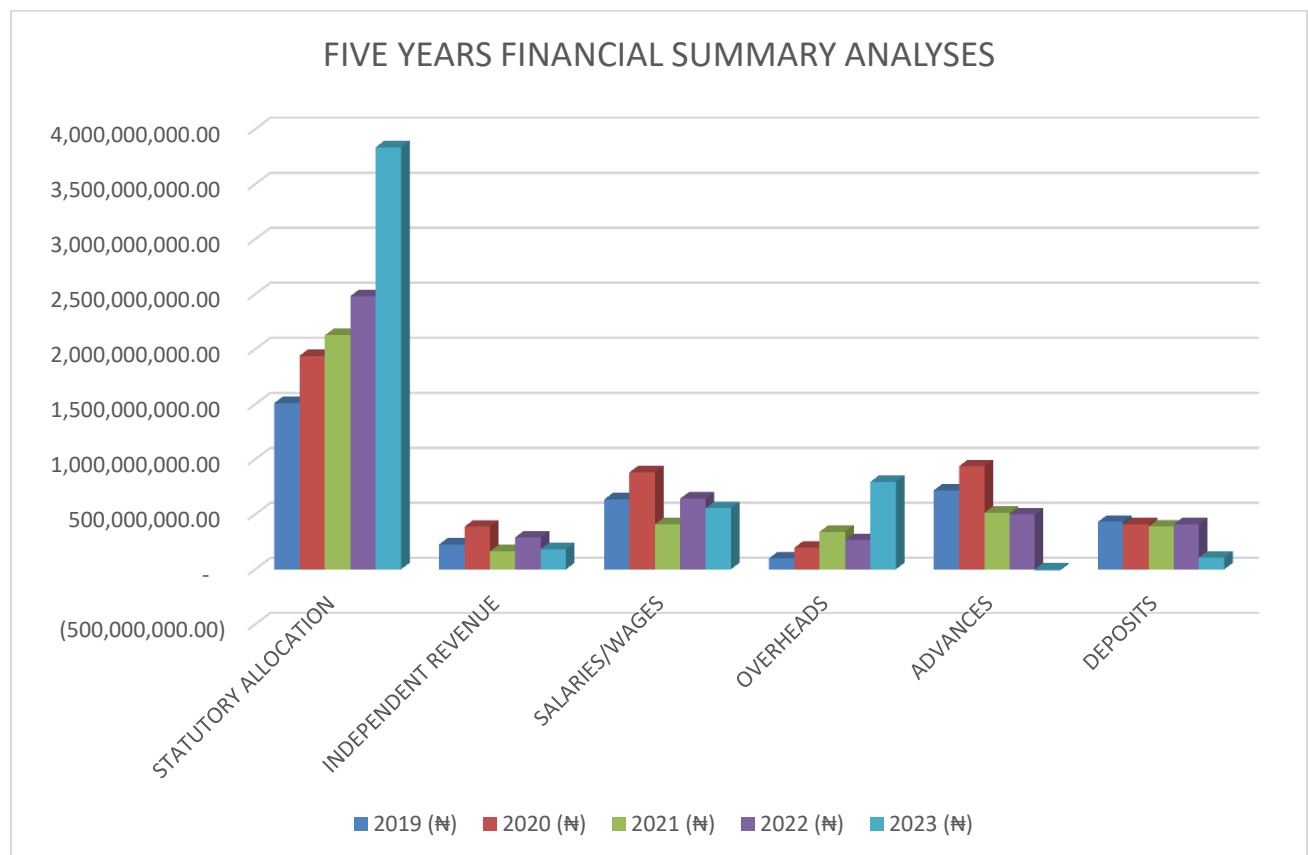
NOTE 9:	
CAPITAL RESERVES	
Reserves as at 1/1/2023	501,971,059.44
Accumulated Surpluses/Deficits for the Year	300,736,951.83
Net Assets/Equity as at 31/12/2023	₪ 802,708,011.27

NOTE 10:					
DETAILS OF AUDIT QUERIES ISSUED TO ETSAKO WEST LOCAL GOVERNMENT COUNCIL, AUCHI IN RESPECT OF 2023 ACCOUNTS					
S/No.	Query Number	P.V. No./Date	Reason	Amount (₦)	Remark
	Outstanding:				
1.	AQ/EWLG/AUC/1/2022	84/Jan/2022	Irregular Expenditure	2,200,000.00	Unresolved
2.	AQ/EWLG/AUC/2/2022	11/Oct/2022	Irregular Expenditure	1,500,000.00	Unresolved
3.	AQ/EWLG/AUC/3/2022	39/Nov/2002	Irregular Expenditure	1,330,000.00	Unresolved
	Sub-Total			5,030,000.00	
	Current Year:				
1.	AQ/EWLG/AUC/1/2023	24/Feb/2023	Irregular Expenditure	325,000.00	Under Correspondence
2.	AQ/EWLG/AUC/2/2023	45/Feb/2023	Irregular Expenditure	3,200,000.00	Resolved
3.	AQ/EWLG/AUC/3/2023	Various	Irregular Expenditure	4,431,606.12	Resolved
4.	AQ/EWLG/AUC/4/2023	Various	Unreciepted Payments	634,000.00	Resolved
5.	AQ/EWLG/AUC/5/2023	Various	Unvouched Payments	14,690,000.00	Under Correspondence
6.	AQ/EWLG/AUC/6/2023	Various	Irregular Expenditure	4,050,000.00	Under Correspondence
7.	AQ/EWLG/AUC/7/2023	38/Sept/2023	Irregular Expenditure	2,400,000.00	Under Correspondence
8.	AQ/EWLG/AUC/8/2023	Various	Irregular Expenditure	1,800,000.00	Under Correspondence
9.	AQ/EWLG/AUC/9/2023	67/Oct/2023	Expenditure Not Supported By Proper Records or Accounts	3,000,000.00	Under Correspondence
10.	AQ/EWLG/AUC/10/2023	Various	Unreceipted Payments	16,155,366.77	Under Correspondence
11.	AQ/EWLG/AUC/11/2023	Various	Irregular Expenditure	6,500,000.00	Under Correspondence
12.	AQ/EWLG/AUC/12/2023	Various	Unvouched Payments	120,685,435.00	Under Correspondence
	Sub-Total			177,871,407.89	
	Grand Total			182,901,407.89	

ETSAKO WEST LOCAL GOVERNMENT COUNCIL, AUCHI

FIVE YEARS FINANCIAL SUMMARY ANALYSES

S/N		2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)	2023 (₦)	TOTAL (₦)
1	STATUTORY ALLOCATION	1,510,919,325.90	1,940,943,587.87	2,127,629,125.70	2,483,277,510.71	3,836,013,160.99	11,898,782,711.17
2	INDEPENDENT REVENUE	227,363,826.00	387,778,166.67	162,781,708.00	290,924,469.00	183,488,488.00	1,252,336,657.67
3	SALARIES/WAGES	634,192,302.47	881,467,492.14	408,093,255.17	642,624,549.74	554,273,703.50	3,120,651,303.02
4	OVERHEADS	99,501,574.40	196,407,702.07	341,737,241.53	265,465,165.54	795,578,505.04	1,698,690,188.58
5	ADVANCES	718,407,707.18	937,443,251.79	513,484,176.85	500,483,676.85	-10,056,875.00	2,659,761,937.67
6	DEPOSITS	431,580,403.33	407,581,775.75	388,660,911.05	408,993,827.14	107,455,163.95	1,744,272,081.22
	TOTAL	3,621,965,139.28	4,751,621,976.29	3,942,386,418.30	4,591,769,198.98	5,466,752,146.48	22,374,494,879.33



Telegrams:

Telephones:



IGUEBEN LOCAL GOVERNMENT

P.M.B. 2, IGUEBEN, EDO STATE, NIGERIA.

Your Ref: _____

Our Ref: _____

24th June 20 24

STATEMENT OF FINANCIAL RESPONSIBILITY

RESPONSIBILITY FOR FINANCIAL STATEMENTS

These Financial Statements have been prepared by the Director of Finance and Accounts of Igueben Local Government Council, Igueben in accordance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS. The Financial Statements complied with generally accepted accounting practice.

The Director of Finance and Accounts is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly recorded the use of all public financial resources by the Local Government Council. To the best of my knowledge, this system of internal control has operated adequately throughout the reporting period.

Mr. Ohiafi Kehinde Andrew,
Director of Finance and Accounts

24/06/2024

Date

We accept responsibility for the integrity of these Financial Statements, the information they contain and their compliance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS.

In our opinion, these financial statements fairly reflect the financial position of Igueben Local Government Council, Igueben as at 31st December 2023 and its operations for the year ended on that date.

Dr. Gregory O. Elimihele,
Head of Local Government Administration

24/06/24

Date

Hon. (Engr) Clement O. Asuelimhen
Chairman

24/06/2024

Date



OFFICE OF THE AUDITOR-GENERAL (LOCAL GOVERNMENTS)

19 BOUNDARY ROAD, G.R.A.

P.M.B. 1128

BENIN CITY

EDO STATE OF NIGERIA

**REPORT OF THE STATE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS
TO THE MEMBERS OF THE EDO STATE HOUSE OF ASSEMBLY**

The Financial Statements of Igueben Local Government Council, Igueben for the year ended 31st December 2023 as contained in this report prepared under the International Public Sector Accounting Standards (IPSAS) Accrual accounting framework and on the basis of Accounting Policies detailed in the Financial Statements have been audited as required by the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended.

RESPONSIBILITY OF THE DIRECTOR OF FINANCE AND ACCOUNTS

The Director of Finance and Accounts to Igueben Local Government Council, Igueben is responsible for the preparation and presentation of the Financial Statements in accordance with the Finance (Control and management) Act 1958 as amended. He is to ensure that there are no material misstatements in the Financial Statements.

AUDITOR-GENERAL'S RESPONSIBILITY

It is my statutory responsibility to form an independent opinion based on the audit of the Financial Statements and to report thereon.

BASIS OF OPINION

The audit was conducted in accordance with International Standards on Auditing (ISA) as applicable to the public sector, International Organization of Supreme Audit Institutions (INTOSAI), Auditing Standards, the provisions of the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended. The audit includes examination on a test basis of evidence relevant to the figures disclosed in the Financial Statements. It also includes an assessment of significant estimates and judgments made by the Council in the preparation of the Financial Statements and whether the accounting policies were appropriate in the Council's circumstances, consistently applied and adequately disclosed. The audit was planned and performed to obtain all information and explanations considered necessary to have reasonable assurance that the Financial Statements are free from material misstatements. I have not obtained all the information and explanations that I required.

OPINION

In my opinion, the Financial Statement of Igueben Local Government Council, Igueben for the year ended 31st December 2023 show a true and fair view of the Council's state of financial position, performance and of the cashflow in accordance with all legal and regulatory frameworks, subject to the observations and comments contained in this report.

S.O. Johnson, FCA, ACTI, FIMC, FCCSA

(FRC/2022/PRO/ICAN004/188858)

Auditor-General (Local Governments)

Edo State,

28th June, 2024

AUDITOR-GENERAL'S REPORT FOR LOCAL GOVERNMENTS, EDO STATE
GENERAL DISCLOSURES AND OBSERVATIONS ON THE ACCOUNTS OF
IGUEBEN LOCAL GOVERNMENT COUNCIL, IGUEBEN, FOR THE MONTH
ENDED DECEMBER 31, 2023

1. REVENUE

In the year that concluded on December 31, 2023, the Igueben Local Government Council earned N3,017,351,862.59 in income. Of this amount, N23,715,099.60 represented independent revenue, while N2,993,636,762.99 was obtained as statutory allocations from the federation account. For more information, see Notes 1 and 2.

SUMMARY

Throughout the time under review, the Local Government Council remained mostly dependent on funding from the Federation Account. To lessen an excessive reliance on statutory allocations, the Local Government Council is urged to examine its own internal operations and devise strategies to increase money produced internally.

2. SLGJAAC ALLOCATIONS TO LOCAL GOVERNMENT COUNCILS ARE COMPLETE

According to source documents from the Edo State Ministry of Local Government Affairs, the total amount of N2,993,636,762.99 accruing from the federation account to Igueben Local Government Councils, Igueben as statutory allocations transferred through the State-Local Government Joint Account Allocation Committee (SLGJAAC) was received in full by Igueben Local Government Council, Igeuben, and included in the Council's Financial Statements for the year ended December 31, 2023. For more information, see Note 1.

3. EXPENDITURE

Igueben Local Government Council, Igueben spent N436,793,648.24 on salaries and wages during the review period. Additionally, N415,635,097.64 was spent on overhead, and N1,497,656,107.45 was sent to SUBEB and other local government entities. The total capital outlay for the year was N1,374,851,147.90.

4. CASH AND CASH EQUIVALENT

As of December 31, 2023, the Igueben Local Government Council has N162,634,026.53 in cash and financial equivalents. In violation of Financial Memoranda 19:23-30, the Local Government Council failed to compile bank reconciliation statements or provide bank statements to the Council during the time under review. The absence of these crucial records indicates that there was a

discrepancy between the amounts in the cash book and the associated bank accounts.

SUMMARY

It is accordingly recommended that the Local Government Council always create monthly bank reconciliation statements in accordance with Financial Memoranda 19:23-30 and promptly provide the completed paperwork to this office.

5. ALLOCATIVE INVESTMENTS

As of December 31, 2023, the Igueben Local Government Council has N80,355.50 in investments. Due to the Council's failure to keep investment registers or ledgers, the investments were not appropriately documented. Consequently, it was not feasible to confirm the investments and determine their current valuations.

SUMMARY

The Local Government Council should conduct an investigation into the investments' current state in order to determine their existence, viability, and valuations. It is necessary to reassess all investments, write off any that are no longer in operation, and declare any that are at fair market value.

6. AVAILABLE SERVICES:

(A) DEPOSITS

The Igueben Local Government Council, Igueben, has N283,172,093.25 outstanding in its deposit accounts as of December 31, 2023. Pay As You Earn (PAYE), union dues (NULGE), car refurbishing loans deducted for loans obtained from other councils, retention fees, value-added tax (VAT), withholding tax (WT), and other deductions from staff salaries are all represented by the Deposit Accounts.

SUMMARY

After the deposits have been thoroughly examined, the Council is responsible for making sure the beneficiaries receive their money back. Any deposit whose owner cannot be located or has not made any use of it for more than five years after the repayment deadline should be adjusted to revenue in line with F.M. 24.25(5).

(B) SHORT TERM LOANS

The Local Government Council owed several banks a total of N103,722,966.29 in combined short-term loans and bank overdrafts.

7. FINANCIAL PERFORMANCE

The Igueben Local Government Council's financial performance for the year that concluded on December 31, 2023, is outlined below:

Description	Approved Estimate 2023 (₦)	Actual Revenue/Expenditure 2023 (₦)	Percentage Performance
<u>REVENUE</u>			
Statutory Allocation	3,381,000,000.00	2,993,636,762.99	89%
Independent Revenue	66,050,000.00	23,715,099.60	36%
<u>EXPENDITURE</u>			
Salary and Wages	915,529,057.00	436,793,648.24	48%
Overhead Cost	538,910,000.00	415,635,097.64	77%
Transferred to SUBEB and other Local Government Entities	587,000,000.00	1,497,656,107.45	255%
Capital Expenditure	1,297,800,000.00	1,374,851,147.90	106%

Observation

The aforementioned data indicates that capital projects actually performed well in 2023.

SUMMARY

- i) In order to enable the Office of the Auditor-General to monitor and audit capital project performance in accordance with F.M. 1.4(12)(g) and F.M. 39.1(8) and ensure that the Council obtained value for the expenditure, the Local Government Council should always forward contract agreements and other pertinent documents to the office.
- ii) In order to prevent unnecessary budgetary spending, the Local Government Council is also recommended to consistently allocate sufficient funds for transfers to SUBEB and other Local Government Entities.

9. APPROVAL

Sections 92, 93, and 94 of the Edo State Local Government Law 2000, as amended, lawfully authorise all of the expenditures reflected in the Statements of Actual Expenditure for the year ended December 31, 2023.

10. ASSET REVALUATION

The IPSAS-compliant asset revaluation has not yet been completed by the Igueben Local Government Council (Accruals).

SUMMARY

In order to correctly portray the assets in the Statement of Financial Position, the Local Government Council should immediately hire pertinent specialists and have their assets revalued in accordance with IPSAS.

11. BUDGETARY PLANNING

International Public Sector Accounting Standards (IPSAS) recommend that the Igueben Local Government Council prepare the annual budget in accordance with the National Chart of Accounts on time. Copies of the approved budget must be sent to the Office of the Auditor-General (Local Governments) so that the office can track financial performance.

12. AUDIT QUERIES

The Chairman has already received the audit enquiries concerning the discovered inconsistencies of N32,170,000.00 that are attached to the Audit Inspection Reports on the 2023 accounts for the Igueben Local Government Council, Igueben, and will take the appropriate action. Note 10 of this report includes specifics on the audit enquiries pertaining to the 2023 accounts.

13. DISALLOWANCE

Allowance has been set aside for the expenses listed in Note 10 of this report and in paragraph 12 above, pending acceptable responses to the questions posed therein.

14. THE overall condition of the accounts and maintaining records

The following highlights the way that accounting books and records are rendered in local government councils:

a) Annual Financial Statement Rendition

In accordance with current legislation, the Local Government Council submitted the 2023 Financial Statements on time. It is praiseworthy that the yearly financial statements were produced on schedule.

b) Maintaining Records

i) Subordinate Ledgers and Books

Subsidiary books were occasionally either not updated or maintained. The appropriate maintenance of subsidiary books of accounts is a responsibility of the Local Government Council. Registers for investments, loans/overdraft, and fixed/mobile assets have to be kept up to date.

ii) Cheque Books

At the conclusion of each month, cash books were not properly balanced, and in certain instances, balances were recorded in pencil rather than ink. Cash books need to be updated on a regular basis from now on.

c) Financial Statements and Underlying Records Reconciliation

i) Several entries in the Departmental Vote Revenue Account (DVRA) and Departmental Vote Expenditure Account (DVEA) Books were missing. As a result, precisely categorising expenses and income into Heads and Sub-Heads became challenging.

ii) During the time under examination, the ledgers for advances and deposits were also not updated. The outstanding balances in the ledgers are inaccurate since certain entries were not submitted to them. As a result, depending solely on the ledgers makes it impossible to precisely ascertain outstanding advances and deposits.

It is recommended that Local Government Council Treasurers oversee the treasury department's employees and make sure that accounting records are updated and reconciled to remove inaccuracies and omissions.

iii) Bank Reconciliation: In accordance with Financial Memoranda 19.23-24, the Igueben Local Government Council, Igueben, has consistently neglected to file bank reconciliation statements. The Local Government Council must immediately prepare monthly bank reconciliation statements in accordance with F.M. 19.23-24.

d) Implementing IPSAS

The International Public Sector Accounting Standards have not yet been completely adopted by the Local Government Council (IPSAS). Revaluing the Local Government Council's assets and liabilities and reflecting them in the books of accounts in accordance with IPSAS is urgently required.

Accounting Policies (IPSAS Accrual)

1. Basis for Measurement:

The preparation of these *General-Purpose Financial States (GPFS)* complies with the historical cost convention, IPSAS, and other applicable requirements as specified by pertinent legislation.

2. The foundation of accounting:

These GPFS were created using the accrual method of accounting.

3. Time of Accounting:

According to National Treasury Circular Ref. OAGF/CAD/026/Vol.1/102 on December 30, 2013, the accounting year (fiscal year) runs from January 1 to December 31. The accounting system was designed to divide each accounting year into twelve calendar months, or periods.

4. Currency Reporting:

The GPFS was developed using Naira (Nigeria's currency).

5. Comparative Data:

The *General Purpose Financial Statements* included all the numerical data for the prior time frame.

6. Financial Data:

These numbers come from the approved budget, which was created on a cash basis in compliance with the Local Government Councils' Appropriation Bye-Law.

7. Income from Taxes, Fees, and Fines:

When fees, taxes, and other non-exchange transaction revenue are collected and meet the requirements for asset recognition, they are recorded as revenue. When it is likely that the company will get future economic benefits or service possibilities from the asset and it is reasonably possible to determine the asset's fair value, other non-exchange revenues are recognised.

Additional Operating Profits:

Exchange transactions that take place in the regular course of the entity's operations provide additional operational revenues. The fair value of the payment received or receivable for the sale of goods and services is included in revenues.

Sales of Products:

When the major risks and benefits of ownership have been passed to the buyer, generally with delivery of the products, revenue from the sale of those things is recognised.

Additional Income/Revenue:

Fees, fines, debt forgiveness, commissions, earnings from the sale of assets, and other sources make up other revenue. Any gain or disposal is recorded on the day the asset is turned over to the buyer and is calculated by reducing the asset's carrying value from the proceeds on that date.

8. Changes from Other Governmental Organisations:

When an asset (cash, goods, services, or properties) is received condition-free and there is a reasonable probability that the asset's potential for economic benefit or service will be reliably measured, revenues from non-exchange transactions with other government entities are recognised at fair value.

9. Costs:

All costs are recorded on an accrual basis, which means that regardless of when the money is received, costs are recorded at the time they are incurred or when the associated services are used.

10. Loan Interest:

In the financial performance report (Statement of Financial Performance), interest on loans is accounted for either an expense or a charge. To calculate interest expenditure for each period, interest is accumulated by applying the effective interest rate method to the principle amount owed.

11. Cash Flow Statement:

The direct technique was used to create this statement, which followed the GPFS format. There are three (3) parts in the cash flow statement:

Operating Activities:

These track the cash payments made for the provision of goods and services as well as the cash received by Local Government Councils from all sources of income.

Investing activities are those that have to do with buying and selling non-current assets.

Financial Activities: These include adjustments to the PSE's debt and equity capital structure.

12. Currency and Its Equivalent:

The term "cash and cash equivalent" refers to the amount of cash that is on hand, held in bank accounts, demand deposits, and other highly liquid investments with an initial maturity of three months or less. These investments are made by the entity as part of its daily cash management process, and they are easily convertible into known amounts of cash with little to no risk of value fluctuations. Cash and Cash Equivalent are included in the Statement of Financial Position under Current Assets.

13. Accounts Receivable: Exchange Transaction Receivables

Exchange transaction receivables are first recorded at fair value and then, using the effective interest method, evaluated at amortised cost, minus allowance for impairment. When there is, a receivables impairment provision is created.

Receivables from Transactions Without Exchange:

Receivables from non-exchange transactions include social benefit receivables that don't stem from contracts, as well as fees, taxes, fines, and other penalties related to these activities. These receivables are first valued at face value, or nominal amount; that is, the amount of tax due, levy, fine, etc., is reflected in the receivable. These accounts receivable are first evaluated at face value or nominal amount, meaning that the receivable represents the total amount of taxes due, levies, fines, etc. Following their charging, these receivables are modified for penalties or may be written off due to impairment. The statement of financial performance presents interest and penalties on tax receivables as tax revenue..

14. Advance payments:

Amounts paid in advance of receiving goods or services are referred to as prepaid costs. They signify payments made in one year for benefits to be obtained in other years, or payments made early in the year for benefits to be received throughout the course of the year.

15. Inventory:

- (a) The net realisable value of an inventory is subtracted from its cost.
- (b) The FIFO approach is used to calculate costs.
- (c) Where appropriate, inventories retained for distribution for the benefit of the

public are documented at cost less any prospective loss of services.

(d) In the Financial Position Statement, inventories are included under Current Assets.

16. Awarded Loans:

The approved loans are displayed at their estimated realisable value, which takes into account impairments and bad or dubious debts.

17. Plant, machinery, and equipment:

(a) The historical cost of all PPE is reported, less cumulative depreciation and any impairment losses. Costs directly related to the acquisition of the assets are included in the historical cost.

(b) When an asset is purchased through a non-exchange transaction for nominal or no consideration, it is first recorded in the statement of financial performance at fair value, which is a value that can be consistently ascertained and expressed as income during the PPE's useful life.

(c) The subsequent items are considered PPE expenses:

i) The price paid for the acquisition of these assets as well as any additional pertinent costs associated with restoring the asset to operational condition.

ii) Building expenses, which include labour, supplies, and overhead.

iii) Modifications to current PPE that greatly extend its usable life.

Price:

A piece of PPE's total cost includes the purchase price, import fees, one-time expenses, and any expenditures directly related to relocating and restoring the asset to its original location and state of functionality. The purchase price is calculated after subtracting trade discounts and rebates. PPE are reported at cost or at their expert appraisal less cumulative impairment and depreciation.

Devaluation:

PPE is depreciated according to a straight line method throughout the course of their anticipated useful lifetimes, less any projected residual value, using relevant rates, starting on the date of availability for use.

No.	Item of PPE	Depreciation Rate
A	Leased Property	Over the term of the lease
B	Buildings	2%
C	Investment property	2%
D	Infrastructure	5%
E	Plant and Machinery	10%
F	Transportation Equipment (except K)	20%
G	Office Equipment	25%
H	Furniture and Fittings	20%
I	Specialized Assets (e.g., books, military and paramilitary assets)	10%
J	Bearer Plant	4%
K	Aircraft, ship and train	5%
L	Specific cultural and heritage assets	Unlimited

Assessment:

At the conclusion of each reporting period, the residual values and usable lifetimes of the assets are examined and, if necessary, changed. Revaluation surplus is moved to the revaluation reserve under reserves in the financial situation. If there is a revaluation deficit, it is recorded as an expense in the statement of financial performance or, if there is a surplus on the same class of assets, against the value of the related assets and the corresponding entry to the revaluation reserve.

Disposal Gain or loss resulting from getting rid of a piece of PPE is shown as a surplus or deficit.

Deficit:

When there are signs that a piece of personal protective equipment (PPE) may have been compromised, an impairment test is carried out.

18. Real Estate Investment

These are properties that provide income for a PSE. At first, an investment property is valued at its cost. Investment property is then measured at fair value at the end of the term, and any gain or loss at fair value is recorded as a surplus or deficit.

Income from Investments:

Investment income is defined as the excess or shortfall of rental revenue received or gained from an investment property.

Disposal:

The surplus or deficit represents the gain or loss from the sale of investment property.

19. Non-tangible Resources

These are non-tangible assets that have been created domestically or purchased, and they are stored for usage in order to produce advantages that extend beyond a fiscal year. An intangible asset's total cost includes the acquisition price, non-recurring charges, and any expenses directly related to restoring the asset to its intended condition of use.

20. Deposits:

Resources kept in custody on behalf of third parties make up deposits. Additionally, deposits signify upfront payments for future products and services.

21. Debts and Loans:

Loans are sums of money that are borrowed with an agreed-upon repayment schedule. They are classified as either short-term or long-term loans and are shown as liabilities in the Statement of Financial Position.

22. Unremitted Withheld Taxes:

Money due to third parties, including tax authorities, unions, cooperatives, schemes and organisations, other government agencies, etc., is known as an unremitted deduction. Tax and other at-source deductions are examples of unremitted deductions. The sums are considered as Current Liabilities in the Statement of Financial Position and are reflected in the GPFS at their payback value.

23. Accrued Expenses - Payables

These are sums of money owed to outside parties for products and services obtained.

24. Public Money

These represent the government's financial balances at the conclusion of the fiscal year. The Statement of Financial Position categorises them as Non-Current Liabilities.

25. Reserves:

Reserves such as Surpluses/(Deficits) Reserve, Translation Reserve, Revaluation

Reserve, Fair Value Reserve, and other Reserves are categorised under equity in the Statement of Financial Position.

26. Debts

Initial recognition of borrowings is done at fair value, net of incurred transaction expenses. Following amortisation, borrowings are reported at cost; any discrepancy between proceeds (net of transaction expenses) and redemption value is recognised using the effective interest method in the consolidated statement of financial performance for the duration of the borrowings. The fees incurred for setting up lending facilities are recorded as loan transaction charges. The cost of the charge is capitalised and spread out over the life of the related facility.

27. Assignments to Other Governmental Organisations:

Transfers to other governmental bodies are included as costs in the statement of financial performance as they are non-exchange items.

28. Advances:

According to Edo State Financial Memoranda 16.16, any loans given to Local Government Council employees to carry out projects or make purchases of goods or services on their behalf must be retired by the end of the fiscal year. However, in situations where an advance is made towards the end of the fiscal year or where an advance that has already been made cannot be retired within the fiscal year, the advance and any outstanding amount are included in the Statement of Financial Position.

IGUEBEN LOCAL GOVERNMENT COUNCIL, IGUEBEN STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2023						
Previous Year Actual 2022 (₦)	Description	NCOA Code	Note	Annual Budget (₦)	Actual Revenue/ Expenditure (₦)	Percentage of Budget Performance
1,516,449,417.81	Net Assets/Equity As At 1/1/2023 – A			-	1,466,283,687.38	
	REVENUE					
	<u>Statutory Allocation:</u>					
1,020,690,881.40	Share of Federation Account	110101	1	2,170,000,000.00	853,823,399.02	39%
722,037,097.44	Share of Value Added Tax (VAT)	110102	1	311,000,000.00	991,531,957.34	319%
102,537,713.63	Excess Crude Oil and Others	110103	1	900,000,000.00	1,148,281,406.63	128%
1,845,265,692.47	Sub-Total Statutory Allocation – B			3,381,000,000.00	2,993,636,762.99	89%
	<u>Independent Revenue:</u>					
4,446,500.00	Licences General	120201	2	14,300,000.00	4,479,640.00	31%
7,435,028.00	Fees General	120204	2	28,900,000.00	12,557,978.00	43%
-	Fines General	120205	2	950,000.00	-	0%
960,000.00	Sales General	120206	2	3,900,000.00	-	0%
4,003,430.00	Earnings General	120207	2	13,000,000.00	1,494,000.00	11%
-	Rent on Government Building General	120208	2	500,000.00	-	0%
-	Rent on Land and Others General	120211	2	400,000.00	-	0%
-	Repayment General	120213	2	3,200,000.00	-	0%
-	Investment Income	120214	2	900,000.00	5,183,481.60	576%

16,844,958.00	Sub-Total Independent Revenue – C			66,050,000.00	23,715,099.60	36%
3,378,560,068.28	Total Receipts (A+B+C)			3,447,050,000.00	4,483,635,549.97	130%
	EXPENDITURE					
	<u>Recurrent Expenditure:</u>					
414,950,940.11	Salaries and Wages	210101	3	915,529,057.00	436,793,648.24	48%
252,570,373.23	Overhead Cost	220201	4	538,910,000.00	415,635,097.64	77%
1,185,323,095.30	SUBEB and other Transfers to Local Govt. Entities	220701	5	587,000,000.00	1,497,656,107.45	255%
-	Depreciation			-	-	
1,852,844,408.64	Sub-Total Recurrent Expenditure: E			2,041,439,057.00	2,350,084,853.33	115%
	<u>Capital Expenditure:</u>					
8,000,000.00	Land and Building General	320101	6	515,401,378.99	557,543,885.65	108%
-	Infrastructure General	320102	6	311,718,308.00	434,500,700.00	139%
2,931,972.26	Furniture and Fittings General	320106	6	100,000,000.00	75,787,701.00	76%
48,500,000.00	Intangible Assets	320301	6	370,680,313.01	307,018,861.25	83%
59,431,972.26	Sub-Total Capital Expenditure: F			1,297,800,000.00	1,374,851,147.90	106%
1,912,276,380.90	Total Expenditure: G = E + F			3,339,239,057.00	3,724,936,001.23	112%
1,466,283,687.38	Net Assets/Equity As At 31/12/2023				758,699,548.74	
3,378,560,068.28					4,483,635,549.97	

IGUEBEN LOCAL GOVERNMENT COUNCIL, IQUEBEN
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2023

Description	NCOA Code	Note	2023 (N)	2023 (N)	2022 (N)	2022 (N)
ASSETS						
<u>Current Assets:</u>						
Cash and Cash Equivalent	310101	7	162,634,026.53		31,419,905.24	
Inventories	310501	7	-		-	
Receivables	310601	7	-		-	
Prepayments	310801	7	-		-	
Total Current Assets: A				162,634,026.53		31,419,905.24
<u>Non-Current Assets:</u>						
Loan Granted (Local Govt. Loan Fund)	311001	7	-		-	
Investments	310901	7	80,355.50		80,355.50	
Property, Plant and Equipment (PPE)	320101	7	982,880,226.25		756,691,405.55	
Investment Properties	320201	7	-		-	
Intangible Assets (Advances)	320301	7	-		1,093,803,897.20	
Total Non-Current Assets: B				982,960,581.75		1,850,575,658.25
Total Assets: C = A+B				1,145,594,608.28		1,881,995,563.49
LIABILITIES						
<u>Current Liabilities:</u>						
Deposits	410101	8	283,172,093.25		311,988,909.82	
Short Term Loans and Debts	410201	8	103,722,966.29		103,722,966.29	
Payables (Accrued Expenses)	410401	8	-		-	
Total Current Liabilities: D				386,895,059.54		415,711,876.11
<u>Non-Current Liabilities:</u>						
Long Term Borrowing	4601/4602	8	-		-	
Total Non-Current Liabilities: E				-		-
Total Liabilities: F = D+E				386,895,059.54		415,711,876.11
Net Assets: G = C-F				758,699,548.74		1,466,283,687.38
NET ASSETS/EQUITY						
Reserves: H	4701	9	1,466,283,687.38		1,516,449,417.81	
Accumulated Surpluses/(Deficits): I	4702	9	- 707,584,138.64		- 50,165,730.43	
Total Net Assets/Equity: G = H+I				758,699,548.74		1,466,283,687.38

IGUEBEN LOCAL GOVERNMENT COUNCIL, IGUEBEN
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2023

NCOA Code	Details	Note	2023 (₦)	2023 (₦)	2022 (₦)	2022 (₦)
	CASH FLOW FROM OPERATING ACTIVITIES:					
	<u>INFLOWS:</u>					
	<u>Statutory Allocations</u>					
110101	Share of Federation Account	1	853,823,399.02		1,020,690,881.40	
110102	Share of Value Added Tax (VAT)	1	991,531,957.34		722,037,097.44	
110103	Excess Crude Oil and Others	1	1,148,281,406.63		102,537,713.63	
	Sub-Total Statutory Revenue – A			2,993,636,762.99		1,845,265,692.47
	<u>Independent Revenue</u>					
120201	Licences General	2	4,479,640.00		4,446,500.00	
120204	Fees General	2	12,557,978.00		7,435,028.00	
120205	Fines General	2	-		-	
120206	Sales General	2	-		960,000.00	
120207	Earnings General	2	1,494,000.00		4,003,430.00	
120208	Rent on Government Buildings General	2	-		-	
120209	Rent on Land and Others General	2	-		-	
120210	Repayments General	2	-		-	
120211	Investment Income	2	5,183,481.60		-	
	Sub-Total Independent Revenue – B			23,715,099.60		16,844,958.00
	Total Inflow from Operating Activities C = A+B			3,017,351,862.59		1,862,110,650.47

	OUTFLOWS:					
210101	Salaries and Wages	3	436,793,648.24		414,950,940.11	
220201	Overhead Cost	4	415,635,097.64		252,570,373.23	
220701	SUBEB and other Transfers to Local Government Entities	5	1,497,656,107.45		1,185,323,095.30	
	Depreciation		-		-	
	Total Outflow from Operating Activities – D			2,350,084,853.33		1,852,844,408.64
	Net Cashflow from Operating Activities – E = C-D			667,267,009.26		9,266,241.83
	CASHFLOW FROM INVESTING ACTIVITIES:					
320101	Land and Building General	6	557,543,885.65		8,000,000.00	
320102	Infrastructure General	6	434,500,700.00		-	
320106	Furniture and Fittings General	6	75,787,701.00		2,931,972.26	
320301	Intangible Assets	6	307,018,861.25		48,500,000.00	
	Total Outflow from Investing Activities – F			1,374,851,147.90		59,431,972.26
	Net Cashflow from Investing Activities – G = E - F			- 707,584,138.64		- 50,165,730.43
	CASHFLOW FROM FINANCIAL ACTIVITIES:					
301801	Advances		- 867,615,076.50		- 51,390,000.00	
410101	Deposits		- 28,816,816.57		7,000,329.20	
410102	Other Accounts – Loan		-		-	
	Other Accounts – Investment		-		-	
420301	Proceeds from Borrowings		-		-	
	Payment/Charges on Borrowings		-		-	
	Net Cashflow from Financing Activities – H			- 838,798,259.93		- 58,390,329.20
	Net Cashflow from all Activities – I = G - H			131,214,121.29		8,224,598.77
	Cash and Cash Equivalent As At 1/1/2023			31,419,905.24		23,195,306.47
	Cash and Cash Equivalent As At 31/12/2023			162,634,026.53		31,419,905.24

NOTES TO THE ACCOUNTS

NOTE 1: SCHEDULE OF STATUTORY ALLOCATION TO IGUEBEN LOCAL GOVERNMENT COUNCIL, IGUEBEN FOR THE YEAR ENDED 31ST DECEMBER 2023				
Month	Federation Account	Value Added Tax	Others	Total
January	117,070,102.34	71,311,775.00	360,127,700.85	548,509,578.19
February	67,606,794.51	71,931,879.04	27,638,704.12	167,177,377.67
March	64,343,903.87	75,576,242.77	24,866,265.77	164,786,412.41
April	87,707,173.80	66,896,026.79	6,324,212.76	160,927,413.35
May	62,302,377.00	61,259,527.66	22,045,177.35	145,607,082.01
June	94,232,913.20	81,014,199.65	221,819,010.78	397,066,123.63
July	52,830,093.43	86,043,197.97	225,521,416.76	364,394,708.16
August	68,595,256.16	83,992,648.65	56,484,126.52	209,072,031.33
September	54,284,756.48	106,532,177.76	47,514,090.13	208,331,024.37
October	68,724,273.99	83,902,365.40	35,722,049.54	188,348,688.93
November	53,141,345.12	97,448,655.19	51,736,631.44	202,326,631.75
December	62,984,409.12	105,623,261.46	68,482,020.61	237,089,691.19
Total	853,823,399.02	991,531,957.34	1,148,281,406.63	2,993,636,762.99

NOTE 2:										
SCHEDULE OF INDEPENDENT REVENUE OF IGUEBEN LOCAL GOVERNMENT COUNCIL, IGUEBEN FOR THE YEAR 2023										
Month	120201 Licences General	120204 Fees General	120205 Fines General	120206 Sales General	120207 Earnings General	120208 Rent On Govt. Buildings General	120209 Rent On Land & Others General	120210 Repayments General	120211 Investment Income	Monthly Total
January	320,500.00	1,046,490.00	-	-	-	-	-	-	-	1,366,990.00
February	360,750.00	1,167,550.00	-	-	-	-	-	-	-	1,528,300.00
March	366,300.00	950,700.00	-	-	-	-	-	-	-	1,317,000.00
April	375,700.00	880,900.00	-	-	400,000.00	-	-	-	-	1,656,600.00
May	384,550.00	900,000.00	-	-	-	-	-	-	-	1,284,550.00
June	378,950.00	1,050,800.00	-	-	-	-	-	-	2,581,744.64	4,011,494.64
July	370,000.00	1,031,500.00	-	-	498,000.00	-	-	-	-	1,899,500.00
August	377,850.00	1,050,900.00	-	-	-	-	-	-	-	1,428,750.00
September	383,590.00	1,059,468.00	-	-	-	-	-	-	-	1,443,058.00
October	385,990.00	1,038,670.00	-	-	-	-	-	-	2,601,736.96	4,026,396.96
November	380,350.00	1,290,000.00	-	-	596,000.00	-	-	-	-	2,266,350.00
December	395,110.00	1,091,000.00	-	-	-	-	-	-	-	1,486,110.00
Total	4,479,640.00	12,557,978.00	-	-	1,494,000.00	-	-	-	5,183,481.60	23,715,099.60

NOTE: 3 SCHEDULE OF SALARIES AND WAGES OF IGUEBEN LOCAL GOVERNMENT COUNCIL, IGUEBEN FOR THE YEAR ENDED 31ST DECEMBER, 2023

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
21010101	Office of the Chairman	246,304,189.80	25,224,464.86	10%
21010102	The Council (Legislative)	48,458,652.28	17,835,532.30	37%
21010103	Personnel Management	115,348,799.86	147,803,698.40	128%
21010104	Internal Audit	7,484,998.57	6,683,232.48	89%
21010105	Information	5,279,267.07	5,172,465.29	98%
21010106	Office of the Head of LGA	2,799,000.00	8,013,580.84	286%
21010107	Agriculture and National Resources	16,447,267.86	14,815,680.44	90%
21010108	Finance and Supply	45,876,754.61	41,853,131.73	91%
21010109	Budget, Planning & Statistics	15,315,989.89	9,016,116.88	59%
2101010	Revenue	12,333,309.89	18,710,821.86	152%
2101011	Works and Housing	79,861,068.49	55,477,029.12	69%
2101012	Procurement	7,248,482.26	5,373,090.72	74%
2101013	Legal Services	5,570,811.74	3,632,546.04	65%
2101014	Youth, Women & Social Development	48,377,560.84	43,465,701.06	90%
2101015	Primary Health Care	172,950,114.32	10,226,641.89	6%
2101016	Environment	73,159,584.56	17,286,958.07	24%
2101017	Water and Sanitary Hygiene	12,713,204.96	6,202,956.26	49%
	Total	915,529,057.00	436,793,648.24	48%

NOTE 3: SCHEDULE OF SALARIES AND WAGES OF IGUEBEN LOCAL GOVERNMENT COUNCIL, IGUEBEN FOR THE YEAR ENDED

Economic Code	Details	Approved Budget (₦)	Actual Expenditure (₦)	Percentage of Budget Performance
21010101	Office of the Chairman	50,395,877.80	15,742,400.52	31%
21010102	The Council (Legislative)	58,458,652.28	8,009,748.41	14%
21010103	Personnel Management	108,357,230.41	113,350,998.33	105%
21010104	Internal Audit	3,636,384.78	3,325,792.04	91%
21010105	Information	4,041,241.26	3,047,592.04	75%
21010106	Office of the Head of LGA	2,799,000.00	2,400,000.00	86%
21010107	Agriculture and National Resources	10,584,155.44	10,043,129.85	95%
21010108	Finance and Supply	40,952,295.47	29,598,158.07	72%
21010109	Budget, Planning & Statistics	7,815,989.84	6,011,641.11	77%
21010110	Revenue	10,903,413.43	9,382,565.26	86%
21010111	Works and Housing	50,758,728.40	44,090,353.56	87%
21010112	Procurement	4,456,809.99	4,064,744.92	91%
21010113	Legal Services	3,379,865.96	3,357,989.28	99%
21010114	Youth, Women & Social Development	34,209,093.71	33,860,291.97	99%
21010115	Primary Health Care	194,834,398.27	102,718,378.84	53%
21010116	Environment	65,180,643.00	21,032,693.52	32%
21010117	Water and Sanitary Hygiene	7,678,219.96	4,914,462.39	64%
	Total	658,442,000.00	414,950,940.11	63%

NOTE: 4 SCHEDULE OF OVERHEAD COST OF IGUEBEN LOCAL GOVERNMENT COUNCIL, FOR THE YEAR ENDED 31ST DECEMBER, 2023

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
22020101	Office of the Chairman	55,800,000.00	88,744,676.00	159%
22020102	The Council (Legislative)	13,500,000.00	6,323,750.00	47%
22020103	Personnel Management (Admin)	69,400,000.00	93,653,185.00	135%
22020104	Internal Audit	6,300,000.00	4,119,000.00	65%
22020105	Information	16,300,000.00	8,920,000.00	55%
22020106	Office of the Head of LGA	45,000,000.00	28,092,360.00	62%
22020107	Agriculture and National Resources	23,500,000.00	11,950,000.00	51%
22020108	Finance and Supply	69,600,000.00	33,791,138.35	49%
22020109	Budget, Planning & Statistics	9,000,000.00	5,150,000.00	57%
22020110	Procurement	17,400,000.00	10,779,000.00	62%
22020111	Revenue	12,310,000.00	10,785,483.29	88%
22020112	Works & Housing	38,200,000.00	14,489,255.00	38%
22020113	Legal Services	13,400,000.00	3,380,000.00	25%
22020114	Social Development	67,700,000.00	47,283,000.00	70%
22020115	Primary Health Care	29,000,000.00	17,733,000.00	61%
22020116	Environment	23,000,000.00	13,541,250.00	59%
22020117	Water and Sanitary Hygiene	15,500,000.00	4,900,000.00	32%
22020118	Contribution to LG Service Commission	14,000,000.00	12,000,000.00	86%
	Total	538,910,000.00	415,635,097.64	77%

NOTE 5: SCHEDULE OF TRANSFERS TO SUBEB AND OTHER LOCAL GOVERNMENT ENTITIES IN IGUEBEN LOCAL GOVERNMENT COUNCIL, IGUEBEN

Month	Deductions for Mandatory Expenditure				Total
	Subvention to LGEA (SUBEB)	Total Salary for Teaching and LGEAs	5% Traditional Council	Other Transfers to Local Govt. Entities	
January	272,032.89	56,294,913.14	10,165,846.62	61,321,958.73	128,054,751.38
February	272,032.89	53,784,548.10	8,358,868.88	60,212,837.83	122,628,287.70
March	272,032.89	54,253,882.72	8,239,320.62	65,214,667.38	127,979,903.61
April	272,032.89	51,481,894.17	8,046,370.67	63,633,880.10	123,434,177.83
May	272,032.89	50,250,400.84	7,280,354.10	55,061,700.78	112,864,488.61
June	272,032.89	49,908,154.36	9,088,744.34	63,078,848.43	122,347,780.02
July	272,032.89	67,432,823.91	10,005,080.96	76,232,258.02	153,942,195.78
August	272,032.89	49,049,383.96	10,453,601.57	57,523,110.60	117,298,129.02
September	272,032.89	49,826,878.62	10,416,551.22	56,989,953.94	117,505,416.67
October	272,032.89	49,604,029.67	9,417,434.45	63,315,591.38	122,609,088.39
November	272,032.89	50,210,219.58	10,116,331.59	59,398,375.88	119,996,959.94
December	272,032.89	49,059,021.34	11,854,484.56	67,809,389.71	128,994,928.50
Total	3,264,394.68	631,156,150.41	113,442,989.58	749,792,572.78	1,497,656,107.45

**NOTE 6: SCHEDULE OF CAPITAL EXPENDITURE OF IGUEBEN LOCAL GOVERNMENT COUNCIL, IGUEBEN FOR THE YEAR ENDED
31ST DECEMBER, 2023**

Month	Land & Building General 320101	Infrastructure General 320102	Furniture & Fittings 320106	Intangible Assets 320301	Monthly Total
January	46,462,735.55	36,208,392.00	10,835,100.00	25,591,901.25	119,098,128.80
February	52,593,059.11	41,935,029.00	11,593,050.00	28,593,059.11	134,714,197.22
March	41,057,551.92	32,057,551.00	-	22,057,551.92	95,172,654.84
April	48,935,909.08	38,593,500.00	9,057,551.00	25,352,391.88	121,939,351.96
May	45,593,082.91	35,735,000.00	10,352,391.00	24,935,910.08	116,616,383.99
June	50,839,102.91	40,352,000.00	-	27,839,102.91	119,030,205.82
July	43,352,391.88	31,936,482.00	-	21,936,482.18	97,225,356.06
August	43,059,823.19	37,593,088.00	12,935,909.00	26,593,802.96	120,182,623.15
September	47,735,909.08	34,419,823.00	8,936,482.00	21,537,119.69	112,629,333.77
October	51,421,098.81	39,057,550.00	-	24,421,103.96	114,899,752.77
November	42,936,482.18	33,935,900.00	-	29,059,823.19	105,932,205.37
December	43,556,739.03	32,676,385.00	12,077,218.00	29,100,612.12	117,410,954.15
Total	557,543,885.65	434,500,700.00	75,787,701.00	307,018,861.25	1,374,851,147.90

NOTE 7:	
CURRENT AND NON-CURRENT ASSETS AS AT 31ST DECEMBER, 2023	
Cash and Cash Equivalent	162,634,026.53
Inventories	-
Loans Granted	-
Investments	80,355.50
Property, Plant and Equipment	982,880,226.25
Advances	-
Total Assets	₦ 1,145,594,608.28

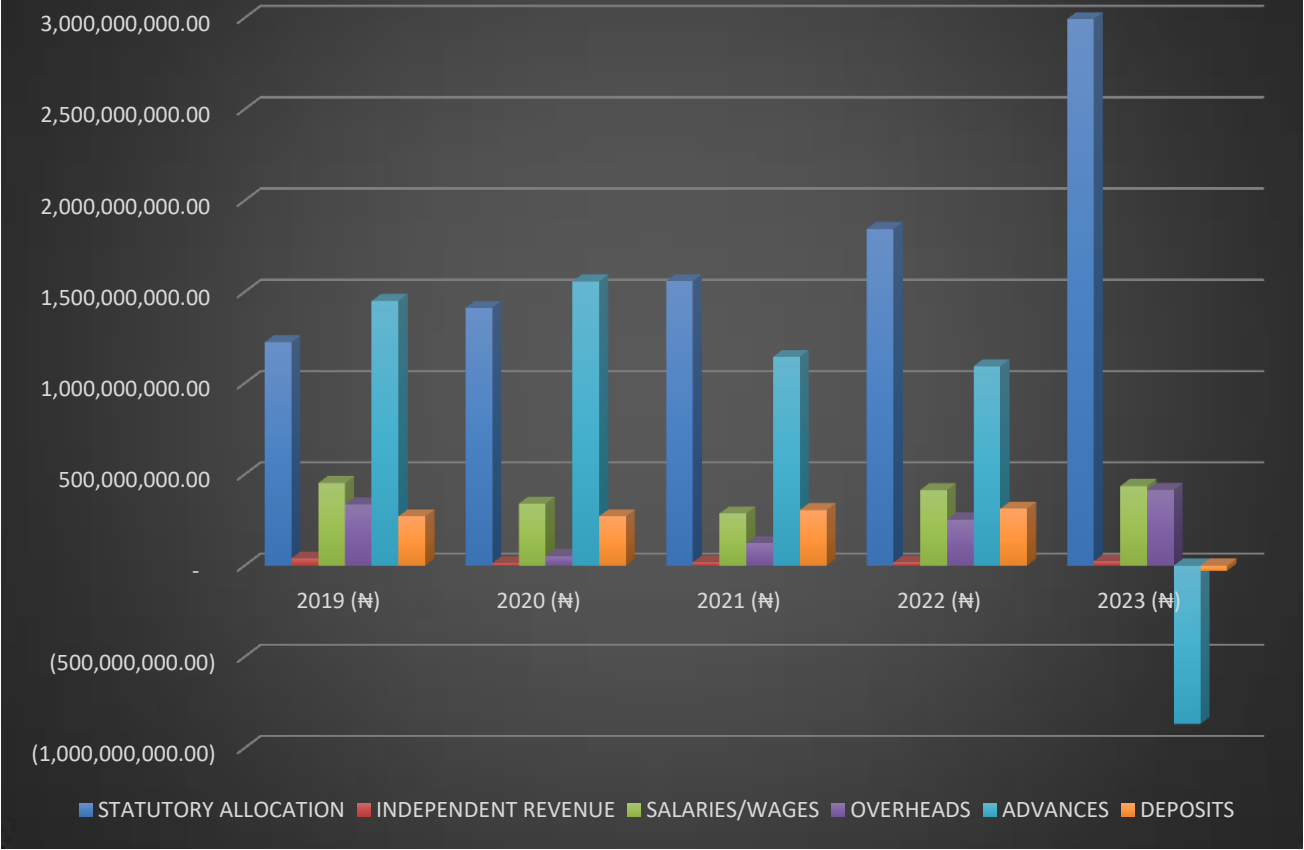
NOTE 8:	
CURRENT AND NON-CURRENT LIABILITIES AS AT 31ST DECEMBER, 2023	
Deposits	283,172,093.25
Loans/Debts	103,722,966.29
Payables	-
Long Term Borrowings	-
Total Liabilities	₦ 386,895,059.54

NOTE 9:	
CAPITAL RESERVES	
Reserves as at 1/1/2023	1,466,283,687.38
Accumulated Surpluses/Deficits for the Year	- 707,584,138.64
Net Assets/Equity as at 31/12/2023	₦ 758,699,548.74

NOTE 10:					
DETAILS OF AUDIT QUERIES ISSUED TO IGUEBEN LOCAL GOVERNMENT COUNCIL, IGUEBEN IN RESPECT OF 2023 ACCOUNTS					
S/No.	Query Number	P.V. No./Date	Reason	Amount (₦)	Remark
	Current Year:				
1.	AQ/ILG/IGB/1/2023	Various	Irregular Expenditure	27,500,000.00	Under Correspondence
2.	AQ/ILG/IGB/2/2023	Various	Unreceipted Payments	4,670,000.00	Under Correspondence
	Total			32,170,000.00	

IGUEBEN LOCAL GOVERNMENT COUNCIL, IGUEBEN							
FIVE YEARS FINANCIAL SUMMARY ANALYSES							
S/N		2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)	2023 (₦)	TOTAL (₦)
1	STATUTORY ALLOCATION	1,225,471,527.88	1,413,274,698.87	1,559,567,836.10	1,845,265,692.47	2,993,636,762.99	9,037,216,518.31
2	INDEPENDENT REVENUE	40,402,202.63	13,125,760.00	18,481,881.34	16,844,958.00	23,715,099.60	112,569,901.57
3	SALARIES/WAGES	452,890,669.28	340,910,408.75	286,119,113.36	414,950,940.11	436,793,648.24	1,931,664,779.74
4	OVERHEADS	336,596,857.39	52,748,437.00	122,540,954.86	252,570,373.23	415,635,097.64	1,180,091,720.12
5	ADVANCES	1,451,310,259.83	1,557,131,025.20	1,145,193,897.20	1,093,803,897.20	-867,615,076.50	4,379,824,002.93
6	DEPOSITS	270,123,027.63	270,123,027.63	304,988,580.62	311,988,909.82	-28,816,816.57	1,128,406,729.13
	TOTAL	3,776,794,544.64	3,647,313,357.45	3,436,892,263.48	3,935,424,770.83	2,973,348,715.40	17,769,773,651.80

FIVE YEARS FINANCIAL SUMMARY ANALYSES





IKPOBA-OKHA LOCAL GOVERNMENT

P. M. B. 1094,
IDOGBO,
EDO STATE OF NIGERIA.

Our Ref: BF: 362/T^{III}/834

Your Ref: _____

Date: 21st March, 2024.

STATEMENT OF FINANCIAL RESPONSIBILITY

RESPONSIBILITY FOR FINANCIAL STATEMENTS

These Financial Statements have been prepared by the Director of Finance and Accounts of Ikpoba-Okha Local Government Council, Idogbo, in accordance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS. The Financial Statements complied with generally accepted accounting practice.

The Director of Finance and Accounts is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly recorded the use of all public financial resources by the Local Government Council. To the best of my knowledge, this system of internal control has operated adequately throughout the reporting period.

MR. OSAWARU OSARIUYIMEN FELIX
Director of Finance and Accounts

27/3/24
Date

We accept responsibility for the integrity of these Financial Statements, the information they contain and their compliance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS.

In our opinion, these financial statements fairly reflect the financial position of Ikpoba-Okha Local Government Council, Idogbo, as at 31st December 2023 and its operations for the year ended on that date.

KESSINGTON E. OSIFO (JP.)
Head of Local Government Administration

27/03/2024
Date

1.05.24

HON. (DR). ERIC IYOBO OSAYANDE
Executive Chairman

27-03-24
Date



OFFICE OF THE AUDITOR-GENERAL (LOCAL GOVERNMENTS)
19 BOUNDARY ROAD, G.R.A.
P.M.B. 1128
BENIN CITY
EDO STATE OF NIGERIA

REPORT OF THE STATE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS
TO THE MEMBERS OF THE EDO STATE HOUSE OF ASSEMBLY

The Financial Statements of Ikpoba-Okha Local Government Council, Idogbo for the year ended 31st December 2023 as contained in this report prepared under the International Public Sector Accounting Standards (IPSAS) Accrual accounting framework and on the basis of Accounting Policies detailed in the Financial Statements have been audited as required by the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended.

RESPONSIBILITY OF THE DIRECTOR OF FINANCE AND ACCOUNTS

The Director of Finance and Accounts to Ikpoba-Okha Local Government Council, Idogbo is responsible for the preparation and presentation of the Financial Statements in accordance with the Finance (Control and management) Act 1958 as amended. He is to ensure that there are no material misstatements in the Financial Statements.

AUDITOR-GENERAL'S RESPONSIBILITY

It is my statutory responsibility to form an independent opinion based on the audit of the Financial Statements and to report thereon.

BASIS OF OPINION

The audit was conducted in accordance with International Standards on Auditing (ISA) as applicable to the public sector, International Organization of Supreme Audit Institutions (INTOSAI), Auditing Standards, the provisions of the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended. The audit includes examination on a test basis of evidence relevant to the figures disclosed in the Financial Statements. It also includes an assessment of significant estimates and judgments made by the Council in the preparation of the Financial Statements and whether the accounting policies were appropriate in the Council's circumstances, consistently applied and adequately disclosed. The audit was planned and performed to obtain all information and explanations considered necessary to have reasonable assurance that the Financial Statements are free from material misstatements. I have not obtained all the information and explanations that I required.

OPINION

In my opinion, the Financial Statement of Ikpoba-Okha Local Government Council, Idogbo for the year ended 31st December 2023 show a true and fair view of the Council's state of financial position, performance and of the cashflow in accordance with all legal and regulatory frameworks, subject to the observations and comments contained in this report.

S.O. Johnson, FCA, ACT, FIMC, FCCSA
(FRC/2022/PRO/ICAN004/188858)
Auditor-General (Local Governments)

Edo State,

28th June, 2024

AUDITOR-GENERAL'S REPORT FOR LOCAL GOVERNMENTS, EDO STATE
GENERAL DISCLOSURES AND OBSERVATIONS ON THE ACCOUNTS OF
IKPOBA-OKHA LOCAL GOVERNMENT COUNCIL, IDOGBO FOR THE MONTH
ENDED DECEMBER 31, 2023

1. REVENUE

In the year that concluded on December 31, 2023, N4,990,886,364.97 was realised as income by the Ikpoba-Okha Local Government Council. Of this total, N226,127,638.00 represented independent revenue while N4,764,758,726.97 was obtained as statutory allocations from the federation account. For more information, see Notes 1 and 2.

SUMMARY

Throughout the time under review, the Local Government Council remained mostly dependent on funding from the Federation Account. To lessen an excessive reliance on statutory allocations, the Local Government Council is urged to examine its own internal operations and devise strategies to increase money produced internally.

2. SLGJAAC ALLOCATIONS TO LOCAL GOVERNMENT COUNCILS ARE COMPLETE

Based on source documents from the Edo State Ministry of Local Government Affairs, the total amount of N4,764,758,726.97 accrued from the federation account to Ikpoba-Okha Local Government Council, Idogbo as statutory allocations transferred through the State-Local Government Joint Account Allocation Committee (SLGJAAC) was received in full by the Council and included in the Council's Financial Statements for the year ended December 31, 2023. For more information, see Note 1.

3. EXPENDITURE

Ikpoba-Okha Local Government Council, Idogbo spent N530,832,269.20 on salaries and wages during the review period. Overhead was N312,739,534.75, while N2,826,264,249.63 was transferred to SUBEB and other local government entities. The total amount spent on capital for the year was N572,450,889.77.

4. CASH AND CASH EQUIVALENT

As of December 31, 2023, the Ikpoba-Okha Local Government Council, Idogbo, has N315,053,691.38 in cash and financial equivalents. The Local Government Council created bank reconciliation statements for the time period under examination. But not enough information was provided for us to determine the cash book bank balance for reconciliation.

SUMMARY

To ensure correct reconciliation at the end of the year, the Local Government Council is urged to always complete monthly bank reconciliation statements in accordance with Financial Memoranda 19:23-30. However, it is praiseworthy that an attempt was made to create Bank Reconciliation Statements.

5. ADVANCES

The Local Government Councils' unretired advances as of December 31, 2023, were N1,407,086,981.06. Despite my earlier reports and circular letters reminding you of this, it was noted that, in violation of F.M. 16.16, advances given to different Council officials as working advances were not retired as of December 31, 2023.

SUMMARY

In compliance with F.M. 16.16, the Treasurers of the Local Government Councils and the Heads of Local Government Administration are therefore called upon to promptly retire ALL outstanding operating advances.

6. LIABILITIES:

DEPOSITS

The Ikpoba-Okha Local Government Council, Idogbo, has N263,467,550.82 outstanding in its deposit accounts as of December 31, 2023. Pay As You Earn (PAYE), union dues (NULGE), car refurbishing loans deducted for loans obtained from other councils, retention fees, value-added tax (VAT), withholding tax (WT), and other deductions from staff salaries are all represented by the Deposit Accounts.

SUMMARY

After the deposits have been thoroughly examined, the Council is responsible for making sure the beneficiaries receive their money back. Any deposit whose owner cannot be located or has not made any use of it for more than five years after the repayment deadline should be adjusted to revenue in line with F.M. 24.25(5).

7. EXPENDITURE PERFORMANCE

The following summarises the budget performance for the Ikpoba-Okha Local Government Council, Idogbo for the year that concluded on December 31, 2023:

Description	Approved Estimate 2023 (₦)	Actual Revenue/Expenditure 2023 (₦)	Percentage Performance
<u>REVENUE</u>			
Statutory Allocation	4,127,400,000.00	4,764,758,726.96	115%
Independent Revenue	258,000,000.00	226,127,638.00	88%
<u>EXPENDITURE</u>			
Salary and Wages	399,300,000.00	530,832,269.20	133%
Overhead Cost	552,000,000.00	312,739,534.75	57%
Transferred to SUBEB and other Local Government Entities	1,775,000,000.00	2,826,264,249.63	159%
Capital Expenditure	965,030,000.00	572,450,889.77	59%

Observation

The aforementioned data indicates that capital projects actually performed well in 2023.

SUMMARY

- i) In order to enable the Office of the Auditor-General to monitor and audit capital project performance in accordance with F.M. 1.4(12)(g) and F.M. 39.1(8) and ensure that the Council obtained value for the expenditure, the Local Government Council should always forward contract agreements and other pertinent documents to the office.
- ii) In order to prevent unnecessary budgetary spending, the Local Government Council is also recommended to consistently allocate sufficient funds for transfers to SUBEB and other Local Government Entities.

8. APPROVAL

Sections 92, 93, and 94 of the Edo State Local Government Law 2000, as amended, lawfully authorise all of the expenditures reflected in the Statements of Actual Expenditure for the year ended December 31, 2023.

9. REVALUATION OF ASSETS

The IPSAS-compliant asset revaluation has not yet been completed by the Ikpoba-Okha Local Government Council in Idogbo (Accruals).

SUMMARY

In order to correctly portray the assets in the Statement of Financial Position, the Local Government Council should immediately hire pertinent specialists and have their assets revalued in accordance with IPSAS.

10. BUDGETARY PLANNING

The Office of the Auditor-General (Local Governments) should receive copies of the approved budget so that it can track financial performance. The Ikpoba-Okha Local Government Council, Idogbo, is responsible for making sure that the annual budget is prepared on time and in compliance with the National Chart of Accounts, as advised by International Public Sector Accounting Standards (IPSAS).

11. AUDIT QUERIES

The audit inspection reports on the 2023 accounts for the Ikpoba-Okha Local Government Council, Idogbo, which included audit enquiries about detected anomalies of N80,350,000.00, have already been addressed. Note 10 of this report includes specifics on the audit enquiries pertaining to the 2023 accounts.

12. DISALLOWANCE

In the event that the issues raised in Note 10 of this report and in paragraph 11 above are not satisfactorily addressed, allowance has been set aside for those expenses.

13. GENERAL STATE OF THE ACCOUNTS AND RECORD KEEPING

The accounting books and records as observed in the Local Government Councils are as follows:

a) Annual Financial Statement Rendition

In accordance with current legislation, the Local Government Council submitted the 2023 Financial Statements on time. It is praiseworthy that the yearly financial statements were produced on schedule.

b) Maintaining Records

i) Subordinate Ledgers and Books

Subsidiary books were occasionally either not updated or maintained. The

appropriate maintenance of subsidiary books of accounts is a responsibility of the Local Government Council. Registers for investments, loans/overdraft, and fixed/mobile assets have to be kept up to date.

ii) Cheque Books

At the conclusion of each month, cash books were not properly balanced, and in certain instances, balances were recorded in pencil rather than ink. Cash books need to be updated on a regular basis from now on.

c) Financial Statements and Underlying Records Reconciliation

i) Several entries in the Departmental Vote Revenue Account (DVRA) and Departmental Vote Expenditure Account (DVEA) Books were missing. As a result, precisely categorising expenses and income into Heads and Sub-Heads became challenging.

ii) During the time under examination, the ledgers for advances and deposits were also not updated. The outstanding balances in the ledgers are inaccurate since certain entries were not submitted to them. As a result, depending solely on the ledgers makes it impossible to precisely ascertain outstanding advances and deposits.

It is recommended that Local Government Council Treasurers oversee the treasury department's employees and make sure that accounting records are updated and reconciled to remove inaccuracies and omissions.

iii) Bank Reconciliation In accordance with Financial Memoranda 19.23-24, the Ikpoba-Okha Local Government Council, Idogbo, prepared bank reconciliation statements. It's a great effort, and one that ought to continue.

d) Implementing IPSAS

The International Public Sector Accounting Standards have not yet been completely adopted by the Local Government Council (IPSAS). Revaluing the Local Government Council's assets and liabilities and reflecting them in the books of accounts in accordance with IPSAS is urgently required.

Accounting Policies (IPSAS Accrual)

1. Basis for Measurement:

The preparation of these *General-Purpose Financial States (GPFS)* complies with the historical cost convention, IPSAS, and other applicable requirements as specified by pertinent legislation.

2. The foundation of accounting:

These GPFS were created using the accrual method of accounting.

3. Time of Accounting:

According to National Treasury Circular Ref. OAGF/CAD/026/Vol.1/102 on December 30, 2013, the accounting year (fiscal year) runs from January 1 to December 31. The accounting system was designed to divide each accounting year into twelve calendar months, or periods.

4. Currency Reporting:

The GPFS was developed using Naira (Nigeria's currency).

5. Comparative Data:

The *General Purpose Financial Statements* included all the numerical data for the prior time frame.

6. Financial Data:

These numbers come from the approved budget, which was created on a cash basis in compliance with the Local Government Councils' Appropriation Bye-Law.

7. Income from Taxes, Fees, and Fines:

When fees, taxes, and other non-exchange transaction revenue are collected and meet the requirements for asset recognition, they are recorded as revenue. When it is likely that the company will get future economic benefits or service possibilities from the asset and it is reasonably possible to determine the asset's fair value, other non-exchange revenues are recognised.

Additional Operating Profits:

Exchange transactions that take place in the regular course of the entity's operations provide additional operational revenues. The fair value of the payment received or receivable for the sale of goods and services is included in revenues.

Sales of Products:

When the major risks and benefits of ownership have been passed to the buyer, generally with delivery of the products, revenue from the sale of those things is recognised.

Additional Income/Revenue:

Fees, fines, debt forgiveness, commissions, earnings from the sale of assets, and other sources make up other revenue. Any gain or disposal is recorded on the day the asset is turned over to the buyer and is calculated by reducing the asset's carrying value from the proceeds on that date.

8. Changes from Other Governmental Organisations:

When an asset (cash, goods, services, or properties) is received condition-free and there is a reasonable probability that the asset's potential for economic benefit or service will be reliably measured, revenues from non-exchange transactions with other government entities are recognised at fair value.

9. Costs:

All costs are recorded on an accrual basis, which means that regardless of when the money is received, costs are recorded at the time they are incurred or when the associated services are used.

10. Loan Interest:

In the financial performance report (Statement of Financial Performance), interest on loans is accounted for either an expense or a charge. To calculate interest expenditure for each period, interest is accumulated by applying the effective interest rate method to the principle amount owed.

11. Cash Flow Statement:

The direct technique was used to create this statement, which followed the GPFS format. There are three (3) parts in the cash flow statement:

Operating Activities:

These track the cash payments made for the provision of goods and services as well as the cash received by Local Government Councils from all sources of income.

Investing activities are those that have to do with buying and selling non-current assets.

Financial Activities: These include adjustments to the PSE's debt and equity capital structure.

12. Currency and Its Equivalent:

The term "cash and cash equivalent" refers to the amount of cash that is on hand, held in bank accounts, demand deposits, and other highly liquid investments with an initial maturity of three months or less. These investments are made by the entity as part of its daily cash management process, and they are easily convertible into known amounts of cash with little to no risk of value fluctuations. Cash and Cash Equivalent are included in the Statement of Financial Position under Current Assets.

13. Accounts Receivable: Exchange Transaction Receivables

Exchange transaction receivables are first recorded at fair value and then, using the effective interest method, evaluated at amortised cost, minus allowance for impairment. When there is, a receivables impairment provision is created.

Receivables from Transactions Without Exchange:

Receivables from non-exchange transactions include social benefit receivables that don't stem from contracts, as well as fees, taxes, fines, and other penalties related to these activities. These receivables are first valued at face value, or nominal amount; that is, the amount of tax due, levy, fine, etc., is reflected in the receivable. These accounts receivable are first evaluated at face value or nominal amount, meaning that the receivable represents the total amount of taxes due, levies, fines, etc. Following their charging, these receivables are modified for penalties or may be written off due to impairment. The statement of financial performance presents interest and penalties on tax receivables as tax revenue..

14. Advance payments:

Amounts paid in advance of receiving goods or services are referred to as prepaid costs. They signify payments made in one year for benefits to be obtained in other years, or payments made early in the year for benefits to be received throughout the course of the year.

15. Inventory:

- (a): The net realisable value of an inventory is subtracted from its cost.
- (b) The FIFO approach is used to calculate costs.
- (c) Where appropriate, inventories retained for distribution for the benefit of the

public are documented at cost less any prospective loss of services.

(d) In the Financial Position Statement, inventories are included under Current Assets.

16. Awarded Loans:

The approved loans are displayed at their estimated realisable value, which takes into account impairments and bad or dubious debts.

17. Plant, machinery, and equipment:

(a) The historical cost of all PPE is reported, less cumulative depreciation and any impairment losses. Costs directly related to the acquisition of the assets are included in the historical cost.

(b) When an asset is purchased through a non-exchange transaction for nominal or no consideration, it is first recorded in the statement of financial performance at fair value, which is a value that can be consistently ascertained and expressed as income during the PPE's useful life.

(c) The subsequent items are considered PPE expenses:

i) The price paid for the acquisition of these assets as well as any additional pertinent costs associated with restoring the asset to operational condition.

ii) Building expenses, which include labour, supplies, and overhead.

iii) Modifications to current PPE that greatly extend its usable life.

Price:

A piece of PPE's total cost includes the purchase price, import fees, one-time expenses, and any expenditures directly related to relocating and restoring the asset to its original location and state of functionality. The purchase price is calculated after subtracting trade discounts and rebates. PPE are reported at cost or at their expert appraisal less cumulative impairment and depreciation.

Devaluation:

PPE is depreciated according to a straight line method throughout the course of their anticipated useful lifetimes, less any projected residual value, using relevant rates, starting on the date of availability for use.

No.	Item of PPE	Depreciation Rate
A	Leased Property	Over the term of the lease
B	Buildings	2%
C	Investment property	2%
D	Infrastructure	5%
E	Plant and Machinery	10%
F	Transportation Equipment (except K)	20%
G	Office Equipment	25%
H	Furniture and Fittings	20%
I	Specialized Assets (e.g., books, military and paramilitary assets)	10%
J	Bearer Plant	4%
K	Aircraft, ship and train	5%
L	Specific cultural and heritage assets	Unlimited

Assessment:

At the conclusion of each reporting period, the residual values and usable lifetimes of the assets are examined and, if necessary, changed. Revaluation surplus is moved to the revaluation reserve under reserves in the financial situation. If there is a revaluation deficit, it is recorded as an expense in the statement of financial performance or, if there is a surplus on the same class of assets, against the value of the related assets and the corresponding entry to the revaluation reserve.

Disposal Gain or loss resulting from getting rid of a piece of PPE is shown as a surplus or deficit.

Deficit:

When there are signs that a piece of personal protective equipment (PPE) may have been compromised, an impairment test is carried out.

18. Real Estate Investment

These are properties that provide income for a PSE. At first, an investment property is valued at its cost. Investment property is then measured at fair value at the end of the term, and any gain or loss at fair value is recorded as a surplus or deficit.

Income from Investments:

Investment income is defined as the excess or shortfall of rental revenue received or gained from an investment property.

Disposal:

The surplus or deficit represents the gain or loss from the sale of investment property.

19. Non-tangible Resources

These are non-tangible assets that have been created domestically or purchased, and they are stored for usage in order to produce advantages that extend beyond a fiscal year. An intangible asset's total cost includes the acquisition price, non-recurring charges, and any expenses directly related to restoring the asset to its intended condition of use.

20. Deposits:

Resources kept in custody on behalf of third parties make up deposits. Additionally, deposits signify upfront payments for future products and services.

21. Debts and Loans:

Loans are sums of money that are borrowed with an agreed-upon repayment schedule. They are classified as either short-term or long-term loans and are shown as liabilities in the Statement of Financial Position.

22. Unremitted Withheld Taxes:

Money due to third parties, including tax authorities, unions, cooperatives, schemes and organisations, other government agencies, etc., is known as an unremitted deduction. Tax and other at-source deductions are examples of unremitted deductions. The sums are considered as Current Liabilities in the Statement of Financial Position and are reflected in the GPFS at their payback value.

23. Accrued Expenses - Payables

These are sums of money owed to outside parties for products and services obtained.

24. Public Money

These represent the government's financial balances at the conclusion of the fiscal year. The Statement of Financial Position categorises them as Non-Current Liabilities.

25. Reserves:

Reserves such as Surpluses/(Deficits) Reserve, Translation Reserve, Revaluation

Reserve, Fair Value Reserve, and other Reserves are categorised under equity in the Statement of Financial Position.

26. Debts

Initial recognition of borrowings is done at fair value, net of incurred transaction expenses. Following amortisation, borrowings are reported at cost; any discrepancy between proceeds (net of transaction expenses) and redemption value is recognised using the effective interest method in the consolidated statement of financial performance for the duration of the borrowings. The fees incurred for setting up lending facilities are recorded as loan transaction charges. The cost of the charge is capitalised and spread out over the life of the related facility.

27. Assignments to Other Governmental Organisations:

Transfers to other governmental bodies are included as costs in the statement of financial performance as they are non-exchange items.

28. Advances:

According to Edo State Financial Memoranda 16.16, any loans given to Local Government Council employees to carry out projects or make purchases of goods or services on their behalf must be retired by the end of the fiscal year. However, in situations where an advance is made towards the end of the fiscal year or where an advance that has already been made cannot be retired within the fiscal year, the advance and any outstanding amount are included in the Statement of Financial Position.

IKPOBA-OKHA LOCAL GOVERNMENT COUNCIL, IDOGBO						
STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2023						
Previous Year Actual 2022 (N)	Description	NCOA Code	Note	Annual Budget (N)	Actual Revenue/ Expenditure (N)	Percentage of Budget Performance
1,014,044,310.24	Net Assets/Equity As At 1/1/2023 – A			-	1,116,356,339.09	
	REVENUE					
	<u>Statutory Allocation:</u>					
1,752,343,284.71	Share of Federation Account	110101	1	3,000,000,000.00	1,470,828,053.76	49%
1,241,550,670.08	Share of Value Added Tax (VAT)	110102	1	400,000,000.00	1,705,298,390.02	426%
174,177,931.67	Excess Crude Oil and Others	110103	1	727,400,000.00	1,588,632,283.19	218%
3,168,071,886.46	Sub-Total Statutory Allocation – B			4,127,400,000.00	4,764,758,726.97	115%
	<u>Independent Revenue:</u>					
6,486,000.00	Licences General	120201	2	17,000,000.00	15,750,550.00	93%
226,398,528.11	Fees General	120204	2	211,000,000.00	207,527,338.00	98%
62,000.00	Fines General	120205	2	10,000,000.00	365,000.00	4%
9,141,200.00	Sales General	120206	2	18,000,000.00	1,939,750.00	11%
-	Earnings General	120207	2	-	-	
-	Rent on Government Building General	120208	2	-	-	
68,610.53	Rent on Land and Others General	120211	2	2,000,000.00	545,000.00	27%
-	Repayment General	120213	2	-	-	
-	Investment Income	120214	2	-	-	
242,156,338.64	Sub-Total Independent Revenue – C			258,000,000.00	226,127,638.00	88%

4,424,272,535.34	Total Receipts (A+B+C)			4,385,400,000.00	6,107,242,704.06	139%
	EXPENDITURE					
	<u>Recurrent Expenditure:</u>					
585,117,385.84	Salaries and Wages	210101	3	399,300,000.00	530,832,269.20	133%
206,038,715.00	Overhead Cost	220201	4	552,000,000.00	312,739,534.75	57%
2,245,223,010.41	SUBEB and other Transfers to Local Govt. Entities	220701	5	1,775,000,000.00	2,826,264,249.63	159%
-	Depreciation			-	-	
3,036,379,111.25	Sub-Total Recurrent Expenditure: E			2,726,300,000.00	3,669,836,053.58	135%
	<u>Capital Expenditure:</u>					
60,500,000.00	Land and Building General	320101	6	230,000,000.00	93,445,889.77	41%
-	Infrastructure General	320102	6	384,030,000.00	50,500,000.00	13%
20,037,085.00	Furniture and Fittings General	320106	6	50,000,000.00	36,705,000.00	73%
191,000,000.00	Intangible Assets	320301	6	301,000,000.00	391,800,000.00	130%
271,537,085.00	Sub-Total Capital Expenditure: F			965,030,000.00	572,450,889.77	59%
3,307,916,196.25	Total Expenditure: G = E + F			3,691,330,000.00	4,242,286,943.35	115%
1,116,356,339.09	Net Assets/Equity As At 31/12/2023				1,864,955,760.71	
4,424,272,535.34					6,107,242,704.06	

IKPOBA-OKHHA LOCAL GOVERNMENT COUNCIL, IDOGBO
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2023

Description	NCOA Code	Note	2023 (₦)	2023 (₦)	2022 (₦)	2022 (₦)
ASSETS						
Current Assets:						
Cash and Cash Equivalent	310101	7	315,053,691.38		-	
					420,886,642.90	
Inventories	310501	7	-		-	
Receivables	310601	7	-		-	
Prepayments	310801	7	-		-	
Total Current Assets: A				315,053,691.38		-
Non-Current Assets:						420,886,642.90
Loan Granted (Local Govt. Loan Fund)	311001	7	-		-	
Investments	310901	7	-		-	
Property, Plant and Equipment (PPE)	320101	7	406,282,639.09		406,282,639.09	
Investment Properties	320201	7	-		-	
Intangible Assets (Advances)	320301	7	1,407,086,981.06		1,407,086,981.06	
Total Non-Current Assets: B				1,813,369,620.15		1,813,369,620.15
Total Assets: C = A+B				2,128,423,311.53		1,392,482,977.25
LIABILITIES						
Current Liabilities:						
Deposits	410101	8	263,467,550.82		276,126,638.16	
Short Term Loans and Debts	410201	8	-		-	
Payables (Accrued Expenses)	410401	8	-		-	
Total Current Liabilities: D				263,467,550.82		276,126,638.16
Non-Current Liabilities:						
Long Term Borrowing	4601/4602	8	-		-	
Total Non-Current Liabilities: E				-		-
Total Liabilities: F = D+E				263,467,550.82		276,126,638.16
Net Assets: G = C-F				1,864,955,760.71		1,116,356,339.09
NET ASSETS/EQUITY						
Reserves: H	4701	9	1,116,356,339.09		-	
Accumulated Surpluses/(Deficits): I	4702	9	748,599,421.62		1,116,356,339.09	
Total Net Assets/Equity: G = H+I				1,864,955,760.71		1,116,356,339.09

IKPOBA-OKHA LOCAL GOVERNMENT COUNCIL, IDOGBO
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2023

NCOA Code	Details	Note	2023 (₦)	2023 (₦)	2022 (₦)	2022 (₦)
	CASH FLOW FROM OPERATING ACTIVITIES:					
	<u>INFLOWS:</u>					
	<u>Statutory Allocations</u>					
110101	Share of Federation Account	1	1,470,828,053.76		1,752,343,284.71	
110102	Share of Value Added Tax (VAT)	1	1,705,298,390.02		1,241,550,670.08	
110103	Excess Crude Oil and Others	1	1,588,632,283.19		174,177,931.67	
	Sub-Total Statutory Revenue – A			4,764,758,726.97		3,168,071,886.46
	<u>Independent Revenue</u>					
120201	Licences General	2	15,750,550.00		6,486,000.00	
120204	Fees General	2	207,527,338.00		226,398,528.11	
120205	Fines General	2	365,000.00		62,000.00	
120206	Sales General	2	1,939,750.00		9,141,200.00	
120207	Earnings General	2	-		-	
120208	Rent on Government Buildings General	2	-		-	
120209	Rent on Land and Others General	2	545,000.00		-	
120210	Repayments General	2	-		68,610.53	
120211	Investment Income	2	-		-	
	Sub-Total Independent Revenue – B			226,127,638.00		242,156,338.64
	Total Inflow from Operating Activities C = A+B			4,990,886,364.97		3,410,228,225.10

	<u>OUTFLOWS:</u>					
210101	Salaries and Wages	3	530,832,269.20		585,117,385.84	
220201	Overhead Cost	4	312,739,534.75		206,038,715.00	
220701	SUBEB and other Transfers to Local Government Entities	5	2,826,264,249.63		2,245,223,010.41	
	Depreciation		-		-	
	Total Outflow from Operating Activities – D			3,669,836,053.58		3,036,379,111.25
	Net Cashflow from Operating Activities – E = C-D			1,321,050,311.39		373,849,113.85
	CASHFLOW FROM INVESTING ACTIVITIES:					
320101	Land and Building General	6	93,445,889.77		60,500,000.00	
320102	Infrastructure General	6	50,500,000.00		-	
320106	Furniture and Fittings General	6	36,705,000.00		20,037,085.00	
320301	Intangible Assets	6	391,800,000.00		191,000,000.00	
	Total Outflow from Investing Activities – F			572,450,889.77		271,537,085.00
	Net Cashflow from Investing Activities – G = E - F			748,599,421.62		102,312,028.85
	CASHFLOW FROM FINANCIAL ACTIVITIES:					
301801	Advances		-		- 149,838,658.00	
410101	Deposits		- 12,659,087.34		- 13,703,829.16	
410102	Other Accounts - Loan		-		-	
	Other Accounts - Investment		-		-	
420301	Proceeds from Borrowings		-		-	
	Payment/Charges on Borrowings		-		-	
	Net Cashflow from Financing Activities – H			12,659,087.34		- 136,134,828.84
	Net Cashflow from all Activities – I = G - H			735,940,334.28		238,446,857.69
	Cash and Cash Equivalent As At 1/1/2023			- 420,886,642.90		- 659,333,500.59
	Cash and Cash Equivalent As At 31/12/2023			315,053,691.38		- 420,886,642.90

NOTES TO THE ACCOUNTS

NOTE 1:				
SCHEDULE OF STATUTORY ALLOCATION TO IKPOBA-OKHA LOCAL GOVERNMENT COUNCIL, IDOGBO FOR THE YEAR ENDED 31ST DECEMBER 2023				
Month	Federation Account	Value Added Tax	Others	Total
January	200,879,239.58	124,065,764.30	368,606,799.83	693,551,803.71
February	116,005,719.65	124,579,988.20	46,251,908.66	286,837,616.51
March	110,406,963.20	126,284,789.17	41,677,635.96	278,369,388.33
April	150,495,728.85	112,733,644.21	9,600,563.65	272,829,936.71
May	106,903,930.77	107,112,785.41	36,465,647.82	250,482,364.00
June	161,693,169.88	137,913,484.93	259,782,102.61	559,388,757.42
July	90,650,548.55	147,831,076.10	385,978,622.01	624,460,246.66
August	117,701,809.60	145,491,559.54	95,807,932.76	359,001,301.90
September	98,908,910.32	179,336,863.58	80,206,229.09	358,452,002.99
October	117,923,189.80	147,825,209.24	60,286,416.10	326,034,815.14
November	91,184,621.74	170,593,735.66	87,459,516.94	349,237,874.34
December	108,074,221.82	181,529,489.68	116,508,907.76	406,112,619.26
Total	1,470,828,053.76	1,705,298,390.02	1,588,632,283.19	4,764,758,726.97

SCHEDULE OF INDEPENDENT REVENUE OF IKPOBA-OKHA LOCAL GOVERNMENT COUNCIL, IDOGBO FOR THE YEAR 2023										
Month	120201 Licences General	120204 Fees General	120205 Fines General	120206 Sales General	120207 Earnings General	120208 Rent On Govt. Buildings General	120209 Rent On Land & Others General	120210 Repayments General	120211 Investment Income	Monthly Total
January	1,503,000.00	19,128,350.00	-	325,300.00	-	-	-	-	-	20,956,650.00
February	250,000.00	8,111,902.00	115,000.00	200,000.00	-	-	-	-	-	8,676,902.00
March	782,000.00	13,148,900.00	-	492,100.00	-	-	-	-	-	14,423,000.00
April	883,000.00	12,859,320.00	-	267,350.00	-	-	-	-	-	14,009,670.00
May	895,000.00	22,147,600.00	-	341,000.00	-	-	160,000.00	-	-	23,543,600.00
June	616,000.00	11,510,086.00	-	48,000.00	-	-	-	-	-	12,174,086.00
July	1,060,000.00	16,567,900.00	-	226,000.00	-	-	260,000.00	-	-	18,113,900.00
August	856,000.00	14,148,400.00	-	-	-	-	35,000.00	-	-	15,039,400.00
September	1,271,000.00	17,717,700.00	-	-	-	-	-	-	-	18,988,700.00
October	2,574,000.00	24,818,300.00	-	-	-	-	60,000.00	-	-	27,452,300.00
November	2,794,150.00	25,544,380.00	150,000.00	-	-	-	30,000.00	-	-	28,518,530.00
December	2,266,400.00	21,824,500.00	100,000.00	40,000.00	-	-	-	-	-	24,230,900.00
Total	15,750,550.00	207,527,338.00	365,000.00	1,939,750.00	-	-	545,000.00	-	-	226,127,638.00

NOTE: 3 SCHEDULE OF SALARIES AND WAGES OF IKPOBA-OKHA LOCAL GOVERNMENT COUNCIL, IDOGBO FOR THE YEAR ENDED

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
21010101	Office of the Chairman	92,200,000.00	8,342,000.00	9%
21010102	The Council (Legislative)	26,000,000.00	6,342,000.00	24%
21010103	Personnel Management	81,900,000.00	121,200,000.00	148%
21010104	Internal Audit	16,800,000.00	1,800,000.00	11%
21010105	Information	17,000,000.00	13,300,000.00	78%
21010106	Office of the Head of LGA	6,500,000.00	3,900,000.00	60%
21010107	Agriculture and National Resources	13,500,000.00	9,800,000.00	73%
21010108	Finance and Supply	13,500,000.00	30,700,000.00	227%
21010109	Budget, Planning & Statistics	20,000,000.00	16,700,000.00	84%
21010110	Revenue	65,500,000.00	53,000,000.00	81%
21010111	Works and Housing	33,100,000.00	25,500,000.00	77%
21010112	Procurement	16,000,000.00	7,700,000.00	48%
21010113	Legal Services	4,000,000.00	4,500,000.00	113%
21010114	Youth, Women & Social Development	28,500,000.00	20,000,000.00	70%
21010115	Primary Health Care	17,000,000.00	155,048,269.20	912%
21010116	Environment	49,000,000.00	35,000,000.00	71%
21010117	Water and Sanitary Hygiene	17,000,000.00	18,000,000.00	106%
	Total	517,500,000.00	530,832,269.20	103%

NOTE: 4 SCHEDULE OF OVERHEAD COST OF IKPOBA-OKHA LOCAL GOVERNMENT, IDOGBO FOR THE YEAR 2023

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
22020101	Office of the Chairman	107,700,000.00	98,391,000.00	91%
22020102	The Council (Legislative)	42,000,000.00	7,470,000.00	18%
22020103	Personnel Management (Admin)	81,900,000.00	119,866,933.00	146%
22020104	Internal Audit	14,000,000.00	1,052,500.00	8%
22020105	Information	14,000,000.00	1,370,000.00	10%
22020106	Office of the Head of LGA	48,500,000.00	4,583,610.00	9%
22020107	Agriculture and National Resources	15,500,000.00	3,855,600.00	25%
22020108	Finance and Supply	32,500,000.00	5,988,570.00	18%
22020109	Budget, Planning & Statistics	22,000,000.00	5,300,000.00	24%
22020110	Procurement	14,000,000.00	850,000.00	6%
22020111	Revenue	25,500,000.00	8,375,000.00	33%
22020112	Works & Housing	23,400,000.00	11,234,321.75	48%
22020113	Legal Services	12,500,000.00	3,070,000.00	25%
22020114	Social Development	33,500,000.00	10,341,000.00	31%
22020115	Primary Health Care	19,000,000.00	1,580,000.00	8%
22020116	Environment	30,000,000.00	18,800,000.00	63%
22020117	Water and Sanitary Hygiene	16,000,000.00	10,611,000.00	66%
22020118	Contribution to LG Service Commission	-	-	
	Total	552,000,000.00	312,739,534.75	57%

NOTE 5: SCHEDULE OF TRANSFERS TO SUBEB AND OTHER LOCAL GOVERNMENT ENTITIES IN IKPOBA-OKHA LOCAL GOVERNMENT, IDOGBO

Month	Deductions for Mandatory Expenditure				Total
	Subvention to LGEA (SUBEB)	Total Salary for Teaching and LGEAs	5% Traditional Council	Other Transfers to Local Govt. Entities	
January	624,691.67	96,454,576.13	17,417,957.89	127,453,611.25	241,950,836.94
February	624,691.67	92,281,813.47	14,341,880.82	117,603,704.50	224,852,090.46
March	624,691.67	91,649,668.96	13,918,469.41	122,147,092.53	228,339,922.57
April	624,691.67	87,280,356.00	13,641,496.83	118,243,711.21	219,790,255.71
May	624,691.67	86,443,866.74	12,524,118.02	112,084,537.22	211,677,213.65
June	624,691.67	84,966,305.72	15,473,163.46	126,148,264.77	227,212,425.62
July	624,691.67	115,768,943.85	17,127,581.42	163,240,490.22	296,761,707.16
August	624,691.67	84,223,569.20	17,950,065.09	126,613,187.68	229,411,513.64
September	624,691.67	85,731,563.50	17,922,600.14	123,377,631.82	227,656,487.13
October	624,691.67	85,865,427.23	16,301,740.75	132,707,397.69	235,499,257.34
November	624,691.67	86,668,325.39	17,461,893.71	126,706,319.36	231,461,230.13
December	624,691.67	84,033,546.77	20,305,630.96	146,687,439.88	251,651,309.28
Total	7,496,300.04	1,081,367,962.96	194,386,598.50	1,543,013,388.13	2,826,264,249.63

**NOTE 6: SCHEDULE OF CAPITAL EXPENDITURE OF IKPOBA-OKHA LOCAL GOVERNMENT, IDOGBO FOR THE YEAR ENDED
31ST DECEMBER, 2023**

Month	Land & Building General 320101	Infrastructure General 320102	Furniture & Fittings 320106	Intangible Assets 320301	Monthly Total
January	18,005,000.00	700,000.00	-	17,650,000.00	36,355,000.00
February	5,670,000.00	9,000,000.00	9,005,000.00	7,800,000.00	31,475,000.00
March	-	4,500,000.00	6,000,000.00	42,800,000.00	53,300,000.00
April	9,000,000.00	-	-	15,000,000.00	24,000,000.00
May	-	-	3,400,000.00	32,000,000.00	35,400,000.00
June	-	2,300,000.00	-	42,300,000.00	44,600,000.00
July	4,530,000.00	-	3,700,000.00	11,000,000.00	19,230,000.00
August	6,000,000.00	7,500,000.00	-	35,000,000.00	48,500,000.00
September	16,540,889.77	15,000,000.00	9,000,000.00	52,600,000.00	93,140,889.77
October	-	4,500,000.00	5,600,000.00	35,700,000.00	45,800,000.00
November	8,000,000.00	7,000,000.00	-	34,500,000.00	49,500,000.00
December	25,700,000.00	-	-	65,450,000.00	91,150,000.00
Total	93,445,889.77	50,500,000.00	36,705,000.00	391,800,000.00	572,450,889.77

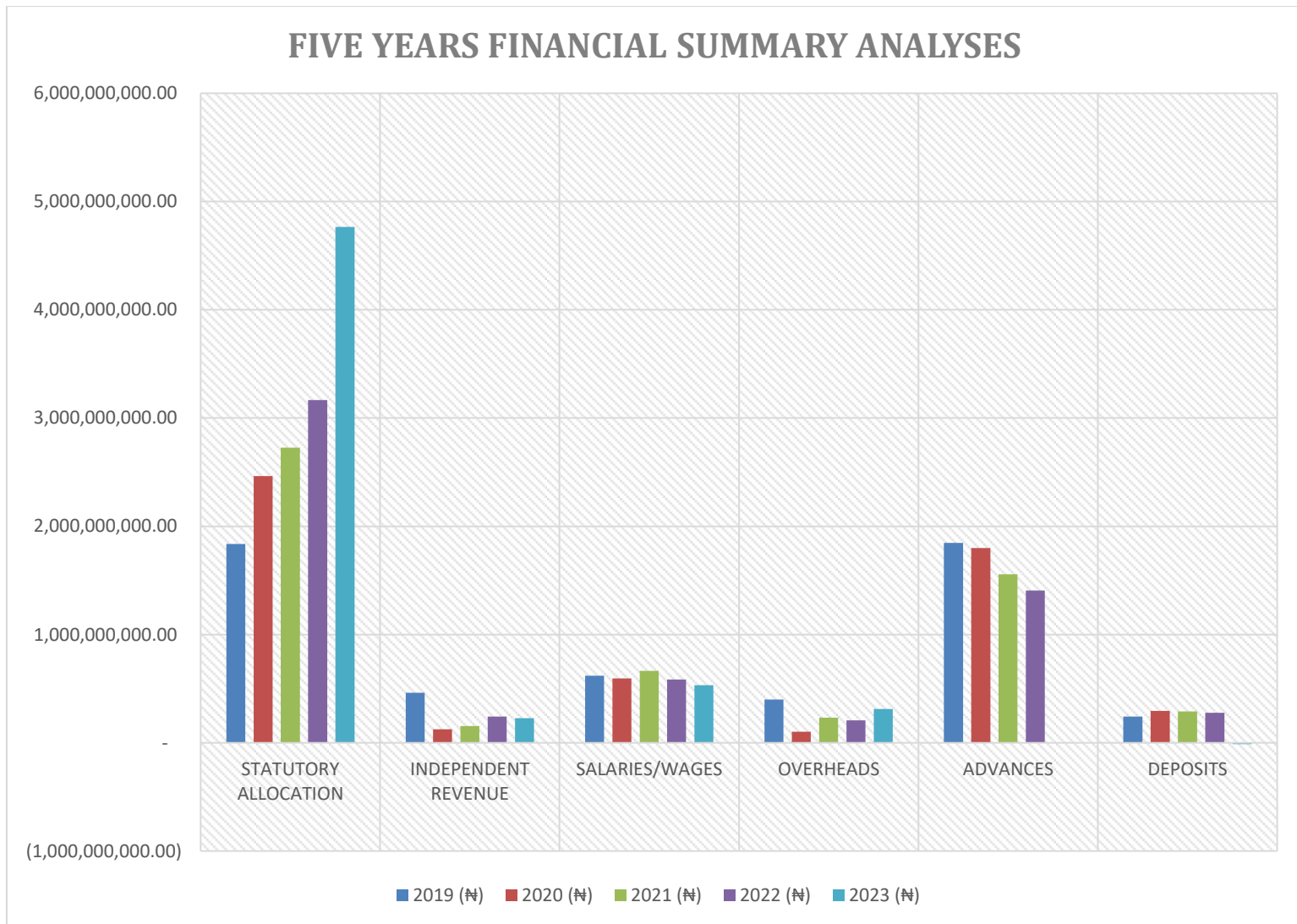
NOTE 7:	
CURRENT AND NON-CURRENT ASSETS AS AT 31ST DECEMBER, 2023	
Cash and Cash Equivalent	315,053,691.38
Property, Plant and Equipment (PPE)	406,282,639.09
Loans Granted	-
Investments	1,407,086,981.06
Intangible Assets (Advances)	-
Total Assets	₪ 2,128,423,311.53

NOTE 8:	
CURRENT AND NON-CURRENT LIABILITIES AS AT 31ST DECEMBER, 2023	
Deposits	263,467,550.82
Loans/Debts	-
Payables	-
Long Term Borrowings	-
Total Liabilities	₪ 263,467,550.82

NOTE 9:	
CAPITAL RESERVES	
Reserves as at 1/1/2023	1,116,356,339.09
Accumulated Surpluses/Deficits for the Year	748,599,421.62
Net Assets/Equity as at 31/12/2023	₪ 1,864,955,760.71

NOTE 10:					
DETAILS OF AUDIT QUERIES ISSUED TO IKPOBA-OKHA LOCAL GOVERNMENT COUNCIL, IDOGBO IN RESPECT OF 2023 ACCOUNTS					
S/No.	Query Number	P.V. No./Date	Reason	Amount (₦)	Remark
	Current Year:				
1.	AQ/IKLG/DGE/1/2023	54/Mar/2023	Irregular Expenditure	900,000.00	Resolved
2.	AQ/IKLG/DGE/2/2023	Various	Irregular Expenditure	29,200,000.00	Resolved
3.	AQ/IKLG/DGE/3/2023	Various	Irregular Expenditure	47,550,000.00	Resolved
4.	AQ/IKLG/DGE/4/2023	197/Jul/2023	Irregular Expenditure	2,700,000.00	Resolved
	Total			80,350,000.00	

IKPOBA-OKHA LOCAL GOVERNMENT COUNCIL, IDOGBO							
FIVE YEARS FINANCIAL SUMMARY ANALYSES							
S/N		2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)	2023 (₦)	TOTAL (₦)
1	STATUTORY ALLOCATION	1,837,296,042.79	2,463,256,206.63	2,726,920,929.82	3,166,071,886.46	4,764,758,726.97	14,958,303,792.67
2	INDEPENDENT REVENUE	461,415,783.00	125,586,470.12	154,031,732.13	242,156,338.64	226,127,638.00	1,209,317,961.89
3	SALARIES/WAGES	618,436,483.64	593,621,425.22	663,979,618.26	585,117,385.84	530,832,269.20	2,991,987,182.16
4	OVERHEADS	398,441,514.69	101,545,800.00	231,603,932.07	206,038,715.00	312,739,534.75	1,250,369,496.51
5	ADVANCES	1,846,154,944.06	1,798,984,344.06	1,556,925,639.06	1,407,086,981.06	-	6,609,151,908.24
6	DEPOSITS	241,348,578.46	293,793,163.69	289,830,467.32	276,126,638.16	-12,659,087.34	1,088,439,760.29
	TOTAL	5,403,093,346.64	5,376,787,409.72	5,623,292,318.66	5,882,597,945.16	5,821,799,081.58	28,107,570,101.76





OREDO LOCAL GOVERNMENT

KING'S SQUARE, P.M.B. 1052, BENIN CITY
EDO STATE.

Our Ref: _____

Your Ref: _____

Date: 28/3/24

STATEMENT OF FINANCIAL RESPONSIBILITY

RESPONSIBILITY FOR FINANCIAL STATEMENTS

These Financial Statements have been prepared by the Director of Finance and Accounts of Oredo Local Government Council, Benin City, in accordance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS. The Financial Statements complied with generally accepted accounting practice.

The Director of Finance and Accounts is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly recorded the use of all public financial resources by the Local Government Council. To the best of my knowledge, this system of internal control has operated adequately throughout the reporting period.



ENOGHOMWANYEKE M. ADONIS
Director of Finance and Accounts

28/3/24

Date

We accept responsibility for the integrity of these Financial Statements, the information they contain and their compliance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS.


In our opinion, these financial statements fairly reflect the financial position of Oredo Local Government Council, Benin City, as at 31st December 2023 and its operations for the year ended on that date.



Igbinigie O. Osaheni, FCNA, FCTI, Ph.D
Head of Local Government Administration

28/3/24

Date



Dr. Tom Osaze Obaseki
Executive Chairman

28/3/24

Date



OFFICE OF THE AUDITOR-GENERAL (LOCAL GOVERNMENTS)
19 BOUNDARY ROAD, G.R.A.
P.M.B. 1128
BENIN CITY
EDO STATE OF NIGERIA

REPORT OF THE STATE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS
TO THE MEMBERS OF THE EDO STATE HOUSE OF ASSEMBLY

The Financial Statements of Oredo Local Government Council, Benin City for the year ended 31st December 2023 as contained in this report prepared under the International Public Sector Accounting Standards (IPSAS) Accrual accounting framework and on the basis of Accounting Policies detailed in the Financial Statements have been audited as required by the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended.

RESPONSIBILITY OF THE DIRECTOR OF FINANCE AND ACCOUNTS

The Director of Finance and Accounts to Oredo Local Government Council, Benin City is responsible for the preparation and presentation of the Financial Statements in accordance with the Finance (Control and management) Act 1958 as amended. He is to ensure that there are no material misstatements in the Financial Statements.

AUDITOR-GENERAL'S RESPONSIBILITY

It is my statutory responsibility to form an independent opinion based on the audit of the Financial Statements and to report thereon.

BASIS OF OPINION

The audit was conducted in accordance with International Standards on Auditing (ISA) as applicable to the public sector, International Organization of Supreme Audit Institutions (INTOSAI), Auditing Standards, the provisions of the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended. The audit includes examination on a test basis of evidence relevant to the figures disclosed in the Financial Statements. It also includes an assessment of significant estimates and judgments made by the Council in the preparation of the Financial Statements and whether the accounting policies were appropriate in the Council's circumstances, consistently applied and adequately disclosed. The audit was planned and performed to obtain all information and explanations considered necessary to have reasonable assurance that the Financial Statements are free from material misstatements. I have not obtained all the information and explanations that I required.

OPINION

In my opinion, the Financial Statement of Oredo Local Government Council, Benin City for the year ended 31st December 2023 show a true and fair view of the Council's state of financial position, performance and of the cashflow in accordance with all legal and regulatory frameworks, subject to the observations and comments contained in this report.

S.O. Johnson, FCA, ACTI, FIMC, FCCSA
(FRC/2022/PRO/ICAN004/188858)
Auditor-General (Local Governments)
Edo State,

28th June, 2024

AUDITOR-GENERAL'S REPORT FOR LOCAL GOVERNMENTS, EDO STATE
GENERAL DISCLOSURES AND ENQUIRIES REGARDING THE OREDO LOCAL
GOVERNMENT COUNCIL'S ACCOUNTS, BENIN CITY, FOR THE YEAR
ENDED DECEMBER 31, 2023

1. REVENUE

The whole amount of N5,272,518,930.00 was realised as income by the Oredo Local Government Council in the year that concluded on December 31, 2023. Of this amount, N679,991,700.37 represented independent revenue, while the remaining amount, N4,592,527,229.63, came from federation account statutory allocations. For more information, see Notes 1 and 2.

SUMMARY

Throughout the time under review, the Local Government Council remained mostly dependent on funding from the Federation Account. To lessen an excessive reliance on statutory allocations, the Local Government Council is urged to examine its own internal operations and devise strategies to increase money produced internally.

2. SLGJAAC ALLOCATIONS TO LOCAL GOVERNMENT COUNCILS ARE COMPLETE

The entire amount of N4,592,527,229.63 that was accrued from the federation account to Oredo Local Government Councils in Benin City as statutory allocations during the period under review was received by the Council in full and was included in the Financial Statements for the year that ended on December 31, 2023. This information was obtained from source documents from the Edo State Ministry of Local Government Affairs. For more information, see Note 1.

3. EXPENDITURE

Oredo Local Government Council, Benin City spent N650,521,064.00 on salaries and wages during the review period. It also incurred overhead of N570,550,234.61, and sent N2,983,916,104.49 to SUBEB and other local government entities. The total amount spent on capital for the year was N870,662,745.45.

4. CASH AND CASH EQUIVALENT

As of December 31, 2023, Oredo Local Government Council, Benin City, has N275,590,798.02 in cash and financial equivalents. The Local Government Council created bank reconciliation statements for the time period under examination. But not enough information was provided for us to determine the cash book bank balance for reconciliation.

SUMMARY

To ensure correct reconciliation at the end of the year, the Local Government Council is urged to always complete monthly bank reconciliation statements in accordance with Financial Memoranda 19:23-30. However, it is praiseworthy that an attempt was made to create Bank Reconciliation Statements.

5. GENERAL INVESTMENTS

As of December 31, 2023, Oredo Local Government Council, Benin City, has N385,910.69 in investments. Due to the Council's failure to keep investment registers or ledgers, the investments were not appropriately documented. Consequently, it was not feasible to confirm the investments and determine their current valuations.

SUMMARY

The Local Government Council should conduct an investigation into the investments' current state in order to determine their existence, viability, and valuations. It is necessary to reassess all investments, write off any that are no longer in operation, and declare any that are at fair market value.

6. LIABILITIES:

(A) DEPOSITS

The Oredo Local Government Council in Benin City had N77,261,572.73 outstanding in its deposit accounts as of December 31, 2023. Pay As You Earn (PAYE), union dues (NULGE), car refurbishing loans deducted for loans obtained from other councils, retention fees, value-added tax (VAT), withholding tax (WT), and other deductions from staff salaries are all represented by the Deposit Accounts.

SUMMARY

After the deposits have been thoroughly examined, the Council is responsible for making sure the beneficiaries receive their money back. Any deposit whose owner cannot be located or has not made any use of it for more than five years after the repayment deadline should be adjusted to revenue in line with F.M. 24.25(5).

(B) SHORT TERM LOANS

The Local Government Council owed several banks a total of N54,683,440.00 in combined short-term loans and bank overdrafts.

7. EXPENDITURE PERFORMANCE

The Oredo Local Government Council, Benin City, budget performance for the year that concluded on December 31, 2023, is outlined below:

Description	Approved Estimate 2023 (₦)	Actual Revenue/Expenditure 2023 (₦)	Percentage Performance
REVENUE			
Statutory Allocation	4,915,000,000.00	4,751,408,575.83	99%
Independent Revenue	476,850,000.00	679,991,700.37	143%
EXPENDITURE			
Salary and Wages	657,245,565.00	650,521,064.00	99%
Overhead Cost	587,825,733.52	570,550,234.52	97%
Transferred to SUBEB and other Local Government Entities	1,189,550,000.00	2,942,365,579.79	247%
Capital Expenditure	1,355,400,000.00	1,020,959,254.92	75%

Observation

The aforementioned data indicates that capital projects actually performed well in 2023.

SUMMARY

- i) In order to enable the Office of the Auditor-General to monitor and audit capital project performance in accordance with F.M. 1.4(12)(g) and F.M. 39.1(8) and ensure that the Council obtained value for the expenditure, the Local Government Council should always forward contract agreements and other pertinent documents to the office.
- ii) In order to prevent unnecessary budgetary spending, the Local Government Council is also recommended to consistently allocate sufficient funds for transfers to SUBEB and other Local Government Entities.

8. APPROVAL

Sections 92, 93, and 94 of the Edo State Local Government Law 2000, as amended, lawfully authorise all of the expenditures reflected in the Statements of Actual Expenditure for the year ended December 31, 2023.

9. ASSET REVALUATION

The Oredo Local Government Council in Benin City has not yet completed the IPSAS-compliant asset appraisal (Accruals).

SUMMARY

In order to correctly portray the assets in the Statement of Financial Position, the Local Government Council should immediately hire pertinent specialists and have their assets revalued in accordance with IPSAS.

10. BUDGETARY PLANNING

The Office of the Auditor-General (Local Governments) should receive copies of the approved budget so that it can track financial performance. The Oredo Local Government Council, Benin City, is responsible for making sure that the annual budget is prepared on time and in compliance with the National Chart of Accounts, as advised by International Public Sector Accounting Standards (IPSAS).

11. AUDIT QUERIES

The Chairman has already received the audit enquiries regarding the discovered inconsistencies of N83,996,000.00 that are attached to the Audit Inspection Reports on the 2023 accounts for the Oredo Local Government Council, Benin City, and will take the appropriate action. Note 10 of this report includes specifics on the audit enquiries pertaining to the 2023 accounts.

12. DISALLOWANCE

Allowance has been set aside for the expenses listed in Note 10 of this report and in paragraph 12 above, pending acceptable responses to the questions posed therein.

13. OVERALL ACCOUNT STATUS AND RECORD KEEPING

The following highlights the way that accounting books and records are rendered in local government councils:

a) Annual Financial Statement Rendition

In accordance with current requirements, the Local Government Council submitted the 2022 Financial Statements on time. It is praiseworthy that the yearly financial statements were produced on schedule.

b) Maintaining Records

i) Subordinate Ledgers and Books

Subsidiary books were occasionally either not updated or maintained. The appropriate maintenance of subsidiary books of accounts is a responsibility of the Local Government Council. Registers for investments, loans/overdraft, and fixed/mobile assets have to be kept up to date.

ii) Cheque Books

At the conclusion of each month, cash books were not properly balanced, and in certain instances, balances were recorded in pencil rather than ink. Cash books need to be updated on a regular basis from now on.

c) Financial Statements and Underlying Records Reconciliation

i) Several entries in the Departmental Vote Revenue Account (DVRA) and Departmental Vote Expenditure Account (DVEA) Books were missing. As a result, precisely categorising expenses and income into Heads and Sub-Heads became challenging.

ii) During the time under examination, the ledgers for advances and deposits were also not updated. The outstanding balances in the ledgers are inaccurate since certain entries were not submitted to them. As a result, depending solely on the ledgers makes it impossible to precisely ascertain outstanding advances and deposits.

It is recommended that Local Government Council Treasurers oversee the treasury department's employees and make sure that accounting records are updated and reconciled to remove inaccuracies and omissions.

iii) Bank Reconciliation In accordance with Financial Memoranda 19.23-24, the Oredo Local Government Council in Benin City generated bank reconciliation statements. It's a great effort, and one that ought to continue.

d) Implementing IPSAS

The International Public Sector Accounting Standards have not yet been completely adopted by the Local Government Council (IPSAS). Revaluing the Local Government Council's assets and liabilities and reflecting them in the books of accounts in accordance with IPSAS is urgently required.

Accounting Policies (IPSAS Accrual)

1. Basis for Measurement:

The preparation of these *General-Purpose Financial States (GPFS)* complies with the historical cost convention, IPSAS, and other applicable requirements as specified by pertinent legislation.

2. The foundation of accounting:

These GPFS were created using the accrual method of accounting.

3. Time of Accounting:

According to National Treasury Circular Ref. OAGF/CAD/026/Vol.1/102 on December 30, 2013, the accounting year (fiscal year) runs from January 1 to December 31. The accounting system was designed to divide each accounting year into twelve calendar months, or periods.

4. Currency Reporting:

The GPFS was developed using Naira (Nigeria's currency).

5. Comparative Data:

The *General Purpose Financial Statements* included all the numerical data for the prior time frame.

6. Financial Data:

These numbers come from the approved budget, which was created on a cash basis in compliance with the Local Government Councils' Appropriation Bye-Law.

7. Income from Taxes, Fees, and Fines:

When fees, taxes, and other non-exchange transaction revenue are collected and meet the requirements for asset recognition, they are recorded as revenue. When it is likely that the company will get future economic benefits or service possibilities from the asset and it is reasonably possible to determine the asset's fair value, other non-exchange revenues are recognised.

Additional Operating Profits:

Exchange transactions that take place in the regular course of the entity's operations provide additional operational revenues. The fair value of the payment received or receivable for the sale of goods and services is included in revenues.

Sales of Products:

When the major risks and benefits of ownership have been passed to the buyer, generally with delivery of the products, revenue from the sale of those things is recognised.

Additional Income/Revenue:

Fees, fines, debt forgiveness, commissions, earnings from the sale of assets, and other sources make up other revenue. Any gain or disposal is recorded on the day the asset is turned over to the buyer and is calculated by reducing the asset's carrying value from the proceeds on that date.

8. Changes from Other Governmental Organisations:

When an asset (cash, goods, services, or properties) is received condition-free and there is a reasonable probability that the asset's potential for economic benefit or service will be reliably measured, revenues from non-exchange transactions with other government entities are recognised at fair value.

9. Costs:

All costs are recorded on an accrual basis, which means that regardless of when the money is received, costs are recorded at the time they are incurred or when the associated services are used.

10. Loan Interest:

In the financial performance report (Statement of Financial Performance), interest on loans is accounted for either an expense or a charge. To calculate interest expenditure for each period, interest is accumulated by applying the effective interest rate method to the principle amount owed.

11. Cash Flow Statement:

The direct technique was used to create this statement, which followed the GPFS format. There are three (3) parts in the cash flow statement:

Operating Activities:

These track the cash payments made for the provision of goods and services as well as the cash received by Local Government Councils from all sources of income.

Investing activities are those that have to do with buying and selling non-current assets.

Financial Activities: These include adjustments to the PSE's debt and equity capital structure.

12. Currency and Its Equivalent:

The term "cash and cash equivalent" refers to the amount of cash that is on hand, held in bank accounts, demand deposits, and other highly liquid investments with an initial maturity of three months or less. These investments are made by the entity as part of its daily cash management process, and they are easily convertible into known amounts of cash with little to no risk of value fluctuations. Cash and Cash Equivalent are included in the Statement of Financial Position under Current Assets.

13. Accounts Receivable: Exchange Transaction Receivables

Exchange transaction receivables are first recorded at fair value and then, using the effective interest method, evaluated at amortised cost, minus allowance for impairment. When there is, a receivables impairment provision is created.

Receivables from Transactions Without Exchange:

Receivables from non-exchange transactions include social benefit receivables that don't stem from contracts, as well as fees, taxes, fines, and other penalties related to these activities. These receivables are first valued at face value, or nominal amount; that is, the amount of tax due, levy, fine, etc., is reflected in the receivable. These accounts receivable are first evaluated at face value or nominal amount, meaning that the receivable represents the total amount of taxes due, levies, fines, etc. Following their charging, these receivables are modified for penalties or may be written off due to impairment. The statement of financial performance presents interest and penalties on tax receivables as tax revenue..

14. Advance payments:

Amounts paid in advance of receiving goods or services are referred to as prepaid costs. They signify payments made in one year for benefits to be obtained in other years, or payments made early in the year for benefits to be received throughout the course of the year.

15. Inventory:

(a): The net realisable value of an inventory is subtracted from its cost.

(b) The FIFO approach is used to calculate costs.

(c) Where appropriate, inventories retained for distribution for the benefit of the

public are documented at cost less any prospective loss of services.

(d) In the Financial Position Statement, inventories are included under Current Assets.

16. Awarded Loans:

The approved loans are displayed at their estimated realisable value, which takes into account impairments and bad or dubious debts.

17. Plant, machinery, and equipment:

(a) The historical cost of all PPE is reported, less cumulative depreciation and any impairment losses. Costs directly related to the acquisition of the assets are included in the historical cost.

(b) When an asset is purchased through a non-exchange transaction for nominal or no consideration, it is first recorded in the statement of financial performance at fair value, which is a value that can be consistently ascertained and expressed as income during the PPE's useful life.

(c) The subsequent items are considered PPE expenses:

i) The price paid for the acquisition of these assets as well as any additional pertinent costs associated with restoring the asset to operational condition.

ii) Building expenses, which include labour, supplies, and overhead.

iii) Modifications to current PPE that greatly extend its usable life.

Price:

A piece of PPE's total cost includes the purchase price, import fees, one-time expenses, and any expenditures directly related to relocating and restoring the asset to its original location and state of functionality. The purchase price is calculated after subtracting trade discounts and rebates. PPE are reported at cost or at their expert appraisal less cumulative impairment and depreciation.

Devaluation:

PPE is depreciated according to a straight line method throughout the course of their anticipated useful lifetimes, less any projected residual value, using relevant rates, starting on the date of availability for use.

No.	Item of PPE	Depreciation Rate
A	Leased Property	Over the term of the lease
B	Buildings	2%
C	Investment property	2%
D	Infrastructure	5%
E	Plant and Machinery	10%
F	Transportation Equipment (except K)	20%
G	Office Equipment	25%
H	Furniture and Fittings	20%
I	Specialized Assets (e.g., books, military and paramilitary assets)	10%
J	Bearer Plant	4%
K	Aircraft, ship and train	5%
L	Specific cultural and heritage assets	Unlimited

Assessment:

At the conclusion of each reporting period, the residual values and usable lifetimes of the assets are examined and, if necessary, changed. Revaluation surplus is moved to the revaluation reserve under reserves in the financial situation. If there is a revaluation deficit, it is recorded as an expense in the statement of financial performance or, if there is a surplus on the same class of assets, against the value of the related assets and the corresponding entry to the revaluation reserve.

Disposal Gain or loss resulting from getting rid of a piece of PPE is shown as a surplus or deficit.

Deficit:

When there are signs that a piece of personal protective equipment (PPE) may have been compromised, an impairment test is carried out.

18. Real Estate Investment

These are properties that provide income for a PSE. At first, an investment property is valued at its cost. Investment property is then measured at fair value at the end of the term, and any gain or loss at fair value is recorded as a surplus or deficit.

Income from Investments:

Investment income is defined as the excess or shortfall of rental revenue received or gained from an investment property.

Disposal:

The surplus or deficit represents the gain or loss from the sale of investment property.

19. Non-tangible Resources

These are non-tangible assets that have been created domestically or purchased, and they are stored for usage in order to produce advantages that extend beyond a fiscal year. An intangible asset's total cost includes the acquisition price, non-recurring charges, and any expenses directly related to restoring the asset to its intended condition of use.

20. Deposits:

Resources kept in custody on behalf of third parties make up deposits. Additionally, deposits signify upfront payments for future products and services.

21. Debts and Loans:

Loans are sums of money that are borrowed with an agreed-upon repayment schedule. They are classified as either short-term or long-term loans and are shown as liabilities in the Statement of Financial Position.

22. Unremitted Withheld Taxes:

Money due to third parties, including tax authorities, unions, cooperatives, schemes and organisations, other government agencies, etc., is known as an unremitted deduction. Tax and other at-source deductions are examples of unremitted deductions. The sums are considered as Current Liabilities in the Statement of Financial Position and are reflected in the GPFS at their payback value.

23. Accrued Expenses - Payables

These are sums of money owed to outside parties for products and services obtained.

24. Public Money

These represent the government's financial balances at the conclusion of the fiscal year. The Statement of Financial Position categorises them as Non-Current Liabilities.

25. Reserves:

Reserves such as Surpluses/(Deficits) Reserve, Translation Reserve, Revaluation

Reserve, Fair Value Reserve, and other Reserves are categorised under equity in the Statement of Financial Position.

26. Debts

Initial recognition of borrowings is done at fair value, net of incurred transaction expenses. Following amortisation, borrowings are reported at cost; any discrepancy between proceeds (net of transaction expenses) and redemption value is recognised using the effective interest method in the consolidated statement of financial performance for the duration of the borrowings. The fees incurred for setting up lending facilities are recorded as loan transaction charges. The cost of the charge is capitalised and spread out over the life of the related facility.

27. Assignments to Other Governmental Organisations:

Transfers to other governmental bodies are included as costs in the statement of financial performance as they are non-exchange items.

28. Advances:

According to Edo State Financial Memoranda 16.16, any loans given to Local Government Council employees to carry out projects or make purchases of goods or services on their behalf must be retired by the end of the fiscal year. However, in situations where an advance is made towards the end of the fiscal year or where an advance that has already been made cannot be retired within the fiscal year, the advance and any outstanding amount are included in the Statement of Financial Position.

OREDO LOCAL GOVERNMENT COUNCIL, BENIN CITY
STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2023

Previous Year Actual 2022 (N)	Description	NCOA Code	Note	Annual Budget (N)	Actual Revenue/ Expenditure (N)	Percentage of Budget Performance
1,427,202,081.31	Net Assets/Equity As At 1/1/2023 – A			26,253,698.52	989,915,916.45	
	REVENUE					
	<u>Statutory Allocation:</u>					
1,803,478,754.55	Share of Federation Account	110101	1	3,200,000,000.00	1,513,950,803.34	47%
1,246,682,355.73	Share of Value Added Tax (VAT)	110102	1	1,500,000,000.00	1,713,739,039.67	114%
179,165,409.19	Excess Crude Oil and Others	110103	1	215,000,000.00	1,523,718,732.82	709%
3,229,326,519.47	Sub-Total Statutory Allocation – B			4,915,000,000.00	4,751,408,575.83	97%
	<u>Independent Revenue:</u>					
14,508,858.00	Licences General	120201	2	56,100,000.00	18,738,149.11	33%
284,960,539.50	Fees General	120204	2	346,250,000.00	517,053,814.05	149%
100,240,969.65	Fines General	120205	2	25,000,000.00	95,454,330.00	382%
-	Sales General	120206	2	7,000,000.00	4,767,300.00	68%
23,364,680.00	Earnings General	120207	2	42,500,000.00	43,978,107.21	103%
-	Rent on Government Building General	120208	2	-	-	
-	Rent on Land and Others General	120211	2	-	-	
-	Repayment General	120213	2	-	-	
-	Investment Income	120214	2	-	-	
423,075,047.15	Sub-Total Independent Revenue – C			476,850,000.00	679,991,700.37	143%
5,079,603,647.93	Total Receipts (A+B+C)			5,418,103,698.52	6,421,316,192.65	119%
	EXPENDITURE					
	<u>Recurrent Expenditure:</u>					

577,497,616.54	Salaries and Wages	210101	3	657,245,565.00	650,521,064.00	99%
182,244,245.17	Overhead Cost	220201	4	587,825,733.52	570,550,234.52	97%
2,417,013,503.53	SUBEB and other Transfers to Local Govt. Entities	220701	5	1,189,550,000.00	2,942,365,579.79	247%
-	Depreciation			-	-	
3,176,755,365.24	Sub-Total Recurrent Expenditure: E			2,434,621,298.52	4,163,436,878.31	171%
	<u>Capital Expenditure:</u>					
67,250,000.00	Land and Building General	320101	6	387,580,734.00	298,319,676.11	77%
351,432,169.12	Infrastructure General	320102	6	549,050,000.00	456,673,183.20	83%
5,533,105.30	Furniture and Fittings General	320106	6	37,000,000.00	25,754,110.00	70%
488,717,120.81	Intangible Assets	320301	6	381,769,266.00	240,212,285.61	63%
912,932,395.23	Sub-Total Capital Expenditure: F			1,355,400,000.00	1,020,959,254.92	75%
4,089,687,760.47	Total Expenditure: G = E + F			3,790,021,298.52	5,184,396,133.23	137%
989,915,916.45	Net Assets/Equity As At 31/12/2023				1,236,920,059.42	
5,079,603,676.92					6,421,316,192.65	

OREDO LOCAL GOVERNMENT COUNCIL, BENIN CITY
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2023

Description	NCOA Code	Note	2023 (₦)	2023 (₦)	2022 (₦)	2022 (₦)
ASSETS						
Current Assets:						
Cash and Cash Equivalent	310101	7	275,590,798.02		50,135,361.52	
Inventories	310501	7	-		-	
Receivables	310601	7	-		-	
Prepayments	310801	7	-		-	
Total Current Assets: A				275,590,798.02		50,135,361.52
Non-Current Assets:						
Loan Granted (Local Govt. Loan Fund)	311001	7	1,706,198.77		1,706,198.77	
Investments	310901	7	385,910.69		385,910.69	
Property, Plant and Equipment (PPE)	320101	7	1,062,595,509.62		1,006,204,467.60	
Investment Properties	320201	7	28,586,655.05		-	
Intangible Assets (Advances)	320301	7	-		-	
Total Non-Current Assets: B				1,093,274,274.13		1,008,296,577.06
Total Assets: C = A+B				1,368,865,072.15		1,058,431,938.58
LIABILITIES						
Current Liabilities:						
Deposits	410101	8	77,261,572.73		48,674,916.88	
Short Term Loans and Debts	410201	8	54,683,440.00		19,841,095.25	
Payables (Accrued Expenses)	410401	8	-		-	
Total Current Liabilities: D				131,945,012.73		68,516,012.13
Non-Current Liabilities:						
Long Term Borrowing	4601/4602	8	-		-	
Total Non-Current Liabilities: E				-		-
Total Liabilities: F = D+E				131,945,012.73		68,516,012.13
Net Assets: G = C-F				1,236,920,059.42		989,915,926.45
NET ASSETS/EQUITY						
Reserves: H	4701	9	989,915,926.45		1,427,202,081.31	
Accumulated Surpluses/(Deficits): I	4702	9	247,004,132.97		- 437,286,164.86	
Total Net Assets/Equity: G = H+I				1,236,920,059.42		989,915,916.45

OREDO LOCAL GOVERNMENT COUNCIL, BENIN CITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2023

NCOA Code	Details	Note	2023 (₦)	2023 (₦)	2022 (₦)	2022 (₦)
	CASH FLOW FROM OPERATING ACTIVITIES:					
	<u>INFLOWS:</u>					
	<u>Statutory Allocations</u>					
110101	Share of Federation Account	1	1,513,950,773.34		1,803,478,784.55	
110102	Share of Value Added Tax (VAT)	1	1,713,739,039.67		1,246,682,355.73	
110103	Excess Crude Oil and Others	1	1,364,837,416.62		179,165,409.19	
	Sub-Total Statutory Revenue – A			4,592,527,229.63		3,229,326,549.47
	<u>Independent Revenue</u>					
120201	Licences General	2	18,738,149.11		14,508,858.00	
120204	Fees General	2	517,053,814.05		284,960,539.50	
120205	Fines General	2	95,454,330.00		100,240,968.65	
120206	Sales General	2	4,767,300.00		-	
120207	Earnings General	2	43,978,107.21		23,364,680.00	
120208	Rent on Government Buildings General	2	-		-	
120209	Rent on Land and Others General	2	-		-	
120210	Repayments General	2	-		-	
120211	Investment Income	2	-		-	
	Sub-Total Independent Revenue – B			679,991,700.37		423,075,046.15
	Total Inflow from Operating Activities C = A+B			5,272,518,930.00		3,652,401,595.62

	OUTFLOWS:					
210101	Salaries and Wages	3	650,521,064.00		577,497,616.54	
220201	Overhead Cost	4	570,550,234.61		182,244,245.17	
220701	SUBEB and other Transfers to Local Government Entities	5	2,983,916,104.49		2,417,013,503.53	
	Depreciation		-		-	
	Total Outflow from Operating Activities – D			4,204,987,403.10		3,176,755,365.24
	Net Cashflow from Operating Activities – E = C-D			1,067,531,526.90		475,646,230.38
	CASHFLOW FROM INVESTING ACTIVITIES:					
320101	Land and Building General	6	298,319,676.11		67,250,000.00	
320102	Infrastructure General	6	306,376,673.73		351,432,169.12	
320106	Furniture and Fittings General	6	25,754,110.00		5,533,105.30	
320301	Intangible Assets	6	240,212,285.61		488,717,120.81	
	Total Outflow from Investing Activities – F			870,662,745.45		912,932,395.23
	Net Cashflow from Investing Activities – G = E - F			196,868,781.45		- 437,286,164.85
	CASHFLOW FROM FINANCIAL ACTIVITIES:					
301801	Advances		-		- 785,189,069.40	
410101	Deposits		28,586,655.05		- 360,806,690.17	
410102	Other Accounts - Loan		-		-	
	Other Accounts - Investment		-		-	
420301	Proceeds from Borrowings		-		-	
	Payment/Charges on Borrowings		-		-	
	Net Cashflow from Financing Activities – H			- 28,586,655.05		- 424,382,379.23
	Net Cashflow from all Activities – I = G - H			225,455,436.50		12,903,785.62
	Cash and Cash Equivalent As At 1/1/2023			50,135,361.52		37,231,575.90
	Cash and Cash Equivalent As At 31/12/2023			275,590,798.02		50,135,361.52

NOTES TO THE ACCOUNTS

NOTE 1:				
SCHEDULE OF STATUTORY ALLOCATION TO OREDO LOCAL GOVERNMENT COUNCIL, BENIN CITY FOR THE YEAR ENDED 31ST DECEMBER 2023				
Month	Federation Account	Value Added Tax	Others	Total
January	206,736,696.07	124,689,606.95	368,880,130.95	700,306,433.97
February	119,388,341.25	125,202,578.76	47,378,848.07	291,969,768.08
March	113,626,330.14	126,884,443.42	42,699,681.80	283,210,455.36
April	154,884,047.86	113,275,697.26	9,639,308.18	277,799,053.30
May	110,021,152.47	107,655,023.41	37,282,883.85	254,959,059.73
June	166,407,996.12	138,586,347.80	9,900,570.35	314,894,914.27
July	93,293,836.35	148,561,749.06	397,042,870.79	638,898,456.20
August	121,133,887.65	146,218,815.32	98,387,696.45	365,740,399.42
September	102,027,711.56	180,197,815.87	82,305,910.82	364,531,438.25
October	121,361,723.10	148,581,129.25	61,858,921.21	331,801,773.56
November	93,843,482.63	171,458,713.29	89,751,999.74	355,054,195.66
December	111,225,568.14	182,427,119.28	119,708,594.41	413,361,281.83
Total	1,513,950,773.34	1,713,739,039.67	1,364,837,416.62	4,592,527,229.63

NOTE 2:										
SCHEDULE OF INDEPENDENT REVENUE OF OREDO LOCAL GOVERNMENT COUNCIL, BENIN CITY FOR THE YEAR 2023										
Month	120201 Licences General	120204 Fees General	120205 Fines General	120206 Sales General	120207 Earnings General	120208 Rent On Govt. Buildings General	120209 Rent On Land & Others General	120210 Repayments General	120211 Investment Income	Monthly Total
January	1,637,000.00	44,103,845.45	7,101,000.00	-	6,845,000.00	-	-	-	-	59,686,845.45
February	1,370,000.00	41,545,750.00	6,910,700.00	-	7,000,000.00	-	-	-	-	56,826,450.00
March	1,783,100.00	52,687,842.00	8,100,000.00	-	6,146,700.00	-	-	-	-	68,717,642.00
April	1,810,101.00	41,000,500.00	5,945,000.00	4,767,300.00	4,845,100.00	-	-	-	-	58,368,001.00
May	1,300,000.00	39,645,547.08	2,945,000.00	-	1,787,800.00	-	-	-	-	45,678,347.08
June	1,700,000.00	40,114,554.28	3,740,000.00	-	2,778,103.27	-	-	-	-	48,332,657.55
July	1,641,100.00	51,275,545.43	3,641,000.00	-	3,400,000.00	-	-	-	-	59,957,645.43
August	1,611,127.00	40,495,869.06	16,887,000.00	-	995,403.94	-	-	-	-	59,989,400.00
September	1,378,845.11	40,508,398.29	17,107,300.00	-	1,000,000.00	-	-	-	-	59,994,543.40
October	1,492,176.00	40,467,658.46	16,175,630.00	-	1,740,000.00	-	-	-	-	59,875,464.46
November	1,814,700.00	40,101,304.00	4,107,000.00	-	4,000,000.00	-	-	-	-	50,023,004.00
December	1,200,000.00	45,107,000.00	2,794,700.00	-	3,440,000.00	-	-	-	-	52,541,700.00
Total	18,738,149.11	517,053,814.05	95,454,330.00	4,767,300.00	43,978,107.21	-	-	-	-	679,991,700.37

NOTE: 3 SCHEDULE OF SALARIES AND WAGES OF OREDO LOCAL GOVERNMENT, BENIN CITY FOR THE YEAR ENDED

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
21010101	Office of the Chairman	63,469,400.00	39,754,379.27	63%
21010102	The Council (Legislative)	34,273,600.00	13,579,825.33	40%
21010103	Personnel Management	170,148,800.00	137,568,981.22	81%
21010104	Internal Audit	8,913,300.00	5,267,429.20	59%
21010105	Information	17,149,800.00	14,243,828.40	83%
21010106	Office of the Head of LGA	21,875,000.00	5,683,458.42	26%
21010107	Agriculture and National Resources	13,515,000.00	10,645,158.94	79%
21010108	Finance and Supply	70,669,280.00	68,328,814.83	97%
21010109	Budget, Planning & Statistics	32,873,000.00	27,875,110.00	85%
21010110	Revenue	69,942,200.00	68,328,814.83	98%
21010111	Works and Housing	88,304,800.00	77,598,122.28	88%
21010112	Procurement	9,570,000.00	5,404,418.84	56%
21010113	Legal Services	8,720,000.00	7,740,600.58	89%
21010114	Youth, Women & Social Development	69,194,080.00	68,097,637.68	98%
21010115	Primary Health Care	-	-	
21010116	Environment	12,924,000.00	85,661,350.18	663%
21010117	Water and Sanitary Hygiene	28,703,000.00	14,743,134.00	51%
	Total	720,245,260.00	650,521,064.00	90%

NOTE: 4 SCHEDULE OF OVERHEAD COST OF OREDO LOCAL GOVERNMENT, BENIN CITY FOR THE YEAR 2023

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
22020101	Office of the Chairman	249,642,128.62	235,273,952.31	94%
22020102	The Council (Legislative)	23,500,000.00	20,750,000.00	88%
22020103	Personnel Management (Admin)	54,950,000.00	52,750,703.00	96%
22020104	Internal Audit	6,950,000.00	4,903,200.00	71%
22020105	Information	17,550,000.00	8,101,100.00	46%
22020106	Office of the Head of LGA	5,400,000.00	2,570,000.00	48%
22020107	Agriculture and National Resources	8,918,185.73	5,700,000.00	64%
22020108	Finance and Supply	28,944,624.60	22,145,500.00	77%
22020109	Budget, Planning & Statistics	18,917,039.74	14,541,100.00	77%
22020110	Procurement	25,341,829.26	23,755,000.00	94%
22020111	Revenue	8,082,253.63	5,754,000.00	71%
22020112	Works & Housing	60,561,925.57	58,710,101.00	97%
22020113	Legal Services	7,400,000.00	3,102,400.00	42%
22020114	Social Development	15,500,000.00	11,578,671.00	75%
22020115	Primary Health Care	11,700,000.00	10,237,700.00	88%
22020116	Environment	80,350,000.00	74,931,507.21	93%
22020117	Water and Sanitary Hygiene	5,050,000.00	3,745,300.00	74%
22020118	Contribution to LG Service Commission	14,000,000.00	12,000,000.00	86%
	Total	642,757,987.15	570,550,234.52	89%

NOTE 5: SCHEDULE OF TRANSFERS TO SUBEB AND OTHER LOCAL GOVERNMENT ENTITIES IN OREDO LOCAL GOVERNMENT COUNCIL, BENIN CITY FOR THE YEAR ENDED 31ST DECEMBER 2023

Month	Deductions for Mandatory Expenditure				Total
	Subvention to LGEA (SUBEB)	Total Salary for Teaching and LGEAs	5% Traditional Council	Other Transfers to Local Govt. Entities	
January	912,547.35	98,324,815.46	17,755,689.41	140,203,194.09	257,196,246.31
February	912,547.35	93,932,936.71	14,584,838.40	128,770,969.46	238,201,291.92
March	912,547.35	93,243,530.25	14,160,522.78	133,073,092.84	241,389,693.22
April	912,547.35	88,870,013.90	13,889,952.66	127,839,380.13	231,511,894.04
May	912,547.35	87,988,817.38	12,747,952.98	122,307,313.26	223,956,630.97
June	912,547.35	86,457,619.39	15,744,745.71	137,308,775.50	240,423,687.95
July	912,547.35	117,856,471.59	17,438,481.91	173,728,801.95	309,936,302.80
August	912,547.35	85,804,596.46	18,287,019.97	137,460,309.99	242,464,473.77
September	912,547.35	87,185,592.17	18,226,571.91	133,129,324.81	239,454,036.24
October	912,547.35	87,384,229.29	16,590,088.67	144,332,353.66	249,219,218.97
November	912,547.35	88,111,727.91	17,752,709.78	138,763,622.57	245,540,607.61
December	912,547.35	85,533,452.95	20,668,064.09	157,507,956.30	264,622,020.69
Total	10,950,568.20	1,100,693,803.46	197,846,638.27	1,674,425,094.56	2,983,916,104.49

**NOTE 6: SCHEDULE OF CAPITAL EXPENDITURE OF OREDO LOCAL GOVERNMENT, BENIN CITY FOR THE YEAR ENDED
31ST DECEMBER, 2023**

Month	Land & Building General 320101	Infrastructure General 320102	Furniture & Fittings 320106	Intangible Assets 320301	Monthly Total
January	11,754,384.00	43,645,216.00	-	13,745,400.00	69,145,000.00
February	14,341,374.11	34,858,732.89	-	4,545,000.00	53,745,107.00
March	4,759,500.00	60,780,600.00	-	18,107,000.00	83,647,100.00
April	37,454,100.00	51,452,278.63	-	37,817,923.37	126,724,302.00
May	45,574,500.00	7,500,787.67	-	27,667,100.00	80,742,387.67
June	21,345,400.00	28,945,600.00	-	43,454,000.00	93,745,000.00
July	45,754,700.00	20,132,636.00	-	21,458,110.00	87,345,446.00
August	33,494,874.00	60,261,115.76	-	8,119,507.24	101,875,497.00
September	27,875,000.00	36,577,705.00	-	14,343,000.00	78,795,705.00
October	15,018,337.00	71,157,988.25	3,269,010.00	8,311,040.00	97,756,375.25
November	17,845,107.00	34,668,203.00	6,740,000.00	18,940,100.00	78,193,410.00
December	23,102,400.00	6,692,320.00	15,745,100.00	23,704,105.00	69,243,925.00
Total	298,319,676.11	456,673,183.20	25,754,110.00	240,212,285.61	1,020,959,254.92

NOTE 7:	
CURRENT AND NON-CURRENT ASSETS AS AT 31ST DECEMBER, 2023	
Cash and Cash Equivalent	275,590,798.02
Investment Properties	28,586,655.05
Loans Granted	1,706,198.77
Investments	385,910.69
Property, Plant and Equipment (PPE)	1,062,595,509.62
Total Assets	₦ 1,368,865,072.15

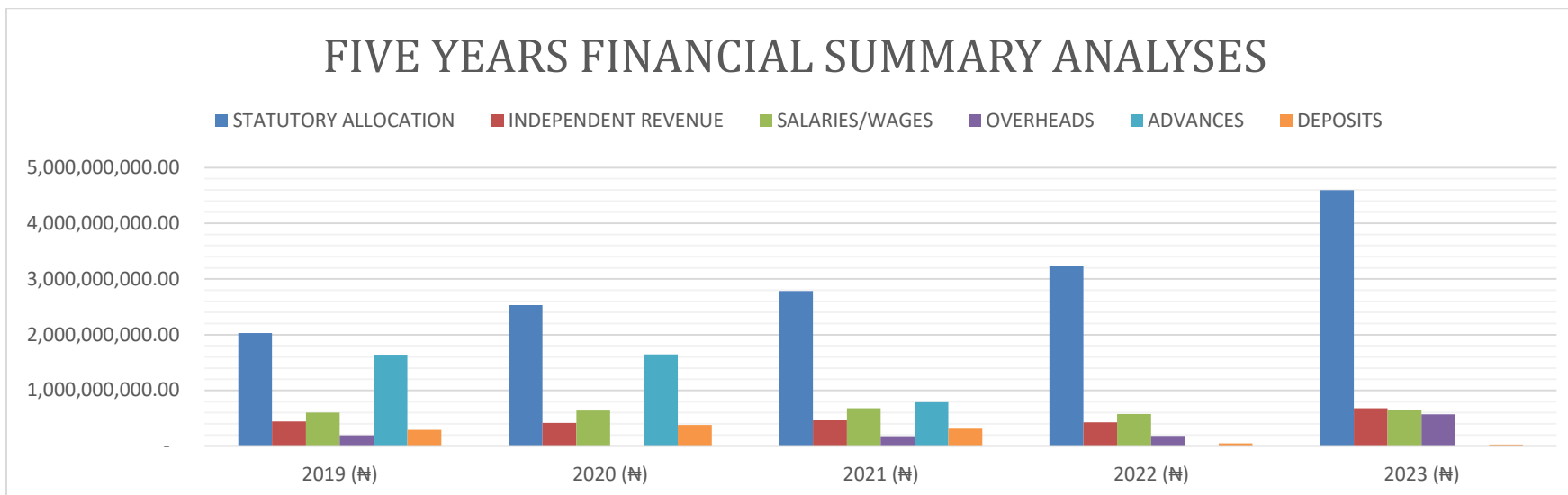
NOTE 8:	
CURRENT AND NON-CURRENT LIABILITIES AS AT 31ST DECEMBER, 2023	
Deposits	77,261,572.73
Loans/Debts	54,683,440.00
Payables	-
Long Term Borrowings	-
Total Liabilities	₦ 131,945,012.73

NOTE 9:	
CAPITAL RESERVES	
Reserves as at 1/1/2023	989,915,926.45
Accumulated Surpluses/Deficits for the Year	247,004,132.97
Net Assets/Equity as at 31/12/2023	₦ 1,236,920,059.42

NOTE 10:**DETAILS OF AUDIT QUERIES ISSUED TO OREDO LOCAL GOVERNMENT COUNCIL, BENIN CITY IN RESPECT OF 2023 ACCOUNTS**

S/No.	Query Number	P.V. No./Date	Reason	Amount (₦)	Remark
	<u>Current Year:</u>				
1.	AQ/OLG/BEN/1/2023	8/Feb/2023	Unreceipt ed Payment	1,000,000.00	Under Correspondence
2.	AQ/OLG/BEN/2/2023	52/Jun/2023	Irregular Expenditure	900,000.00	Under Correspondence
3.	AQ/OLG/BEN/3/2023	64//Jun/2023	Irregular Expenditure	2,800,000.00	Under Correspondence
4.	AQ/OLG/BEN/4/2023	67/Feb/2023	Irregular Expenditure	3,680,000.00	Under Correspondence
5.	AQ/OLG/BEN/5/2023	Various	Irregular Expenditure	11,500,000.00	Under Correspondence
6.	AQ/OLG/BEN/6/2023	Various	Improper Cash Book Maintenance	---	Under Correspondence
7.	AQ/OLG/BEN/7/2023	Various	Irregular Expenditure	37,429,000.00	Under Correspondence
8.	AQ/OLG/BEN/8/2023	Various	Irregular Expenditure	25,592,000.00	Under Correspondence
9.	AQ/OLG/BEN/9/2023	37/Oct/2023	Unreceipted Payment	695,000.00	Under Correspondence
10	AQ/OLG/BEN/10/2023	Various	Unreceipted Payments	400,000.00	Under Correspondence
	Total			83,996,000.00	

OREDO LOCAL GOVERNMENT COUNCIL, BENIN CITY							
FIVE YEARS FINANCIAL SUMMARY ANALYSES							
S/N		2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)	2023 (₦)	TOTAL (₦)
1	STATUTORY ALLOCATION	2,027,321,085.64	2,529,364,184.81	2,783,548,358.05	3,229,326,549.47	4,592,527,229.63	15,162,087,407.60
2	INDEPENDENT REVENUE	438,401,779.75	414,366,454.17	459,689,887.36	423,075,046.15	679,991,700.37	2,415,524,867.80
3	SALARIES/WAGES	602,122,000.00	635,918,237.39	680,151,674.61	577,497,616.54	650,521,064.00	3,146,210,592.54
4	OVERHEADS	189,917,976.00	2,478,855.94	178,757,256.71	182,244,245.17	570,550,234.61	1,123,948,568.43
5	ADVANCES	1,643,109,829.97	1,646,618,551.40	785,189,069.40	-	-	4,074,917,450.77
6	DEPOSITS	291,595,085.48	379,693,847.39	312,131,773.29	48,674,916.88	28,586,655.05	1,060,682,278.09
	TOTAL	5,192,467,756.84	5,608,440,131.10	5,199,468,019.42	4,460,818,374.21	6,522,176,883.66	26,983,371,165.23





ORHIONMWON LOCAL GOVERNMENT

HEADQUARTERS,
P. M. B. 1010, ABUDU,
EDO STATE OF NIGERIA.

FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2023

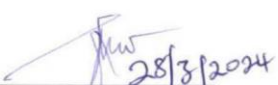
RESPONSIBILITY FOR FINANCIAL STATEMENTS


These financial statements have been prepared by the Management of **Orhionmwon Local Government Council** in accordance with the provisions of the Financial Memorandum 1.13(6) and in compliance with generally accepted accounting standards.

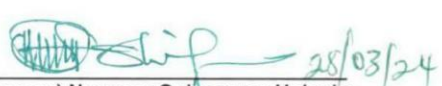
The management is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly recorded. To the best of my knowledge, this system of internal control has operated adequately throughout the reporting period.

We accept responsibility for the integrity of these financial statements, the information they contain and their compliance with the relevant accounting standards.

In our opinion, these financial statements reflect the Financial Position of Orhionmwon Local Government as at 31st December, 2023 and its operations for the year ended on that date.


Dr. Raymond Ogieva
Head of Local Government Administration,
Orhionmwon Local Government,
Abudu.


Dr. Scot Osayamen Aigbovia, Ph.D, FCCrFA, FCNA, FCTI, FIMC
Director of Finance and Accounts,
Orhionmwon Local Government,
Abudu. 28-03-2024


HON. (Deacon) Newman Oghomwen Ugiagbe
Executive chairman,
Orhionmwon Local Government,
Abudu.. 28/03/24



OFFICE OF THE AUDITOR-GENERAL (LOCAL GOVERNMENTS)
19 BOUNDARY ROAD, G.R.A.
P.M.B. 1128
BENIN CITY
EDO STATE OF NIGERIA

**REPORT OF THE STATE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS
TO THE MEMBERS OF THE EDO STATE HOUSE OF ASSEMBLY**

The Financial Statements of Orhionmwon Local Government Council, Abudu for the year ended 31st December 2023 as contained in this report prepared under the International Public Sector Accounting Standards (IPSAS) Accrual accounting framework and on the basis of Accounting Policies detailed in the Financial Statements have been audited as required by the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended.

RESPONSIBILITY OF THE DIRECTOR OF FINANCE AND ACCOUNTS

The Director of Finance and Accounts to Orhionmwon Local Government Council, Abudu is responsible for the preparation and presentation of the Financial Statements in accordance with the Finance (Control and management) Act 1958 as amended. He is to ensure that there are no material misstatements in the Financial Statements.

AUDITOR-GENERAL'S RESPONSIBILITY

It is my statutory responsibility to form an independent opinion based on the audit of the Financial Statements and to report thereon.

BASIS OF OPINION

The audit was conducted in accordance with International Standards on Auditing (ISA) as applicable to the public sector, International Organization of Supreme Audit Institutions (INTOSAI), Auditing Standards, the provisions of the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended. The audit includes examination on a test basis of evidence relevant to the figures disclosed in the Financial Statements. It also includes an assessment of significant estimates and judgments made by the Council in the preparation of the Financial Statements and whether the accounting policies were appropriate in the Council's circumstances, consistently applied and adequately disclosed. The audit was planned and performed to obtain all information and explanations considered necessary to have reasonable assurance that the Financial Statements are free from material misstatements. I have not obtained all the information and explanations that I required.

OPINION

In my opinion, the Financial Statement of Orhionmwon Local Government Council, Abudu for the year ended 31st December 2023 show a true and fair view of the Council's state of financial position, performance and of the cashflow in accordance with all legal and regulatory frameworks, subject to the observations and comments contained in this report.

S.O. Johnson, FCA, ACTI, FIMC, FCCSA
(FRC/2022/PRO/ICAN004/188858)
Auditor-General (Local Governments)

Edo State,

28th June, 2024

AUDITOR-GENERAL'S REPORT FOR LOCAL GOVERNMENTS, EDO STATE
OPINIONS AND GENERAL DISCLOSURES ON THE ORHIONMWON LOCAL
GOVERNMENT COUNCIL'S ABUDU ACCOUNTS FOR THE YEAR ENDED
DECEMBER 31, 2023

1. REVENUE

For the year that concluded on December 31, 2023, Orhionmwon Local Government Council received N3,840,522,906.80 in income. Of this total, N20,796,501.05 represented independent revenue and N3,819,726,405.75 was obtained as statutory allocations from the federation account. For more information, see Notes 1 and 2.

SUMMARY

Throughout the time under review, the Local Government Council remained mostly dependent on funding from the Federation Account. To lessen an excessive reliance on statutory allocations, the Local Government Council is urged to examine its own internal operations and devise strategies to increase money produced internally.

2. SLGJAAC ALLOCATIONS TO LOCAL GOVERNMENT COUNCILS ARE COMPLETE

Orhionmwon Local Government Council, Abudu received the entire amount of N3,819,726,405.75 that accrued from the federation account to Orhionmwon Local Government Councils, Abudu as statutory allocations during the period under review. This information was obtained from source documents from the Edo State Ministry of Local Government Affairs and was included in the Council's Financial Statements for the year that ended on December 31, 2023. For more information, see Note 1.

3. EXPENDITURE

Orhionmwon Local Government Council, Abudu expended N556,255,206.20 on salaries and wages during the review period. Additionally, N385,531,203.97 was allocated as overhead, and N2,243,240,764.71 was transferred to SUBEB and other local government entities. The total amount spent on capital for the year was N511,288,509.55.

4. CASH AND CASH EQUIVALENT

As of December 31, 2023, Orhionmwon Local Government Council, Abudu has N282,101,096.75 in cash and financial equivalents. The Local Government Council created bank reconciliation statements for the time period under examination. But

not enough information was provided for us to determine the cash book bank balance for reconciliation.

SUMMARY

To ensure correct reconciliation at the end of the year, the Local Government Council is urged to always complete monthly bank reconciliation statements in accordance with Financial Memoranda 19:23-30. However, it is praiseworthy that an attempt was made to create Bank Reconciliation Statements.

5. ADVANCES

As of December 31, 2023, the Local Government Councils' unretired advances totalled N774,284,770.76. It was noted that, despite my cautions in earlier reports and circular letters, as of December 31, 2023, advances given to different Council officials as working advances had not been retired, in violation of F.M. 16.16.

SUMMARY

In compliance with F.M. 16.16, the Treasurers of the Local Government Councils and the Heads of Local Government Administration are therefore called upon to promptly retire ALL outstanding operating advances.

6. ALLOCATIVE INVESTMENTS

As of December 31, 2023, Orhionmwon Local Government Council, Abudu has N537,849.07 in investments. Due to the Council's failure to keep investment registers or ledgers, the investments were not appropriately documented. Consequently, it was not feasible to confirm the investments and determine their current valuations.

SUMMARY

The Local Government Council should conduct an investigation into the investments' current state in order to determine their existence, viability, and valuations. It is necessary to reassess all investments, write off any that are no longer in operation, and declare any that are at fair market value.

7. LIABILITIES:

DEPOSITS

A total of N1,159,096,687.46 was pending in the Deposit Accounts of the Orhionmwon Local Government Council, Abudu, as of December 31, 2023. Pay As You Earn (PAYE), union dues (NULGE), car refurbishing loans deducted for loans

obtained from other councils, retention fees, value-added tax (VAT), withholding tax (WT), and other deductions from staff salaries are all represented by the Deposit Accounts.

SUMMARY

After the deposits have been thoroughly examined, the Council must make sure that the beneficiaries receive their money back. Any deposit whose owner cannot be located or has not made any payments for more than five years should be adjusted to revenue in line with F.M. 24.25(5).

8. FINANCIAL PERFORMANCE

The following is an overview of Orhionmwon Local Government Council, Abudu's budget performance for the year that concluded on December 31, 2023:

Description	Approved Estimate 2023 (₦)	Actual Revenue/Expenditure 2023 (₦)	Percentage Performance
REVENUE			
Statutory Allocation	2,818,239,019.00	3,819,726,405.75	136%
Independent Revenue	56,000,000.00	20,796,501.05	37%
EXPENDITURE			
Salary and Wages	560,727,631.82	556,255,206.20	99%
Overhead Cost	310,400,683.00	385,531,203.97	124%
Transferred to SUBEB and other Local Government Entities	2,454,247,490.87	2,243,240,764.71	91%
Capital Expenditure	1,012,166,461.00	511,288,509.55	51%

Observation

The information above makes clear how poorly capital projects actually performed in 2023.

SUMMARY

i) In order to enable the Office of the Auditor-General to monitor and audit capital project performance in accordance with F.M. 1.4(12)(g) and F.M. 39.1(8) and ensure that the Council obtained value for the expenditure, the Local Government

Council should always forward contract agreements and other pertinent documents to the office.

ii) In order to prevent unnecessary budgetary spending, the Local Government Council is also recommended to consistently allocate sufficient funds for transfers to SUBEB and other Local Government Entities.

9. APPROVAL

Sections 92, 93, and 94 of the Edo State Local Government Law 2000, as amended, lawfully authorise all of the expenditures reflected in the Statements of Actual Expenditure for the year ended December 31, 2023.

10. ASSET REVALUATION

The Orhionmwon Local Government Council in Abudu has not yet completed the IPSAS-compliant asset revaluation (Accruals).

SUMMARY

In order to correctly portray the assets in the Statement of Financial Position, the Local Government Council should immediately hire pertinent specialists and have their assets revalued in accordance with IPSAS.

11. BUDGETARY PLANNING

The Office of the Auditor-General (Local Governments) should receive copies of the approved budget so that it can track financial performance. The Orhionmwon Local Government Council, Abudu, is responsible for making sure that the annual budget is prepared on time and in compliance with the National Chart of Accounts, as advised by International Public Sector Accounting Standards (IPSAS).

12. AUDIT QUERIES

The Chairman has already received the audit enquiries regarding the discovered inconsistencies totalling N100,805,000.00 that are attached to the Audit Inspection Reports on the 2023 accounts for the Orhionmwon Local Government Council, Abudu, so he may take the appropriate action. Note 10 of this report includes specifics on the audit enquiries pertaining to the 2023 accounts.

13. DISALLOWANCE

Allowance has been set aside for the expenses listed in Note 10 of this report and in paragraph 12 above, pending acceptable responses to the questions posed therein.

14. THE overall condition of the accounts and maintaining records

The following highlights the way that accounting books and records are rendered in local government councils:

a) Annual Financial Statement Rendition

In accordance with current legislation, the Local Government Council submitted the 2023 Financial Statements on time. It is praiseworthy that the yearly financial statements were produced on schedule.

b) Maintaining Records

i) Subordinate Ledgers and Books

Subsidiary books were occasionally either not updated or maintained. The appropriate maintenance of subsidiary books of accounts is a responsibility of the Local Government Council. Registers for investments, loans/overdraft, and fixed/mobile assets have to be kept up to date.

ii) Cheque Books

At the conclusion of each month, cash books were not properly balanced, and in certain instances, balances were recorded in pencil rather than ink. Cash books need to be updated on a regular basis from now on.

c) Financial Statements and Underlying Records Reconciliation

i) Several entries in the Departmental Vote Revenue Account (DVRA) and Departmental Vote Expenditure Account (DVEA) Books were missing. As a result, precisely categorising expenses and income into Heads and Sub-Heads became challenging.

ii) During the time under examination, the ledgers for advances and deposits were also not updated. The outstanding balances in the ledgers are inaccurate since certain entries were not submitted to them. As a result, depending solely on the ledgers makes it impossible to precisely ascertain outstanding advances and deposits.

It is recommended that Local Government Council Treasurers oversee the treasury department's employees and make sure that accounting records are updated and reconciled to remove inaccuracies and omissions.

iii) Bank Reconciliation In accordance with Financial Memoranda 19.23-24, the Orhionmwon Local Government Council in Abudu prepared bank reconciliation statements. It's a great effort, and one that ought to continue.

d) Answering Audit Questions

The amount of response to audit enquiries sent to the Orhionmwon Local Government Council, Abudu, is displayed in Note 10 to the accounts. This serves as a reminder to the Local Government Council to always reply to audit enquiries as soon as possible.

e) Implementing IPSAS

The International Public Sector Accounting Standards have not yet been completely adopted by the Local Government Council (IPSAS). Revaluing the Local Government Council's assets and liabilities and reflecting them in the books of accounts in accordance with IPSAS is urgently required.

Accounting Policies (IPSAS Accrual)

1. Basis for Measurement:

The preparation of these *General-Purpose Financial States (GPFS)* complies with the historical cost convention, IPSAS, and other applicable requirements as specified by pertinent legislation.

2. The foundation of accounting:

These GPFS were created using the accrual method of accounting.

3. Time of Accounting:

According to National Treasury Circular Ref. OAGF/CAD/026/Vol.1/102 on December 30, 2013, the accounting year (fiscal year) runs from January 1 to December 31. The accounting system was designed to divide each accounting year into twelve calendar months, or periods.

4. Currency Reporting:

The GPFS was developed using Naira (Nigeria's currency).

5. Comparative Data:

The *General Purpose Financial Statements* included all the numerical data for the prior time frame.

6. Financial Data:

These numbers come from the approved budget, which was created on a cash basis in compliance with the Local Government Councils' Appropriation Bye-Law.

7. Income from Taxes, Fees, and Fines:

When fees, taxes, and other non-exchange transaction revenue are collected and meet the requirements for asset recognition, they are recorded as revenue. When it is likely that the company will get future economic benefits or service possibilities from the asset and it is reasonably possible to determine the asset's fair value, other non-exchange revenues are recognised.

Additional Operating Profits:

Exchange transactions that take place in the regular course of the entity's operations provide additional operational revenues. The fair value of the payment received or receivable for the sale of goods and services is included in revenues.

Sales of Products:

When the major risks and benefits of ownership have been passed to the buyer, generally with delivery of the products, revenue from the sale of those things is recognised.

Additional Income/Revenue:

Fees, fines, debt forgiveness, commissions, earnings from the sale of assets, and other sources make up other revenue. Any gain or disposal is recorded on the day the asset is turned over to the buyer and is calculated by reducing the asset's carrying value from the proceeds on that date.

8. Changes from Other Governmental Organisations:

When an asset (cash, goods, services, or properties) is received condition-free and there is a reasonable probability that the asset's potential for economic benefit or service will be reliably measured, revenues from non-exchange transactions with other government entities are recognised at fair value.

9. Costs:

All costs are recorded on an accrual basis, which means that regardless of when the money is received, costs are recorded at the time they are incurred or when the associated services are used.

10. Loan Interest:

In the financial performance report (Statement of Financial Performance), interest on loans is accounted for either an expense or a charge. To calculate interest expenditure for each period, interest is accumulated by applying the effective interest rate method to the principle amount owed.

11. Cash Flow Statement:

The direct technique was used to create this statement, which followed the GPFS format. There are three (3) parts in the cash flow statement:

Operating Activities:

These track the cash payments made for the provision of goods and services as well as the cash received by Local Government Councils from all sources of income.

Investing activities are those that have to do with buying and selling non-current assets.

Financial Activities: These include adjustments to the PSE's debt and equity capital structure.

12. Currency and Its Equivalent:

The term "cash and cash equivalent" refers to the amount of cash that is on hand, held in bank accounts, demand deposits, and other highly liquid investments with an initial maturity of three months or less. These investments are made by the entity as part of its daily cash management process, and they are easily convertible into known amounts of cash with little to no risk of value fluctuations. Cash and Cash Equivalent are included in the Statement of Financial Position under Current Assets.

13. Accounts Receivable: Exchange Transaction Receivables

Exchange transaction receivables are first recorded at fair value and then, using the effective interest method, evaluated at amortised cost, minus allowance for impairment. When there is, a receivables impairment provision is created.

Receivables from Transactions Without Exchange:

Receivables from non-exchange transactions include social benefit receivables that don't stem from contracts, as well as fees, taxes, fines, and other penalties related to these activities. These receivables are first valued at face value, or nominal amount; that is, the amount of tax due, levy, fine, etc., is reflected in the receivable. These accounts receivable are first evaluated at face value or nominal amount, meaning that the receivable represents the total amount of taxes due, levies, fines, etc. Following their charging, these receivables are modified for penalties or may be written off due to impairment. The statement of financial performance presents interest and penalties on tax receivables as tax revenue..

14. Advance payments:

Amounts paid in advance of receiving goods or services are referred to as prepaid costs. They signify payments made in one year for benefits to be obtained in other years, or payments made early in the year for benefits to be received throughout the course of the year.

15. Inventory:

- (a): The net realisable value of an inventory is subtracted from its cost.
- (b) The FIFO approach is used to calculate costs.
- (c) Where appropriate, inventories retained for distribution for the benefit of the

public are documented at cost less any prospective loss of services.

(d) In the Financial Position Statement, inventories are included under Current Assets.

16. Awarded Loans:

The approved loans are displayed at their estimated realisable value, which takes into account impairments and bad or dubious debts.

17. Plant, machinery, and equipment:

(a) The historical cost of all PPE is reported, less cumulative depreciation and any impairment losses. Costs directly related to the acquisition of the assets are included in the historical cost.

(b) When an asset is purchased through a non-exchange transaction for nominal or no consideration, it is first recorded in the statement of financial performance at fair value, which is a value that can be consistently ascertained and expressed as income during the PPE's useful life.

(c) The subsequent items are considered PPE expenses:

i) The price paid for the acquisition of these assets as well as any additional pertinent costs associated with restoring the asset to operational condition.

ii) Building expenses, which include labour, supplies, and overhead.

iii) Modifications to current PPE that greatly extend its usable life.

Price:

A piece of PPE's total cost includes the purchase price, import fees, one-time expenses, and any expenditures directly related to relocating and restoring the asset to its original location and state of functionality. The purchase price is calculated after subtracting trade discounts and rebates. PPE are reported at cost or at their expert appraisal less cumulative impairment and depreciation.

Devaluation:

PPE is depreciated according to a straight line method throughout the course of their anticipated useful lifetimes, less any projected residual value, using relevant rates, starting on the date of availability for use.

No.	Item of PPE	Depreciation Rate
A	Leased Property	Over the term of the lease
B	Buildings	2%
C	Investment property	2%
D	Infrastructure	5%
E	Plant and Machinery	10%
F	Transportation Equipment (except K)	20%
G	Office Equipment	25%
H	Furniture and Fittings	20%
I	Specialized Assets (e.g., books, military and paramilitary assets)	10%
J	Bearer Plant	4%
K	Aircraft, ship and train	5%
L	Specific cultural and heritage assets	Unlimited

Assessment:

At the conclusion of each reporting period, the residual values and usable lifetimes of the assets are examined and, if necessary, changed. Revaluation surplus is moved to the revaluation reserve under reserves in the financial situation. If there is a revaluation deficit, it is recorded as an expense in the statement of financial performance or, if there is a surplus on the same class of assets, against the value of the related assets and the corresponding entry to the revaluation reserve.

Disposal Gain or loss resulting from getting rid of a piece of PPE is shown as a surplus or deficit.

Deficit:

When there are signs that a piece of personal protective equipment (PPE) may have been compromised, an impairment test is carried out.

18. Real Estate Investment

These are properties that provide income for a PSE. At first, an investment property is valued at its cost. Investment property is then measured at fair value at the end of the term, and any gain or loss at fair value is recorded as a surplus or deficit.

Income from Investments:

Investment income is defined as the excess or shortfall of rental revenue received or gained from an investment property.

Disposal:

The surplus or deficit represents the gain or loss from the sale of investment property.

19. Non-tangible Resources

These are non-tangible assets that have been created domestically or purchased, and they are stored for usage in order to produce advantages that extend beyond a fiscal year. An intangible asset's total cost includes the acquisition price, non-recurring charges, and any expenses directly related to restoring the asset to its intended condition of use.

20. Deposits:

Resources kept in custody on behalf of third parties make up deposits. Additionally, deposits signify upfront payments for future products and services.

21. Debts and Loans:

Loans are sums of money that are borrowed with an agreed-upon repayment schedule. They are classified as either short-term or long-term loans and are shown as liabilities in the Statement of Financial Position.

22. Unremitted Withheld Taxes:

Money due to third parties, including tax authorities, unions, cooperatives, schemes and organisations, other government agencies, etc., is known as an unremitted deduction. Tax and other at-source deductions are examples of unremitted deductions. The sums are considered as Current Liabilities in the Statement of Financial Position and are reflected in the GPFS at their payback value.

23. Accrued Expenses - Payables

These are sums of money owed to outside parties for products and services obtained.

24. Public Money

These represent the government's financial balances at the conclusion of the fiscal year. The Statement of Financial Position categorises them as Non-Current Liabilities.

25. Reserves:

Reserves such as Surpluses/(Deficits) Reserve, Translation Reserve, Revaluation

Reserve, Fair Value Reserve, and other Reserves are categorised under equity in the Statement of Financial Position.

26. Debts

Initial recognition of borrowings is done at fair value, net of incurred transaction expenses. Following amortisation, borrowings are reported at cost; any discrepancy between proceeds (net of transaction expenses) and redemption value is recognised using the effective interest method in the consolidated statement of financial performance for the duration of the borrowings. The fees incurred for setting up lending facilities are recorded as loan transaction charges. The cost of the charge is capitalised and spread out over the life of the related facility.

27. Assignments to Other Governmental Organisations:

Transfers to other governmental bodies are included as costs in the statement of financial performance as they are non-exchange items.

28. Advances:

According to Edo State Financial Memoranda 16.16, any loans given to Local Government Council employees to carry out projects or make purchases of goods or services on their behalf must be retired by the end of the fiscal year. However, in situations where an advance is made towards the end of the fiscal year or where an advance that has already been made cannot be retired within the fiscal year, the advance and any outstanding amount are included in the Statement of Financial Position.

ORHIONMWON LOCAL GOVERNMENT COUNCIL, ABUDU
STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2023

Previous Year Actual 2022 (₦)	Description	NCOA Code	Note	Annual Budget (₦)	Actual Revenue/ Expenditure (₦)	Percentage of Budget Performance
737,405,970.81	Net Assets/Equity As At 1/1/2023 – A			76,000,000.00	713,594,031.19	
	REVENUE					
	<u>Statutory Allocation:</u>					
1,413,292,417.15	Share of Federation Account	110101	1	1,257,453,259.00	1,184,905,445.55	94%
916,527,631.29	Share of Value Added Tax (VAT)	110102	1	750,000,000.00	1,259,260,367.66	168%
137,644,624.76	Excess Crude Oil and Others	110103	1	810,785,760.00	1,375,560,592.54	170%
2,467,464,673.20	Sub-Total Statutory Allocation – B			2,818,239,019.00	3,819,726,405.75	136%
	<u>Independent Revenue:</u>					
660,000.00	Licences General	120201	2	6,500,000.00	3,462,019.91	53%
55,092,142.86	Fees General	120204	2	28,300,000.00	4,193,059.11	15%
2,050,816.57	Fines General	120205	2	1,000,000.00	2,835,909.08	284%
3,690,418.79	Sales General	120206	2	2,200,000.00	3,593,082.91	163%
1,750,000.00	Earnings General	120207	2	11,500,000.00	4,059,823.19	35%
315,000.00	Rent on Government Building General	120208	2	1,300,000.00	2,652,606.85	204%
-	Rent on Land and Others General	120211	2	2,200,000.00	-	0%
-	Repayment General	120213	2	-	-	
-	Investment Income	120214	2	3,000,000.00	-	0%
63,558,378.22	Sub-Total Independent Revenue – C			56,000,000.00	20,796,501.05	37%

3,268,429,022.23	Total Receipts (A+B+C)			2,950,239,019.00	4,554,116,937.99	154%
	EXPENDITURE					
	<u>Recurrent Expenditure:</u>					
482,112,251.71	Salaries and Wages	210101	3	560,727,631.82	556,255,206.20	99%
169,332,578.97	Overhead Cost	220201	4	310,400,683.00	385,531,203.97	124%
1,823,410,243.55	SUBEB and other Transfers to Local Govt. Entities	220701	5	2,454,247,490.87	2,243,240,764.71	91%
-	Depreciation			-	-	
2,474,855,074.23	Sub-Total Recurrent Expenditure: E			3,325,375,805.69	3,185,027,174.88	96%
	<u>Capital Expenditure:</u>					
13,353,952.98	Land and Building General	320101	6	334,014,932.13	173,876,543.34	52%
26,976,491.66	Infrastructure General	320102	6	303,649,938.30	148,708,432.11	49%
10,904,296.75	Furniture and Fittings General	320106	6	202,433,292.20	107,654,321.09	53%
28,745,175.42	Intangible Assets	320301	6	172,068,298.37	81,049,213.01	47%
79,979,916.81	Sub-Total Capital Expenditure: F			1,012,166,461.00	511,288,509.55	51%
2,554,834,991.04	Total Expenditure: G = E + F			4,337,542,266.69	3,696,315,684.43	85%
713,594,031.19	Net Assets/Equity As At 31/12/2023				857,744,253.87	
3,268,429,022.23					4,554,059,938.30	

ORHIONMWON LOCAL GOVERNMENT COUNCIL, ABUDU
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2023

Description	NCOA Code	Note	2023 (N)	2023 (N)	2022 (N)	2022 (N)
ASSETS						
Current Assets:						
Cash and Cash Equivalent	310101	7	282,101,096.75	-	488,229,450.20	
Inventories	310501	7	-	-	-	
Receivables	310601	7	-	-	-	
Prepayments	310801	7	-	-	-	
Total Current Assets: A				282,101,096.75	-	488,229,450.20
Non-Current Assets:						
Loan Granted (Local Govt. Loan Fund)	311001	7	-	-	-	
Investments	310901	7	537,849.07	537,849.07	537,849.07	
Property, Plant and Equipment (PPE)	320101	7	959,917,224.75	959,974,224.44	959,974,224.44	
Investment Properties	320201	7	-	-	-	
Intangible Assets (Advances)	320301	7	774,284,770.76	780,284,970.76	780,284,970.76	
Total Non-Current Assets: B				1,734,739,844.58		1,740,797,044.27
Total Assets: C = A+B				2,016,840,941.33		1,252,567,594.07
LIABILITIES						
Current Liabilities:						
Deposits	410101	8	1,159,096,687.46	538,973,562.88	538,973,562.88	
Short Term Loans and Debts	410201	8	-	-	-	
Payables (Accrued Expenses)	410401	8	-	-	-	
Total Current Liabilities: D				1,159,096,687.46		538,973,562.88
Non-Current Liabilities:						
Long Term Borrowing	4601/4602	8	-	-	-	
Total Non-Current Liabilities: E				-		-
Total Liabilities: F = D+E				1,159,096,687.46		538,973,562.88
Net Assets: G = C-F				857,744,253.87		713,594,031.19
NET ASSETS/EQUITY						
Reserves: H	4701	9	713,594,031.19	737,405,970.81	737,405,970.81	
Accumulated Surpluses/(Deficits): I	4702	9	144,150,222.68	-	23,811,939.62	
Total Net Assets/Equity: G = H+I				857,744,253.87		713,594,031.19

ORHIONMWON LOCAL GOVERNMENT COUNCIL, ABUDU
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2023

NCOA Code	Details	Note	2023 (N)	2023 (N)	2022 (N)	2022 (N)
	CASH FLOW FROM OPERATING ACTIVITIES:					
	<u>INFLOWS:</u>					
	<u>Statutory Allocations</u>					
110101	Share of Federation Account	1	1,184,905,445.55		1,413,292,417.15	
110102	Share of Value Added Tax (VAT)	1	1,259,260,367.66		916,527,631.29	
110103	Excess Crude Oil and Others	1	1,375,560,592.54		137,644,624.76	
	Sub-Total Statutory Revenue – A			3,819,726,405.75		2,467,464,673.20
	<u>Independent Revenue</u>					
120201	Licences General	2	3,462,019.91		360,000.00	
120204	Fees General	2	4,193,059.11		54,092,142.86	
120205	Fines General	2	2,835,909.08		2,050,816.57	
120206	Sales General	2	3,593,082.91		3,690,418.79	
120207	Earnings General	2	4,059,823.19		750,000.00	
120208	Rent on Government Buildings General	2	2,652,606.85		2,615,000.00	
120209	Rent on Land and Others General	2	-		-	
120210	Repayments General	2	-		-	
120211	Investment Income	2	-		-	
	Sub-Total Independent Revenue – B			20,796,501.05		63,558,378.22
	Total Inflow from Operating Activities C = A+B			3,840,522,906.80		2,531,023,051.42

	OUTFLOWS:					
210101	Salaries and Wages	3	556,255,206.20		482,112,251.71	
220201	Overhead Cost	4	385,531,203.97		169,332,578.97	
220701	SUBEB and other Transfers to Local Government Entities	5	2,243,240,764.71		1,823,410,243.55	
	Depreciation		-		-	
	Total Outflow from Operating Activities – D			3,185,027,174.88		2,474,855,074.23
	Net Cashflow from Operating Activities – E = C-D			655,495,731.92		56,167,977.19
	CASHFLOW FROM INVESTING ACTIVITIES:					
320101	Land and Building General	6	173,876,543.34		13,353,952.98	
320102	Infrastructure General	6	148,708,432.11		26,976,491.66	
320106	Furniture and Fittings General	6	81,049,213.01		10,904,296.75	
320301	Intangible Assets	6	107,654,321.09		28,745,175.42	
	Total Outflow from Investing Activities – F			511,288,509.55		79,979,916.81
	Net Cashflow from Investing Activities – G = E - F			144,207,222.37		- 23,811,939.62
	CASHFLOW FROM FINANCIAL ACTIVITIES:					
301801	Advances		- 6,000,200.00		- 39,423,100.00	
410101	Deposits		620,123,124.58		- 1,861,719.06	
410102	Other Accounts - Loan		-		-	
	Other Accounts - Investment		-		-	
420301	Proceeds from Borrowings		-		-	
	Payment/Charges on Borrowings		-		-	
	Net Cashflow from Financing Activities – H			- 626,123,324.58		- 37,561,380.94
	Net Cashflow from all Activities – I = G - H			770,330,546.95		13,749,441.32
	Cash and Cash Equivalent As At 1/1/2023			- 488,229,450.20		- 501,978,891.52
	Cash and Cash Equivalent As At 31/12/2023			282,101,096.75		- 488,229,450.20

NOTES TO THE ACCOUNTS

NOTE 1:				
SCHEDULE OF STATUTORY ALLOCATION TO ORHIONWON LOCAL GOVERNMENT COUNCIL, ABUDU FOR THE YEAR ENDED 31ST DECEMBER 2023				
	Federation Account	Value Added Tax	Others	Total
January	162,041,725.26	91,099,398.86	363,789,504.58	616,930,628.70
February	93,577,449.78	91,679,788.06	37,142,653.47	222,399,891.31
March	89,061,143.57	94,596,636.41	33,461,872.54	217,119,652.52
April	121,399,242.64	84,089,371.68	7,553,147.29	213,041,761.61
May	86,235,379.11	78,458,739.13	29,252,953.36	193,947,071.60
June	130,431,797.06	102,356,692.79	238,842,704.03	471,631,193.88
July	73,124,387.13	109,219,365.45	311,204,365.81	493,548,118.39
August	94,945,621.73	107,060,426.70	77,116,180.47	279,122,228.90
September	78,229,885.69	133,840,666.79	64,541,470.81	276,612,023.29
October	95,124,200.81	107,879,342.43	48,501,798.42	251,505,341.66
November	73,555,203.89	124,884,823.69	70,337,397.47	268,777,425.05
December	87,179,408.88	134,095,115.67	93,816,544.29	315,091,068.84
Total	1,184,905,445.55	1,259,260,367.66	1,375,560,592.54	3,819,726,405.75

NOTE 2:**SCHEDULE OF INDEPENDENT REVENUE OF ORHIONMWON LOCAL GOVERNMENT COUNCIL, ABUDU FOR THE YEAR ENDED 31ST DECEMBER, 2023**

Month	120201 Licences General	120204 Fees General	120205 Fines General	120206 Sales General	120207 Earnings General	120208 Rent On Govt. Buildings General	120209 Rent On Land & Others General	120210 Repayments General	120211 Investment Income	Total
January	288,500.00	452,200.11	251,190.08	322,900.00	366,900.00	-	-	-	-	1,681,690.19
February	289,400.00	123,450.00	234,600.00	299,760.00	351,200.00	533,800.85	-	-	-	1,832,210.85
March	276,500.00	190,300.00	212,000.00	276,200.91	328,450.00	502,006.00	-	-	-	1,785,456.91
April	291,850.00	187,650.00	195,800.00	254,400.00	315,600.00	480,000.00	-	-	-	1,725,300.00
May	273,100.91	346,600.00	183,900.00	240,100.00	391,800.00	-	-	-	-	1,435,500.91
June	279,000.00	176,500.00	165,450.00	220,750.00	287,960.00	-	-	-	-	1,129,660.00
July	295,300.00	234,550.00	156,700.00	202,300.00	286,100.19	-	-	-	-	1,174,950.19
August	281,000.00	198,200.00	142,300.00	291,000.00	254,200.00	-	-	-	-	1,166,700.00
September	281,900.00	456,700.00	232,400.00	280,600.00	372,500.00	-	-	-	-	1,624,100.00
October	289,000.00	312,200.00	123,450.00	507,600.00	393,133.00	-	-	-	-	1,625,383.00
November	299,600.00	560,900.00	598,000.00	332,560.00	341,680.00	550,800.00	-	-	-	2,683,540.00
December	316,869.00	953,809.00	340,119.00	364,912.00	370,300.00	586,000.00	-	-	-	2,932,009.00
Total	3,462,019.91	4,193,059.11	2,835,909.08	3,593,082.91	4,059,823.19	2,652,606.85	-	-	-	20,796,501.05

**NOTE 3: SCHEDULE OF SALARIES AND WAGES OF ORHIONMWON LOCAL GOVERNMENT, ABUDU FOR THE YEAR ENDED
31ST DECEMBER, 2023**

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
21010101	Office of the Chairman	141,189,787.92	80,400,105.27	57%
21010102	The Council (Legislative)	78,494,212.08	53,600,070.18	68%
21010103	Personnel Management	71,280,212.55	84,935,810.73	119%
21010104	Internal Audit	9,719,910.74	2,891,102.47	30%
21010105	Information	9,653,943.86	7,441,618.07	77%
21010106	Office of the Head of LGA	16,210,442.22	14,687,876.89	91%
21010107	Agriculture and National Resources	24,372,317.03	11,885,729.96	49%
21010108	Finance and Supply	45,105,266.97	29,245,308.11	65%
21010109	Budget, Planning & Statistics	8,957,896.58	4,046,318.77	45%
2101010	Revenue	7,800,112.66	3,820,671.48	49%
2101011	Works and Housing	44,380,528.81	39,106,646.67	88%
2101012	Procurement	5,811,687.59	3,991,903.56	69%
2101013	Legal Services	9,412,345.08	5,169,122.28	55%
2101014	Youth, Women & Social Development	40,245,315.35	37,498,156.97	93%
2101015	Primary Health Care	-	143,445,357.43	
2101016	Environment	40,574,920.37	26,621,509.01	66%
2101017	Water and Sanitary Hygiene	7,518,732.01	7,467,898.35	99%
	Total	560,727,631.82	556,255,206.20	99%

NOTE 4: SCHEDULE OF OVERHEAD COST OF ORHIONMWON LOCAL GOVERNMENT COUNCIL, ABUDU FOR THE YEAR ENDED 31ST DECEMBER, 2023

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
22020101	Office of the Chairman	91,750,683.00	72,127,933.97	79%
22020102	The Council (Legislative)	22,700,000.00	12,000,000.00	53%
22020103	Personnel Management (Admin)	27,450,000.00	47,936,482.18	175%
22020104	Internal Audit	3,500,000.00	3,800,000.00	109%
22020105	Information	4,400,000.00	3,126,000.00	71%
22020106	Office of the Head of LGA	14,100,000.00	16,500,000.00	117%
22020107	Agriculture and National Resources	4,700,000.00	14,346,500.00	305%
22020108	Finance and Supply	22,700,000.00	21,785,000.00	96%
22020109	Budget, Planning & Statistics	6,250,000.00	8,752,787.82	140%
22020110	Procurement	5,350,000.00	6,853,000.00	128%
22020111	Revenue	8,700,000.00	25,550,000.00	294%
22020112	Works & Housing	16,100,000.00	45,600,000.00	283%
22020113	Legal Services	3,390,000.00	2,600,000.00	77%
22020114	Social Development	26,100,000.00	22,347,500.00	86%
22020115	Primary Health Care	25,100,000.00	36,966,000.00	147%
22020116	Environment	22,100,000.00	22,540,000.00	102%
22020117	Water and Sanitary Hygiene	6,100,000.00	10,700,000.00	175%
22020118	Contribution to LG Service Commission	-	12,000,000.00	
	Total	310,490,683.00	385,531,203.97	124%

NOTE 5: SCHEDULE OF TRANSFERS TO SUBEB AND OTHER LOCAL GOVERNMENT ENTITIES IN ORHIONMWON LOCAL GOVERNMENT COUNCIL, ABUDU FOR THE YEAR ENDED 31ST DECEMBER, 2023

Month	Deductions for Mandatory Expenditure				Total
	Subvention to LGEA (SUBEB)	Total Salary for Teaching and LGEAs	5% Traditional Council	Other Transfers to Local Govt. Entities	
January	502,217.47	75,239,508.89	13,586,899.14	107,488,033.07	196,816,658.57
February	502,217.47	71,550,815.18	11,119,994.56	97,018,554.75	180,191,581.96
March	502,217.47	71,483,953.03	10,855,982.62	101,909,199.82	184,751,352.94
April	502,217.47	68,153,667.52	10,652,088.08	97,350,857.31	176,658,830.38
May	502,217.47	66,932,994.98	9,697,353.58	91,032,046.41	168,164,612.44
June	502,217.47	66,053,055.85	12,028,882.76	102,577,303.64	181,161,459.72
July	502,217.47	89,779,780.44	13,307,152.09	126,614,021.36	230,203,171.36
August	502,217.47	65,483,523.98	13,956,111.44	98,511,965.67	178,453,818.56
September	502,217.47	66,157,759.04	13,830,601.16	98,421,701.27	178,912,278.94
October	502,217.47	66,237,139.75	12,575,267.08	105,910,660.59	185,225,284.89
November	502,217.47	66,700,925.19	13,438,871.25	101,538,017.97	182,180,031.88
December	502,217.47	65,199,205.38	15,754,553.44	119,065,706.78	200,521,683.07
Total	6,026,609.64	838,972,329.23	150,803,757.20	1,247,438,068.64	2,243,240,764.71

**NOTE 6: SCHEDULE OF CAPITAL EXPENDITURE OF ORHIONMWON LOCAL GOVERNMENT, ABUDU FOR THE YEAR ENDED
31ST DECEMBER, 2023**

Month	Land & Building General 320101	Infrastructure General 320102	Furniture & Fittings 320106	Intangible Assets 320301	Monthly Total
January	17,387,664.33	12,559,036.01	-	3,200,000.00	33,146,700.34
February	20,593,059.11	8,759,829.13	-	4,600,000.00	33,952,888.24
March	-	9,118,575.21	-	11,990,513.01	21,109,088.22
April	14,935,029.93	9,477,321.21	-	11,696,200.00	36,108,551.14
May	18,419,823.19	9,836,067.37	14,700,155.97	3,200,000.00	46,156,046.53
June	19,839,102.91	10,194,813.45	-	4,500,000.00	34,533,916.36
July	16,057,551.92	10,553,559.53	-	14,104,000.00	40,715,111.45
August	17,193,059.12	10,912,305.61	15,454,999.29	10,000,000.00	53,560,364.02
September	-	11,271,051.61	16,209,842.60	13,650,000.00	41,130,894.21
October	15,735,909.08	11,629,797.77	-	13,400,000.00	40,765,706.85
November	19,352,392.99	11,987,454.85	15,832,421.45	10,700,000.00	57,872,269.29
December	14,362,950.76	32,408,620.36	18,851,793.70	6,613,608.08	72,236,972.90
Total	173,876,543.34	148,708,432.11	81,049,213.01	107,654,321.09	511,288,509.55

NOTE 7:	
CURRENT AND NON-CURRENT ASSETS AS AT 31ST DECEMBER, 2023	
Cash and Cash Equivalent	282,101,096.75
Inventories	-
Loans Granted	-
Investments	537,849.07
Property, Plant and Equipment	959,917,224.75
Advances	774,284,770.76
Total Assets	₪ 2,016,840,941.33

NOTE 8:	
CURRENT AND NON-CURRENT LIABILITIES AS AT 31ST DECEMBER, 2023	
Deposits	1,159,096,687.46
Loans/Debts	-
Payables	-
Long Term Borrowings	-
Total Liabilities	₪ 1,159,096,687.46

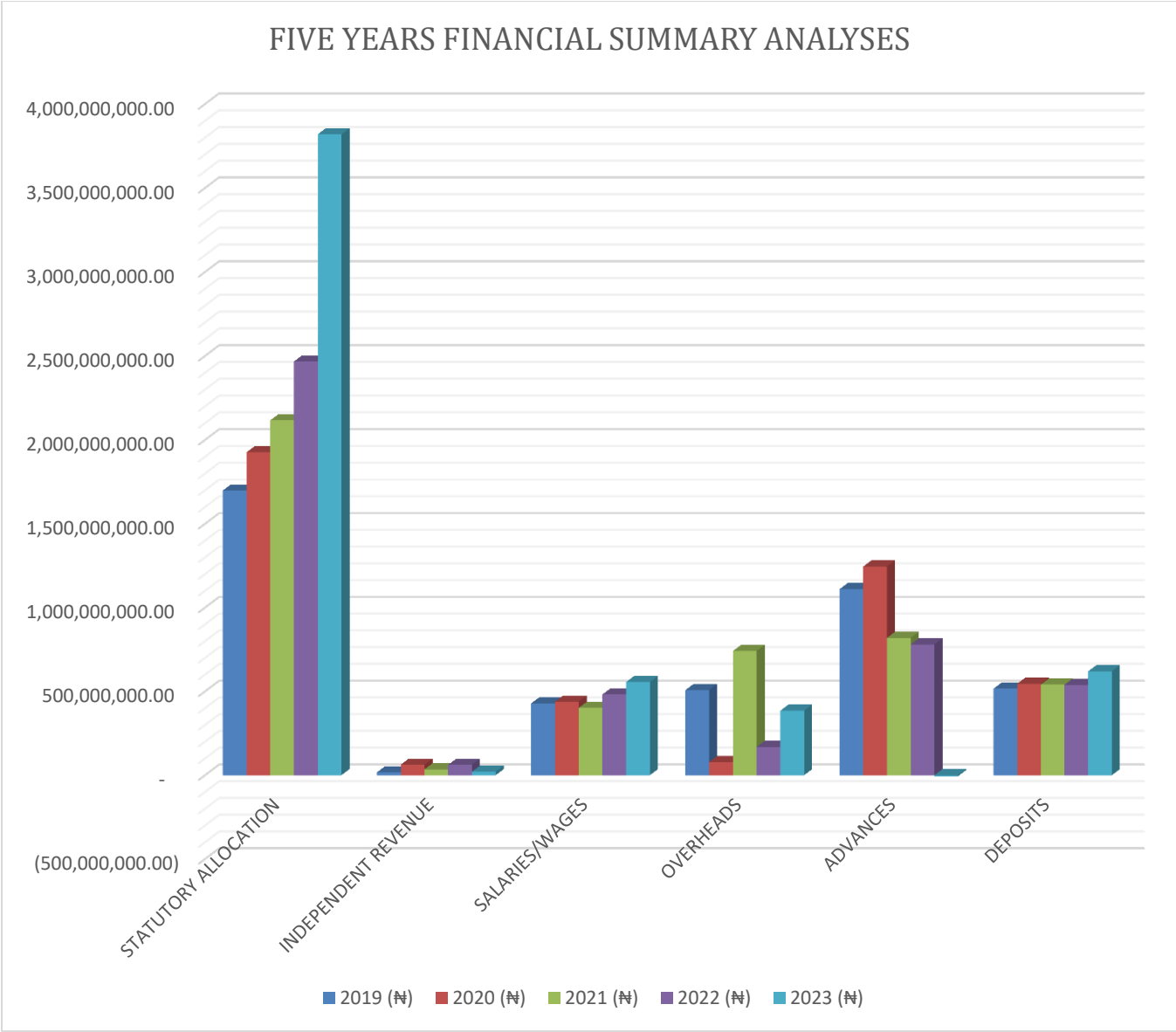
NOTE 9:	
CAPITAL RESERVES	
Reserves as at 1/1/2023	713,594,031.19
Accumulated Surpluses/Deficits for the Year	144,150,222.68
Net Assets/Equity as at 31/12/2023	₪ 857,744,253.87

NOTE 10:**DETAILS OF AUDIT QUERIES ISSUED TO ORHIONMWON LOCAL GOVERNMENT COUNCIL, ABUDU IN RESPECT OF 2023 ACCOUNTS**

S/No.	Query Number	P.V. No./Date	Reason	Amount (₦)	Remark
	<u>Outstanding:</u>				
1.	AQ/OLG/ABD/1/2021	198/Jun/2021	Irregular Expenditure	6,655,000.00	Unresolved
2.	AQ/OLG/ABD/2/2021	Various	Irregular Expenditure	16,550,000.00	Unresolved
3.	AQ/OLG/ABD/3/2021	177/June/2021	Irregular Expenditure	5,000,000.00	Unresolved
4.	AQ/OLG/ABD/1/2022	543/Feb/2022	Irregular Expenditure	2,000,000.00	Unresolved
5.	AQ/OLG/ABD/2/2022	39/Oct/2022	Irregular Expenditure	1,000,000.00	Unresolved
6.	AQ/OLG/ABD/3/2022	84/Dec/2022	Unreasonable Expenditure	6,000,000.00	Unresolved
	Sub-Total			37,205,000.00	
	<u>Current Year:</u>				
1.	AQ/OLG/ABD/1/2023	Various	Irregular Expenditure	4,200,000.00	Resolved
2.	AQ/OLG/ABD/2/2023	Various	Irregular Expenditure	38,200,000.00	Resolved
3.	AQ/OLG/ABD/3/2023	Various	Irregular Expenditure	21,200,000.00	Resolved
	Sub-Total			63,600,000.00	
	Grand Total			100,805,000.00	

ORHIONMWON LOCAL GOVERNMENT COUNCIL, ABUDU**FIVE YEARS FINANCIAL SUMMARY ANALYSES**

S/N		2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)	2023 (₦)	TOTAL (₦)
1	STATUTORY ALLOCATION	1,698,804,047.47	1,926,512,733.86	2,116,541,842.24	2,467,464,673.20	3,819,726,405.75	12,029,049,702.52
2	INDEPENDENT REVENUE	17,616,714.99	62,948,185.17	34,947,426.70	62,311,378.22	20,796,501.05	198,620,206.13
3	SALARIES/WAGES	429,180,498.13	438,745,400.00	401,519,223.15	482,112,251.71	556,255,206.20	2,307,812,579.19
4	OVERHEADS	508,441,921.49	78,754,331.00	741,215,659.82	169,332,578.97	385,531,203.97	1,883,275,695.25
5	ADVANCES	1,110,865,039.06	1,245,760,689.06	819,708,070.76	780,284,970.76	-6,000,200.00	3,950,618,569.64
6	DEPOSITS	516,243,029.90	545,743,621.43	540,835,281.94	538,973,562.88	620,123,124.58	2,761,918,620.73
	TOTAL	4,281,151,251.04	4,298,464,960.52	4,654,767,504.61	4,500,479,415.74	5,396,432,241.55	23,131,295,373.46





OVIA NORTH EAST LOCAL GOVERNMENT

OKADA,
EDO STATE OF NIGERIA.

Our Ref: ONELG/S/343/T²/158

Your Ref: _____

Date: December, 2023

STATEMENT OF FINANCIAL RESPONSIBILITY

RESPONSIBILITY FOR FINANCIAL STATEMENTS

These Financial Statements have been prepared by the Director of Finance and Accounts of Ovia North East Local Government Council, Okada, in accordance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS. The Financial Statements complied with generally accepted accounting practice.

The Director of Finance and Accounts is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly recorded the use of all public financial resources by the Local Government Council. To the best of my knowledge, this system of internal control has operated adequately throughout the reporting period.

MRS. AUDU AYI PRISCILLA FCA
Director of Finance and Accounts

31/12/23
Date

We accept responsibility for the integrity of these Financial Statements, the information they contain and their compliance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS.

In our opinion, these financial statements fairly reflect the financial position of Ovia North East Local Government Council, Okada, as at 31st December 2023 and its operations for the year ended on that date.

MR. RICHARD NOSAKHARE EDENAMIGHO
Head of Local Government Administration

31/12/2023
Date

HON. COLLINS OSAMEDE OGBEWE
Executive Chairman

31/12/2023
Date



OFFICE OF THE AUDITOR-GENERAL (LOCAL GOVERNMENTS)

19 BOUNDARY ROAD, G.R.A.

P.M.B. 1128

BENIN CITY

EDO STATE OF NIGERIA

**REPORT OF THE STATE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS
TO THE MEMBERS OF THE EDO STATE HOUSE OF ASSEMBLY**

The Financial Statements of Ovia North East Local Government Council, Okada for the year ended 31st December 2023 as contained in this report prepared under the International Public Sector Accounting Standards (IPSAS) Accrual accounting framework and on the basis of Accounting Policies detailed in the Financial Statements have been audited as required by the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended.

RESPONSIBILITY OF THE DIRECTOR OF FINANCE AND ACCOUNTS

The Director of Finance and Accounts to Ovia North East Local Government Council, Okada is responsible for the preparation and presentation of the Financial Statements in accordance with the Finance (Control and management) Act 1958 as amended. He is to ensure that there are no material misstatements in the Financial Statements.

AUDITOR-GENERAL'S RESPONSIBILITY

It is my statutory responsibility to form an independent opinion based on the audit of the Financial Statements and to report thereon.

BASIS OF OPINION

The audit was conducted in accordance with International Standards on Auditing (ISA) as applicable to the public sector, International Organization of Supreme Audit Institutions (INTOSAI), Auditing Standards, the provisions of the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended. The audit includes examination on a test basis of evidence relevant to the figures disclosed in the Financial Statements. It also includes an assessment of significant estimates and judgments made by the Council in the preparation of the Financial Statements and whether the accounting policies were appropriate in the Council's circumstances, consistently applied and adequately disclosed. The audit was planned and performed to obtain all information and explanations considered necessary to have reasonable assurance that the Financial Statements are free from material misstatements. I have not obtained all the information and explanations that I required.

OPINION

In my opinion, the Financial Statement of Ovia North East Local Government Council, Okada for the year ended 31st December 2023 show a true and fair view of the Council's state of financial position, performance and of the cashflow in accordance with all legal and regulatory frameworks, subject to the observations and comments contained in this report.

S.O. Johnson, FCA, ACTI, FIMC, FCCSA
(FRC/2022/PRO/ICAN004/188858)
Auditor-General (Local Governments)

Edo State,

28th June, 2024

REPORT OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, EDO STATE
GENERAL DISCLOSURES AND OBSERVATIONS ON THE ACCOUNTS OVIA
NORTH EAST LOCAL GOVERNMENT COUNCIL, OKADA FOR THE YEAR
ENDED DECEMBER 31, 2023

1. REVENUE

Ovia North East Local Government Council received N3,810,503,660.35 in income for the year that concluded on December 31, 2023. Out of this total, N143,757,737.00 represented independent revenue, while N3,666,745,923.35 was obtained as statutory allocations from the federation account. For more information, see Notes 1 and 2.

SUMMARY

Throughout the time under review, the Local Government Council remained mostly dependent on funding from the Federation Account. To lessen an excessive reliance on statutory allocations, the Local Government Council is urged to examine its own internal operations and devise strategies to increase money produced internally.

2. SLGJAAC ALLOCATIONS TO LOCAL GOVERNMENT COUNCILS ARE COMPLETE

Ovia North East Local Government Council, Okada received in full the sum of N3,666,745,923.35 that accrued from the federation account to Ovia North East Local Government Councils, Okada as statutory allocations during the period under review. This information was obtained from source documents from the Edo State Ministry of Local Government Affairs and was included in the Council's Financial Statements for the year that ended on December 31, 2023. For more information, see Note 1.

3. EXPENDITURE

Ovia North East Local Government Council, Okada spent N420,593,957.36 on salaries and wages during the review period. Additionally, N136,793,386.00 was spent on overhead, and N1,655,624,296.81 was sent to SUBEB and other local government entities. The total amount spent on capital for the year was N742,430,360.08.

4. CASH AND CASH EQUIVALENT

As of December 31, 2023, Ovia North East Local Government Council, Okada has N252,019,236.86 in cash and financial equivalents. The Local Government Council created bank reconciliation statements for the time period under examination. But

not enough information was provided for us to determine the cash book bank balance for reconciliation.

SUMMARY

To ensure correct reconciliation at the end of the year, the Local Government Council is urged to always complete monthly bank reconciliation statements in accordance with Financial Memoranda 19:23-30. However, it is praiseworthy that an attempt was made to create Bank Reconciliation Statements.

5. LIABILITIES:

(A) DEPOSITS

A total of N77,612,515.09 was pending in the Deposit Accounts of the Ovia North East Local Government Council, Okada, as of December 31, 2023. Pay As You Earn (PAYE), union dues (NULGE), car refurbishing loans deducted for loans obtained from other councils, retention fees, value-added tax (VAT), withholding tax (WT), and other deductions from staff salaries are all represented by the Deposit Accounts.

SUMMARY

After the deposits have been thoroughly examined, the Council is responsible for making sure the beneficiaries receive their money back. Any deposit whose owner cannot be located or has not made any use of it for more than five years after the repayment deadline should be adjusted to revenue in line with F.M. 24.25(5).

(B) SHORT TERM LOANS

The Local Government Council owed several banks a total of N99,940,000.00 in combined short-term loans and bank overdrafts.

6. FINANCIAL PERFORMANCE

The following provides an overview of Ovia North East Local Government Council, Okada's budget performance for the year that concluded on December 31, 2023:

Description	Approved Estimate 2023 (₦)	Actual Revenue/Expenditure 2023 (₦)	Percentage Performance
<u>REVENUE</u>			
Statutory Allocation	3,978,425,172.75	3,666,745,923.35	92%
Independent Revenue	208,500,000.00	143,757,737.00	69%

EXPENDITURE			
Salary and Wages	733,582,975.65	376,275,863.27	51%
Overhead Cost	550,720,000.00	206,062,130.00	37%
Transferred to SUBEB and other Local Government Entities	1,576,499,999.99	2,079,629,217.83	132%
Capital Expenditure	1,348,387,096.92	1,015,459,359.20	75%

Observation

The aforementioned data indicates that capital projects actually performed well in 2023.

SUMMARY

- i) In order to enable the Office of the Auditor-General to monitor and audit capital project performance in accordance with F.M. 1.4(12)(g) and F.M. 39.1(8) and ensure that the Council obtained value for the expenditure, the Local Government Council should always forward contract agreements and other pertinent documents to the office.
- ii) In order to prevent unnecessary budgetary spending, the Local Government Council is also recommended to consistently allocate sufficient funds for transfers to SUBEB and other Local Government Entities.

7. APPROVAL

Sections 92, 93, and 94 of the Edo State Local Government Law 2000, as amended, lawfully authorise all of the expenditures reflected in the Statements of Actual Expenditure for the year ended December 31, 2023.

8. ASSET REVALUATION

The IPSAS-compliant asset appraisal has not yet been completed by Ovia North East Local Government Council, Okada (Accruals).

SUMMARY

In order to correctly portray the assets in the Statement of Financial Position, the Local Government Council should immediately hire pertinent specialists and have their assets revalued in accordance with IPSAS.

9. BUDGETARY PLANNING

The Office of the Auditor-General (Local Governments) should receive copies of the approved budget so that it can track financial performance. Ovia North East Local Government Council, Okada is responsible for making sure that the annual budget is prepared on time and in compliance with the National Chart of Accounts, as advised by International Public Sector Accounting Standards (IPSAS).

11. AUDIT QUERIES

The audit inspection reports on the 2023 accounts for Ovia North East Local Government Council, Okada, which included audit issues regarding detected anomalies of N90,000,000.00, have already been addressed. Note 10 of this report includes specifics on the audit enquiries pertaining to the 2023 accounts.

12. DISALLOWANCE

Allowance has been set aside for the expenses listed in Note 10 of this report and in paragraph 12 above, pending acceptable responses to the questions posed therein.

13. OVERALL ACCOUNT STATUS AND RECORD KEEPING

The following highlights the way that accounting books and records are rendered in local government councils:

a) Annual Financial Statement Rendition

In accordance with current requirements, the Local Government Council submitted the 2022 Financial Statements on time. It is praiseworthy that the yearly financial statements were produced on schedule.

b) Maintaining Records

i) Subordinate Ledgers and Books

Subsidiary books were occasionally either not updated or maintained. The appropriate maintenance of subsidiary books of accounts is a responsibility of the Local Government Council. Registers for investments, loans/overdraft, and fixed/mobile assets have to be kept up to date.

ii) Cheque Books

At the conclusion of each month, cash books were not properly balanced, and in certain instances, balances were recorded in pencil rather than ink. Cash books need to be updated on a regular basis from now on.

c) Financial Statements and Underlying Records Reconciliation

i) Several entries in the Departmental Vote Revenue Account (DVRA) and Departmental Vote Expenditure Account (DVEA) Books were missing. As a result, precisely categorising expenses and income into Heads and Sub-Heads became challenging.

ii) During the time under examination, the ledgers for advances and deposits were also not updated. The outstanding balances in the ledgers are inaccurate since certain entries were not submitted to them. As a result, depending solely on the ledgers makes it impossible to precisely ascertain outstanding advances and deposits.

It is recommended that Local Government Council Treasurers oversee the treasury department's employees and make sure that accounting records are updated and reconciled to remove inaccuracies and omissions.

iii) Reconciliation in Bank

In accordance with Financial Memoranda 19.23-24, Ovia North East Local Government Council, Okada created bank reconciliation statements. It's a great effort, and one that ought to continue.

c) Implementing IPSAS

The International Public Sector Accounting Standards have not yet been completely adopted by the Local Government Council (IPSAS). Revaluing the Local Government Council's assets and liabilities and reflecting them in the books of accounts in accordance with IPSAS is urgently required.

Accounting Policies (IPSAS Accrual)

1. Basis for Measurement:

The preparation of these *General-Purpose Financial States (GPFS)* complies with the historical cost convention, IPSAS, and other applicable requirements as specified by pertinent legislation.

2. The foundation of accounting:

These *GPFS* were created using the accrual method of accounting.

3. Time of Accounting:

According to National Treasury Circular Ref. OAGF/CAD/026/Vol.1/102 on December 30, 2013, the accounting year (fiscal year) runs from January 1 to December 31. The accounting system was designed to divide each accounting year into twelve calendar months, or periods.

4. Currency Reporting:

The *GPFS* was developed using Naira (Nigeria's currency).

5. Comparative Data:

The *General Purpose Financial Statements* included all the numerical data for the prior time frame.

6. Financial Data:

These numbers come from the approved budget, which was created on a cash basis in compliance with the Local Government Councils' Appropriation Bye-Law.

7. Income from Taxes, Fees, and Fines:

When fees, taxes, and other non-exchange transaction revenue are collected and meet the requirements for asset recognition, they are recorded as revenue. When it is likely that the company will get future economic benefits or service possibilities from the asset and it is reasonably possible to determine the asset's fair value, other non-exchange revenues are recognised.

Additional Operating Profits:

Exchange transactions that take place in the regular course of the entity's operations provide additional operational revenues. The fair value of the payment received or receivable for the sale of goods and services is included in revenues.

Sales of Products:

When the major risks and benefits of ownership have been passed to the buyer, generally with delivery of the products, revenue from the sale of those things is recognised.

Additional Income/Revenue:

Fees, fines, debt forgiveness, commissions, earnings from the sale of assets, and other sources make up other revenue. Any gain or disposal is recorded on the day the asset is turned over to the buyer and is calculated by reducing the asset's carrying value from the proceeds on that date.

8. Changes from Other Governmental Organisations:

When an asset (cash, goods, services, or properties) is received condition-free and there is a reasonable probability that the asset's potential for economic benefit or service will be reliably measured, revenues from non-exchange transactions with other government entities are recognised at fair value.

9. Costs:

All costs are recorded on an accrual basis, which means that regardless of when the money is received, costs are recorded at the time they are incurred or when the associated services are used.

10. Loan Interest:

In the financial performance report (Statement of Financial Performance), interest on loans is accounted for either an expense or a charge. To calculate interest expenditure for each period, interest is accumulated by applying the effective interest rate method to the principle amount owed.

11. Cash Flow Statement:

The direct technique was used to create this statement, which followed the GPFS format. There are three (3) parts in the cash flow statement:

Operating Activities:

These track the cash payments made for the provision of goods and services as well as the cash received by Local Government Councils from all sources of income.

Investing activities are those that have to do with buying and selling non-current assets.

Financial Activities: These include adjustments to the PSE's debt and equity capital structure.

12. Currency and Its Equivalent:

The term "cash and cash equivalent" refers to the amount of cash that is on hand, held in bank accounts, demand deposits, and other highly liquid investments with an initial maturity of three months or less. These investments are made by the entity as part of its daily cash management process, and they are easily convertible into known amounts of cash with little to no risk of value fluctuations. Cash and Cash Equivalent are included in the Statement of Financial Position under Current Assets.

13. Accounts Receivable: Exchange Transaction Receivables

Exchange transaction receivables are first recorded at fair value and then, using the effective interest method, evaluated at amortised cost, minus allowance for impairment. When there is, a receivables impairment provision is created.

Receivables from Transactions Without Exchange:

Receivables from non-exchange transactions include social benefit receivables that don't stem from contracts, as well as fees, taxes, fines, and other penalties related to these activities. These receivables are first valued at face value, or nominal amount; that is, the amount of tax due, levy, fine, etc., is reflected in the receivable. These accounts receivable are first evaluated at face value or nominal amount, meaning that the receivable represents the total amount of taxes due, levies, fines, etc. Following their charging, these receivables are modified for penalties or may be written off due to impairment. The statement of financial performance presents interest and penalties on tax receivables as tax revenue..

14. Advance payments:

Amounts paid in advance of receiving goods or services are referred to as prepaid costs. They signify payments made in one year for benefits to be obtained in other years, or payments made early in the year for benefits to be received throughout the course of the year.

15. Inventory:

- (a): The net realisable value of an inventory is subtracted from its cost.
- (b) The FIFO approach is used to calculate costs.
- (c) Where appropriate, inventories retained for distribution for the benefit of the

public are documented at cost less any prospective loss of services.

(d) In the Financial Position Statement, inventories are included under Current Assets.

16. Awarded Loans:

The approved loans are displayed at their estimated realisable value, which takes into account impairments and bad or dubious debts.

17. Plant, machinery, and equipment:

(a) The historical cost of all PPE is reported, less cumulative depreciation and any impairment losses. Costs directly related to the acquisition of the assets are included in the historical cost.

(b) When an asset is purchased through a non-exchange transaction for nominal or no consideration, it is first recorded in the statement of financial performance at fair value, which is a value that can be consistently ascertained and expressed as income during the PPE's useful life.

(c) The subsequent items are considered PPE expenses:

i) The price paid for the acquisition of these assets as well as any additional pertinent costs associated with restoring the asset to operational condition.

ii) Building expenses, which include labour, supplies, and overhead.

iii) Modifications to current PPE that greatly extend its usable life.

Price:

A piece of PPE's total cost includes the purchase price, import fees, one-time expenses, and any expenditures directly related to relocating and restoring the asset to its original location and state of functionality. The purchase price is calculated after subtracting trade discounts and rebates. PPE are reported at cost or at their expert appraisal less cumulative impairment and depreciation.

Devaluation:

PPE is depreciated according to a straight line method throughout the course of their anticipated useful lifetimes, less any projected residual value, using relevant rates, starting on the date of availability for use.

No.	Item of PPE	Depreciation Rate
A	Leased Property	Over the term of the lease
B	Buildings	2%
C	Investment property	2%
D	Infrastructure	5%
E	Plant and Machinery	10%
F	Transportation Equipment (except K)	20%
G	Office Equipment	25%
H	Furniture and Fittings	20%
I	Specialized Assets (e.g., books, military and paramilitary assets)	10%
J	Bearer Plant	4%
K	Aircraft, ship and train	5%
L	Specific cultural and heritage assets	Unlimited

Assessment:

At the conclusion of each reporting period, the residual values and usable lifetimes of the assets are examined and, if necessary, changed. Revaluation surplus is moved to the revaluation reserve under reserves in the financial situation. If there is a revaluation deficit, it is recorded as an expense in the statement of financial performance or, if there is a surplus on the same class of assets, against the value of the related assets and the corresponding entry to the revaluation reserve.

Disposal Gain or loss resulting from getting rid of a piece of PPE is shown as a surplus or deficit.

Deficit:

When there are signs that a piece of personal protective equipment (PPE) may have been compromised, an impairment test is carried out.

18. Real Estate Investment

These are properties that provide income for a PSE. At first, an investment property is valued at its cost. Investment property is then measured at fair value at the end of the term, and any gain or loss at fair value is recorded as a surplus or deficit.

Income from Investments:

Investment income is defined as the excess or shortfall of rental revenue received or gained from an investment property.

Disposal:

The surplus or deficit represents the gain or loss from the sale of investment property.

19. Non-tangible Resources

These are non-tangible assets that have been created domestically or purchased, and they are stored for usage in order to produce advantages that extend beyond a fiscal year. An intangible asset's total cost includes the acquisition price, non-recurring charges, and any expenses directly related to restoring the asset to its intended condition of use.

20. Deposits:

Resources kept in custody on behalf of third parties make up deposits. Additionally, deposits signify upfront payments for future products and services.

21. Debts and Loans:

Loans are sums of money that are borrowed with an agreed-upon repayment schedule. They are classified as either short-term or long-term loans and are shown as liabilities in the Statement of Financial Position.

22. Unremitted Withheld Taxes:

Money due to third parties, including tax authorities, unions, cooperatives, schemes and organisations, other government agencies, etc., is known as an unremitted deduction. Tax and other at-source deductions are examples of unremitted deductions. The sums are considered as Current Liabilities in the Statement of Financial Position and are reflected in the GPFS at their payback value.

23. Accrued Expenses - Payables

These are sums of money owed to outside parties for products and services obtained.

24. Public Money

These represent the government's financial balances at the conclusion of the fiscal year. The Statement of Financial Position categorises them as Non-Current Liabilities.

25. Reserves:

Reserves such as Surpluses/(Deficits) Reserve, Translation Reserve, Revaluation

Reserve, Fair Value Reserve, and other Reserves are categorised under equity in the Statement of Financial Position.

26. Debts

Initial recognition of borrowings is done at fair value, net of incurred transaction expenses. Following amortisation, borrowings are reported at cost; any discrepancy between proceeds (net of transaction expenses) and redemption value is recognised using the effective interest method in the consolidated statement of financial performance for the duration of the borrowings. The fees incurred for setting up lending facilities are recorded as loan transaction charges. The cost of the charge is capitalised and spread out over the life of the related facility.

27. Assignments to Other Governmental Organisations:

Transfers to other governmental bodies are included as costs in the statement of financial performance as they are non-exchange items.

28. Advances:

According to Edo State Financial Memoranda 16.16, any loans given to Local Government Council employees to carry out projects or make purchases of goods or services on their behalf must be retired by the end of the fiscal year. However, in situations where an advance is made towards the end of the fiscal year or where an advance that has already been made cannot be retired within the fiscal year, the advance and any outstanding amount are included in the Statement of Financial Position.

OVIA NORTH EAST LOCAL GOVERNMENT COUNCIL, OKADA
STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2023

Previous Year Actual 2022 (N)	Description	NCOA Code	Note	Annual Budget (N)	Actual Revenue/ Expenditure (N)	Percentage of Budget Performance
614,117,461.01	Net Assets/Equity As At 1/1/2023 – A			14,608,790.45	105,467,533.72	
	REVENUE					
	<u>Statutory Allocation:</u>					
1,347,760,369.70	Share of Federation Account	110101	1	2,230,702,636.33	1,137,242,620.48	51%
866,875,597.03	Share of Value Added Tax (VAT)	110102	1	947,722,536.42	1,186,254,886.97	125%
130,733,930.86	Excess Crude Oil and Others	110103	1	800,000,000.00	1,343,248,415.90	168%
2,345,369,897.59	Sub-Total Statutory Allocation – B			3,978,425,172.75	3,666,745,923.35	92%
	<u>Independent Revenue:</u>					
530,000.00	Licences General	120201	2	34,500,000.00	280,000.00	1%
98,744,495.37	Fees General	120204	2	140,000,000.00	140,530,737.00	100%
-	Fines General	120205	2	2,500,000.00	-	
-	Sales General	120206	2	5,000,000.00	-	
2,147,700.00	Earnings General	120207	2	26,000,000.00	2,947,000.00	11%
-	Rent on Government Building General	120208	2	500,000.00	-	
-	Rent on Land and Others General	120211	2	-	-	
-	Repayment General	120213	2	-	-	
-	Investment Income	120214	2	-	-	
101,422,195.37	Sub-Total Independent Revenue – C			208,500,000.00	143,757,737.00	69%

3,060,909,553.97	Total Receipts (A+B+C)			4,201,533,963.20	3,915,971,194.07	93%
	EXPENDITURE					
	<u>Recurrent Expenditure:</u>					
420,593,957.36	Salaries and Wages	210101	3	733,582,975.65	376,275,863.27	51%
136,793,386.00	Overhead Cost	220201	4	550,720,000.00	206,062,130.00	37%
1,655,624,296.81	SUBEB and other Transfers to Local Govt. Entities	220701	5	1,576,499,999.99	2,079,629,217.83	132%
-	Depreciation			-	-	
2,213,011,640.17	Sub-Total Recurrent Expenditure: E			2,860,802,975.64	2,661,967,211.10	93%
	<u>Capital Expenditure:</u>					
218,707,910.00	Land and Building General	320101	6	264,258,063.53	299,137,812.88	113%
94,365,200.00	Infrastructure General	320102	6	867,209,678.09	129,068,032.06	15%
8,857,250.00	Furniture and Fittings General	320106	6	5,903,225.82	82,114,506.48	1391%
420,500,000.08	Intangible Assets	320301	6	211,016,129.48	505,139,007.78	239%
742,430,360.08	Sub-Total Capital Expenditure: F			1,348,387,096.92	1,015,459,359.20	75%
2,955,442,000.25	Total Expenditure: G = E + F			4,209,190,072.56	3,677,426,570.30	87%
105,467,533.72	Net Assets/Equity As At 31/12/2023				238,544,623.77	
3,060,909,533.97					3,915,971,194.07	

OVIA NORTH LOCAL GOVERNMENT COUNCIL, OKADA						
STATEMENT OF FINANCIAL POSITION AS AT 31 ST DECEMBER, 2023						
Description	NCOA Code	Note	2023 (₦)	2023 (₦)	2022 (₦)	2022 (₦)
ASSETS						
<u>Current Assets:</u>						
Cash and Cash Equivalent	310101	7	252,019,236.86		102,982,501.81	
Inventories	310501	7	-		-	
Receivables	310601	7	-		-	
Prepayments	310801	7	-		-	
Total Current Assets: A				252,019,236.86		102,982,501.81
<u>Non-Current Assets:</u>						
Loan Granted (Local Govt. Loan Fund)	311001	7	37,567.00		37,567.00	
Investments	310901	7	-		-	
Property, Plant and Equipment (PPE)	320101	7	164,040,335.00		180,000,000.00	
Investment Properties	320201	7	-		-	
Intangible Assets (Advances)	320301	7			-	
Total Non-Current Assets: B				164,077,902.00		180,037,567.00
Total Assets: C = A+B				416,097,138.86		283,020,068.81
LIABILITIES						
<u>Current Liabilities:</u>						
Deposits	410101	8	77,612,515.09		77,612,515.09	
Short Term Loans and Debts	410201	8	99,940,000.00		99,940,000.00	
Payables (Accrued Expenses)	410401	8	-		-	
Total Current Liabilities: D				177,552,515.09		177,552,515.09
<u>Non-Current Liabilities:</u>						
Long Term Borrowing	4601/4602	8	-		-	
Total Non-Current Liabilities: E				-		-
Total Liabilities: F = D+E				177,552,515.09		177,552,515.09
Net Assets: G = C-F				238,544,623.77		105,467,553.72
NET ASSETS/EQUITY						
Reserves: H	4701	9	105,467,553.72		614,117,461.01	
Accumulated Surpluses/(Deficits): I	4702	9	133,077,070.05		- 508,649,907.29	
Total Net Assets/Equity: G = H+I				238,544,623.77		105,467,553.72

OVIA NORTH EAST LOCAL GOVERNMENT COUNCIL, OKADA
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2023

NCOA Code	Details	Note	2023 (₦)	2023 (₦)	2022 (₦)	2022 (₦)
	CASH FLOW FROM OPERATING ACTIVITIES:					
	<u>INFLOWS:</u>					
	<u>Statutory Allocations</u>					
110101	Share of Federation Account	1	1,137,242,620.48		1,347,760,369.70	
110102	Share of Value Added Tax (VAT)	1	1,186,254,886.97		866,875,597.03	
110103	Excess Crude Oil and Others	1	1,343,248,415.90		130,733,930.86	
	Sub-Total Statutory Revenue – A			3,666,745,923.35		2,345,369,897.59
	<u>Independent Revenue</u>					
120201	Licences General	2	280,000.00		530,000.00	
120204	Fees General	2	140,530,737.00		98,744,495.37	
120205	Fines General	2	-		-	
120206	Sales General	2	-		-	
120207	Earnings General	2	2,947,000.00		2,147,700.00	
120208	Rent on Government Buildings General	2	-		-	
120209	Rent on Land and Others General	2	-		-	
120210	Repayments General	2	-		-	
120211	Investment Income	2	-		-	
	Sub-Total Independent Revenue – B			143,757,737.00		101,422,195.37
	Total Inflow from Operating Activities C = A+B			3,810,503,660.35		2,446,792,092.96

	OUTFLOWS:					
210101	Salaries and Wages	3	376,275,863.27		420,593,957.36	
220201	Overhead Cost	4	206,062,130.00		136,793,386.00	
220701	SUBEB and other Transfers to Local Government Entities	5	2,079,629,217.83		1,655,624,296.81	
	Depreciation		-		-	
	Total Outflow from Operating Activities – D			2,661,967,211.10		2,213,011,640.17
	Net Cashflow from Operating Activities – E = C-D			1,148,536,449.25		233,780,452.79
	CASHFLOW FROM INVESTING ACTIVITIES:					
320101	Land and Building General	6	299,137,812.88		218,707,910.00	
320102	Infrastructure General	6	129,068,032.06		94,365,200.00	
320106	Furniture and Fittings General	6	82,114,506.48		8,857,250.00	
320301	Intangible Assets	6	505,139,007.78		420,500,000.08	
	Total Outflow from Investing Activities – F			1,015,459,359.20		742,430,360.08
	Net Cashflow from Investing Activities – G = E - F			133,077,090.05		- 508,649,907.29
	CASHFLOW FROM FINANCIAL ACTIVITIES:					
301801	Advances		- 15,959,645.00		- 523,271,450.38	
410101	Deposits		-		-	
410102	Other Accounts – Loan		-		-	
	Other Accounts – Investment		-		-	
420301	Proceeds from Borrowings		-		-	
	Payment/Charges on Borrowings		-		-	
	Net Cashflow from Financing Activities – H			- 15,959,645.00		- 523,271,450.38
	Net Cashflow from all Activities – I = G - H			149,036,735.05		14,621,543.09
	Cash and Cash Equivalent As At 1/1/2023			102,982,501.81		88,360,958.72
	Cash and Cash Equivalent As At 31/12/2023			252,019,236.86		102,982,501.81

NOTES TO THE ACCOUNTS

NOTE 1:

SCHEDULE OF STATUTORY ALLOCATION TO OVIA NORTH EAST LOCAL GOVERNMENT COUNCIL, OKADA FOR THE YEAR ENDED 31ST DECEMBER 2023

Month	Federation Account	Value Added Tax	Others	Total
January	154,535,176.61	86,047,760.84	362,996,012.39	603,578,949.84
February	89,242,494.21	86,638,288.94	35,456,974.04	211,337,757.19
March	84,935,404.93	89,740,866.73	31,939,821.48	206,616,093.14
April	115,775,448.40	79,700,034.41	7,239,409.15	202,714,891.96
May	82,240,543.41	74,067,904.16	27,941,027.72	184,249,475.29
June	124,389,571.65	96,908,107.83	235,314,144.24	456,611,823.72
July	69,736,915.37	103,302,656.61	296,816,652.90	469,856,224.88
August	90,547,285.88	101,171,388.89	73,576,081.29	265,294,756.06
September	74,233,025.76	126,869,005.98	61,593,582.29	262,695,614.03
October	90,717,592.32	101,758,192.67	46,286,250.15	238,762,035.14
November	70,147,774.62	117,880,567.23	67,116,025.58	255,144,367.43
December	90,741,387.32	122,170,112.68	96,972,434.67	309,883,934.67
Total	1,137,242,620.48	1,186,254,886.97	1,343,248,415.90	3,666,745,923.35

NOTE 2:										
SCHEDULE OF INDEPENDENT REVENUE OF OVIA NORTH EAST LOCAL GOVERNMENT COUNCIL, OKADA FOR THE YEAR 2023										
Month	120201 Licences General	120204 Fees General	120205 Fines General	120206 Sales General	120207 Earnings General	120208 Rent On Govt. Buildings General	120209 Rent On Land & Others General	120210 Repayments General	120211 Investment Income	Monthly Total
January	19,168.00	12,530,737.00	-	-	587,000.00	-	-	-	-	13,136,905.00
February	32,141.00	8,219,876.00	-	-	453,000.00	-	-	-	-	8,705,017.00
March	15,678.00	11,943,210.00	-	-	-	-	-	-	-	11,958,888.00
April	25,849.00	12,998,753.00	-	-	-	-	-	-	-	13,024,602.00
May	19,652.00	7,374,108.00	-	-	566,000.00	-	-	-	-	7,959,760.00
June	21,943.00	8,110,898.00	-	-	-	-	-	-	-	8,132,841.00
July	30,798.00	9,876,543.00	-	-	-	-	-	-	-	9,907,341.00
August	20,436.00	10,109,824.00	-	-	-	-	-	-	-	10,130,260.00
September	20,086.00	18,654,321.00	-	-	-	-	-	-	-	18,674,407.00
October	18,112.00	14,382,156.00	-	-	-	-	-	-	-	14,400,268.00
November	21,683.00	10,546,890.00	-	-	603,000.00	-	-	-	-	11,171,573.00
December	34,454.00	15,783,421.00	-	-	738,000.00	-	-	-	-	16,555,875.00
Total	280,000.00	140,530,737.00	-	-	2,947,000.00	-	-	-	-	143,757,737.00

NOTE: 3 SCHEDULE OF SALARIES AND WAGES OF OVIA NORTH EAST LOCAL GOVERNMENT, OKADA FOR THE YEAR ENDED 31ST DECEMBER, 2023

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
21010101	Office of the Chairman	60,159,507.12	40,462,119.64	67%
21010102	The Council (Legislative)	42,951,851.28	6,894,060.37	16%
21010103	Personnel Management	113,580,244.03	66,321,976.41	58%
21010104	Internal Audit	4,003,370.51	1,426,558.92	36%
21010105	Information	3,996,083.03	2,969,225.61	74%
21010106	Office of the Head of LGA	3,909,385.04	2,101,452.47	54%
21010107	Agriculture and National Resources	7,301,592.12	4,012,367.52	55%
21010108	Finance and Supply	28,261,066.70	20,612,673.72	73%
21010109	Budget, Planning & Statistics	8,244,676.09	3,721,782.37	45%
21010110	Revenue	57,867,042.14	40,471,287.96	70%
21010111	Works and Housing	52,858,042.14	30,871,239.66	58%
21010112	Procurement	4,195,055.80	2,134,568.78	51%
21010113	Legal Services	2,697,442.08	1,543,815.97	57%
21010114	Youth, Women & Social Development	22,262,484.22	15,674,991.76	70%
21010115	Primary Health Care	720,000,000.00	111,756,612.16	16%
21010116	Environment	35,768,470.34	17,025,438.76	48%
21010117	Water and Sanitary Hygiene	12,195,336.36	8,275,691.19	68%
	Total	1,180,251,649.00	376,275,863.27	32%

NOTE: 4 SCHEDULE OF OVERHEAD COST OF OVIA NORTH EAST LOCAL GOVERNMENT COUNCIL, OKADA FOR THE YEAR 2023

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
22020101	Office of the Chairman	46,100,000.00	17,502,500.00	38%
22020102	The Council (Legislative)	10,000,000.00	1,760,000.00	18%
22020103	Personnel Management (Admin)	171,500,000.00	116,545,953.00	68%
22020104	Internal Audit	11,250,000.00	2,135,000.00	19%
22020105	Information	7,560,000.00	1,042,500.00	14%
22020106	Office of the Head of LGA	27,660,000.00	6,822,500.00	25%
22020107	Agriculture and National Resources	11,500,000.00	850,000.00	7%
22020108	Finance and Supply	34,000,000.00	5,953,000.00	18%
22020109	Budget, Planning & Statistics	28,100,000.00	4,258,000.00	15%
22020110	Procurement	9,700,000.00	2,499,000.00	26%
22020111	Revenue	35,000,000.00	8,485,800.00	24%
22020112	Works & Housing	38,000,000.00	2,780,877.00	7%
22020113	Legal Services	9,200,000.00	1,350,000.00	15%
22020114	Social Development	34,650,000.00	11,117,000.00	32%
22020115	Primary Health Care	25,500,000.00	190,000.00	1%
22020116	Environment	21,000,000.00	7,570,000.00	36%
22020117	Water and Sanitary Hygiene	15,000,000.00	3,200,000.00	21%
22020118	Contribution to LG Service Commission	15,000,000.00	12,000,000.00	80%
	Total	550,720,000.00	206,062,130.00	37%

**NOTE 5: SCHEDULE OF TRANSFERS TO SUBEB AND OTHER LOCAL GOVERNMENT ENTITIES IN OVIA NORTH
EAST LOCAL GOVERNMENT, OKADA**

Month	Deductions for Mandatory Expenditure				Total
	Subvention to LGEA (SUBEB)	Total Salary for Teaching and LGEAs	5% Traditional Council	Other Transfers to Local Govt. Entities	
January	361,576.89	71,542,661.84	12,919,315.20	97,788,336.79	182,611,890.72
February	361,576.89	67,991,889.37	10,566,887.85	87,864,544.08	166,784,898.19
March	361,576.89	68,025,786.36	10,330,804.65	92,156,289.98	170,874,457.88
April	361,576.89	64,850,023.98	10,135,744.59	89,881,186.78	165,228,532.24
May	361,576.89	63,586,261.46	9,212,473.76	82,623,858.39	155,784,170.50
June	361,576.89	62,810,750.69	11,438,428.49	93,021,594.14	167,632,350.21
July	361,576.89	85,312,827.72	12,649,282.02	115,963,088.84	214,286,775.47
August	361,576.89	62,239,527.06	13,264,737.80	90,394,434.11	166,260,275.86
September	361,576.89	62,829,348.22	13,134,780.70	90,460,100.75	166,785,806.56
October	361,576.89	62,881,027.43	11,938,101.75	95,565,373.79	170,746,079.86
November	361,576.89	63,317,688.84	12,757,218.37	91,476,310.45	167,912,794.55
December	361,576.89	61,965,929.72	14,973,273.76	107,420,405.42	184,721,185.79
Total	4,338,922.68	797,353,722.69	143,321,048.94	1,134,615,523.52	2,079,629,217.83

**NOTE 6: SCHEDULE OF CAPITAL EXPENDITURE OF OVIA NORTH EAST LOCAL GOVERNMENT, OKADA FOR THE YEAR ENDED
31ST DECEMBER, 2023**

Month	Land & Building General 320101	Infrastructure General 320102	Furniture & Fittings 320106	Intangible Assets 320301	Monthly Total
January	24,859,301.07	10,807,551.93	14,059,823.19	50,513,900.78	100,240,576.97
February	28,193,059.11	11,093,059.11	13,735,909.08	45,059,823.19	98,081,850.49
March	20,942,819.81	9,382,951.89	-	-	30,325,771.70
April	25,819,302.92	11,193,302.92	11,839,101.91	48,352,391.88	97,204,099.63
May	23,382,951.89	10,058,823.19	-	55,421,098.81	88,862,873.89
June	22,059,823.19	10,839,102.91	12,942,819.81	44,936,482.18	90,778,228.09
July	26,429,102.91	11,429,819.81	-	51,735,909.08	89,594,831.80
August	20,936,482.18	11,141,113.35	-	44,324,570.06	76,402,165.59
September	24,193,059.12	10,593,059.12	16,421,098.81	51,735,909.08	102,943,126.13
October	27,293,082.91	11,057,551.92	-	52,839,102.91	91,189,737.74
November	25,935,029.93	10,652,392.99	-	-	36,587,422.92
December	29,093,797.84	10,819,302.92	13,115,753.68	60,219,819.81	113,248,674.25
Total	299,137,812.88	129,068,032.06	82,114,506.48	505,139,007.78	1,015,459,359.20

NOTE 7:	
CURRENT AND NON-CURRENT ASSETS AS AT 31ST DECEMBER, 2023	
Cash and Cash Equivalent	252,019,236.86
Inventories	-
Loans Granted	37,567.00
Investments	-
Property, Plant and Equipment (PPE)	164,040,335.00
Advances	-
Total Assets	₦ 416,097,138.86

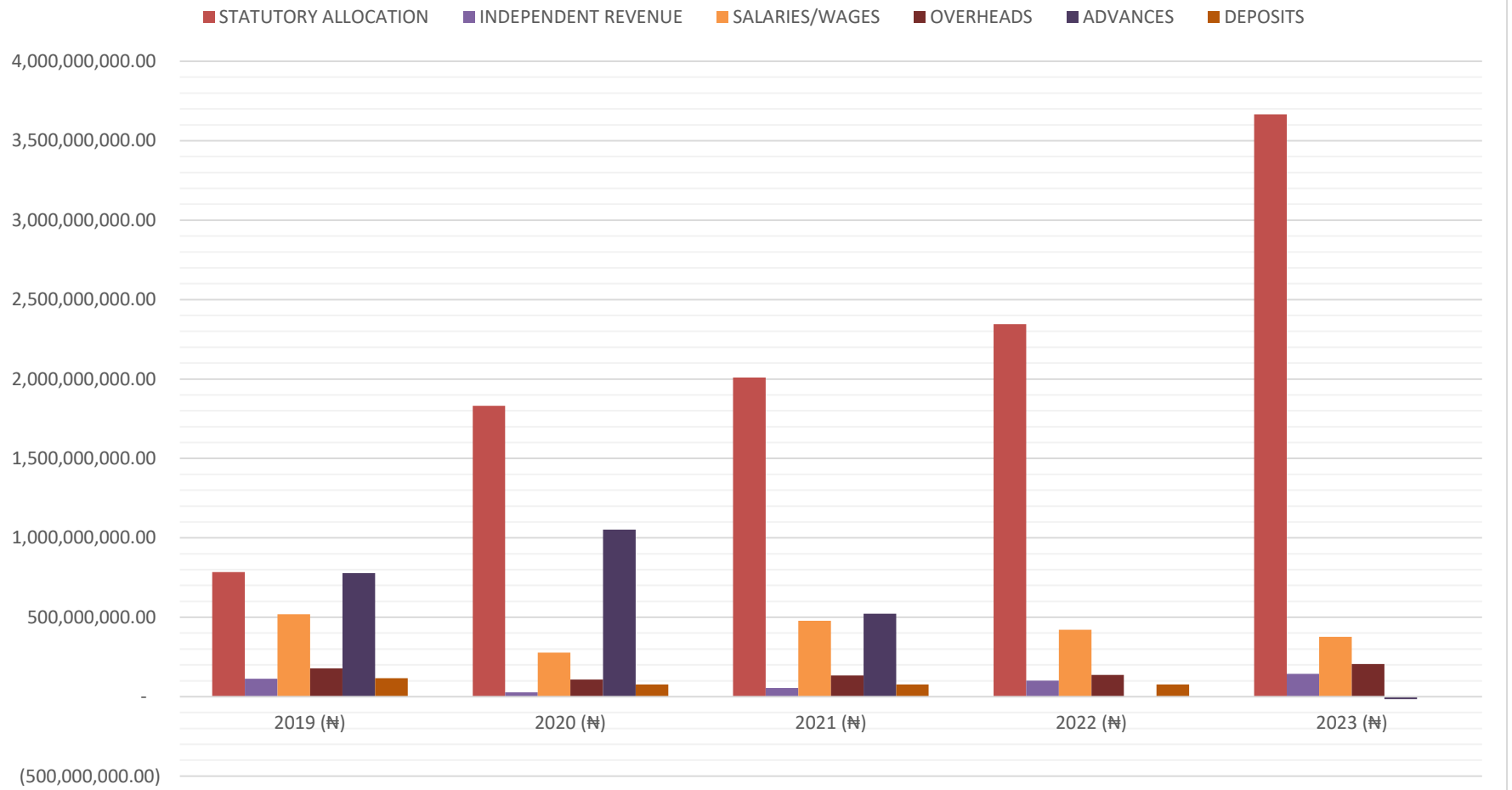
NOTE 8:	
CURRENT AND NON-CURRENT LIABILITIES AS AT 31ST DECEMBER, 2023	
Deposits	77,612,515.09
Loans/Debts	99,940,000.00
Payables	-
Long Term Borrowings	-
Total Liabilities	₦ 177,552,515.09

NOTE 9:	
CAPITAL RESERVES	
Reserves as at 1/1/2023	105,467,553.72
Accumulated Surpluses/Deficits for the Year	164,996,380.05
Net Assets/Equity as at 31/12/2023	₦ 270,463,933.77

NOTE 10:					
DETAILS OF AUDIT QUERIES ISSUED TO OVIA NORTH EAST LOCAL GOVERNMENT COUNCIL, OKADA IN RESPECT OF 2023 ACCOUNTS					
S/No.	Query Number	P.V. No./Date	Reason	Amount (₦)	Remark
	Current Year:				
1.	AQ/ONELG/OKA/1/2023	Various	Expenditure Not Supported By Proper Rocords or Accounts	22,900,000.00	Resolved
2.	AQ/ONELG/OKA/3/2023	Various	Irregular Expenditure	58,100,000.00	Resolved
3.	AQ/ONELG/OKA/4/2023	140/Aug/2023	Irregular Expenditure	9,000,000.00	Resolved
	Total			90,000,000.00	

OVIA NORTH LOCAL GOVERNMENT COUNCIL, OKADA							
FIVE YEARS FINANCIAL SUMMARY ANALYSES							
S/N		2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)	2023 (₦)	TOTAL (₦)
1	STATUTORY ALLOCATION	784,166,924.19	1,831,962,028.72	2,009,323,994.76	2,345,369,897.59	3,666,745,923.35	10,637,568,768.61
2	INDEPENDENT REVENUE	112,477,778.00	26,636,997.17	54,915,547.35	101,422,195.37	143,757,737.00	439,210,254.89
3	SALARIES/WAGES	518,499,744.40	278,106,883.36	478,494,388.40	420,593,957.36	376,275,863.27	2,071,970,836.79
4	OVERHEADS	178,235,070.60	107,826,565.99	132,950,000.00	136,793,386.00	206,062,130.00	761,867,152.59
5	ADVANCES	777,438,873.06	1,052,001,918.06	523,271,450.38	-	-15,959,645.00	2,336,752,596.50
6	DEPOSITS	116,602,511.97	77,612,515.09	77,612,515.09	77,612,515.09	-	349,440,057.24
	TOTAL	2,487,420,902.22	3,374,146,908.39	3,276,567,895.98	3,081,791,951.41	4,376,882,008.62	16,596,809,666.62

FIVE YEARS FINANCIAL SUMMARY ANALYSES





OVIA SOUTH WEST LOCAL GOVERNMENT

P. M. B. 1211,
IGUOBAZUWA,
EDO STATE OF NIGERIA.

Our Ref: OSWLG/S.41/T¹/95

Your Ref: _____

Date: December 2023.

STATEMENT OF FINANCIAL RESPONSIBILITY

RESPONSIBILITY FOR FINANCIAL STATEMENTS

These Financial Statements have been prepared by the Director of Finance and Accounts of Ovia South West Local Government Council, Iguobazuwa, in accordance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS. The Financial Statements complied with generally accepted accounting practice.

The Director of Finance and Accounts is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly recorded the use of all public financial resources by the Local Government Council. To the best of my knowledge, this system of internal control has operated adequately throughout the reporting period.



ENOGHOMWANYEKE M. ADONIS
Director of Finance and Accounts

31/12/2023
Date


We accept responsibility for the integrity of these Financial Statements, the information they contain and their compliance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS.

In our opinion, these financial statements fairly reflect the financial position of Ovia South West Local Government Council, Iguobazuwa, as at 31st December 2023 and its operations for the year ended on that date.



DR. ODIGIE FRANCIS
Head of Local Government Administration

31/12/2023
Date



HON. EDOSA ENOWOGHOMENMA
Executive Chairman

31/12/2023
Date



OFFICE OF THE AUDITOR-GENERAL (LOCAL GOVERNMENTS)
19 BOUNDARY ROAD, G.R.A.
P.M.B. 1128
BENIN CITY
EDO STATE OF NIGERIA

**REPORT OF THE STATE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS
TO THE MEMBERS OF THE EDO STATE HOUSE OF ASSEMBLY**

The Financial Statements of Ovia South West Local Government Council, Iguobazuwa for the year ended 31st December 2023 as contained in this report prepared under the International Public Sector Accounting Standards (IPSAS) Accrual accounting framework and on the basis of Accounting Policies detailed in the Financial Statements have been audited as required by the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended.

RESPONSIBILITY OF THE DIRECTOR OF FINANCE AND ACCOUNTS

The Director of Finance and Accounts to Ovia South West Local Government Council, Iguobazuwa is responsible for the preparation and presentation of the Financial Statements in accordance with the Finance (Control and management) Act 1958 as amended. He is to ensure that there are no material misstatements in the Financial Statements.

AUDITOR-GENERAL'S RESPONSIBILITY

It is my statutory responsibility to form an independent opinion based on the audit of the Financial Statements and to report thereon.

BASIS OF OPINION

The audit was conducted in accordance with International Standards on Auditing (ISA) as applicable to the public sector, International Organization of Supreme Audit Institutions (INTOSAI), Auditing Standards, the provisions of the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended. The audit includes examination on a test basis of evidence relevant to the figures disclosed in the Financial Statements. It also includes an assessment of significant estimates and judgments made by the Council in the preparation of the Financial Statements and whether the accounting policies were appropriate in the Council's circumstances, consistently applied and adequately disclosed. The audit was planned and performed to obtain all information and explanations considered necessary to have reasonable assurance that the Financial Statements are free from material misstatements. I have not obtained all the information and explanations that I required.

OPINION

In my opinion, the Financial Statement of Ovia South West Local Government Council, Iguobazuwa for the year ended 31st December 2023 show a true and fair view of the Council's state of financial position, performance and of the cashflow in accordance with all legal and regulatory frameworks, subject to the observations and comments contained in this report.

S.O. Johnson, FCA, ACTI, FIMC, FCCSA
(FRC/2022/PRO/ICAN004/188858)
Auditor-General (Local Governments)

Edo State,

28th June, 2024

REPORT OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, EDO STATE
GENERAL DISCLOSURES AND OBSERVATIONS ON THE OVIA SOUTH
WEST LOCAL GOVERNMENT COUNCIL, IGUOBAZUWA ACCOUNTS FOR THE
YEAR ENDED DECEMBER 31, 2023

1. REVENUE

The Ovia South West Local Government Council received N3,843,524,998.24 in income for the year that concluded on December 31, 2023. Of this amount, N65,577,557.68 represented independent revenue, while the remaining N3,777,947,440.56 came from federation account statutory allocations. For more information, see Notes 1 and 2.

SUMMARY

Throughout the time under review, the Local Government Council remained mostly dependent on funding from the Federation Account. To lessen an excessive reliance on statutory allocations, the Local Government Council is urged to examine its own internal operations and devise strategies to increase money produced internally.

2. SLGJAAC ALLOCATIONS TO LOCAL GOVERNMENT COUNCILS ARE COMPLETE

According to source documents from the Edo State Ministry of Local Government Affairs, Ovia South West Local Government Council, Iguobazuwa, received in full the sum of N3,777,947,440.56 that accrued from the federation account to Ovia South West Local Government Councils, Iguobazuwa as statutory allocations transferred through the State-Local Government Joint Account Allocation Committee (SLGJAAC) during the period under review. This information was included in the Council's Financial Statements for the year ended December 31, 2023. For more information, see Note 1.

3. EXPENDITURE

Ovia South West Local Government Council, Iguobazuwa spent N455,501,427.93 on salaries and wages during the review period. Overhead was N580,534,397.45, while N 2,138,633,786.33 was transferred to SUBEB and other local government entities. The year's capital outlay was N545,641,213.55.

4. CASH AND CASH EQUIVALENT

As of December 31, 2023, Ovia South West Local Government Council, Iguobazuwa, has N(49,710,256.52) in cash and financial equivalents. In violation of Financial Memoranda 19:23-30, the Local Government Council failed to compile bank reconciliation statements or provide bank statements to the Council during the

time under review. The absence of these crucial records indicates that there was a discrepancy between the amounts in the cash book and the associated bank accounts.

SUMMARY

It is accordingly recommended that the Local Government Council always create monthly bank reconciliation statements in accordance with Financial Memoranda 19:23-30 and promptly provide the completed paperwork to this office.

5. GENERAL INVESTMENTS

As of December 31, 2023, Ovia South West Local Government Council, Iguobazuwa, has N1,257,389.18 in investments. Due to the Council's failure to keep investment registers or ledgers, the investments were not appropriately documented. Consequently, it was not feasible to confirm the investments and determine their current valuations.

SUMMARY

The Local Government Council should conduct an investigation into the investments' current state in order to determine their existence, viability, and valuations. It is necessary to reassess all investments, write off any that are no longer in operation, and declare any that are at fair market value.

6. LIABILITIES:

(A) DEPOSITS

The Ovia South West Local Government Council, Iguobazuwa, has N480,606,815.45 outstanding in its deposit accounts as of December 31, 2023. Pay As You Earn (PAYE), union dues (NULGE), car refurbishing loans deducted for loans obtained from other councils, retention fees, value-added tax (VAT), withholding tax (WT), and other deductions from staff salaries are all represented by the Deposit Accounts.

SUMMARY

After the deposits have been thoroughly examined, the Council is responsible for making sure the beneficiaries receive their money back. Any deposit whose owner cannot be located or has not made any use of it for more than five years after the repayment deadline should be adjusted to revenue in line with F.M. 24.25(5).

(B) SHORT TERM LOANS

The Local Government Council owed several banks a total of N19,770,479.20 in combined short-term loans and bank overdrafts.

7. EXPENDITURE PERFORMANCE

The following is an overview of Ovia South West Local Government Council, Iguobazuwa's budget performance for the year that concluded on December 31, 2023:

Description	Approved Estimate 2023 (₦)	Actual Revenue/Expenditure 2023 (₦)	Percentage Performance
<u>REVENUE</u>			
Statutory Allocation	5,795,880,710.14	3,777,947,440.56	65%
Independent Revenue	127,555,000.00	65,577,557.68	51%
<u>EXPENDITURE</u>			
Salary and Wages	623,754,500.00	455,501,427.93	73%
Overhead Cost	850,350,000.00	580,534,397.45	68%
Transferred to SUBEB and other Local Government Entities	2,712,344,766.94	2,138,633,786.33	79%
Capital Expenditure	1,653,880,000.00	545,641,213.65	33%

Observation

The information above makes clear how poorly capital projects actually performed in 2023.

SUMMARY

- i) In order to enable the Office of the Auditor-General to monitor and audit capital project performance in accordance with F.M. 1.4(12)(g) and F.M. 39.1(8) and ensure that the Council obtained value for the expenditure, the Local Government Council should always forward contract agreements and other pertinent documents to the office.
- ii) In order to prevent unnecessary budgetary spending, the Local Government Council is also recommended to consistently allocate sufficient funds for transfers to SUBEB and other Local Government Entities.

8. APPROVAL

Sections 92, 93, and 94 of the Edo State Local Government Law 2000, as amended, lawfully authorise all of the expenditures reflected in the Statements of Actual Expenditure for the year ended December 31, 2023.

9. ASSET REVALUATION

Iguobazuwa's Ovia South West Local Government Council has not yet completed the IPSAS-compliant asset revaluation (Accruals).

SUMMARY

In order to correctly portray the assets in the Statement of Financial Position, the Local Government Council should immediately hire pertinent specialists and have their assets revalued in accordance with IPSAS.

10. BUDGETARY PLANNING

The Office of the Auditor-General (Local Governments) should receive copies of the approved budget so that it can track financial performance. The Ovia South West Local Government Council, Iguobazuwa, is responsible for making sure that the annual budget is prepared on time and in compliance with the National Chart of Accounts, as advised by International Public Sector Accounting Standards (IPSAS).

11. AUDIT QUERIES

The Chairman has already received the audit enquiries regarding the discovered inconsistencies of N773,699,904.39 that are attached to the Audit Inspection Reports on the 2023 accounts for Ovia South West Local Government Council, Iguobazuwa, so he may take the appropriate action. Note 10 of this report includes specifics on the audit enquiries pertaining to the 2023 accounts.

12. DISALLOWANCE

Allowance has been set aside for the expenses listed in Note 10 of this report and in paragraph 12 above, pending acceptable responses to the questions posed therein.

13. OVERALL ACCOUNT STATUS AND RECORD KEEPING

The following highlights the way that accounting books and records are rendered in local government councils:

a) Annual Financial Statement Rendition

In accordance with current legislation, the Local Government Council submitted the 2023 Financial Statements on time. It is praiseworthy that the yearly financial statements were produced on schedule.

b) Maintaining Records

i) Subordinate Ledgers and Books

Subsidiary books were occasionally either not updated or maintained. The appropriate maintenance of subsidiary books of accounts is a responsibility of the Local Government Council. Registers for investments, loans/overdraft, and fixed/mobile assets have to be kept up to date.

ii) Cheque Books

At the conclusion of each month, cash books were not properly balanced, and in certain instances, balances were recorded in pencil rather than ink. Cash books need to be updated on a regular basis from now on.

c) Financial Statements and Underlying Records Reconciliation

i) Several entries in the Departmental Vote Revenue Account (DVRA) and Departmental Vote Expenditure Account (DVEA) Books were missing. As a result, precisely categorising expenses and income into Heads and Sub-Heads became challenging.

ii) During the time under examination, the ledgers for advances and deposits were also not updated. The outstanding balances in the ledgers are inaccurate since certain entries were not submitted to them. As a result, depending solely on the ledgers makes it impossible to precisely ascertain outstanding advances and deposits.

It is recommended that Local Government Council Treasurers oversee the treasury department's employees and make sure that accounting records are updated and reconciled to remove inaccuracies and omissions.

iii) Bank Reconciliation: As mandated by Financial Memoranda 19.23-24, the Olivia South West Local Government Council, Iguobazuwa, has consistently neglected to prepare bank reconciliation statements. The Local Government Council must immediately prepare monthly bank reconciliation statements in accordance with F.M. 19.23-24.

d) Implementing IPSAS

The International Public Sector Accounting Standards have not yet been completely adopted by the Local Government Council (IPSAS). Revaluing the Local Government Council's assets and liabilities and reflecting them in the books of accounts in accordance with IPSAS is urgently required.

Accounting Policies (IPSAS Accrual)

1. Basis for Measurement:

The preparation of these *General-Purpose Financial States (GPFS)* complies with the historical cost convention, IPSAS, and other applicable requirements as specified by pertinent legislation.

2. The foundation of accounting:

These GPFS were created using the accrual method of accounting.

3. Time of Accounting:

According to National Treasury Circular Ref. OAGF/CAD/026/Vol.1/102 on December 30, 2013, the accounting year (fiscal year) runs from January 1 to December 31. The accounting system was designed to divide each accounting year into twelve calendar months, or periods.

4. Currency Reporting:

The GPFS was developed using Naira (Nigeria's currency).

5. Comparative Data:

The *General Purpose Financial Statements* included all the numerical data for the prior time frame.

6. Financial Data:

These numbers come from the approved budget, which was created on a cash basis in compliance with the Local Government Councils' Appropriation Bye-Law.

7. Income from Taxes, Fees, and Fines:

When fees, taxes, and other non-exchange transaction revenue are collected and meet the requirements for asset recognition, they are recorded as revenue. When it is likely that the company will get future economic benefits or service possibilities from the asset and it is reasonably possible to determine the asset's fair value, other non-exchange revenues are recognised.

Additional Operating Profits:

Exchange transactions that take place in the regular course of the entity's operations provide additional operational revenues. The fair value of the payment received or receivable for the sale of goods and services is included in revenues.

Sales of Products:

When the major risks and benefits of ownership have been passed to the buyer, generally with delivery of the products, revenue from the sale of those things is recognised.

Additional Income/Revenue:

Fees, fines, debt forgiveness, commissions, earnings from the sale of assets, and other sources make up other revenue. Any gain or disposal is recorded on the day the asset is turned over to the buyer and is calculated by reducing the asset's carrying value from the proceeds on that date.

8. Changes from Other Governmental Organisations:

When an asset (cash, goods, services, or properties) is received condition-free and there is a reasonable probability that the asset's potential for economic benefit or service will be reliably measured, revenues from non-exchange transactions with other government entities are recognised at fair value.

9. Costs:

All costs are recorded on an accrual basis, which means that regardless of when the money is received, costs are recorded at the time they are incurred or when the associated services are used.

10. Loan Interest:

In the financial performance report (Statement of Financial Performance), interest on loans is accounted for either an expense or a charge. To calculate interest expenditure for each period, interest is accumulated by applying the effective interest rate method to the principle amount owed.

11. Cash Flow Statement:

The direct technique was used to create this statement, which followed the GPFS format. There are three (3) parts in the cash flow statement:

Operating Activities:

These track the cash payments made for the provision of goods and services as well as the cash received by Local Government Councils from all sources of income.

Investing activities are those that have to do with buying and selling non-current assets.

Financial Activities: These include adjustments to the PSE's debt and equity capital structure.

12. Currency and Its Equivalent:

The term "cash and cash equivalent" refers to the amount of cash that is on hand, held in bank accounts, demand deposits, and other highly liquid investments with an initial maturity of three months or less. These investments are made by the entity as part of its daily cash management process, and they are easily convertible into known amounts of cash with little to no risk of value fluctuations. Cash and Cash Equivalent are included in the Statement of Financial Position under Current Assets.

13. Accounts Receivable: Exchange Transaction Receivables

Exchange transaction receivables are first recorded at fair value and then, using the effective interest method, evaluated at amortised cost, minus allowance for impairment. When there is, a receivables impairment provision is created.

Receivables from Transactions Without Exchange:

Receivables from non-exchange transactions include social benefit receivables that don't stem from contracts, as well as fees, taxes, fines, and other penalties related to these activities. These receivables are first valued at face value, or nominal amount; that is, the amount of tax due, levy, fine, etc., is reflected in the receivable. These accounts receivable are first evaluated at face value or nominal amount, meaning that the receivable represents the total amount of taxes due, levies, fines, etc. Following their charging, these receivables are modified for penalties or may be written off due to impairment. The statement of financial performance presents interest and penalties on tax receivables as tax revenue..

14. Advance payments:

Amounts paid in advance of receiving goods or services are referred to as prepaid costs. They signify payments made in one year for benefits to be obtained in other years, or payments made early in the year for benefits to be received throughout the course of the year.

15. Inventory:

- (a): The net realisable value of an inventory is subtracted from its cost.
- (b) The FIFO approach is used to calculate costs.
- (c) Where appropriate, inventories retained for distribution for the benefit of the

public are documented at cost less any prospective loss of services.

(d) In the Financial Position Statement, inventories are included under Current Assets.

16. Awarded Loans:

The approved loans are displayed at their estimated realisable value, which takes into account impairments and bad or dubious debts.

17. Plant, machinery, and equipment:

(a) The historical cost of all PPE is reported, less cumulative depreciation and any impairment losses. Costs directly related to the acquisition of the assets are included in the historical cost.

(b) When an asset is purchased through a non-exchange transaction for nominal or no consideration, it is first recorded in the statement of financial performance at fair value, which is a value that can be consistently ascertained and expressed as income during the PPE's useful life.

(c) The subsequent items are considered PPE expenses:

i) The price paid for the acquisition of these assets as well as any additional pertinent costs associated with restoring the asset to operational condition.

ii) Building expenses, which include labour, supplies, and overhead.

iii) Modifications to current PPE that greatly extend its usable life.

Price:

A piece of PPE's total cost includes the purchase price, import fees, one-time expenses, and any expenditures directly related to relocating and restoring the asset to its original location and state of functionality. The purchase price is calculated after subtracting trade discounts and rebates. PPE are reported at cost or at their expert appraisal less cumulative impairment and depreciation.

Devaluation:

PPE is depreciated according to a straight line method throughout the course of their anticipated useful lifetimes, less any projected residual value, using relevant rates, starting on the date of availability for use.

No.	Item of PPE	Depreciation Rate
A	Leased Property	Over the term of the lease
B	Buildings	2%
C	Investment property	2%
D	Infrastructure	5%
E	Plant and Machinery	10%
F	Transportation Equipment (except K)	20%
G	Office Equipment	25%
H	Furniture and Fittings	20%
I	Specialized Assets (e.g., books, military and paramilitary assets)	10%
J	Bearer Plant	4%
K	Aircraft, ship and train	5%
L	Specific cultural and heritage assets	Unlimited

Assessment:

At the conclusion of each reporting period, the residual values and usable lifetimes of the assets are examined and, if necessary, changed. Revaluation surplus is moved to the revaluation reserve under reserves in the financial situation. If there is a revaluation deficit, it is recorded as an expense in the statement of financial performance or, if there is a surplus on the same class of assets, against the value of the related assets and the corresponding entry to the revaluation reserve.

Disposal Gain or loss resulting from getting rid of a piece of PPE is shown as a surplus or deficit.

Deficit:

When there are signs that a piece of personal protective equipment (PPE) may have been compromised, an impairment test is carried out.

18. Real Estate Investment

These are properties that provide income for a PSE. At first, an investment property is valued at its cost. Investment property is then measured at fair value at the end of the term, and any gain or loss at fair value is recorded as a surplus or deficit.

Income from Investments:

Investment income is defined as the excess or shortfall of rental revenue received or gained from an investment property.

Disposal:

The surplus or deficit represents the gain or loss from the sale of investment property.

19. Non-tangible Resources

These are non-tangible assets that have been created domestically or purchased, and they are stored for usage in order to produce advantages that extend beyond a fiscal year. An intangible asset's total cost includes the acquisition price, non-recurring charges, and any expenses directly related to restoring the asset to its intended condition of use.

20. Deposits:

Resources kept in custody on behalf of third parties make up deposits. Additionally, deposits signify upfront payments for future products and services.

21. Debts and Loans:

Loans are sums of money that are borrowed with an agreed-upon repayment schedule. They are classified as either short-term or long-term loans and are shown as liabilities in the Statement of Financial Position.

22. Unremitted Withheld Taxes:

Money due to third parties, including tax authorities, unions, cooperatives, schemes and organisations, other government agencies, etc., is known as an unremitted deduction. Tax and other at-source deductions are examples of unremitted deductions. The sums are considered as Current Liabilities in the Statement of Financial Position and are reflected in the GPFS at their payback value.

23. Accrued Expenses - Payables

These are sums of money owed to outside parties for products and services obtained.

24. Public Money

These represent the government's financial balances at the conclusion of the fiscal year. The Statement of Financial Position categorises them as Non-Current Liabilities.

25. Reserves:

Reserves such as Surpluses/(Deficits) Reserve, Translation Reserve, Revaluation

Reserve, Fair Value Reserve, and other Reserves are categorised under equity in the Statement of Financial Position.

26. Debts

Initial recognition of borrowings is done at fair value, net of incurred transaction expenses. Following amortisation, borrowings are reported at cost; any discrepancy between proceeds (net of transaction expenses) and redemption value is recognised using the effective interest method in the consolidated statement of financial performance for the duration of the borrowings. The fees incurred for setting up lending facilities are recorded as loan transaction charges. The cost of the charge is capitalised and spread out over the life of the related facility.

27. Assignments to Other Governmental Organisations:

Transfers to other governmental bodies are included as costs in the statement of financial performance as they are non-exchange items.

28. Advances:

According to Edo State Financial Memoranda 16.16, any loans given to Local Government Council employees to carry out projects or make purchases of goods or services on their behalf must be retired by the end of the fiscal year. However, in situations where an advance is made towards the end of the fiscal year or where an advance that has already been made cannot be retired within the fiscal year, the advance and any outstanding amount are included in the Statement of Financial Position.

OVIA SOUTH WEST LOCAL GOVERNMENT COUNCIL, IGUOBAZUWA
STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2023

Previous Year Actual 2022 (N)	Description	NCOA Code	Note	Annual Budget (N)	Actual Revenue/ Expenditure (N)	Percentage of Budget Performance
48,321,618.72	Net Assets/Equity As At 1/1/2023 – A			54,800,238.54	49,321,618.72	
	REVENUE					
	<u>Statutory Allocation:</u>					
1,471,091,062.45	Share of Federation Account	110101	1	4,000,000,000.00	1,233,647,215.59	31%
835,068,230.06	Share of Value Added Tax (VAT)	110102	1	99,050,000.00	1,147,126,396.06	1158%
136,548,654.40	Excess Crude Oil and Others	110103	1	1,696,830,710.14	1,397,173,828.91	82%
2,442,707,946.91	Sub-Total Statutory Allocation – B			5,795,880,710.14	3,777,947,440.56	65%
	<u>Independent Revenue:</u>					
8,637,540.00	Licences General	120201	2	27,355,000.00	8,983,142.16	33%
27,843,105.04	Fees General	120204	2	30,330,000.00	28,908,414.09	95%
3,102,300.00	Fines General	120205	2	3,000,000.00	2,478,409.30	83%
-	Sales General	120206	2	2,450,000.00	1,453,700.00	59%
14,870,087.00	Earnings General	120207	2	45,100,000.00	23,753,892.13	53%
-	Rent on Government Building General	120208	2	120,000.00	-	
-	Rent on Land and Others General	120211	2	6,200,000.00	-	
-	Repayment General	120213	2	-	-	
-	Investment Income	120214	2	13,000,000.00	-	
54,453,032.04	Sub-Total Independent Revenue – C			127,555,000.00	65,577,557.68	51%

2,545,482,597.67	Total Receipts (A+B+C)			5,978,235,948.68	3,892,846,616.96	65%
	EXPENDITURE					
	<u>Recurrent Expenditure:</u>					
554,329,590.44	Salaries and Wages	210101	3	623,754,500.00	455,501,427.93	73%
102,374,300.00	Overhead Cost	220201	4	850,350,000.00	580,534,397.45	68%
1,711,774,206.57	SUBEB and other Transfers to Local Govt. Entities	220701	5	2,712,344,766.94	2,138,633,786.33	79%
-	Depreciation			-	-	
2,368,478,097.01	Sub-Total Recurrent Expenditure: E			4,186,449,266.94	3,174,669,611.71	76%
	<u>Capital Expenditure:</u>					
38,167,833.21	Land and Building General	320101	6	735,750,000.00	248,648,538.91	34%
12,766,544.28	Infrastructure General	320102	6	532,180,000.00	186,930,662.93	35%
6,147,800.00	Furniture and Fittings General	320106	6	13,350,000.00	19,453,400.00	146%
70,600,704.45	Intangible Assets	320301	6	372,600,000.00	90,608,611.81	24%
127,682,881.94	Sub-Total Capital Expenditure: F			1,653,880,000.00	545,641,213.65	33%
2,496,160,978.95	Total Expenditure: G = E + F			5,840,329,266.94	3,720,310,825.36	64%
49,321,618.72	Net Assets/Equity As At 31/12/2023				172,535,791.60	
2,545,482,597.67					3,892,846,616.96	

OVIA SOUTH WEST LOCAL GOVERNMENT COUNCIL, IGUOBAZUWA
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2023

Description	NCOA Code	Note	2023 (₦)	2023 (₦)	2022 (₦)	2022 (₦)
ASSETS						
Current Assets:						
Cash and Cash Equivalent	310101	7	-	49,710,256.52	-	194,582,041.37
Inventories	310501	7		1,119,660.00		1,119,660.00
Receivables	310601	7		-		-
Prepayments	310801	7		-		-
Total Current Assets: A				-	48,590,596.52	-
Non-Current Assets:						
Loan Granted (Local Govt. Loan Fund)	311001	7		-		-
Investments	310901	7		1,257,389.18		1,257,389.18
Property, Plant and Equipment (PPE)	320101	7		616,139,628.93		608,984,151.30
Investment Properties	320201	7		-		260,993,207.70
Intangible Assets (Advances)	320301	7		260,993,207.70		-
Total Non-Current Assets: B				878,390,225.81		871,234,748.18
Total Assets: C = A+B				829,799,629.29		677,772,366.81
LIABILITIES						
Current Liabilities:						
Deposits	410101	8		480,606,815.45		608,680,268.89
Short Term Loans and Debts	410201	8		19,770,499.20		19,770,479.20
Payables (Accrued Expenses)	410401	8		156,886,523.04		-
Total Current Liabilities: D				657,263,837.69		628,450,748.09
Non-Current Liabilities:						
Long Term Borrowing	4601/4602	8		-		-
Total Non-Current Liabilities: E				-		-
Total Liabilities: F = D+E				657,263,837.69		628,450,748.09
Net Assets: G = C-F				172,535,791.60		49,321,618.72
NET ASSETS/EQUITY						
Reserves: H	4701	9		49,321,618.72		48,321,618.72
Accumulated Surpluses/(Deficits): I	4702	9		123,214,172.88		1,000,000.00
Total Net Assets/Equity: G = H+I				172,535,791.60		49,321,618.72

OVIA SOUTH WEST LOCAL GOVERNMENT COUNCIL, IGUOBAZUWA
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2023

NCOA Code	Details	Note	2023 (N)	2023 (N)	2022 (N)	2022 (N)
	CASH FLOW FROM OPERATING ACTIVITIES:					
	<u>INFLOWS:</u>					
	<u>Statutory Allocations</u>					
110101	Share of Federation Account	1	1,233,647,215.59		1,471,091,062.45	
110102	Share of Value Added Tax (VAT)	1	1,147,126,396.06		835,068,230.06	
110103	Excess Crude Oil and Others	1	1,397,173,828.91		136,548,654.40	
	Sub-Total Statutory Revenue – A			3,777,947,440.56		2,442,707,946.91
	<u>Independent Revenue</u>					
120201	Licences General	2	8,983,142.16		8,637,540.00	
120204	Fees General	2	28,908,414.09		27,843,105.04	
120205	Fines General	2	2,478,409.30		3,102,300.00	
120206	Sales General	2	1,453,700.00		-	
120207	Earnings General	2	23,753,892.13		14,870,087.00	
120208	Rent on Government Buildings General	2	-		-	
120209	Rent on Land and Others General	2	-		-	
120210	Repayments General	2	-		-	
120211	Investment Income	2	-		-	
	Sub-Total Independent Revenue – B			65,577,557.68		54,453,032.04
	Total Inflow from Operating Activities C = A+B			3,843,524,998.24		2,497,160,978.95

	OUTFLOWS:					
210101	Salaries and Wages	3	455,501,427.93		554,329,590.44	
220201	Overhead Cost	4	580,534,397.45		102,374,300.00	
220701	SUBEB and other Transfers to Local Government Entities	5	2,138,633,786.33		1,711,774,206.57	
	Depreciation		-		-	
	Total Outflow from Operating Activities – D			3,174,669,611.71		2,368,478,097.01
	Net Cashflow from Operating Activities – E = C-D			668,855,386.53		128,682,881.94
	CASHFLOW FROM INVESTING ACTIVITIES:					
320101	Land and Building General	6	248,648,538.81		38,167,833.21	
320102	Infrastructure General	6	186,930,662.93		12,766,544.28	
320106	Furniture and Fittings General	6	19,453,400.00		6,147,800.00	
320301	Intangible Assets	6	90,608,611.81		70,600,704.45	
	Total Outflow from Investing Activities – F			545,641,213.55		127,682,881.94
	Net Cashflow from Investing Activities – G = E - F			123,214,172.98		1,000,000.00
	CASHFLOW FROM FINANCIAL ACTIVITIES:					
301801	Advances		-		- 32,719,945.00	
410101	Deposits		21,657,611.87		34,255,664.55	
410102	Other Accounts – Loan		-		-	
	Other Accounts – Investment		-		-	
420301	Proceeds from Borrowings		-		-	
	Payment/Charges on Borrowings		-		-	
	Net Cashflow from Financing Activities – H			- 21,657,611.87		- 66,975,609.55
	Net Cashflow from all Activities – I = G - H			144,871,784.85		67,975,609.55
	Cash and Cash Equivalent As At 1/1/2023			- 194,582,041.37		- 262,557,650.92
	Cash and Cash Equivalent As At 31/12/2023			- 49,710,256.52		- 194,582,041.37

NOTES TO THE ACCOUNTS

NOTE 1:				
SCHEDULE OF STATUTORY ALLOCATION TO OVIA SOUTH WEST LOCAL GOVERNMENT COUNCIL, IGUOBAZUWA FOR THE YEAR ENDED 31ST DECEMBER 2023				
Month	Federation Account	Value Added Tax	Others	Total
January	168,662,430.09	82,811,653.64	363,161,112.59	614,635,196.32
February	97,400,839.54	83,408,676.80	37,905,764.72	218,715,281.06
March	92,700,005.99	86,630,233.90	34,168,184.25	213,498,424.14
April	126,359,375.91	76,888,200.74	7,038,426.76	210,286,003.41
May	89,758,786.35	71,255,111.07	29,617,061.48	190,630,958.90
June	135,760,982.66	93,417,714.23	236,948,557.68	466,127,254.57
July	76,112,105.16	99,512,380.29	323,269,443.32	498,893,928.77
August	98,824,912.29	97,398,838.80	79,537,135.32	275,760,886.41
September	81,755,078.29	122,402,921.62	66,371,076.46	270,529,076.37
October	99,010,787.76	97,836,950.38	49,855,541.49	246,703,279.63
November	76,560,524.23	113,393,601.91	72,329,090.17	262,283,216.31
December	90,741,387.32	122,170,112.68	96,972,434.67	309,883,934.67
Total	1,233,647,215.59	1,147,126,396.06	1,397,173,828.91	3,777,947,440.56

NOTE 2:										
SCHEDULE OF INDEPENDENT REVENUE OF OVIA SOUTH WEST LOCAL GOVERNMENT COUNCIL, IGUOBABUWA FOR THE YEAR 2023										
Month	120201 Licences General	120204 Fees General	120205 Fines General	120206 Sales General	120207 Earnings General	120208 Rent On Govt. Buildings General	120209 Rent On Land & Others General	120210 Repayments General	120211 Investment Income	Monthly Total
January	840,700.00	3,101,000.00	676,700.00	-	2,620,107.12	-	-	-	-	7,238,507.12
February	740,000.00	2,910,000.00	200,000.00	1,453,700.00	2,372,400.00	-	-	-	-	7,676,100.00
March	750,000.00	1,940,100.00	-	-	1,846,000.00	-	-	-	-	4,536,100.00
April	645,100.00	2,964,501.15	490,300.00	-	1,101,045.62	-	-	-	-	5,200,946.77
May	890,500.00	2,419,597.27	-	-	2,109,170.37	-	-	-	-	5,419,267.64
June	737,238.00	1,309,944.00	250,000.00	-	1,894,000.00	-	-	-	-	4,191,182.00
July	640,000.00	2,617,438.57	-	-	1,790,109.11	-	-	-	-	5,047,547.68
August	790,000.00	2,399,000.00	304,100.00	-	1,819,723.40	-	-	-	-	5,312,823.40
September	789,102.00	2,200,000.00	140,700.00	-	1,907,207.30	-	-	-	-	5,037,009.30
October	689,502.16	2,109,200.00	120,000.00	-	2,379,459.14	-	-	-	-	5,298,161.30
November	690,900.00	2,939,433.10	-	-	1,924,300.00	-	-	-	-	5,554,633.10
December	780,100.00	1,998,200.00	296,609.30	-	1,990,370.07	-	-	-	-	5,065,279.37
Total	8,983,142.16	28,908,414.09	2,478,409.30	1,453,700.00	23,753,892.13	-	-	-	-	65,577,557.68

NOTE: 3 SCHEDULE OF SALARIES AND WAGES OF OVIA SOUTH WEST LOCAL GOVERNMENT, IGUOBAZUWA FOR THE YEAR ENDED 31ST DECEMBER, 2023

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
21010101	Office of the Chairman	53,600,000.00	18,754,500.00	35%
21010102	The Council (Legislative)	47,120,028.40	12,545,700.00	27%
21010103	Personnel Management	663,734,500.00	116,968,096.00	18%
21010104	Internal Audit	21,160,000.00	4,750,701.00	22%
21010105	Information	16,800,000.00	12,859,700.00	77%
21010106	Office of the Head of LGA	29,900,000.00	9,410,101.00	31%
21010107	Agriculture and National Resources	132,450,000.00	19,934,435.27	15%
21010108	Finance and Supply	134,650,000.00	32,612,340.00	24%
21010109	Budget, Planning & Statistics	21,930,000.00	15,745,000.00	72%
2101010	Revenue	106,400,000.00	58,102,343.38	55%
2101011	Works and Housing	164,000,000.00	45,573,741.28	28%
2101012	Procurement	19,300,000.00	7,103,450.00	37%
2101013	Legal Services	22,600,000.00	6,750,000.00	30%
2101014	Youth, Women & Social Development	39,900,000.00	18,107,507.00	45%
2101015	Primary Health Care	387,130,710.14	-	
2101016	Environment	274,300,000.00	68,740,101.00	25%
2101017	Water and Sanitary Hygiene	61,200,000.00	7,543,712.00	12%
	Total	2,196,175,238.54	455,501,427.93	21%

NOTE: 4 SCHEDULE OF OVERHEAD COST OF OVIA SOUTH WEST LOCAL GOVERNMENT, IGUOBAZUWA FOR THE YEAR 2023

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
22020101	Office of the Chairman	77,200,000.00	224,268,522.12	291%
22020102	The Council (Legislative)	27,200,000.00	400,000.00	1%
22020103	Personnel Management (Admin)	54,200,000.00	62,340,500.00	115%
22020104	Internal Audit	5,150,000.00	1,649,750.00	32%
22020105	Information	19,950,000.00	610,000.00	3%
22020106	Office of the Head of LGA	10,050,000.00	6,091,510.00	61%
22020107	Agriculture and National Resources	11,900,000.00	7,633,750.00	64%
22020108	Finance and Supply	23,300,000.00	20,750,500.00	89%
22020109	Budget, Planning & Statistics	16,100,000.00	15,550,000.00	97%
22020110	Procurement	21,150,000.00	3,558,200.00	17%
22020111	Revenue	111,500,000.00	89,900,000.00	81%
22020112	Works & Housing	25,200,000.00	20,601,000.00	82%
22020113	Legal Services	24,200,000.00	770,000.00	3%
22020114	Social Development	32,400,000.00	27,156,000.00	84%
22020115	Primary Health Care	77,200,000.00	1,333,710.00	2%
22020116	Environment	94,900,000.00	85,820,955.33	90%
22020117	Water and Sanitary Hygiene	7,600,000.00	100,000.00	1%
22020118	Contribution to LG Service Commission	14,000,000.00	12,000,000.00	86%
	Total	653,200,000.00	580,534,397.45	89%

NOTE 5: SCHEDULE OF TRANSFERS TO SUBEB AND OTHER LOCAL GOVERNMENT ENTITIES IN OVIA SOUTH WEST LOCAL GOVERNMENT, IGUOBAZUWA

Month	Deductions for Mandatory Expenditure				Total
	Subvention to LGEA (SUBEB)	Total Salary for Teaching and LGEAs	5% Traditional Council	Other Transfers to Local Govt. Entities	
January	423,277.29	74,603,943.69	13,472,127.52	99,941,425.09	188,440,773.59
February	423,227.29	70,365,397.03	10,935,814.06	90,308,418.10	172,032,856.48
March	423,227.29	70,291,708.49	10,674,921.21	95,573,778.67	176,963,635.66
April	423,227.30	67,272,079.67	10,514,300.18	92,188,915.15	170,398,522.30
May	423,227.29	65,788,572.67	9,531,547.94	84,210,930.48	159,954,278.38
June	423,227.29	64,923,489.35	11,823,178.08	95,218,934.33	172,388,829.05
July	423,227.29	88,350,044.46	13,109,876.50	120,136,871.73	222,020,019.98
August	423,227.29	64,694,935.58	13,788,044.32	93,944,248.13	172,850,455.32
September	423,227.29	64,702,890.47	13,526,453.82	90,336,489.88	168,989,061.46
October	423,227.29	64,972,455.46	12,335,163.98	96,658,985.32	174,389,832.05
November	423,227.29	65,089,295.33	13,114,160.82	92,605,356.94	171,232,040.38
December	423,227.29	64,121,735.90	15,494,196.74	108,934,321.75	188,973,481.68
Total	5,078,777.49	825,176,548.10	148,319,785.17	1,160,058,675.57	2,138,633,786.33

**NOTE 6: SCHEDULE OF CAPITAL EXPENDITURE OF OVIA SOUTH WEST LOCAL GOVERNMENT, IGUOBAZUWA FOR THE YEAR ENDED
31ST DECEMBER, 2023**

Month	Land & Building General 320101	Infrastructure General 320102	Furniture & Fittings 320106	Intangible Assets 320301	Monthly Total
January	6,464,556.73	15,577,551.93	-	7,552,221.93	29,594,330.59
February	23,414,467.89	18,693,059.11	-	8,059,819.18	50,167,346.18
March	26,824,046.45	12,942,819.81	-	6,382,951.89	46,149,818.15
April	15,925,647.87	16,819,302.92	-	7,819,302.92	40,564,253.71
May	17,251,151.58	14,382,951.89	-	10,328,432.73	41,962,536.20
June	22,624,129.02	13,059,823.19	-	6,059,823.19	41,743,775.40
July	27,680,890.72	17,429,102.91	-	7,429,102.91	52,539,096.54
August	18,557,890.16	18,785,576.29	-	7,693,059.12	45,036,525.57
September	28,381,134.51	15,193,059.12	-	8,119,302.92	51,693,496.55
October	19,558,910.11	16,293,082.92	4,703,400.00	6,935,029.93	47,490,422.96
November	13,896,812.68	12,819,302.91	-	8,293,082.91	35,009,198.50
December	28,068,901.19	14,935,029.93	14,750,000.00	5,936,482.18	63,690,413.30
Total	248,648,538.91	186,930,662.93	19,453,400.00	90,608,611.81	545,641,213.65

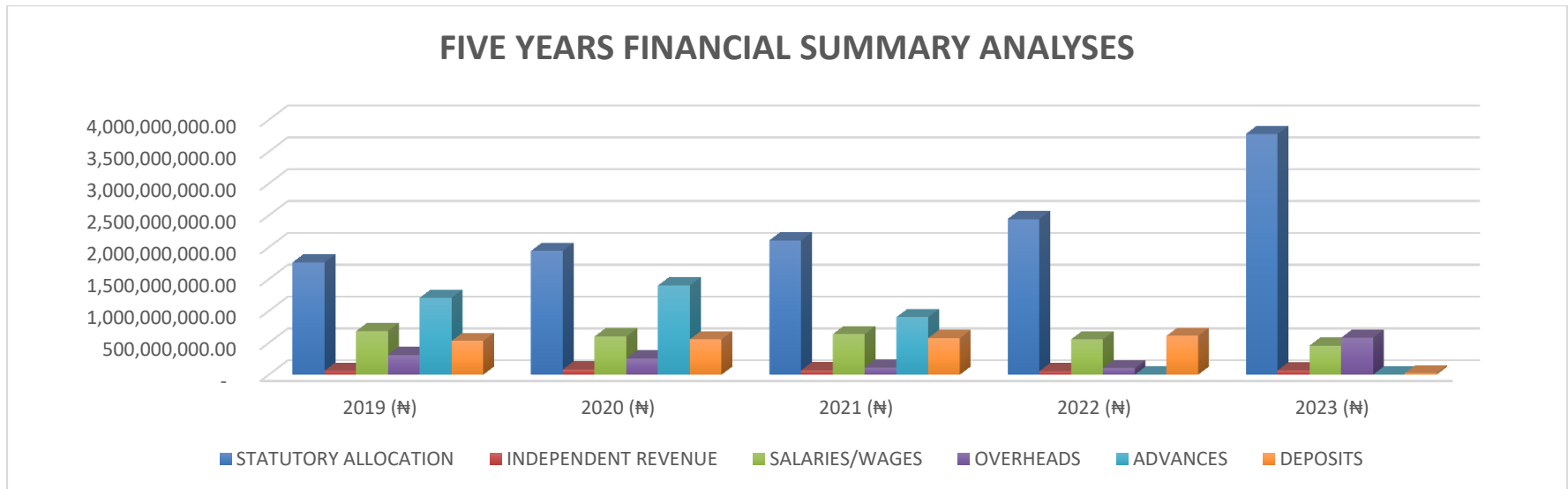
NOTE 7:	
CURRENT AND NON-CURRENT ASSETS AS AT 31ST DECEMBER, 2023	
Cash and Cash Equivalent	- 49,710,256.52
Inventories	1,119,660.00
Loans Granted	-
Investments	1,257,389.18
Property, Plant and Equipment (PPE)	616,139,628.93
Advances	260,993,207.70
Total Assets	₪ 829,799,629.29

NOTE 8:	
CURRENT AND NON-CURRENT LIABILITIES AS AT 31ST DECEMBER, 2023	
Deposits	480,606,815.45
Loans/Debts	19,770,499.20
Payables	156,886,523.04
Long Term Borrowings	-
Total Liabilities	₪ 657,263,837.69

NOTE 9:	
CAPITAL RESERVES	
Reserves as at 1/1/2023	49,321,618.72
Accumulated Surpluses/Deficits for the Year	123,214,172.88
Net Assets/Equity as at 31/12/2023	₪ 172,535,791.60

NOTE 10:					
DETAILS OF AUDIT QUERIES ISSUED TO OVIA SOUTH WEST LOCAL GOVERNMENT COUNCIL, IGUOBAZUWA IN RESPECT OF 2023 ACCOUNTS					
S/No.	Query Number	P.V. No./Date	Reason	Amount (₦)	Remark
	<u>Current Year:</u>				
1.	AQ/OSWLG/GBZ/1/2023	23/Apr/2023	Irregular Expenditure	8,200,000.00	Under Correspondence
2.	AQ/OSWLG/GBZ/2/2023	31/Mar/2023	Irregular Expenditure	10,000,000.00	Under Correspondence
3.	AQ/OSWLG/GBZ/3/2023	Various	Irregular Expenditure	2,600,000.00	Under Correspondence
4.	AQ/OSWLG/GBZ/4/2023	Various	Irregular Expenditure	184,050,000.00	Under Correspondence
5.	AQ/OSWLG/GBZ/5/2023	Various	Unpresented Payment Vouchers	323,953,875.36	Under Correspondence
6.	AQ/OSWLG/GBZ/6/2023	Various	Irregular Expenditure	63,500,000.00	Under Correspondence
7.	AQ/OSWLG/GBZ/7/2023	Various	Irregular Expenditure	37,660,000.00	Under Correspondence
8.	AQ/OSWLG/GBZ/8/2023	Various	Irregular Expenditure	16,436,029.03	Under Correspondence
9.	AQ/OSWLG/GBZ/9/2023	Various	Irregular Expenditure	58,000,000.00	Under Correspondence
10.	AQ/OSWLG/GBZ/10/2023	Various	Irregular Expenditure	19,000,000.00	Under Correspondence
11.	AQ/OSWLG/GBZ/11/2023	Various	Irregular Expenditure	3,200,000.00	Under Correspondence
12.	AQ/OSWLG/GBZ/12/2023	Various	Irregular Expenditure	47,100,000.00	Under Correspondence
	Total			773,699,904.39	

OVIA SOUTH WEST LOCAL GOVERNMENT COUNCIL, IGUOBAZUWA							
FIVE YEARS FINANCIAL SUMMARY ANALYSES							
S/N		2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)	2023 (₦)	TOTAL (₦)
1	STATUTORY ALLOCATION	1,764,759,727.88	1,941,887,290.03	2,107,271,777.10	2,442,707,946.91	3,777,947,440.56	12,034,574,182.48
2	INDEPENDENT REVENUE	61,222,914.00	80,548,737.11	66,721,266.44	54,453,032.04	65,577,557.68	328,523,507.27
3	SALARIES/WAGES	685,623,246.21	599,185,661.93	635,513,450.90	554,329,590.44	455,501,427.93	2,930,153,377.41
4	OVERHEADS	311,456,732.10	252,752,009.23	113,377,063.77	102,374,300.00	580,534,397.45	1,360,494,502.55
5	ADVANCES	1,206,801,582.00	1,401,317,202.00	902,697,304.00	-	-	3,510,816,088.00
6	DEPOSITS	528,776,584.22	554,694,026.44	574,424,604.34	608,680,268.89	21,657,611.87	2,288,233,095.76
	TOTAL	4,558,640,786.41	4,830,384,926.74	4,400,005,466.55	3,762,545,138.28	4,901,218,435.49	22,452,794,753.47





OWAN EAST LOCAL GOVERNMENT SECRETARIAT

P. M. B. 19

AFUZE

EDO STATE OF NIGERIA

Telephone

AG. 1722/20

Our Ref: _____

Date _____

Your Ref: _____

STATEMENT OF FINANCIAL RESPONSIBILITY

RESPONSIBILITY FOR FINANCIAL STATEMENTS

These Financial Statements have been prepared by the Director of Finance and Accounts of Owan East Local Government Council, Afuze in accordance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS. The Financial Statements complied with generally accepted accounting practice.

The Director of Finance and Accounts is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly recorded the use of all public financial resources by the Local Government Council. To the best of my knowledge, this system of internal control has operated adequately throughout the reporting period.

Linda Ekiado Ologbosere (Mrs)
Director of Finance and Accounts

25/3/2024

Date

We accept responsibility for the integrity of these Financial Statements, the information they contain and their compliance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS.

In our opinion, these financial statements fairly reflect the financial position of Owan East Local Government Council, Afuze as at 31st December 2023 and its operations for the year ended on that date.

Engr. Emmanuel Ibhado
Head of Local Government Administration

25/3/2024

Date

Hon. Prince Okodo-Kadiri
Chairman

24/06/24

Date



OFFICE OF THE AUDITOR-GENERAL (LOCAL GOVERNMENTS)
19 BOUNDARY ROAD, G.R.A.
P.M.B. 1128
BENIN CITY
EDO STATE OF NIGERIA

**REPORT OF THE STATE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS
TO THE MEMBERS OF THE EDO STATE HOUSE OF ASSEMBLY**

The Financial Statements of Owan East Local Government Council, Afuze for the year ended 31st December 2023 as contained in this report prepared under the International Public Sector Accounting Standards (IPSAS) Accrual accounting framework and on the basis of Accounting Policies detailed in the Financial Statements have been audited as required by the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended.

RESPONSIBILITY OF THE DIRECTOR OF FINANCE AND ACCOUNTS

The Director of Finance and Accounts to Owan East Local Government Council, Afuze is responsible for the preparation and presentation of the Financial Statements in accordance with the Finance (Control and management) Act 1958 as amended. He is to ensure that there are no material misstatements in the Financial Statements.

AUDITOR-GENERAL'S RESPONSIBILITY

It is my statutory responsibility to form an independent opinion based on the audit of the Financial Statements and to report thereon.

BASIS OF OPINION

The audit was conducted in accordance with International Standards on Auditing (ISA) as applicable to the public sector, International Organization of Supreme Audit Institutions (INTOSAI), Auditing Standards, the provisions of the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended. The audit includes examination on a test basis of evidence relevant to the figures disclosed in the Financial Statements. It also includes an assessment of significant estimates and judgments made by the Council in the preparation of the Financial Statements and whether the accounting policies were appropriate in the Council's circumstances, consistently applied and adequately disclosed. The audit was planned and performed to obtain all information and explanations considered necessary to have reasonable assurance that the Financial Statements are free from material misstatements. I have not obtained all the information and explanations that I required.

OPINION

In my opinion, the Financial Statement of Owan East Local Government Council, Afuze for the year ended 31st December 2023 show a true and fair view of the Council's state of financial position, performance and of the cashflow in accordance with all legal and regulatory frameworks, subject to the observations and comments contained in this report.

S.O. Johnson, FCA, ACTI, FIMC, FCCSA
(FRC/2022/PRO/ICAN004/188858)
Auditor-General (Local Governments)

Edo State,

28th June, 2024

REPORT OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, EDO STATE
GENERAL DISCLOSURES AND OBSERVATIONS ON THE OWAN EAST
LOCAL GOVERNMENT COUNCIL'S ACCOUNTS, AFUZE FOR THE MONTH
ENDED DECEMBER 31, 2023

1. REVENUE

In the year that concluded on December 31, 2023, Owan East Local Government Council earned N3,755,187,290.58 in income. Of this total, N176,163,853.96 represented independent revenue, while N3,579,023,436.62 was obtained as statutory allocations from the federation account. For more information, see Notes 1 and 2.

SUMMARY

Throughout the time under review, the Local Government Council remained mostly dependent on funding from the Federation Account. To lessen an excessive reliance on statutory allocations, the Local Government Council is urged to examine its own internal operations and devise strategies to increase money produced internally.

2. SLGJAAC ALLOCATIONS TO LOCAL GOVERNMENT COUNCILS ARE COMPLETE

Owan East Local Government Council, Afuze fully received the N3,579,023,436.62 that accrued from the federation account to Owan East Local Government Councils, Afuze as statutory allocations during the period under review. This information was obtained from source documents from the Edo State Ministry of Local Government Affairs and was included in the Council's Financial Statements for the year ended December 31, 2023. For more information, see Note 1.

3. EXPENDITURE

Owan East Local Government Council, Afuze spent N519,288,849.32 on salaries and wages during the review period. Additionally, N502,310,930.64 was spent on overhead, and N1,932,143,891.80 was sent to SUBEB and other local government entities. The total amount spent on capital for the year was N709,877,865.98.

4. CASH AND CASH EQUIVALENT

As of December 31, 2023, Owan East Local Government Council, Afuze has N92,299,752.84 in cash and financial equivalents. The Local Government Council created bank reconciliation statements for the time period under examination. But not enough information was provided for us to determine the cash book bank balance for reconciliation.

SUMMARY

To ensure correct reconciliation at the end of the year, the Local Government Council is urged to always complete monthly bank reconciliation statements in accordance with Financial Memoranda 19:23-30. However, it is praiseworthy that an attempt was made to create Bank Reconciliation Statements.

5. GENERAL INVESTMENTS

As of December 31, 2023, Owan East Local Government Council, Afuze has N13,885,036.00 in investments. Due to the Council's failure to keep investment registers or ledgers, the investments were not appropriately documented. Consequently, it was not feasible to confirm the investments and determine their current valuations.

SUMMARY

The Local Government Council should conduct an investigation into the investments' current state in order to determine their existence, viability, and valuations. It is necessary to reassess all investments, write off any that are no longer in operation, and declare any that are at fair market value.

6. LIABILITIES:

(A) DEPOSITS

A total of N254,399,683.87 was owed in the Deposit Accounts of Owan East Local Government Council, Afuze, as of December 31, 2023. Pay As You Earn (PAYE), union dues (NULGE), car refurbishing loans deducted for loans obtained from other councils, retention fees, value-added tax (VAT), withholding tax (WT), and other deductions from staff salaries are all represented by the Deposit Accounts.

SUMMARY

After the deposits have been thoroughly examined, the Council is responsible for making sure the beneficiaries receive their money back. Any deposit whose owner cannot be located or has not made any use of it for more than five years after the repayment deadline should be adjusted to revenue in line with F.M. 24.25(5).

(B) SHORT TERM LOANS

The Local Government Council owed several banks a total of N75,941,620.08 in combined short-term loans and bank overdrafts.

7. EXPENDITURE PERFORMANCE

Below is a summary of Owan East Local Government Council, Afuze's budget performance for the year that concluded on December 31, 2023:

Description	Approved Estimate 2023 (₦)	Actual Revenue/Expenditure 2023 (₦)	Percentage Performance
REVENUE			
Statutory Allocation	3,485,021,886.70	3,579,023,436.62	103%
Independent Revenue	106,305,350.30	176,163,853.96	166%
EXPENDITURE			
Salary and Wages	520,313,525.57	519,288,849.32	100%
Overhead Cost	336,640,000.00	502,310,930.64	149%
Transferred to SUBEB and other Local Government Entities	1,729,624,233.57	1,932,143,891.80	112%
Capital Expenditure	1,038,150,000.00	709,877,865.98	68%

Observation

The aforementioned data indicates that capital projects actually performed well in 2023.

SUMMARY

- i) In order to enable the Office of the Auditor-General to monitor and audit capital project performance in accordance with F.M. 1.4(12)(g) and F.M. 39.1(8) and ensure that the Council obtained value for the expenditure, the Local Government Council should always forward contract agreements and other pertinent documents to the office.
- ii) In order to prevent unnecessary budgetary spending, the Local Government Council is also recommended to consistently allocate sufficient funds for transfers to SUBEB and other Local Government Entities.

8. APPROVAL

Sections 92, 93, and 94 of the Edo State Local Government Law 2000, as amended, lawfully authorise all of the expenditures reflected in the Statements of Actual Expenditure for the year ended December 31, 2023.

9. ASSET REVALUATION

The revaluation of assets in accordance with IPSAS has not yet been completed by Owan East Local Government Council, Afuze (Accruals).

SUMMARY

In order to correctly portray the assets in the Statement of Financial Position, the Local Government Council should immediately hire pertinent specialists and have their assets revalued in accordance with IPSAS.

10. BUDGETARY PLANNING

In order for the Office of the Auditor-General (Local Governments) to be able to track financial performance, copies of the approved budget must be sent to the office. Owan East Local Government Council, Afuze is responsible for making sure that the annual budget is prepared on time and in compliance with the National Chart of Accounts as advised by International Public Sector Accounting Standards (IPSAS).

11. AUDIT ENQUIRIES

The audit inspection reports on the 2023 accounts for Owan East Local Government Council, Afuze, which included audit enquiries about detected anomalies of N31,846,000.00, have already been addressed. Note 10 of this report includes specifics on the audit enquiries pertaining to the 2023 accounts.

12. DISALLOWANCE

Allowance has been set aside for the expenses listed in Note 10 of this report and in paragraph 11 above, pending acceptable responses to the questions posed therein.

13. OVERALL ACCOUNT STATUS AND RECORD KEEPING

The following highlights the way that accounting books and records are rendered in local government councils:

a) Annual Financial Statement Rendition

In accordance with current legislation, the Local Government Council submitted the 2023 Financial Statements on time. It is praiseworthy that the yearly financial statements were produced on schedule.

b) Maintaining Records

i) Subordinate Ledgers and Books

Subsidiary books were occasionally either not updated or maintained. The appropriate maintenance of subsidiary books of accounts is a responsibility of the Local Government Council. Registers for investments, loans/overdraft, and fixed/mobile assets have to be kept up to date.

ii) Cheque Books

At the conclusion of each month, cash books were not properly balanced, and in certain instances, balances were recorded in pencil rather than ink. Cash books need to be updated on a regular basis from now on.

c) Financial Statements and Underlying Records Reconciliation

i) Several entries in the Departmental Vote Revenue Account (DVRA) and Departmental Vote Expenditure Account (DVEA) Books were missing. As a result, precisely categorising expenses and income into Heads and Sub-Heads became challenging.

ii) During the time under examination, the ledgers for advances and deposits were also not updated. The outstanding balances in the ledgers are inaccurate since certain entries were not submitted to them. As a result, depending solely on the ledgers makes it impossible to precisely ascertain outstanding advances and deposits.

It is recommended that Local Government Council Treasurers oversee the treasury department's employees and make sure that accounting records are updated and reconciled to remove inaccuracies and omissions.

iii) Reconciliation in Bank

In accordance with Financial Memoranda 19.23-24, Owan East Local Government Council, Afuze, prepared bank reconciliation statements. It's a great effort, and one that ought to continue.

d) Answering Audit Questions

The amount of response to audit enquiries sent to Owan East Local Government Council, Afuze, is displayed in Note 10 to the accounts. This serves as a reminder to the Local Government Council to always reply to audit enquiries as soon as possible.

e) Implementing IPSAS

The International Public Sector Accounting Standards have not yet been completely adopted by the Local Government Council (IPSAS). Revaluing the Local Government Council's assets and liabilities and reflecting them in the books of accounts in accordance with IPSAS is urgently required.

Accounting Policies (IPSAS Accrual)

1. Basis for Measurement:

The preparation of these *General-Purpose Financial States (GPFS)* complies with the historical cost convention, IPSAS, and other applicable requirements as specified by pertinent legislation.

2. The foundation of accounting:

These GPFS were created using the accrual method of accounting.

3. Time of Accounting:

According to National Treasury Circular Ref. OAGF/CAD/026/Vol.1/102 on December 30, 2013, the accounting year (fiscal year) runs from January 1 to December 31. The accounting system was designed to divide each accounting year into twelve calendar months, or periods.

4. Currency Reporting:

The GPFS was developed using Naira (Nigeria's currency).

5. Comparative Data:

The *General Purpose Financial Statements* included all the numerical data for the prior time frame.

6. Financial Data:

These numbers come from the approved budget, which was created on a cash basis in compliance with the Local Government Councils' Appropriation Bye-Law.

7. Income from Taxes, Fees, and Fines:

When fees, taxes, and other non-exchange transaction revenue are collected and meet the requirements for asset recognition, they are recorded as revenue. When it is likely that the company will get future economic benefits or service possibilities from the asset and it is reasonably possible to determine the asset's fair value, other non-exchange revenues are recognised.

Additional Operating Profits:

Exchange transactions that take place in the regular course of the entity's operations provide additional operational revenues. The fair value of the payment received or receivable for the sale of goods and services is included in revenues.

Sales of Products:

When the major risks and benefits of ownership have been passed to the buyer, generally with delivery of the products, revenue from the sale of those things is recognised.

Additional Income/Revenue:

Fees, fines, debt forgiveness, commissions, earnings from the sale of assets, and other sources make up other revenue. Any gain or disposal is recorded on the day the asset is turned over to the buyer and is calculated by reducing the asset's carrying value from the proceeds on that date.

8. Changes from Other Governmental Organisations:

When an asset (cash, goods, services, or properties) is received condition-free and there is a reasonable probability that the asset's potential for economic benefit or service will be reliably measured, revenues from non-exchange transactions with other government entities are recognised at fair value.

9. Costs:

All costs are recorded on an accrual basis, which means that regardless of when the money is received, costs are recorded at the time they are incurred or when the associated services are used.

10. Loan Interest:

In the financial performance report (Statement of Financial Performance), interest on loans is accounted for either an expense or a charge. To calculate interest expenditure for each period, interest is accumulated by applying the effective interest rate method to the principle amount owed.

11. Cash Flow Statement:

The direct technique was used to create this statement, which followed the GPFS format. There are three (3) parts in the cash flow statement:

Operating Activities:

These track the cash payments made for the provision of goods and services as well as the cash received by Local Government Councils from all sources of income.

Investing activities are those that have to do with buying and selling non-current assets.

Financial Activities: These include adjustments to the PSE's debt and equity capital structure.

12. Currency and Its Equivalent:

The term "cash and cash equivalent" refers to the amount of cash that is on hand, held in bank accounts, demand deposits, and other highly liquid investments with an initial maturity of three months or less. These investments are made by the entity as part of its daily cash management process, and they are easily convertible into known amounts of cash with little to no risk of value fluctuations. Cash and Cash Equivalent are included in the Statement of Financial Position under Current Assets.

13. Accounts Receivable: Exchange Transaction Receivables

Exchange transaction receivables are first recorded at fair value and then, using the effective interest method, evaluated at amortised cost, minus allowance for impairment. When there is, a receivables impairment provision is created.

Receivables from Transactions Without Exchange:

Receivables from non-exchange transactions include social benefit receivables that don't stem from contracts, as well as fees, taxes, fines, and other penalties related to these activities. These receivables are first valued at face value, or nominal amount; that is, the amount of tax due, levy, fine, etc., is reflected in the receivable. These accounts receivable are first evaluated at face value or nominal amount, meaning that the receivable represents the total amount of taxes due, levies, fines, etc. Following their charging, these receivables are modified for penalties or may be written off due to impairment. The statement of financial performance presents interest and penalties on tax receivables as tax revenue..

14. Advance payments:

Amounts paid in advance of receiving goods or services are referred to as prepaid costs. They signify payments made in one year for benefits to be obtained in other years, or payments made early in the year for benefits to be received throughout the course of the year.

15. Inventory:

- (a): The net realisable value of an inventory is subtracted from its cost.
- (b) The FIFO approach is used to calculate costs.
- (c) Where appropriate, inventories retained for distribution for the benefit of the

public are documented at cost less any prospective loss of services.

(d) In the Financial Position Statement, inventories are included under Current Assets.

16. Awarded Loans:

The approved loans are displayed at their estimated realisable value, which takes into account impairments and bad or dubious debts.

17. Plant, machinery, and equipment:

(a) The historical cost of all PPE is reported, less cumulative depreciation and any impairment losses. Costs directly related to the acquisition of the assets are included in the historical cost.

(b) When an asset is purchased through a non-exchange transaction for nominal or no consideration, it is first recorded in the statement of financial performance at fair value, which is a value that can be consistently ascertained and expressed as income during the PPE's useful life.

(c) The subsequent items are considered PPE expenses:

i) The price paid for the acquisition of these assets as well as any additional pertinent costs associated with restoring the asset to operational condition.

ii) Building expenses, which include labour, supplies, and overhead.

iii) Modifications to current PPE that greatly extend its usable life.

Price:

A piece of PPE's total cost includes the purchase price, import fees, one-time expenses, and any expenditures directly related to relocating and restoring the asset to its original location and state of functionality. The purchase price is calculated after subtracting trade discounts and rebates. PPE are reported at cost or at their expert appraisal less cumulative impairment and depreciation.

Devaluation:

PPE is depreciated according to a straight line method throughout the course of their anticipated useful lifetimes, less any projected residual value, using relevant rates, starting on the date of availability for use.

No.	Item of PPE	Depreciation Rate
A	Leased Property	Over the term of the lease
B	Buildings	2%
C	Investment property	2%
D	Infrastructure	5%
E	Plant and Machinery	10%
F	Transportation Equipment (except K)	20%
G	Office Equipment	25%
H	Furniture and Fittings	20%
I	Specialized Assets (e.g., books, military and paramilitary assets)	10%
J	Bearer Plant	4%
K	Aircraft, ship and train	5%
L	Specific cultural and heritage assets	Unlimited

Assessment:

At the conclusion of each reporting period, the residual values and usable lifetimes of the assets are examined and, if necessary, changed. Revaluation surplus is moved to the revaluation reserve under reserves in the financial situation. If there is a revaluation deficit, it is recorded as an expense in the statement of financial performance or, if there is a surplus on the same class of assets, against the value of the related assets and the corresponding entry to the revaluation reserve.

Disposal Gain or loss resulting from getting rid of a piece of PPE is shown as a surplus or deficit.

Deficit:

When there are signs that a piece of personal protective equipment (PPE) may have been compromised, an impairment test is carried out.

18. Real Estate Investment

These are properties that provide income for a PSE. At first, an investment property is valued at its cost. Investment property is then measured at fair value at the end of the term, and any gain or loss at fair value is recorded as a surplus or deficit.

Income from Investments:

Investment income is defined as the excess or shortfall of rental revenue received or gained from an investment property.

Disposal:

The surplus or deficit represents the gain or loss from the sale of investment property.

19. Non-tangible Resources

These are non-tangible assets that have been created domestically or purchased, and they are stored for usage in order to produce advantages that extend beyond a fiscal year. An intangible asset's total cost includes the acquisition price, non-recurring charges, and any expenses directly related to restoring the asset to its intended condition of use.

20. Deposits:

Resources kept in custody on behalf of third parties make up deposits. Additionally, deposits signify upfront payments for future products and services.

21. Debts and Loans:

Loans are sums of money that are borrowed with an agreed-upon repayment schedule. They are classified as either short-term or long-term loans and are shown as liabilities in the Statement of Financial Position.

22. Unremitted Withheld Taxes:

Money due to third parties, including tax authorities, unions, cooperatives, schemes and organisations, other government agencies, etc., is known as an unremitted deduction. Tax and other at-source deductions are examples of unremitted deductions. The sums are considered as Current Liabilities in the Statement of Financial Position and are reflected in the GPFS at their payback value.

23. Accrued Expenses - Payables

These are sums of money owed to outside parties for products and services obtained.

24. Public Money

These represent the government's financial balances at the conclusion of the fiscal year. The Statement of Financial Position categorises them as Non-Current Liabilities.

25. Reserves:

Reserves such as Surpluses/(Deficits) Reserve, Translation Reserve, Revaluation

Reserve, Fair Value Reserve, and other Reserves are categorised under equity in the Statement of Financial Position.

26. Debts

Initial recognition of borrowings is done at fair value, net of incurred transaction expenses. Following amortisation, borrowings are reported at cost; any discrepancy between proceeds (net of transaction expenses) and redemption value is recognised using the effective interest method in the consolidated statement of financial performance for the duration of the borrowings. The fees incurred for setting up lending facilities are recorded as loan transaction charges. The cost of the charge is capitalised and spread out over the life of the related facility.

27. Assignments to Other Governmental Organisations:

Transfers to other governmental bodies are included as costs in the statement of financial performance as they are non-exchange items.

28. Advances:

According to Edo State Financial Memoranda 16.16, any loans given to Local Government Council employees to carry out projects or make purchases of goods or services on their behalf must be retired by the end of the fiscal year. However, in situations where an advance is made towards the end of the fiscal year or where an advance that has already been made cannot be retired within the fiscal year, the advance and any outstanding amount are included in the Statement of Financial Position.

OWAN EAST LOCAL GOVERNMENT COUNCIL, AFUZE
STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2023

Previous Year Actual 2022 (N)	Description	NCOA Code	Note	Annual Budget (N)	Actual Revenue/ Expenditure (N)	Percentage of Budget Performance
2,840,224,589.39	Net Assets/Equity As At 1/1/2023 – A			61,376,200.28	2,878,102,384.87	
	REVENUE					
	<u>Statutory Allocation:</u>					
1,290,289,240.89	Share of Federation Account	110101	1	1,725,847,770.93	1,081,176,499.98	63%
867,797,499.84	Share of Value Added Tax (VAT)	110102	1	927,675,085.43	1,192,180,287.35	129%
126,867,333.13	Excess Crude Oil and Others	110103	1	831,499,030.34	1,305,666,649.29	157%
2,284,954,073.86	Sub-Total Statutory Allocation – B			3,485,021,886.70	3,579,023,436.62	103%
	<u>Independent Revenue:</u>					
3,433,850.00	Licences General	120201	2	11,860,000.00	656,000.00	6%
38,166,982.82	Fees General	120204	2	36,590,000.00	33,935,344.36	93%
1,534,700.00	Fines General	120205	2	1,780,000.00	1,836,000.00	103%
-	Sales General	120206	2	8,980,000.00	121,269,316.00	1350%
32,182,472.70	Earnings General	120207	2	43,897,000.00	14,903,550.00	34%
-	Rent on Government Building General	120208	2	250,000.00	-	0%
-	Rent on Land and Others General	120211	2	520,000.00	-	0%
-	Repayment General	120213	2	860,450.00	-	0%
-	Investment Income	120214	2	1,567,900.30	3,563,643.60	227%

75,318,005.52	Sub-Total Independent Revenue – C			106,305,350.30	176,163,853.96	166%
5,200,496,668.77	Total Receipts (A+B+C)			3,652,703,437.28	6,633,289,675.45	182%
	EXPENDITURE					
	<u>Recurrent Expenditure:</u>					
521,401,532.23	Salaries and Wages	210101	3	520,313,525.57	519,288,849.32	100%
152,978,053.43	Overhead Cost	220201	4	336,640,000.00	502,310,930.64	149%
1,504,824,084.54	SUBEB and other Transfers to Local Govt. Entities	220701	5	1,729,624,233.57	1,932,143,891.80	112%
128,819,718.40	Depreciation			-	-	
2,308,023,388.60	Sub-Total Recurrent Expenditure: E			2,586,577,759.14	2,953,743,671.76	114%
	<u>Capital Expenditure:</u>					
4,000,000.00	Land and Building General	320101	6	454,754,500.00	250,000,000.00	55%
-	Infrastructure General	320102	6	320,700,000.00	210,000,000.00	65%
-	Furniture and Fittings General	320106	6	85,750,000.00	52,000,000.00	61%
10,370,895.30	Intangible Assets	320301	6	176,945,500.00	197,877,865.98	112%
14,370,895.30	Sub-Total Capital Expenditure: F			1,038,150,000.00	709,877,865.98	68%
2,322,394,283.90	Total Expenditure: G = E + F			3,624,727,759.14	3,663,621,537.74	101%
2,878,102,384.87	Net Assets/Equity As At 31/12/2023				2,969,668,137.71	
5,200,496,668.77					6,633,289,675.45	

OWAN EAST LOCAL GOVERNMENT COUNCIL, AFUZE STATEMENT OF FINANCIAL POSITION AS AT 31 ST DECEMBER, 2023						
Description	NCOA Code	Note	2023 (R)	2023 (R)	2022 (R)	2022 (R)
ASSETS						
Current Assets:						
Cash and Cash Equivalent	310101	7	92,299,752.84	-	142,895,048.51	
Inventories	310501	7	56,750.00		56,750.00	
Receivables	310601	7	-		-	
Prepayments	310801	7	161,928,480.78		161,928,480.78	
Total Current Assets: A				254,284,983.62		19,090,182.27
Non-Current Assets:						
Loan Granted (Local Govt. Loan Fund)	311001	7	-		-	
Investments	310901	7	27,883,736.00		27,883,736.00	
Property, Plant and Equipment (PPE)	320101	7	3,182,421,871.45		3,343,683,515.45	
Investment Properties	320201	7	13,885,036.00		13,885,036.00	
Intangible Assets (Advances)	320301	7	-		-	
Total Non-Current Assets: B				3,224,190,643.45		3,385,452,287.45
Total Assets: C = A+B				3,478,475,627.07		3,404,542,469.72
LIABILITIES						
Current Liabilities:						
Deposits	410101	8	254,399,683.87		272,032,279.36	
Short Term Loans and Debts	410201	8	75,941,620.08		75,941,620.08	
Payables (Accrued Expenses)	410401	8	3,822,400.16		3,822,400.16	
Total Current Liabilities: D				334,163,704.11		351,796,299.60
Non-Current Liabilities:						
Long Term Borrowing	4601/4602	8	174,643,785.25		174,643,785.25	
Total Non-Current Liabilities: E				174,643,785.25		174,643,785.25
Total Liabilities: F = D+E				508,807,489.36		526,440,084.85
Net Assets: G = C-F				2,969,668,137.71		2,878,102,384.87
NET ASSETS/EQUITY						
Reserves: H	4701	9	2,878,102,384.87		2,840,224,589.39	
Accumulated Surpluses/(Deficits): I	4702	9	91,565,752.84		37,877,795.48	
Total Net Assets/Equity: G = H+I				2,969,668,137.71		2,878,102,384.87

OWAN EAST LOCAL GOVERNMENT COUNCIL, AFUZE
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2023

NCOA Code	Details	Note	2023 (N)	2023 (N)	2022 (N)	2022 (N)
	CASH FLOW FROM OPERATING ACTIVITIES:					
	<u>INFLOWS:</u>					
	<u>Statutory Allocations</u>					
110101	Share of Federation Account	1	1,081,176,499.98		1,290,289,240.89	
110102	Share of Value Added Tax (VAT)	1	1,192,180,287.35		867,797,499.84	
110103	Excess Crude Oil and Others	1	1,305,666,649.29		126,867,333.13	
	Sub-Total Statutory Revenue – A			3,579,023,436.62		2,284,954,073.86
	<u>Independent Revenue</u>					
120201	Licences General	2	656,000.00		3,433,850.00	
120204	Fees General	2	33,935,344.36		38,166,982.82	
120205	Fines General	2	1,836,000.00		1,534,700.00	
120206	Sales General	2	121,269,316.00		-	
120207	Earnings General	2	14,903,550.00		32,182,472.70	
120208	Rent on Government Buildings General	2	-		-	
120209	Rent on Land and Others General	2	-		-	
120210	Repayments General	2	-		-	
120211	Investment Income	2	3,563,643.60		-	
	Sub-Total Independent Revenue – B			176,163,853.96		75,318,005.52
	Total Inflow from Operating Activities C = A+B			3,755,187,290.58		2,360,272,079.38

	OUTFLOWS:					
210101	Salaries and Wages	3	519,288,849.32		521,401,532.23	
220201	Overhead Cost	4	502,310,930.64		152,978,053.43	
220701	SUBEB and other Transfers to Local Government Entities	5	1,932,143,891.80		1,504,824,084.54	
	Depreciation		-		-	
	Total Outflow from Operating Activities – D			2,953,743,671.76		2,179,203,670.20
	Net Cashflow from Operating Activities – E = C-D			801,443,618.82		181,068,409.18
	CASHFLOW FROM INVESTING ACTIVITIES:					
320101	Land and Building General	6	250,000,000.00		41,799,197.15	
320102	Infrastructure General	6	210,000,000.00		-	
320106	Furniture and Fittings General	6	52,000,000.00		-	
320301	Intangible Assets	6	197,877,865.98		101,391,416.55	
	Total Outflow from Investing Activities – F			709,877,865.98		143,190,613.70
	Net Cashflow from Investing Activities – G = E - F			91,565,752.84		37,877,795.48
	CASHFLOW FROM FINANCIAL ACTIVITIES:					
301801	Advances		- 161,261,644.00		- 23,535,700.00	
410101	Deposits		- 17,632,595.49		- 4,058,926.40	
410102	Other Accounts - Loan		-		-	
	Other Accounts - Investment		-		-	
420301	Proceeds from Borrowings		-		-	
	Payment/Charges on Borrowings		-		-	
	Net Cashflow from Financing Activities – H			- 143,629,048.51		- 19,476,773.60
	Net Cashflow from all Activities – I = G - H			235,194,801.35		57,354,569.08
	Cash and Cash Equivalent As At 1/1/2023			- 142,895,048.51		- 200,249,617.59
	Cash and Cash Equivalent As At 31/12/2023			92,299,752.84		- 142,895,048.51

NOTES TO THE ACCOUNTS

NOTE 1:				
SCHEDULE OF STATUTORY ALLOCATION TO OWAN EAST LOCAL GOVERNMENT COUNCIL, AFUZE FOR THE YEAR ENDED 31ST DECEMBER 2023				
Month	Federation Account	Value Added Tax	Others	Total
January	147,951,988.07	86,141,555.96	362,771,672.54	596,865,216.57
February	85,440,769.72	86,731,895.82	34,235,549.38	206,408,214.92
March	81,317,162.17	89,831,025.12	30,830,827.07	201,979,014.36
April	110,843,421.78	79,781,532.42	7,245,234.41	197,870,188.61
May	78,737,101.57	74,149,429.99	27,072,004.79	179,958,536.35
June	119,090,583.93	97,009,273.17	233,996,936.61	450,096,793.71
July	66,766,127.28	103,412,513.76	284,420,528.79	454,599,169.83
August	86,689,977.32	101,280,732.26	70,720,440.33	258,691,149.91
September	70,727,808.70	126,998,450.70	59,281,810.71	257,008,070.11
October	86,853,028.76	101,871,845.72	44,556,363.65	233,281,238.13
November	67,159,483.95	118,010,617.16	64,592,500.82	249,762,601.93
December	79,599,046.73	126,961,415.27	85,942,780.19	292,503,242.19
Total	1,081,176,499.98	1,192,180,287.35	1,305,666,649.29	3,579,023,436.62

NOTE 2:										
SCHEDULE OF INDEPENDENT REVENUE OF OWAN EAST LOCAL GOVERNMENT COUNCIL, AFUZE FOR THE YEAR 2023										
Month	120201 Licences General	120204 Fees General	120205 Fines General	120206 Sales General	120207 Earnings General	120208 Rent On Govt. Buildings General	120209 Rent On Land & Others General	120210 Repayments General	120211 Investment Income	Monthly Total
January	-	17,558,555.12	-	-	1,254,350.00	-	-	-	-	18,812,905.12
February	-	254,000.00	-	-	341,850.00	-	-	-	-	595,850.00
March	250,000.00	2,130,700.00	5,000.00	-	1,328,800.00	-	-	-	-	3,714,500.00
April	16,000.00	1,435,518.64	-	-	1,588,600.00	-	-	-	-	3,040,118.64
May	30,000.00	1,349,750.00	46,000.00	-	2,062,950.00	-	-	-	2,591,740.80	6,080,440.80
June	29,000.00	1,539,700.00	-	2,870,000.00	1,629,950.00	-	-	-	-	6,068,650.00
July	268,000.00	1,350,650.00	5,000.00	17,045,371.00	1,109,600.00	-	-	-	-	19,778,621.00
August	30,000.00	1,769,550.00	30,000.00	35,524,560.00	1,015,700.00	-	-	-	-	38,369,810.00
September	8,000.00	671,700.00	1,750,000.00	19,360,770.00	1,151,800.00	-	-	-	-	22,942,270.00
October	20,000.00	2,397,250.00	-	30,185,990.00	831,350.00	-	-	-	-	33,434,590.00
November	-	2,185,550.00	-	16,282,625.00	1,002,100.00	-	-	-	971,902.80	20,442,177.80
December	5,000.00	1,292,420.60	-	-	1,586,500.00	-	-	-	-	2,883,920.60
Total	656,000.00	33,935,344.36	1,836,000.00	121,269,316.00	14,903,550.00	-	-	-	3,563,643.60	176,163,853.96

NOTE: 3 SCHEDULE OF SALARIES AND WAGES OF OWAN EAST LOCAL GOVERNMENT, AFUZE FOR THE YEAR ENDED

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
21010101	Office of the Chairman	21,933,776.22	25,081,967.99	114%
21010102	The Council (Legislative)	25,182,614.40	3,510,825.82	14%
21010103	Personnel Management	158,488,565.73	150,515,677.03	95%
21010104	Internal Audit	2,197,856.71	4,838,017.06	220%
21010105	Information	5,075,364.11	7,940,836.79	156%
21010106	Office of the Head of LGA	-	-	
21010107	Agriculture and National Resources	12,908,533.03	17,359,369.22	134%
21010108	Finance and Supply	69,041,198.11	71,708,551.81	104%
21010109	Budget, Planning & Statistics	10,365,114.16	11,921,570.82	115%
2101010	Revenue	35,642,827.18	30,288,350.26	85%
2101011	Works and Housing	79,673,239.43	96,688,757.91	121%
2101012	Procurement	5,826,687.60	6,204,225.26	106%
2101013	Legal Services	4,989,292.07	4,166,990.54	84%
2101014	Youth, Women & Social Development	39,110,520.65	28,859,978.14	74%
2101015	Primary Health Care	195,301,083.77	19,272,860.02	10%
2101016	Environment	34,118,575.29	28,000,673.91	82%
2101017	Water and Sanitary Hygiene	10,346,085.10	12,930,196.74	125%
	Total	710,201,333.56	519,288,849.32	73%

NOTE: 4 SCHEDULE OF OVERHEAD COST OF OWAN EAST LOCAL GOVERNMENT, AFUZE FOR THE YEAR 2023

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
22020101	Office of the Chairman	13,570,000.00	21,045,000.00	155%
22020102	The Council (Legislative)	8,200,000.00	15,639,255.00	191%
22020103	Personnel Management (Admin)	93,910,000.00	124,770,065.00	133%
22020104	Internal Audit	2,550,000.00	9,983,955.00	392%
22020105	Information	12,090,000.00	15,500,000.00	128%
22020106	Office of the Head of LGA	9,620,000.00	10,386,271.00	108%
22020107	Agriculture and National Resources	6,960,000.00	2,731,045.00	39%
22020108	Finance and Supply	23,010,000.00	66,261,255.00	288%
22020109	Budget, Planning & Statistics	7,280,000.00	5,069,850.00	70%
22020110	Procurement	3,310,000.00	11,583,500.00	350%
22020111	Revenue	8,435,000.00	11,020,685.00	131%
22020112	Works & Housing	43,845,000.00	55,165,540.00	126%
22020113	Legal Services	3,340,000.00	9,999,500.00	299%
22020114	Social Development	22,045,000.00	32,146,945.00	146%
22020115	Primary Health Care	35,955,000.00	41,272,710.00	115%
22020116	Environment	31,920,000.00	54,392,025.64	170%
22020117	Water and Sanitary Hygiene	13,940,000.00	15,343,329.00	110%
22020118	Contribution to LG Service Commission	-	-	
	Total	339,980,000.00	502,310,930.64	148%

NOTE 5: SCHEDULE OF TRANSFERS TO SUBEB AND OTHER LOCAL GOVERNMENT ENTITIES IN OWAN EAST LOCAL GOVERNMENT, AFUZE

Month	Deductions for Mandatory Expenditure				Total
	Subvention to LGEA (SUBEB)	Total Salary for Teaching and LGEAs	5% Traditional Council	Other Transfers to Local Govt. Entities	
January	416,825.80	69,683,746.18	12,583,628.54	87,382,614.40	170,066,814.92
February	416,825.80	66,405,949.89	10,320,410.74	79,074,231.72	156,217,418.15
March	416,825.80	66,499,085.67	10,098,950.72	85,595,395.32	162,610,257.51
April	416,825.80	63,300,166.81	9,893,509.43	81,473,531.67	155,084,033.71
May	416,825.80	62,105,417.27	8,997,926.82	72,905,551.99	144,425,721.88
June	416,825.80	61,383,516.74	11,178,515.77	88,025,041.09	161,003,899.40
July	416,825.80	83,301,613.24	12,348,362.91	104,166,060.53	200,232,862.48
August	416,825.80	60,690,286.78	12,934,557.49	78,376,555.64	152,418,225.71
September	416,825.80	61,469,048.85	12,850,403.50	77,481,760.82	152,218,038.97
October	416,825.80	61,437,589.63	11,664,061.90	83,801,912.28	157,320,389.61
November	416,825.80	61,982,127.50	12,488,130.09	80,095,220.81	154,982,304.20
December	416,825.80	60,525,292.04	14,625,162.11	89,996,645.31	165,563,925.26
Total	5,001,909.60	778,783,840.60	139,983,620.02	1,008,374,521.58	1,932,143,891.80

**NOTE 6: SCHEDULE OF CAPITAL EXPENDITURE OF OWAN EAST LOCAL GOVERNMENT, AFUZE FOR THE YEAR ENDED
31ST DECEMBER, 2023**

Month	Land & Building General 320101	Infrastructure General 320102	Furniture & Fittings 320106	Intangible Assets 320301	Monthly Total
January	19,700,000.00	17,500,000.00	4,200,000.00	16,500,000.00	57,900,000.00
February	20,800,000.00	16,000,000.00	4,300,000.00	18,000,000.00	59,100,000.00
March	31,000,000.00	15,500,000.00	3,300,000.00	17,000,000.00	66,800,000.00
April	18,000,000.00	14,500,000.00	4,800,000.00	15,300,000.00	52,600,000.00
May	12,000,000.00	17,000,000.00	4,800,000.00	15,200,000.00	49,000,000.00
June	16,000,000.00	16,500,000.00	4,100,000.00	18,034,000.00	54,634,000.00
July	15,900,000.00	17,000,000.00	5,100,000.00	18,143,865.98	56,143,865.98
August	9,800,000.00	17,500,000.00	4,600,000.00	15,000,000.00	46,900,000.00
September	25,000,000.00	15,500,000.00	3,200,000.00	16,000,000.00	59,700,000.00
October	35,000,000.00	14,000,000.00	4,900,000.00	17,500,000.00	71,400,000.00
November	24,000,000.00	15,900,000.00	4,300,000.00	16,000,000.00	60,200,000.00
December	22,800,000.00	33,100,000.00	4,400,000.00	15,200,000.00	75,500,000.00
Total	250,000,000.00	210,000,000.00	52,000,000.00	197,877,865.98	709,877,865.98

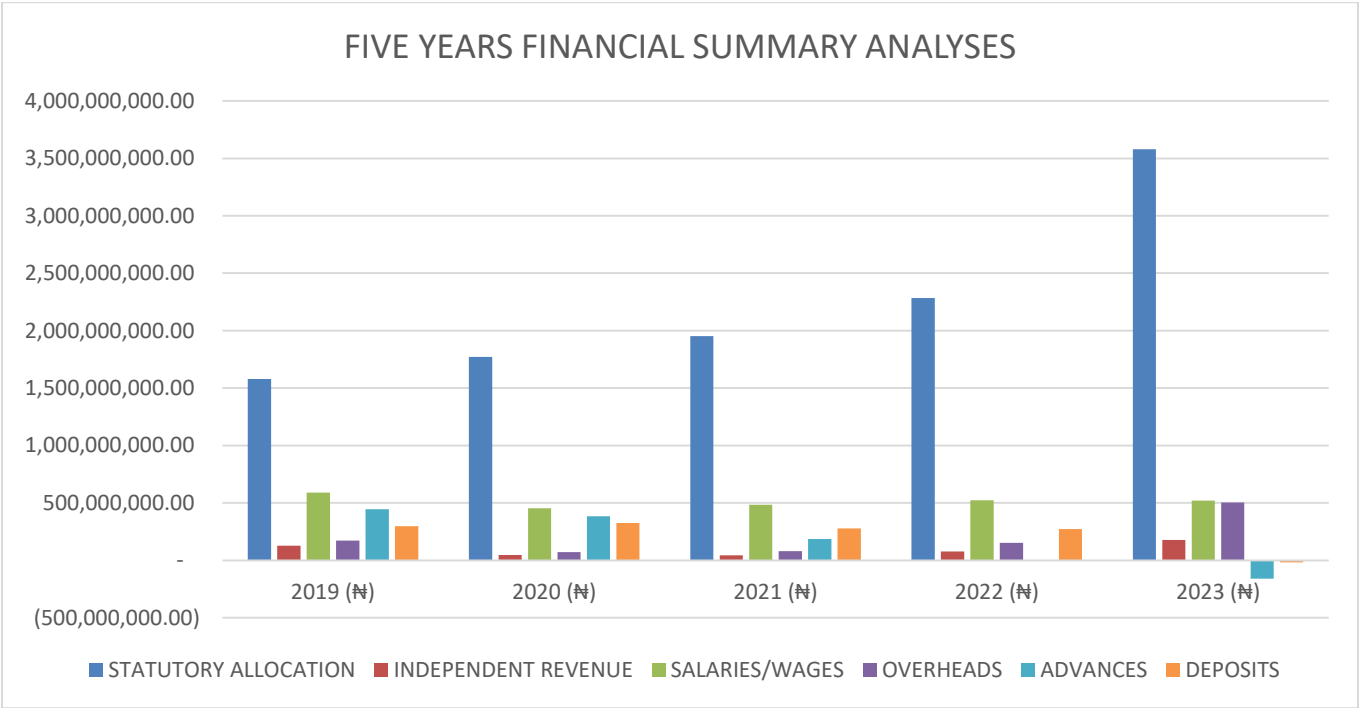
NOTE 7:	
CURRENT AND NON-CURRENT ASSETS AS AT 31ST DECEMBER, 2023	
Cash and Cash Equivalent	92,299,752.84
Inventories	56,750.00
Property, Plant and Equipment (PPE)	3,182,421,871.45
Investments	27,883,736.00
Investment Properties	13,885,036.00
Prepayments	161,928,480.78
Total Assets	₱ 3,478,475,627.07

NOTE 8:	
CURRENT AND NON-CURRENT LIABILITIES AS AT 31ST DECEMBER, 2023	
Deposits	254,399,683.87
Loans/Debts	75,941,620.08
Payables	3,822,400.16
Long Term Borrowings	174,643,785.25
Total Liabilities	₱ 508,807,489.36

NOTE 9:	
CAPITAL RESERVES	
Reserves as at 1/1/2023	2,878,102,384.87
Accumulated Surpluses/Deficits for the Year	91,565,752.84
Net Assets/Equity as at 31/12/2023	₱ 2,969,668,137.71

NOTE 10:					
DETAILS OF AUDIT QUERIES ISSUED TO OWAN EAST LOCAL GOVERNMENT COUNCIL, AFUZE IN RESPECT OF 2023 ACCOUNTS					
S/No.	Query Number	P.V. No./Date	Reason	Amount (₦)	Remark
	Current Year:				
1.	AQ/OELG/AFZ/1/2023	Various	Irregular Expenditure	2,058,500.00	Resolved
2.	AQ/OELG/AFZ/2/2023	5/Jan/2023	Irregular Expenditure	167,000.00	Resolved
3.	AQ/OELG/AFZ/1A/2023	Various	Irregular Expenditure	26,420,500.00	Resolved
4.	AQ/OELG/AFZ/2A/2023	98/Oct/2023	Irregular Expenditure	3,200,000.00	Resolved
	Total			31,846,000.00	

OWAN EAST LOCAL GOVERNMENT COUNCIL, AFUZE							
FIVE YEARS FINANCIAL SUMMARY ANALYSES							
S/N		2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)	2023 (₦)	TOTAL (₦)
1	STATUTORY ALLOCATION	1,578,887,370.38	1,772,128,590.94	1,952,157,796.09	2,284,954,073.86	3,579,023,436.62	11,167,151,267.89
2	INDEPENDENT REVENUE	126,893,142.80	45,984,001.81	43,996,638.65	75,318,005.52	176,163,853.96	468,355,642.74
3	SALARIES/WAGES	590,070,808.63	452,211,503.07	484,159,460.67	521,401,532.23	519,288,849.32	2,567,132,153.92
4	OVERHEADS	171,460,999.26	71,353,762.05	78,643,478.65	152,978,053.43	502,310,930.64	976,747,224.03
5	ADVANCES	445,785,798.78	384,436,450.78	185,464,180.78	-	-161,261,644.00	854,424,786.34
6	DEPOSITS	296,249,807.45	325,145,123.08	276,091,205.76	272,032,279.36	-17,632,595.49	1,151,885,820.16
	TOTAL	3,209,347,927.30	3,051,259,431.73	3,020,512,760.60	3,306,683,944.40	4,597,892,831.05	17,185,696,895.08





OWAN WEST LOCAL GOVERNMENT

P.M.B 106, SABONGIDA-ORA,
EDO STATE OF NIGERIA

Our Ref: _____

Your Ref: _____

Date: _____

STATEMENT OF FINANCIAL RESPONSIBILITY

RESPONSIBILITY FOR FINANCIAL STATEMENTS

These Financial Statements have been prepared by the Director of Finance and Accounts of **Owan West Local Government Council, Sabongidda-Ora** in accordance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS. The Financial Statements complied with generally accepted accounting practice.

The Director of Finance and Accounts is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly recorded the use of all public financial resources by the Local Government Council. To the best of my knowledge, this system of internal control has operated adequately throughout the reporting period.

Signature

For. Okegin

Mr. Ohiafi Kehinde Andrew
Director of Finance and Accounts

8/4/2024

Date

We accept responsibility for the integrity of these Financial Statements, the information they contain and their compliance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS.

In our opinion, these financial statements fairly reflect the financial position of **Owan West Local Government Council, Sabongidda-Ora** as at 31st December 2023 and its operations for the year ended on that date.

Signature

[Signature]

BARR. EKHANE DICKSON
Head of Local Government Administration

27/06/24

Date

Signature

[Signature]

HON. DICKSON IDOJEMU AHONSI
Executive Chairman

27-06-24

Date



OFFICE OF THE AUDITOR-GENERAL (LOCAL GOVERNMENTS)
19 BOUNDARY ROAD, G.R.A.
P.M.B. 1128
BENIN CITY
EDO STATE OF NIGERIA

**REPORT OF THE STATE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS
TO THE MEMBERS OF THE EDO STATE HOUSE OF ASSEMBLY**

The Financial Statements of Owan West Local Government Council, Sabongidda-Ora for the year ended 31st December 2023 as contained in this report prepared under the International Public Sector Accounting Standards (IPSAS) Accrual accounting framework and on the basis of Accounting Policies detailed in the Financial Statements have been audited as required by the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended.

RESPONSIBILITY OF THE DIRECTOR OF FINANCE AND ACCOUNTS

The Director of Finance and Accounts to Owan West Local Government Council, Sabongidda-Ora is responsible for the preparation and presentation of the Financial Statements in accordance with the Finance (Control and management) Act 1958 as amended. He is to ensure that there are no material misstatements in the Financial Statements.

AUDITOR-GENERAL'S RESPONSIBILITY


It is my statutory responsibility to form an independent opinion based on the audit of the Financial Statements and to report thereon.

BASIS OF OPINION

The audit was conducted in accordance with International Standards on Auditing (ISA) as applicable to the public sector, International Organization of Supreme Audit Institutions (INTOSAI), Auditing Standards, the provisions of the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended. The audit includes examination on a test basis of evidence relevant to the figures disclosed in the Financial Statements. It also includes an assessment of significant estimates and judgments made by the Council in the preparation of the Financial Statements and whether the accounting policies were appropriate in the Council's circumstances, consistently applied and adequately disclosed. The audit was planned and performed to obtain all information and explanations considered necessary to have reasonable assurance that the Financial Statements are free from material misstatements. I have not obtained all the information and explanations that I required.

OPINION

In my opinion, the Financial Statement of Owan West Local Government Council, Sabongidda-Ora for the year ended 31st December 2023 show a true and fair view of the Council's state of financial position, performance and of the cashflow in accordance with all legal and regulatory frameworks, subject to the observations and comments contained in this report.


S.O. Johnson, FCA, ACTI, FIMC, FCCSA
(FRC/2022/PRO/ICAN004/188858)
Auditor-General (Local Governments)

Edo State,
28th June, 2024

AUDITOR-GENERAL'S REPORT FOR LOCAL GOVERNMENTS, EDO STATE
OWAN WEST LOCAL GOVERNMENT COUNCIL, SABONGIDDA-ORA:
GENERAL DISCLOSURES AND OBSERVATIONS ON THE ACCOUNTS FOR
THE YEAR ENDED DECEMBER 31, 2023

1. REVENUE

The entire income realised by Owan West Local Government Council during the year that concluded on December 31, 2023, was N3,207,714,360.13. Of this total, N92,206,092.54 represented independent revenue, while N3,115,508,267.59 was obtained as statutory allocations from the federation account. For more information, see Notes 1 and 2.

SUMMARY

Throughout the time under review, the Local Government Council remained mostly dependent on funding from the Federation Account. To lessen an excessive reliance on statutory allocations, the Local Government Council is urged to examine its own internal operations and devise strategies to increase money produced internally.

2. SLGJAAC ALLOCATIONS TO LOCAL GOVERNMENT COUNCILS ARE COMPLETE

Owan West Local Government Council, Sabongidda-Ora received in full the sum of N3,115,508,267.59 that accrued from the federation account to the Council as statutory allocations transferred through the State-Local Government Joint Account Allocation Committee (SLGJAAC) during the period under review. This information was obtained from source documents from the Edo State Ministry of Local Government Affairs and was included in the Council's Financial Statements for the year ended December 31, 2023. For more information, see Note 1.

3. EXPENDITURE

Owan West Local Government Council, Sabongidda-Ora spent N496,293,307.79 on salaries and wages during the review period. Overhead was N89,695,338.00, and N1,595,666,310.12 was transferred to SUBEB and other local government entities. The year's capital outlay came to N540,293,024.96.

4. CASH AND CASH EQUIVALENT

As of December 31, 2023, Owan West Local Government Council, Sabongidda-Ora has N 104911365.63 in cash and financial equivalents. The Local Government Council created bank reconciliation statements for the time period under examination. But not enough information was provided for us to determine the cash book bank balance for reconciliation.

SUMMARY

To ensure correct reconciliation at the end of the year, the Local Government Council is urged to always complete monthly bank reconciliation statements in accordance with Financial Memoranda 19:23-30. However, it is praiseworthy that an attempt was made to create Bank Reconciliation Statements.

5. ADVANCES

As of December 31, 2023, the Local Government Councils' unretired advances totalled N347,576,843. It was noted that, despite my cautions in earlier reports and circular letters, as of December 31, 2023, advances given to different Council officials as working advances had not been retired, in violation of F.M. 16.16.

SUMMARY

In compliance with F.M. 16.16, the Treasurers of the Local Government Councils and the Heads of Local Government Administration are therefore called upon to promptly retire ALL outstanding operating advances.

6. GENERAL INVESTMENTS

As of December 31, 2023, Owan West Local Government Council, Sabongidda-Ora has N1,100,000.00 in investments. Due to the Council's failure to keep investment registers or ledgers, the investments were not appropriately documented. Consequently, it was not feasible to confirm the investments and determine their current valuations.

SUMMARY

The Local Government Council should conduct an investigation into the investments' current state in order to determine their existence, viability, and valuations. It is necessary to reassess all investments, write off any that are no longer in operation, and declare any that are at fair market value.

7. LIABILITIES:

(A) DEPOSITS

The balance owing in the deposit accounts of Owan West Government Council, Sabongidda-Ora, was N326,553,413.20 as of December 31, 2023. Pay As You Earn (PAYE), union dues (NULGE), car refurbishing loans deducted for loans obtained from other councils, retention fees, value-added tax (VAT), withholding tax (WT), and other deductions from staff salaries are all represented by the Deposit Accounts.

SUMMARY

After the deposits have been thoroughly examined, the Council is responsible for making sure the beneficiaries receive their money back. Any deposit whose owner cannot be located or has not made any use of it for more than five years after the repayment deadline should be adjusted to revenue in line with F.M. 24.25(5).

(B) SHORT TERM LOANS

The Local Government Council owed a total of N800,000.00 in bank overdrafts and combined short-term loans to other banks.

8. FINANCIAL PERFORMANCE

The following is an overview of Owan West Local Government Council, Sabongidda-Ora's budget performance for the year that concluded on December 31, 2023:

Description	Approved Estimate 2023 (₦)	Actual Revenue/Expenditure 2023 (₦)	Percentage Performance
REVENUE			
Statutory Allocation	2,692,445,220.19	3,115,508,267.59	116%
Independent Revenue	153,480,000.00	92,206,092.54	60%
EXPENDITURE			
Salary and Wages	668,604,457.61	496,293,307.79	74%
Overhead Cost	507,370,000.00	89,695,338.00	18%
Transferred to SUBEB and other Local Government Entities	1,097,807,507.00	1,595,666,310.12	145%
Capital Expenditure	1,323,000,000.00	540,293,024.96	41%

Observation

The information above makes clear how poorly capital projects actually performed in 2023.

SUMMARY

i) In order to enable the Office of the Auditor-General to monitor and audit capital project performance in accordance with F.M. 1.4(12)(g) and F.M. 39.1(8) and

ensure that the Council obtained value for the expenditure, the Local Government Council should always forward contract agreements and other pertinent documents to the office.

ii) In order to prevent unnecessary budgetary spending, the Local Government Council is also recommended to consistently allocate sufficient funds for transfers to SUBEB and other Local Government Entities.

9. APPROVAL

Sections 92, 93, and 94 of the Edo State Local Government Law 2000, as amended, lawfully authorise all of the expenditures reflected in the Statements of Actual Expenditure for the year ended December 31, 2023.

10. ASSET REVALUATION

The Owan West Local Government Council, Sabongidda-Ora, has not yet completed the IPSAS-compliant asset revaluation (Accruals).

SUMMARY

In order to correctly portray the assets in the Statement of Financial Position, the Local Government Council should immediately hire pertinent specialists and have their assets revalued in accordance with IPSAS.

11. BUDGETARY PLANNING

The Office of the Auditor-General (Local Governments) should receive copies of the approved budget so that it can track financial performance. The Owan West Local Government Council, Sabongidda-Ora, is responsible for making sure that the annual budget is prepared on time and in compliance with the National Chart of Accounts, as advised by International Public Sector Accounting Standards (IPSAS).

12. AUDIT QUERIES

The Audit Inspection Reports on the 2023 accounts for Owan West Local Government Council, Sabongidda-Ora include audit enquiries about detected inconsistencies of N20,088,741.35, which have already been addressed to the Chairman for his appropriate action. Note 10 of this report includes specifics on the audit enquiries pertaining to the 2023 accounts.

13. DISALLOWANCE

Allowance has been set aside for the expenses listed in Note 10 of this report and in paragraph 12 above, pending acceptable responses to the questions posed

therein.

14. THE overall condition of the accounts and maintaining records

The following highlights the way that accounting books and records are rendered in local government councils:

a) Annual Financial Statement Rendition

In accordance with current legislation, the Local Government Council submitted the 2023 Financial Statements on time. It is praiseworthy that the yearly financial statements were produced on schedule.

b) Maintaining Records

i) Subordinate Ledgers and Books

Subsidiary books were occasionally either not updated or maintained. The appropriate maintenance of subsidiary books of accounts is a responsibility of the Local Government Council. Registers for investments, loans/overdraft, and fixed/mobile assets have to be kept up to date.

ii) Cheque Books

At the conclusion of each month, cash books were not properly balanced, and in certain instances, balances were recorded in pencil rather than ink. Cash books need to be updated on a regular basis from now on.

c) Financial Statements and Underlying Records Reconciliation

i) Several entries in the Departmental Vote Revenue Account (DVRA) and Departmental Vote Expenditure Account (DVEA) Books were missing. As a result, precisely categorising expenses and income into Heads and Sub-Heads became challenging.

ii) During the time under examination, the ledgers for advances and deposits were also not updated. The outstanding balances in the ledgers are inaccurate since certain entries were not submitted to them. As a result, depending solely on the ledgers makes it impossible to precisely ascertain outstanding advances and deposits.

It is recommended that Local Government Council Treasurers oversee the treasury department's employees and make sure that accounting records are updated and reconciled to remove inaccuracies and omissions.

iii) Bank Reconciliation: In accordance with Financial Memoranda 19.23-24, the Owl West Local Government Council in Sabongidda-Ora generated bank reconciliation statements. It's a great effort, and one that ought to continue.

d) Implementing IPSAS

The International Public Sector Accounting Standards have not yet been completely adopted by the Local Government Council (IPSAS). Revaluing the Local Government Council's assets and liabilities and reflecting them in the books of accounts in accordance with IPSAS is urgently required.

Accounting Policies (IPSAS Accrual)

1. Basis for Measurement:

The preparation of these *General-Purpose Financial States (GPFS)* complies with the historical cost convention, IPSAS, and other applicable requirements as specified by pertinent legislation.

2. The foundation of accounting:

These *GPFS* were created using the accrual method of accounting.

3. Time of Accounting:

According to National Treasury Circular Ref. *OAGF/CAD/026/Vol.1/102* on December 30, 2013, the accounting year (fiscal year) runs from January 1 to December 31. The accounting system was designed to divide each accounting year into twelve calendar months, or periods.

4. Currency Reporting:

The *GPFS* was developed using Naira (Nigeria's currency).

5. Comparative Data:

The *General Purpose Financial Statements* included all the numerical data for the prior time frame.

6. Financial Data:

These numbers come from the approved budget, which was created on a cash basis in compliance with the Local Government Councils' Appropriation Bye-Law.

7. Income from Taxes, Fees, and Fines:

When fees, taxes, and other non-exchange transaction revenue are collected and meet the requirements for asset recognition, they are recorded as revenue. When it is likely that the company will get future economic benefits or service possibilities from the asset and it is reasonably possible to determine the asset's fair value, other non-exchange revenues are recognised.

Additional Operating Profits:

Exchange transactions that take place in the regular course of the entity's operations provide additional operational revenues. The fair value of the payment received or receivable for the sale of goods and services is included in revenues.

Sales of Products:

When the major risks and benefits of ownership have been passed to the buyer, generally with delivery of the products, revenue from the sale of those things is recognised.

Additional Income/Revenue:

Fees, fines, debt forgiveness, commissions, earnings from the sale of assets, and other sources make up other revenue. Any gain or disposal is recorded on the day the asset is turned over to the buyer and is calculated by reducing the asset's carrying value from the proceeds on that date.

8. Changes from Other Governmental Organisations:

When an asset (cash, goods, services, or properties) is received condition-free and there is a reasonable probability that the asset's potential for economic benefit or service will be reliably measured, revenues from non-exchange transactions with other government entities are recognised at fair value.

9. Costs:

All costs are recorded on an accrual basis, which means that regardless of when the money is received, costs are recorded at the time they are incurred or when the associated services are used.

10. Loan Interest:

In the financial performance report (Statement of Financial Performance), interest on loans is accounted for either an expense or a charge. To calculate interest expenditure for each period, interest is accumulated by applying the effective interest rate method to the principle amount owed.

11. Cash Flow Statement:

The direct technique was used to create this statement, which followed the GPFS format. There are three (3) parts in the cash flow statement:

Operating Activities:

These track the cash payments made for the provision of goods and services as well as the cash received by Local Government Councils from all sources of income.

Investing activities are those that have to do with buying and selling non-current assets.

Financial Activities: These include adjustments to the PSE's debt and equity capital structure.

12. Currency and Its Equivalent:

The term "cash and cash equivalent" refers to the amount of cash that is on hand, held in bank accounts, demand deposits, and other highly liquid investments with an initial maturity of three months or less. These investments are made by the entity as part of its daily cash management process, and they are easily convertible into known amounts of cash with little to no risk of value fluctuations. Cash and Cash Equivalent are included in the Statement of Financial Position under Current Assets.

13. Accounts Receivable: Exchange Transaction Receivables

Exchange transaction receivables are first recorded at fair value and then, using the effective interest method, evaluated at amortised cost, minus allowance for impairment. When there is, a receivables impairment provision is created.

Receivables from Transactions Without Exchange:

Receivables from non-exchange transactions include social benefit receivables that don't stem from contracts, as well as fees, taxes, fines, and other penalties related to these activities. These receivables are first valued at face value, or nominal amount; that is, the amount of tax due, levy, fine, etc., is reflected in the receivable. These accounts receivable are first evaluated at face value or nominal amount, meaning that the receivable represents the total amount of taxes due, levies, fines, etc. Following their charging, these receivables are modified for penalties or may be written off due to impairment. The statement of financial performance presents interest and penalties on tax receivables as tax revenue..

14. Advance payments:

Amounts paid in advance of receiving goods or services are referred to as prepaid costs. They signify payments made in one year for benefits to be obtained in other years, or payments made early in the year for benefits to be received throughout the course of the year.

15. Inventory:

- (a): The net realisable value of an inventory is subtracted from its cost.
- (b) The FIFO approach is used to calculate costs.
- (c) Where appropriate, inventories retained for distribution for the benefit of the

public are documented at cost less any prospective loss of services.

(d) In the Financial Position Statement, inventories are included under Current Assets.

16. Awarded Loans:

The approved loans are displayed at their estimated realisable value, which takes into account impairments and bad or dubious debts.

17. Plant, machinery, and equipment:

(a) The historical cost of all PPE is reported, less cumulative depreciation and any impairment losses. Costs directly related to the acquisition of the assets are included in the historical cost.

(b) When an asset is purchased through a non-exchange transaction for nominal or no consideration, it is first recorded in the statement of financial performance at fair value, which is a value that can be consistently ascertained and expressed as income during the PPE's useful life.

(c) The subsequent items are considered PPE expenses:

i) The price paid for the acquisition of these assets as well as any additional pertinent costs associated with restoring the asset to operational condition.

ii) Building expenses, which include labour, supplies, and overhead.

iii) Modifications to current PPE that greatly extend its usable life.

Price:

An piece of PPE's total cost includes the purchase price, import fees, one-time expenses, and any expenditures directly related to relocating and restoring the asset to its original location and state of functionality. The purchase price is calculated after subtracting trade discounts and rebates. PPE are reported at cost or at their expert appraisal less cumulative impairment and depreciation.

Devaluation:

PPE is depreciated according to a straight line method throughout the course of their anticipated useful lifetimes, less any projected residual value, using relevant rates, starting on the date of availability for use.

No.	Item of PPE	Depreciation Rate
A	Leased Property	Over the term of the lease
B	Buildings	2%
C	Investment property	2%
D	Infrastructure	5%
E	Plant and Machinery	10%
F	Transportation Equipment (except K)	20%
G	Office Equipment	25%
H	Furniture and Fittings	20%
I	Specialized Assets (e.g., books, military and paramilitary assets)	10%
J	Bearer Plant	4%
K	Aircraft, ship and train	5%
L	Specific cultural and heritage assets	Unlimited

Assessment:

At the conclusion of each reporting period, the residual values and usable lifetimes of the assets are examined and, if necessary, changed. Revaluation surplus is moved to the revaluation reserve under reserves in the financial situation. If there is a revaluation deficit, it is recorded as an expense in the statement of financial performance or, if there is a surplus on the same class of assets, against the value of the related assets and the corresponding entry to the revaluation reserve.

Disposal Gain or loss resulting from getting rid of a piece of PPE is shown as a surplus or deficit.

Deficit:

When there are signs that a piece of personal protective equipment (PPE) may have been compromised, an impairment test is carried out.

18. Real Estate Investment

These are properties that provide income for a PSE. At first, an investment property is valued at its cost. Investment property is then measured at fair value at the end of the term, and any gain or loss at fair value is recorded as a surplus or deficit.

Income from Investments:

Investment income is defined as the excess or shortfall of rental revenue received or gained from an investment property.

Disposal:

The surplus or deficit represents the gain or loss from the sale of investment property.

19. Non-tangible Resources

These are non-tangible assets that have been created domestically or purchased, and they are stored for usage in order to produce advantages that extend beyond a fiscal year. An intangible asset's total cost includes the acquisition price, non-recurring charges, and any expenses directly related to restoring the asset to its intended condition of use.

20. Deposits:

Resources kept in custody on behalf of third parties make up deposits. Additionally, deposits signify upfront payments for future products and services.

21. Debts and Loans:

Loans are sums of money that are borrowed with an agreed-upon repayment schedule. They are classified as either short-term or long-term loans and are shown as liabilities in the Statement of Financial Position.

22. Unremitted Withheld Taxes:

Money due to third parties, including tax authorities, unions, cooperatives, schemes and organisations, other government agencies, etc., is known as an unremitted deduction. Tax and other at-source deductions are examples of unremitted deductions. The sums are considered as Current Liabilities in the Statement of Financial Position and are reflected in the GPFS at their payback value.

23. Accrued Expenses - Payables

These are sums of money owed to outside parties for products and services obtained.

24. Public Money

These represent the government's financial balances at the conclusion of the fiscal year. The Statement of Financial Position categorises them as Non-Current Liabilities.

25. Reserves:

Reserves such as Surpluses/(Deficits) Reserve, Translation Reserve, Revaluation

Reserve, Fair Value Reserve, and other Reserves are categorised under equity in the Statement of Financial Position.

26. Debts

Initial recognition of borrowings is done at fair value, net of incurred transaction expenses. Following amortisation, borrowings are reported at cost; any discrepancy between proceeds (net of transaction expenses) and redemption value is recognised using the effective interest method in the consolidated statement of financial performance for the duration of the borrowings. The fees incurred for setting up lending facilities are recorded as loan transaction charges. The cost of the charge is capitalised and spread out over the life of the related facility.

27. Assignments to Other Governmental Organisations:

Transfers to other governmental bodies are included as costs in the statement of financial performance as they are non-exchange items.

28. Advances:

According to Edo State Financial Memoranda 16.16, any loans given to Local Government Council employees to carry out projects or make purchases of goods or services on their behalf must be retired by the end of the fiscal year. However, in situations where an advance is made towards the end of the fiscal year or where an advance that has already been made cannot be retired within the fiscal year, the advance and any outstanding amount are included in the Statement of Financial Position.

OWAN WEST LOCAL GOVERNMENT COUNCIL, SABONGIDDA-ORA
STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2023

Previous Year Actual 2022 (N)	Description	NCOA Code	Note	Annual Budget (N)	Actual Revenue/ Expenditure (N)	Percentage of Budget Performance
2,708,954,714.94	Net Assets/Equity As At 1/1/2023 – A			347,641,000.00	2,649,895,937.00	
	REVENUE					
	<u>Statutory Allocation:</u>					
1,057,973,305.70	Share of Federation Account	110101	1	1,680,068,488.91	885,263,778.65	53%
769,764,487.54	Share of Value Added Tax (VAT)	110102	1	797,996,659.92	1,057,231,701.41	132%
107,295,307.00	Excess Crude Oil and Others	110103	1	214,380,071.36	1,173,012,787.53	547%
1,935,033,100.24	Sub-Total Statutory Allocation – B			2,692,445,220.19	3,115,508,267.59	116%
	<u>Independent Revenue:</u>					
3,187,600.00	Licences General	120201	2	18,080,000.00	11,645,950.00	64%
8,973,284.05	Fees General	120204	2	56,900,000.00	17,589,764.00	31%
-	Fines General	120205	2	-	-	
11,378,050.00	Sales General	120206	2	-	-	
35,115,004.98	Earnings General	120207	2	78,500,000.00	62,970,378.54	80%
-	Rent on Government Building General	120208	2	-	-	
-	Rent on Land and Others General	120211	2	-	-	
-	Repayment General	120213	2	-	-	
-	Investment Income	120214	2	-	-	

58,653,939.03	Sub-Total Independent Revenue – C			153,480,000.00	92,206,092.54	60%
4,702,641,754.21	Total Receipts (A+B+C)			3,193,566,220.19	5,857,610,297.13	183%
	EXPENDITURE					
	<u>Recurrent Expenditure:</u>					
528,059,574.00	Salaries and Wages	210101	3	668,604,457.61	496,293,307.79	74%
183,492,287.63	Overhead Cost	220201	4	507,370,000.00	89,695,338.00	18%
1,266,221,394.97	SUBEB and other Transfers to Local Govt. Entities	220701	5	1,097,807,507.00	1,595,666,310.12	145%
-	Depreciation			-	-	
1,977,773,256.60	Sub-Total Recurrent Expenditure: E			2,273,781,964.61	2,181,654,955.91	96%
	<u>Capital Expenditure:</u>					
10,050,000.00	Land and Building General	320101	6	543,745,700.00	240,734,500.44	44%
-	Infrastructure General	320102	6	320,705,105.00	150,110,000.04	47%
6,643,000.00	Furniture and Fittings General	320106	6	120,145,100.00	63,101,344.52	53%
58,279,560.61	Intangible Assets	320301	6	338,404,095.00	86,347,179.96	26%
74,972,560.61	Sub-Total Capital Expenditure: F			1,323,000,000.00	540,293,024.96	41%
2,052,745,817.21	Total Expenditure: G = E + F			3,596,781,964.61	2,721,947,980.87	76%
2,649,895,937.00	Net Assets/Equity As At 31/12/2023				3,135,662,316.26	
4,702,641,754.21					5,857,610,297.13	

OWAN WEST LOCAL GOVERNMENT COUNCIL, SABONGIDDA-ORA
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2023

Description	NCOA Code	Note	2023 (N)	2023 (N)	2022 (N)	2022 (N)
ASSETS						
<u>Current Assets:</u>						
Cash and Cash Equivalent	310101	7	104,911,365.63	-	265,878,485.64	
Inventories	310501	7	-		-	
Receivables	310601	7	-		-	
Prepayments	310801	7	-		-	
Total Current Assets: A				104,911,365.63	-	265,878,485.64
<u>Non-Current Assets:</u>						
Loan Granted (Local Govt. Loan Fund)	311001	7	30,561.00		30,561.00	
Investments	310901	7	1,100,000.00		1,100,000.00	
Property, Plant and Equipment (PPE)	320101	7	3,009,396,958.83		673,473,977.63	
Investment Properties	320201	7	-		-	
Intangible Assets (Advances)	320301	7	347,576,843.00		397,832,847.00	
Total Non-Current Assets: B				3,358,104,362.83		1,072,437,385.63
Total Assets: C = A+B				3,463,015,728.46		806,558,899.99
LIABILITIES						
<u>Current Liabilities:</u>						
Deposits	410101	8	326,553,413.20		491,785,945.19	
Short Term Loans and Debts	410201	8	800,000.00		800,000.00	
Payables (Accrued Expenses)	410401	8	-		-	
Total Current Liabilities: D				327,353,413.20		492,585,945.19
<u>Non-Current Liabilities:</u>						
Long Term Borrowing	4601/4602	8	-		-	
Total Non-Current Liabilities: E				-		-
Total Liabilities: F = D+E				327,353,413.20		492,585,945.19
Net Assets: G = C-F				3,135,662,315.26		313,972,954.80
NET ASSETS/EQUITY						
Reserves: H	4701	9	2,649,895,937.00		2,708,954,714.94	
Accumulated Surpluses/(Deficits): I	4702	9	485,766,379.26		- 59,058,777.94	
Total Net Assets/Equity: G = H+I				3,135,662,316.26		2,649,895,937.00

OWAN WEST LOCAL GOVERNMENT COUNCIL, SABONGIDDA-ORA
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2023

NCOA Code	Details	Note	2023 (₦)	2023 (₦)	2022 (₦)	2022 (₦)
	CASH FLOW FROM OPERATING ACTIVITIES:					
	<u>INFLOWS:</u>					
	<u>Statutory Allocations</u>					
110101	Share of Federation Account	1	885,263,778.65		1,057,973,305.70	
110102	Share of Value Added Tax (VAT)	1	1,057,231,701.41		769,764,487.54	
110103	Excess Crude Oil and Others	1	1,173,012,787.53		107,295,307.00	
	Sub-Total Statutory Revenue – A			3,115,508,267.59		1,935,033,100.24
	<u>Independent Revenue</u>					
120201	Licences General	2	11,645,950.00		3,187,600.00	
120204	Fees General	2	17,589,764.00		8,973,284.05	
120205	Fines General	2	-		-	
120206	Sales General	2	-		11,378,050.00	
120207	Earnings General	2	62,970,378.54		35,115,004.98	
120208	Rent on Government Buildings General	2	-		-	
120209	Rent on Land and Others General	2	-		-	
120210	Repayments General	2	-		-	
120211	Investment Income	2	-		-	
	Sub-Total Independent Revenue – B			92,206,092.54		58,653,939.03
	Total Inflow from Operating Activities C = A+B			3,207,714,360.13		1,993,687,039.27

	OUTFLOWS:					
210101	Salaries and Wages	3	496,293,307.79		528,059,574.00	
220201	Overhead Cost	4	89,695,338.00		183,492,287.63	
220701	SUBEB and other Transfers to Local Government Entities	5	1,595,666,310.12		1,266,221,394.97	
	Depreciation		-		-	
	Total Outflow from Operating Activities – D			2,181,654,955.91		1,977,773,256.60
	Net Cashflow from Operating Activities – E = C-D			1,026,059,404.22		15,913,782.67
	CASHFLOW FROM INVESTING ACTIVITIES:					
320101	Land and Building General	6	240,734,500.44		10,050,000.00	
320102	Infrastructure General	6	150,110,000.04		-	
320106	Furniture and Fittings General	6	63,101,344.52		6,643,000.00	
320301	Intangible Assets	6	86,347,179.96		58,279,560.61	
	Total Outflow from Investing Activities – F			540,293,024.96		74,972,560.61
	Net Cashflow from Investing Activities – G = E - F			485,766,379.26		- 59,058,777.94
	CASHFLOW FROM FINANCIAL ACTIVITIES:					
301801	Advances		50,255,984.00		- 103,234,400.00	
410101	Deposits		- 64,720,543.99		70,158,749.96	
410102	Other Accounts – Loan		-		-	
	Other Accounts – Investment		-		-	
420301	Proceeds from Borrowings		-		-	
	Payment/Charges on Borrowings		-		-	
	Net Cashflow from Financing Activities – H			114,976,527.99		- 173,393,149.96
	Net Cashflow from all Activities – I = G - H			370,789,851.27		114,334,372.02
	Cash and Cash Equivalent As At 1/1/2023			- 265,878,485.64		- 380,212,857.66
	Cash and Cash Equivalent As At 31/12/2023			104,911,365.63		- 265,878,485.64

NOTES TO THE ACCOUNTS

NOTE 1:				
SCHEDULE OF STATUTORY ALLOCATION TO OWAN WEST LOCAL GOVERNMENT COUNCIL, SABOGIDDA-ORA FOR THE YEAR ENDED 31ST DECEMBER 2023				
Month	Federation Account	Value Added Tax	Others	Total
January	121,340,720.18	76,167,598.19	360,785,704.47	558,294,022.84
February	70,073,032.93	76,777,956.33	28,710,261.15	175,561,250.41
March	66,691,114.80	80,243,789.97	25,831,120.41	172,766,025.18
April	90,906,656.97	71,115,221.75	6,625,789.59	168,647,668.31
May	64,575,114.77	65,480,162.27	22,914,885.08	152,970,162.12
June	97,670,449.79	86,251,583.07	224,605,063.99	408,527,096.85
July	54,757,290.35	91,730,559.54	233,804,021.44	380,291,871.33
August	71,097,552.81	89,653,411.77	58,607,235.72	219,358,200.30
September	56,558,645.87	113,233,598.57	49,311,014.35	219,103,258.79
October	71,231,277.10	89,786,243.22	37,075,884.34	198,093,404.66
November	55,079,896.24	104,181,408.16	53,701,450.82	212,962,755.22
December	65,282,026.84	112,610,168.57	71,040,356.17	248,932,551.58
Total	885,263,778.65	1,057,231,701.41	1,173,012,787.53	3,115,508,267.59

NOTE 2: SCHEDULE OF INDEPENDENT REVENUE OF OWAN WEST LOCAL GOVERNMENT COUNCIL, SABONGIDDA-ORA FOR THE YEAR 2023										
Month	120201 Licences General	120204 Fees General	120205 Fines General	120206 Sales General	120207 Earnings General	120208 Rent On Govt. Buildings General	120209 Rent On Land & Others General	120210 Repayment s General	120211 Investment Income	Monthly Total
January	1,119,946.00	328,000.00	-	-	6,148,703.00	-	-	-	-	7,596,649.00
February	1,110,296.00	1,567,544.00	-	-	4,322,373.00	-	-	-	-	7,000,213.00
March	1,207,836.00	1,345,000.00	-	-	4,108,473.00	-	-	-	-	6,661,309.00
April	1,045,146.00	1,640,544.00	-	-	2,978,003.00	-	-	-	-	5,663,693.00
May	1,075,796.00	1,705,500.00	-	-	4,730,723.00	-	-	-	-	7,512,019.00
June	662,646.00	1,560,000.00	-	-	5,282,703.00	-	-	-	-	7,505,349.00
July	669,600.00	1,605,044.00	-	-	2,059,450.00	-	-	-	-	4,334,094.00
August	1,082,746.00	1,775,544.00	-	-	4,359,503.54	-	-	-	-	7,217,793.54
September	1,217,646.00	1,278,544.00	-	-	5,612,550.00	-	-	-	-	8,108,740.00
October	1,037,396.00	1,248,500.00	-	-	7,315,853.00	-	-	-	-	9,601,749.00
November	374,650.00	1,648,500.00	-	-	9,379,491.00	-	-	-	-	11,402,641.00
December	1,042,246.00	1,887,044.00	-	-	6,672,553.00	-	-	-	-	9,601,843.00
Total	11,645,950.00	17,589,764.00	-	-	62,970,378.54	-	-	-	-	92,206,092.54

NOTE: 3 SCHEDULE OF SALARIES AND WAGES OF OWAN WEST LOCAL GOVERNMENT, SABONGIDDA-ORA FOR THE YEAR ENDED

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
21010101	Office of the Chairman	67,682,541.36	17,308,867.59	26%
21010102	The Council (Legislative)	71,773,255.00	4,753,329.01	7%
21010103	Personnel Management	283,796,227.54	214,368,572.39	76%
21010104	Internal Audit	6,824,858.24	6,474,810.62	95%
21010105	Information	12,167,573.64	4,921,938.84	40%
21010106	Office of the Head of LGA	3,698,099.64	7,078,999.39	191%
21010107	Agriculture and National Resources	7,336,452.00	9,225,428.54	126%
21010108	Finance and Supply	43,096,300.20	49,839,507.77	116%
21010109	Budget, Planning & Statistics	4,747,992.36	7,094,211.84	149%
21010110	Revenue	13,234,355.82	18,054,502.21	136%
21010111	Works and Housing	56,445,753.56	52,773,044.99	93%
21010112	Procurement	2,602,374.29	2,683,204.43	103%
21010113	Legal Services	5,349,901.72	5,577,783.28	104%
21010114	Youth, Women & Social Development	37,161,344.74	40,478,875.04	109%
21010115	Primary Health Care	12,700,930.66	14,348,543.46	113%
21010116	Environment	27,285,566.54	28,707,318.58	105%
21010117	Water and Sanitary Hygiene	12,700,930.30	12,604,369.81	99%
	Total	668,604,457.61	496,293,307.79	74%

NOTE: 4 SCHEDULE OF OVERHEAD COST OF OWAN WEST LOCAL GOVERNMENT, SABONGIDDA-ORA FOR THE YEAR 2023

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
22020101	Office of the Chairman	74,450,000.00	12,788,750.00	17%
22020102	The Council (Legislative)	158,390,000.00	3,462,000.00	2%
22020103	Personnel Management (Admin)	36,240,000.00	14,862,040.00	41%
22020104	Internal Audit	33,700,000.00	569,000.00	2%
22020105	Information	42,500,000.00	8,877,000.00	21%
22020106	Office of the Head of LGA	19,100,000.00	6,675,500.00	35%
22020107	Agriculture and National Resources	5,730,000.00	589,800.00	10%
22020108	Finance and Supply	22,550,000.00	12,446,250.00	55%
22020109	Budget, Planning & Statistics	500,000.00	2,926,700.00	585%
22020110	Procurement	9,300,000.00	200,500.00	2%
22020111	Revenue	7,800,000.00	1,809,500.00	23%
22020112	Works & Housing	27,280,000.00	1,567,500.00	6%
22020113	Legal Services	8,280,000.00	659,500.00	8%
22020114	Social Development	20,880,000.00	1,428,548.00	7%
22020115	Primary Health Care	-	1,982,750.00	
22020116	Environment	22,870,000.00	6,750,000.00	30%
22020117	Water and Sanitary Hygiene	25,160,000.00	100,000.00	0%
22020118	Contribution to LG Service Commission	14,000,000.00	12,000,000.00	86%
	Total	528,730,000.00	89,695,338.00	17%

NOTE 5: SCHEDULE OF TRANSFERS TO SUBEB AND OTHER LOCAL GOVERNMENT ENTITIES IN OWAN WEST LOCAL GOVERNMENT, SABONGGIDA-ORA

Month	Deductions for Mandatory Expenditure				Total
	Subvention to LGEA (SUBEB)	Total Salary for Teaching and LGEAs	5% Traditional Council	Other Transfers to Local Govt. Entities	
January	334,932.84	59,004,055.24	10,655,068.85	65,754,459.69	135,748,516.62
February	334,932.84	56,481,819.78	8,778,062.52	65,118,726.01	130,713,541.15
March	334,932.84	56,881,071.27	8,638,301.26	70,209,792.61	136,064,097.98
April	334,932.84	53,951,662.00	8,432,383.41	68,278,970.98	130,997,949.23
May	334,932.84	52,791,470.42	7,648,508.10	59,447,426.47	120,222,337.83
June	334,932.84	52,373,177.98	9,537,648.33	68,032,821.17	130,278,580.32
July	334,932.84	70,809,238.87	10,500,275.50	83,490,976.31	165,135,423.52
August	334,932.84	51,462,572.60	10,967,910.01	63,517,606.91	126,283,022.36
September	334,932.84	52,403,291.90	10,955,162.94	61,483,573.67	125,176,961.35
October	334,932.84	52,170,424.85	9,904,670.23	68,034,086.38	130,444,114.30
November	334,932.84	52,849,724.27	10,648,137.76	63,841,999.56	127,674,794.43
December	334,932.84	51,509,567.11	12,446,627.58	72,635,843.50	136,926,971.03
Total	4,019,194.08	662,688,076.29	119,112,756.49	809,846,283.26	1,595,666,310.12

**NOTE 6: SCHEDULE OF CAPITAL EXPENDITURE OF OWAN WEST LOCAL GOVERNMENT, SABONGIDDA-ORA FOR THE YEAR ENDED
31ST DECEMBER, 2023**

Month	Land & Building General 320101	Infrastructure General 320102	Furniture & Fittings 320106	Intangible Assets 320301	Monthly Total
January	20,061,208.33	12,509,166.67	5,258,445.46	7,195,598.33	45,024,418.79
February	20,061,208.33	12,509,166.67	5,258,445.46	7,195,598.33	45,024,418.79
March	20,061,208.33	12,509,166.67	5,258,445.46	7,195,598.33	45,024,418.79
April	20,061,208.33	12,509,166.67	5,258,445.46	7,195,598.33	45,024,418.79
May	20,061,208.33	12,509,166.67	5,258,445.46	7,195,598.33	45,024,418.79
June	20,061,208.33	12,509,166.67	5,258,445.46	7,195,598.33	45,024,418.79
July	20,061,208.33	12,509,166.67	5,258,445.46	7,195,598.33	45,024,418.79
August	20,061,208.33	12,509,166.67	5,258,445.46	7,195,598.33	45,024,418.79
September	20,061,208.33	12,509,166.67	5,258,445.46	7,195,598.33	45,024,418.79
October	20,061,208.33	12,509,166.67	5,258,445.46	7,195,598.33	45,024,418.79
November	20,061,208.33	12,509,166.67	5,258,444.46	7,195,598.33	45,024,417.79
December	20,061,208.81	12,509,166.67	5,258,445.46	7,195,598.33	45,024,419.27
Total	240,734,500.44	150,110,000.04	63,101,344.52	86,347,179.96	540,293,024.96

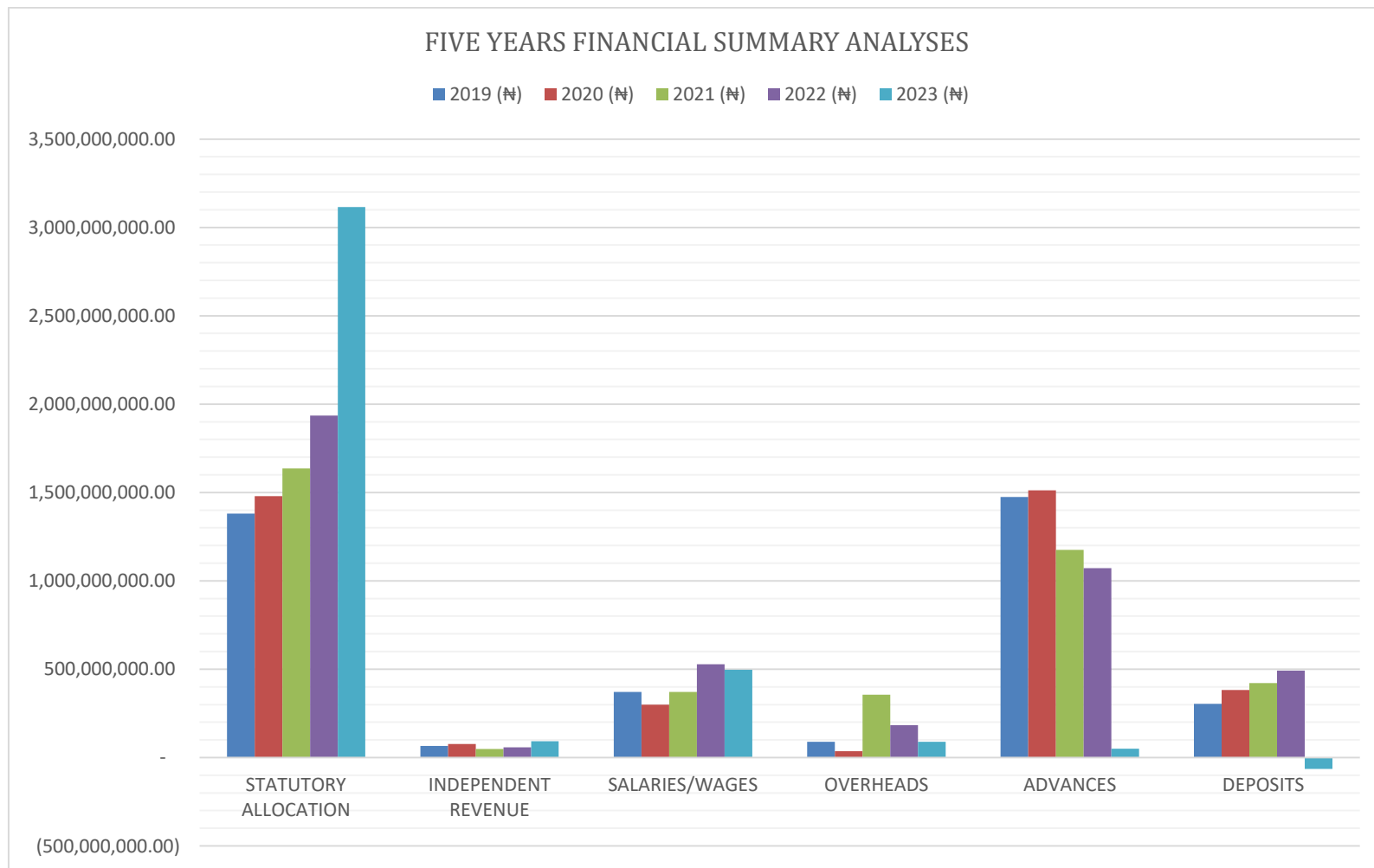
NOTE 7:	
CURRENT AND NON-CURRENT ASSETS AS AT 31ST DECEMBER, 2023	
Cash and Cash Equivalent	104,911,366.63
Property, Plant and Equipment (PPE)	3,009,396,958.83
Loans Granted	30,561.00
Investments	1,100,000.00
Intangible Assets (Advances)	347,576,843.00
Total Assets	₪ 3,463,015,729.46

NOTE 8:	
CURRENT AND NON-CURRENT LIABILITIES AS AT 31ST DECEMBER, 2023	
Deposits	326,553,413.20
Loans/Debts	800,000.00
Payables	-
Long Term Borrowings	-
Total Liabilities	₪ 327,353,413.20

NOTE 9:	
CAPITAL RESERVES	
Reserves as at 1/1/2023	2,649,895,937.00
Accumulated Surpluses/Deficits for the Year	485,766,379.26
Net Assets/Equity as at 31/12/2023	₪ 3,135,662,316.26

NOTE 10:					
DETAILS OF AUDIT QUERIES ISSUED TO OWAN WEST LOCAL GOVERNMENT COUNCIL, SABONGIDDA-ORA IN RESPECT OF 2023 ACCOUNTS					
S/No.	Query Number	P.V. No./Date	Reason	Amount (₦)	Remark
	Current Year:				
1.	AQ/OWLG/SGD/1/2023	Various	Irregular Expenditure	5,913,520.00	Resolved
2.	AQ/OWLG/SGD/2/2023	Various	Irregular Expenditure	14,175,221.35	Resolved
	Total			20,088,741.35	

OWAN WEST LOCAL GOVERNMENT COUNCIL, SABONGIDDA-ORA							
FIVE YEARS FINANCIAL SUMMARY ANALYSES							
S/N		2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)	2023 (₦)	TOTAL (₦)
1	STATUTORY ALLOCATION	1,381,338,901.76	1,480,075,844.84	1,636,714,726.63	1,935,033,100.24	3,115,508,267.59	9,548,670,841.06
2	INDEPENDENT REVENUE	65,201,732.00	77,379,175.23	48,743,533.40	58,653,939.03	92,206,092.54	342,184,472.20
3	SALARIES/WAGES	371,015,129.42	299,650,672.87	372,158,474.18	528,059,574.00	496,293,307.79	2,067,177,158.26
4	OVERHEADS	89,071,342.27	35,554,082.73	355,345,959.25	183,492,287.63	89,695,338.00	753,159,009.88
5	ADVANCES	1,474,787,412.63	1,511,938,374.63	1,174,541,224.63	1,071,306,824.63	50,255,984.00	5,282,829,820.52
6	DEPOSITS	304,384,923.02	381,901,184.93	421,627,195.23	491,785,945.19	-64,720,543.99	1,534,978,704.38
	TOTAL	3,685,799,441.10	3,786,499,335.23	4,009,131,113.32	4,268,331,670.72	3,779,238,445.93	19,529,000,006.30





UHUNMWODE LOCAL GOVERNMENT COUNCIL
P.M.B 1, EHOR, EDO STATE

You Ref:

Our Ref:

Date 31/12/23

STATEMENT OF FINANCIAL RESPONSIBILITY

RESPONSIBILITY FOR FINANCIAL STATEMENTS

These Financial Statements have been prepared by the Director of Finance and Accounts of Uhumwode Local Government Council, 2023 in accordance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS. The Financial Statements complied with generally accepted accounting practice.

The Director of Finance and Accounts is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly recorded the use of all public financial resources by the Local Government Council. To the best of my knowledge, this system of internal control has operated adequately throughout the reporting period.

Signature

OKODUGHA SAMUEL M.O
Director of Finance and Accounts

31/12/23

Date

We accept responsibility for the integrity of these Financial Statements, the information they contain and their compliance with the provisions of the Finance (Control and Management) Act 1958 as amended and IPSAS.

In our opinion, these financial statements fairly reflect the financial position of Uhumwode Local Government Council, as at 31st December 2023 and its operations for the year ended on that date.

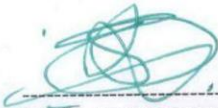
Signature





EDWARD N. OKOSUN
Acting Head of Local Government Administration

31/12/23
Date



HON. ADODO KENNETH O.
Chairman

31/12/23
Date



OFFICE OF THE AUDITOR-GENERAL (LOCAL GOVERNMENTS)

19 BOUNDARY ROAD, G.R.A.

P.M.B. 1128

BENIN CITY

EDO STATE OF NIGERIA

**REPORT OF THE STATE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS
TO THE MEMBERS OF THE EDO STATE HOUSE OF ASSEMBLY**

The Financial Statements of Uhumwode Local Government Council, Ehor for the year ended 31st December 2023 as contained in this report prepared under the International Public Sector Accounting Standards (IPSAS) Accrual accounting framework and on the basis of Accounting Policies detailed in the Financial Statements have been audited as required by the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended.

RESPONSIBILITY OF THE DIRECTOR OF FINANCE AND ACCOUNTS

The Director of Finance and Accounts to Uhumwode Local Government Council, Ehor is responsible for the preparation and presentation of the Financial Statements in accordance with the Finance (Control and management) Act 1958 as amended. He is to ensure that there are no material misstatements in the Financial Statements.

AUDITOR-GENERAL'S RESPONSIBILITY

It is my statutory responsibility to form an independent opinion based on the audit of the Financial Statements and to report thereon.

BASIS OF OPINION

The audit was conducted in accordance with International Standards on Auditing (ISA) as applicable to the public sector, International Organization of Supreme Audit Institutions (INTOSAI), Auditing Standards, the provisions of the Edo State Audit Law 2021 as amended and Sections 136-146 of the Edo State Local Government Law 2000 as amended. The audit includes examination on a test basis of evidence relevant to the figures disclosed in the Financial Statements. It also includes an assessment of significant estimates and judgments made by the Council in the preparation of the Financial Statements and whether the accounting policies were appropriate in the Council's circumstances, consistently applied and adequately disclosed. The audit was planned and performed to obtain all information and explanations considered necessary to have reasonable assurance that the Financial Statements are free from material misstatements. I have not obtained all the information and explanations that I required.

OPINION

In my opinion, the Financial Statement of Uhumwode Local Government Council, Ehor for the year ended 31st December 2023 show a true and fair view of the Council's state of financial position, performance and of the cashflow in accordance with all legal and regulatory frameworks, subject to the observations and comments contained in this report.

S.O. Johnson, FCA, ACTI, FIMC, FCCSA
(FRC/2022/PRO/ICAN004/188858)
Auditor-General (Local Governments)

Edo State,

28th June, 2024

AUDITOR-GENERAL'S REPORT FOR LOCAL GOVERNMENTS, EDO STATE
GENERAL DISCLOSURES AND REMARKS ON THE UHUNMWODE LOCAL
GOVERNMENT COUNCIL, EHOR ACCOUNTS FOR THE YEAR ENDED
DECEMBER 31, 2023

1. REVENUE:

The total income realised by the Uhunmwode Local Government Council for the year that concluded on December 31, 2023, was N3,596,169,449.95. Of this total, N66,465,265.00 represented independent revenue, while N3,529,704,184.95 was obtained as statutory allocations from the federation account. For more information, see Notes 1 and 2.

SUMMARY

Throughout the time under review, the Local Government Council remained mostly dependent on funding from the Federation Account. In order to lessen their over-reliance on statutory allocations, the Local Government Council is urged to examine internal processes and devise strategies for increasing money produced internally.

2. SLGJAAC ALLOCATIONS TO LOCAL GOVERNMENT COUNCILS ARE COMPLETE:

According to source documents from the Edo State Ministry of Local Government Affairs, the entire amount of N3,529,704,184.95 that accrued from the federation account to Uhunmwode Local Government Councils, Ehor as statutory allocations transferred through the State-Local Government Joint Account Allocation Committee (SLGJAAC) was received in full by the Council and was included in the Council's Financial Statements for the year that ended on December 31, 2023. For more information, see Note 1.

3. EXPENDITURE:

Uhunmwode Local Government Council, Ehor spent N362,307,593.18 on salaries and wages during the review period. Additionally, N492,695,281.82 was spent on overhead, and N2,025,235,742.22 was sent to SUBEB and other local government entities. The total capital outlay for the year was N325,845,000.00.

4. CASH AND CASH EQUIVALENT:

As of December 31, 2023, Uhunmwode Local Government Council, Ehor has N306,254,585.36 in cash and financial equivalents. In violation of Financial Memoranda 19:23-30, the Local Government Council failed to compile bank reconciliation statements or provide bank statements to the Council during the time under review. The absence of these crucial records indicates that there was a

discrepancy between the amounts in the cash book and the associated bank accounts.

SUMMARY

It is accordingly recommended that the Local Government Council always create monthly bank reconciliation statements in accordance with Financial Memoranda 19:23-30 and promptly provide the completed paperwork to this office.

5. ADVANCES:

As of December 31, 2023, the Local Government Councils' unretired advances totalled N775,954,652.76. It was noted that, despite my cautions in earlier reports and circular letters, as of December 31, 2023, advances given to different Council officials as working advances had not been retired, in violation of F.M. 16.16.

SUMMARY

In compliance with F.M. 16.16, the Treasurers of the Local Government Councils and the Heads of Local Government Administration are therefore called upon to promptly retire ALL outstanding operating advances.

6. LIABILITIES:

(A) DEPOSITS:

A total of N321,791,349.42 was owed in the Uhumwode Local Government Council, Ehor Deposit Accounts as of December 31, 2023. Pay As You Earn (PAYE), union dues (NULGE), car refurbishing loans deducted for loans obtained from other councils, retention fees, value-added tax (VAT), withholding tax (WT), and other deductions from staff salaries are all represented by the Deposit Accounts.

SUMMARY

After the deposits have been thoroughly examined, the Council is responsible for making sure the beneficiaries receive their money back. Any deposit whose owner cannot be located or has not made any use of it for more than five years after the repayment deadline should be adjusted to revenue in line with F.M. 24.25(5).

(B) SHORT TERM LOANS:

The Local Government Council owed a total of N800,000.00 in bank overdrafts and combined short-term loans to other banks.

7. EXPENDITURE PERFORMANCE:

Below is a summary of Uhunmwode Local Government Council, Ehor's budget performance for the year that concluded on December 31, 2023:

Description	Approved Estimate 2023 (₦)	Actual Revenue/Expenditure 2023 (₦)	Percentage Performance
REVENUE			
Statutory Allocation	4,362,885,837.94	3,529,704,184.95	81%
Independent Revenue	79,506,000.00	66,465,265.00	84%
EXPENDITURE			
Salary and Wages	538,049,156.21	362,307,593.18	67%
Overhead Cost	339,743,961.61	492,695,281.82	145%
Transferred to SUBEB and other Local Government Entities	1,660,362,284.42	2,025,235,742.29	122%
Capital Expenditure	510,171,846.38	325,845,000.00	64%

Observation

The aforementioned data indicates that capital projects actually performed well in 2023.

SUMMARY

- i) In order to enable the Office of the Auditor-General to monitor and audit capital project performance in accordance with F.M. 1.4(12)(g) and F.M. 39.1(8) and ensure that the Council obtained value for the expenditure, the Local Government Council should always forward contract agreements and other pertinent documents to the office.
- ii) In order to prevent unnecessary budgetary spending, the Local Government Council is also recommended to consistently allocate sufficient funds for Overhead Costs and Transfers to SUBEB and other Local Government Entities.

8. APPROVAL

Sections 92, 93, and 94 of the Edo State Local Government Law 2000, as amended, lawfully authorise all of the expenditures reflected in the Statements of Actual Expenditure for the year ended December 31, 2023.

9. ASSET REVALUATION

The revaluation of assets in accordance with IPSAS has not yet been completed by the Uhumwode Local Government Council, Ehor (Accruals).

SUMMARY

In order to correctly portray the assets in the Statement of Financial Position, the Local Government Council should immediately hire pertinent specialists and have their assets revalued in accordance with IPSAS.

10. BUDGETARY PLANNING

International Public Sector Accounting Standards (IPSAS) recommend that Uhumwode Local Government Council, Ehor prepare the annual budget on time and in accordance with the National Chart of Accounts. Copies of the approved budget must be sent to the Office of the Auditor-General (Local Governments) so that the office can track financial performance.

11. AUDIT QUERIES

The audit inspection reports on the 2023 accounts for Uhumwode Local Government Council, Ehor, which included audit enquiries about detected anomalies of N90,660,335.59, have already been addressed. Note 10 of this report includes specifics on the audit enquiries pertaining to the 2023 accounts.

12. DISALLOWANCE:

Allowance has been withheld in respect of the expenditure specified in paragraph 11 above and in Note 10 to this report awaiting adequate explanations on the problems addressed therein

13. OVERALL ACCOUNT STATUS AND RECORD KEEPING

The following highlights the way that accounting books and records are rendered in local government councils:

a) Annual Financial Statement Rendition

In accordance with current legislation, the Local Government Council submitted the 2023 Financial Statements on time. It is praiseworthy that the yearly financial statements were produced on schedule.

b) Maintaining Records

i) Subordinate Ledgers and Books

Subsidiary books were occasionally either not updated or maintained. The appropriate maintenance of subsidiary books of accounts is a responsibility of the

Local Government Council. Registers for investments, loans/overdraft, and fixed/mobile assets have to be kept up to date.

ii) Cheque Books

At the conclusion of each month, cash books were not properly balanced, and in certain instances, balances were recorded in pencil rather than ink. Cash books need to be updated on a regular basis from now on.

b) Financial Statements and Underlying Records Reconciliation

i) Several entries in the Departmental Vote Revenue Account (DVRA) and Departmental Vote Expenditure Account (DVEA) Books were missing. As a result, precisely categorising expenses and income into Heads and Sub-Heads became challenging.

ii) During the time under examination, the ledgers for advances and deposits were also not updated. The outstanding balances in the ledgers are inaccurate since certain entries were not submitted to them. As a result, depending solely on the ledgers makes it impossible to precisely ascertain outstanding advances and deposits.

It is recommended that Local Government Council Treasurers oversee the treasury department's employees and make sure that accounting records are updated and reconciled to remove inaccuracies and omissions.

iii) Bank Reconciliation: According to Financial Memoranda 19.23-24, Uhumwode Local Government Council, Ehor has consistently neglected to produce bank reconciliation statements. The Local Government Council must immediately prepare monthly bank reconciliation statements in accordance with F.M. 19.23-24.

c) Answering Audit Questions:

The amount of response to audit enquiries sent to the Uhumwode Local Government Council, Ehor, is shown in Note 10 to the accounts. This serves as a reminder to the Local Government Council to always reply to audit enquiries as soon as possible.

d) Implementing IPSAS:

The International Public Sector Accounting Standards have not yet been completely adopted by the Local Government Council (IPSAS). Revaluing the Local Government Council's assets and liabilities and reflecting them in the books of accounts in accordance with IPSAS is urgently required.

Policies for Accounting (IPSAS Accrual)

1. Basis for Measurement:

The preparation of these *General-Purpose Financial States (GPFS)* complies with the historical cost convention, IPSAS, and other applicable requirements as specified by pertinent legislation.

2. The foundation of accounting:

These GPFS were created using the accrual method of accounting.

3. Time of Accounting:

According to National Treasury Circular Ref. OAGF/CAD/026/Vol.1/102 on December 30, 2013, the accounting year (fiscal year) runs from January 1 to December 31. The accounting system was designed to divide each accounting year into twelve calendar months, or periods.

4. Currency Reporting:

The GPFS was developed using Naira (Nigeria's currency).

5. Comparative Data:

The *General Purpose Financial Statements* included all the numerical data for the prior time frame.

6. Financial Data:

These numbers come from the approved budget, which was created on a cash basis in compliance with the Local Government Councils' Appropriation Bye-Law.

7. Income from Taxes, Fees, and Fines:

When fees, taxes, and other non-exchange transaction revenue are collected and meet the requirements for asset recognition, they are recorded as revenue. When it is likely that the company will get future economic benefits or service possibilities from the asset and it is reasonably possible to determine the asset's fair value, other non-exchange revenues are recognised.

Additional Operating Profits:

Exchange transactions that take place in the regular course of the entity's operations provide additional operational revenues. The fair value of the payment received or receivable for the sale of goods and services is included in revenues.

Sales of Products:

When the major risks and benefits of ownership have been passed to the buyer, generally with delivery of the products, revenue from the sale of those things is recognised.

Additional Income/Revenue:

Fees, fines, debt forgiveness, commissions, earnings from the sale of assets, and other sources make up other revenue. Any gain or disposal is recorded on the day the asset is turned over to the buyer and is calculated by reducing the asset's carrying value from the proceeds on that date.

8. Changes from Other Governmental Organisations:

When an asset (cash, goods, services, or properties) is received condition-free and there is a reasonable probability that the asset's potential for economic benefit or service will be reliably measured, revenues from non-exchange transactions with other government entities are recognised at fair value.

9. Costs:

All costs are recorded on an accrual basis, which means that regardless of when the money is received, costs are recorded at the time they are incurred or when the associated services are used.

10. Loan Interest:

In the financial performance report (Statement of Financial Performance), interest on loans is accounted for either an expense or a charge. To calculate interest expenditure for each period, interest is accumulated by applying the effective interest rate method to the principle amount owed.

11. Cash Flow Statement:

The direct technique was used to create this statement, which followed the GPFS format. There are three (3) parts in the cash flow statement:

Operating Activities:

These track the cash payments made for the provision of goods and services as well as the cash received by Local Government Councils from all sources of income.

Investing activities are those that have to do with buying and selling non-current assets.

Financial Activities: These include adjustments to the PSE's debt and equity capital structure.

12. Currency and Its Equivalent:

The term "cash and cash equivalent" refers to the amount of cash that is on hand, held in bank accounts, demand deposits, and other highly liquid investments with an initial maturity of three months or less. These investments are made by the entity as part of its daily cash management process, and they are easily convertible into known amounts of cash with little to no risk of value fluctuations. Cash and Cash Equivalent are included in the Statement of Financial Position under Current Assets.

13. Accounts Receivable: Exchange Transaction Receivables

Exchange transaction receivables are first recorded at fair value and then, using the effective interest method, evaluated at amortised cost, minus allowance for impairment. When there is, a receivables impairment provision is created.

Receivables from Transactions Without Exchange:

Receivables from non-exchange transactions include social benefit receivables that don't stem from contracts, as well as fees, taxes, fines, and other penalties related to these activities. These receivables are first valued at face value, or nominal amount; that is, the amount of tax due, levy, fine, etc., is reflected in the receivable. These accounts receivable are first evaluated at face value or nominal amount, meaning that the receivable represents the total amount of taxes due, levies, fines, etc. Following their charging, these receivables are modified for penalties or may be written off due to impairment. The statement of financial performance presents interest and penalties on tax receivables as tax revenue..

14. Advance payments:

Amounts paid in advance of receiving goods or services are referred to as prepaid costs. They signify payments made in one year for benefits to be obtained in other years, or payments made early in the year for benefits to be received throughout the course of the year.

15. Inventory:

- (a): The net realisable value of an inventory is subtracted from its cost.
- (b) The FIFO approach is used to calculate costs.
- (c) Where appropriate, inventories retained for distribution for the benefit of the

public are documented at cost less any prospective loss of services.

(d) In the Financial Position Statement, inventories are included under Current Assets.

16. Awarded Loans:

The approved loans are displayed at their estimated realisable value, which takes into account impairments and bad or dubious debts.

17. Plant, machinery, and equipment:

(a) The historical cost of all PPE is reported, less cumulative depreciation and any impairment losses. Costs directly related to the acquisition of the assets are included in the historical cost.

(b) When an asset is purchased through a non-exchange transaction for nominal or no consideration, it is first recorded in the statement of financial performance at fair value, which is a value that can be consistently ascertained and expressed as income during the PPE's useful life.

(c) The subsequent items are considered PPE expenses:

i) The price paid for the acquisition of these assets as well as any additional pertinent costs associated with restoring the asset to operational condition.

ii) Building expenses, which include labour, supplies, and overhead.

iii) Modifications to current PPE that greatly extend its usable life.

Price:

A piece of PPE's total cost includes the purchase price, import fees, one-time expenses, and any expenditures directly related to relocating and restoring the asset to its original location and state of functionality. The purchase price is calculated after subtracting trade discounts and rebates. PPE are reported at cost or at their expert appraisal less cumulative impairment and depreciation.

Devaluation:

PPE is depreciated according to a straight line method throughout the course of their anticipated useful lifetimes, less any projected residual value, using relevant rates, starting on the date of availability for use.

No.	Item of PPE	Depreciation Rate
A	Leased Property	Over the term of the lease
B	Buildings	2%
C	Investment property	2%
D	Infrastructure	5%
E	Plant and Machinery	10%
F	Transportation Equipment (except K)	20%
G	Office Equipment	25%
H	Furniture and Fittings	20%
I	Specialized Assets (e.g., books, military and paramilitary assets)	10%
J	Bearer Plant	4%
K	Aircraft, ship and train	5%
L	Specific cultural and heritage assets	Unlimited

Assessment:

At the conclusion of each reporting period, the residual values and usable lifetimes of the assets are examined and, if necessary, changed. Revaluation surplus is moved to the revaluation reserve under reserves in the financial situation. If there is a revaluation deficit, it is recorded as an expense in the statement of financial performance or, if there is a surplus on the same class of assets, against the value of the related assets and the corresponding entry to the revaluation reserve.

Disposal Gain or loss resulting from getting rid of a piece of PPE is shown as a surplus or deficit.

Deficit:

When there are signs that a piece of personal protective equipment (PPE) may have been compromised, an impairment test is carried out.

18. Real Estate Investment

These are properties that provide income for a PSE. At first, an investment property is valued at its cost. Investment property is then measured at fair value at the end of the term, and any gain or loss at fair value is recorded as a surplus or deficit.

Income from Investments:

Investment income is defined as the excess or shortfall of rental revenue received or gained from an investment property.

Disposal:

The surplus or deficit represents the gain or loss from the sale of investment property.

19. Non-tangible Resources

These are non-tangible assets that have been created domestically or purchased, and they are stored for usage in order to produce advantages that extend beyond a fiscal year. An intangible asset's total cost includes the acquisition price, non-recurring charges, and any expenses directly related to restoring the asset to its intended condition of use.

20. Deposits:

Resources kept in custody on behalf of third parties make up deposits. Additionally, deposits signify upfront payments for future products and services.

21. Debts and Loans:

Loans are sums of money that are borrowed with an agreed-upon repayment schedule. They are classified as either short-term or long-term loans and are shown as liabilities in the Statement of Financial Position.

22. Unremitted Withheld Taxes:

Money due to third parties, including tax authorities, unions, cooperatives, schemes and organisations, other government agencies, etc., is known as an unremitted deduction. Tax and other at-source deductions are examples of unremitted deductions. The sums are considered as Current Liabilities in the Statement of Financial Position and are reflected in the GPFS at their payback value.

23. Accrued Expenses - Payables

These are sums of money owed to outside parties for products and services obtained.

24. Public Money

These represent the government's financial balances at the conclusion of the fiscal year. The Statement of Financial Position categorises them as Non-Current Liabilities.

25. Reserves:

Reserves such as Surpluses/(Deficits) Reserve, Translation Reserve, Revaluation

Reserve, Fair Value Reserve, and other Reserves are categorised under equity in the Statement of Financial Position.

26. Debts

Initial recognition of borrowings is done at fair value, net of incurred transaction expenses. Following amortisation, borrowings are reported at cost; any discrepancy between proceeds (net of transaction expenses) and redemption value is recognised using the effective interest method in the consolidated statement of financial performance for the duration of the borrowings. The fees incurred for setting up lending facilities are recorded as loan transaction charges. The cost of the charge is capitalised and spread out over the life of the related facility.

27. Assignments to Other Governmental Organisations:

Transfers to other governmental bodies are included as costs in the statement of financial performance as they are non-exchange items.

28. Advances:

According to Edo State Financial Memoranda 16.16, any loans given to Local Government Council employees to carry out projects or make purchases of goods or services on their behalf must be retired by the end of the fiscal year. However, in situations where an advance is made towards the end of the fiscal year or where an advance that has already been made cannot be retired within the fiscal year, the advance and any outstanding amount are included in the Statement of Financial Position.

UHUNMWODE LOCAL GOVERNMENT COUNCIL, EHOR STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2023						
Previous Year Actual 2022 (₦)	Description	NCOA Code	Note	Annual Budget (₦)	Actual Revenue/ Expenditure (₦)	Percentage of Budget Performance
578,444,003.89	Net Assets/Equity As At 1/1/2023 – A			-	655,753,318.66	
	REVENUE					
	<u>Statutory Allocation:</u>					
1,316,865,900.72	Share of Federation Account	110101	1	2,835,196,530.66	1,103,588,676.51	39%
810,054,736.40	Share of Value Added Tax (VAT)	110102	1	1,111,787,817.28	1,112,693,754.26	100%
125,959,052.99	Excess Crude Oil and Others	110103	1	415,901,490.00	1,313,421,754.18	316%
2,252,879,690.11	Sub-Total Statutory Allocation – B			4,362,885,837.94	3,529,704,184.95	81%
	<u>Independent Revenue:</u>					
21,580,500.00	Licences General	120201	2	25,614,000.00	4,475,750.00	17%
51,915,753.00	Fees General	120204	2	39,753,000.00	56,043,999.38	141%
-	Fines General	120205	2	3,537,000.00	4,313,515.62	122%
-	Sales General	120206	2	-	-	
36,675,224.00	Earnings General	120207	2	10,602,000.00	1,632,000.00	15%
-	Rent on Government Building General	120208	2	-	-	
-	Rent on Land and Others General	120211	2	-	-	
-	Repayment General	120213	2	-	-	
-	Investment Income	120214	2	-	-	
110,171,477.00	Sub-Total Independent Revenue – C			79,506,000.00	66,465,265.00	84%

2,941,495,171.00	Total Receipts (A+B+C)			4,442,391,837.94	4,251,922,768.61	96%
	EXPENDITURE					
	<u>Recurrent Expenditure:</u>					
340,951,105.70	Salaries and Wages	210101	3	538,049,156.21	362,307,593.18	67%
271,288,025.20	Overhead Cost	220201	4	339,743,961.61	492,695,281.82	145%
1,619,104,721.44	SUBEB and other Transfers to Local Govt. Entities	220701	5	1,660,362,284.42	2,025,235,742.29	122%
-	Depreciation			-	-	
2,231,343,852.34	Sub-Total Recurrent Expenditure: E			2,538,155,402.24	2,880,238,617.29	113%
	<u>Capital Expenditure:</u>					
30,561,500.00	Land and Building General	320101	6	127,015,419.89	69,721,600.00	55%
-	Infrastructure General	320102	6	216,501,069.35	129,223,330.00	60%
7,583,000.00	Furniture and Fittings General	320106	6	35,937,441.15	19,883,020.00	55%
16,253,500.00	Intangible Assets	320301	6	130,717,915.99	107,017,050.00	82%
54,398,000.00	Sub-Total Capital Expenditure: F			510,171,846.38	325,845,000.00	64%
2,285,741,852.34	Total Expenditure: G = E + F			3,048,327,248.62	3,206,083,617.29	105%
655,753,318.66	Net Assets/Equity As At 31/12/2023				1,045,839,151.32	
2,941,495,171.00					4,251,922,768.61	

UHUNMWODE LOCAL GOVERNMENT COUNCIL, EHOR
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2023

Description	NCOA Code	Note	2023 (N)	2023 (N)	2022 (N)	2022 (N)
ASSETS						
Current Assets:						
Cash and Cash Equivalent	310101	7	306,254,585.36	-	167,930,229.31	
Inventories	310501	7	-		-	
Receivables	310601	7	-		-	
Prepayment	310801	7	-		-	
Total Current Assets: A				306,254,585.36		- 167,930,229.31
Non-Current Assets:						
Loan Granted (Local Govt. Loan Fund)	311001	7	18,436,870.79		18,436,870.79	
Investments	310901	7	-		-	
Property, Plant and Equipment (PPE)	320101	7	267,784,391.83		267,784,391.83	
Investment Properties	320201	7	-		-	
Intangible Assets (Advances)	320301	7	775,954,652.76		805,580,652.76	
Total Non-Current Assets: B				1,062,175,915.38		1,091,801,915.38
Total Assets: C = A+B				1,368,430,500.74		923,871,686.07
LIABILITIES						
Current Liabilities:						
Deposits	410101	8	321,791,349.42		267,318,367.41	
Short Term Loans and Debts	410201	8	800,000.00		800,000.00	
Payables (Accrued Expenses)	410401	8	-		-	
Total Current Liabilities: D				322,591,349.42		268,118,367.41
Non-Current Liabilities:						
Long Term Borrowing	4601/4602	8	-		-	
Total Non-Current Liabilities: E				-		-
Total Liabilities: F = D+E				322,591,349.42		268,118,367.41
Net Assets: G = C-F				1,045,839,151.32		655,753,318.66
NET ASSETS/EQUITY						
Reserves: H	4701	9	655,753,318.66		578,444,003.89	
Accumulated Surpluses/(Deficits): I	4702	9	390,085,832.66		77,309,314.77	
Total Net Assets/Equity: G = H+I				1,045,839,151.32		655,753,318.66

UHUNMWODE LOCAL GOVERNMENT COUNCIL, EHOR
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2023

NCOA Code	Details	Note	2023 (N)	2023 (N)	2022 (N)	2022 (N)
	CASH FLOW FROM OPERATING ACTIVITIES:					
	<u>INFLOWS:</u>					
	<u>Statutory Allocations</u>					
110101	Share of Federation Account	1	1,103,588,676.51		1,316,865,900.72	
110102	Share of Value Added Tax (VAT)	1	1,112,693,754.26		810,054,736.40	
110103	Excess Crude Oil and Others	1	1,313,421,754.18		125,959,052.99	
	Sub-Total Statutory Revenue – A			3,529,704,184.95		2,252,879,690.11
	<u>Independent Revenue</u>		-			
120201	Licences General	2	4,475,750.00		21,580,500.00	
120204	Fees General	2	56,043,999.38		51,915,753.00	
120205	Fines General	2	4,313,515.62		-	
120206	Sales General	2	-		-	
120207	Earnings General	2	1,632,000.00		36,675,224.00	
120208	Rent on Government Buildings General	2	-		-	
120209	Rent on Land and Others General	2	-		-	
120210	Repayments General	2	-		-	
120211	Investment Income	2	-		-	
	Sub-Total Independent Revenue – B			66,465,265.00		110,171,477.00
	Total Inflow from Operating Activities C = A+B			3,596,169,449.95		2,363,051,167.11

	<u>OUTFLOWS:</u>					
210101	Salaries and Wages	3	362,307,593.18		340,951,105.70	
220201	Overhead Cost	4	492,695,281.82		271,288,025.20	
220701	SUBEB and other Transfers to Local Government Entities	5	2,025,235,742.29		1,619,104,721.44	
	Depreciation		-		-	
	Total Outflow from Operating Activities – D			2,880,238,617.29		2,231,343,852.34
	Net Cashflow from Operating Activities – E = C-D			715,930,832.66		131,707,314.77
	CASHFLOW FROM INVESTING ACTIVITIES:					
320101	Land and Building General	6	69,721,600.00		30,561,500.00	
320102	Infrastructure General	6	129,223,330.00		-	
320106	Furniture and Fittings General	6	19,883,020.00		7,583,000.00	
320301	Intangible Assets	6	107,017,050.00		16,253,500.00	
	Total Outflow from Investing Activities – F			325,845,000.00		54,398,000.00
	Net Cashflow from Investing Activities – G = E - F			390,085,832.66		77,309,314.77
	CASHFLOW FROM FINANCIAL ACTIVITIES:					
301801	Advances		- 29,626,000.00		- 47,615,925.00	
410101	Deposits		54,472,982.01		- 1,333,154.29	
410102	Other Accounts - Loan		-		-	
	Other Accounts - Investment		-		-	
420301	Proceeds from Borrowings		-		-	
	Payment/Charges on Borrowings		-		-	
	Net Cashflow from Financing Activities – H			- 84,098,982.01		- 46,282,770.71
	Net Cashflow from all Activities – I = G - H			474,184,814.67		123,592,085.48
	Cash and Cash Equivalent As At 1/1/2023			- 167,930,229.31		- 291,522,314.79
	Cash and Cash Equivalent As At 31/12/2023			306,254,585.36		- 167,930,229.31

NOTES TO THE ACCOUNTS

NOTE 1:				
SCHEDULE OF STATUTORY ALLOCATION TO UHUNMWODE LOCAL GOVERNMENT COUNCIL, EHOR FOR THE YEAR ENDED 31ST DECEMBER 2023				
Month	Federation Account	Value Added Tax	Others	Total
January	150,996,284.67	80,266,760.62	362,267,598.57	593,530,643.86
February	87,198,820.08	80,868,891.51	34,469,235.80	202,536,947.39
March	82,990,364.16	84,184,014.61	31,052,569.34	198,226,948.11
April	113,124,163.37	74,676,958.82	6,880,373.07	194,681,495.26
May	80,357,215.60	69,043,114.64	27,110,988.48	176,511,318.72
June	121,541,021.17	90,672,848.94	232,315,130.77	444,529,000.88
July	68,139,923.58	96,531,685.52	289,867,039.36	454,538,648.46
August	88,473,731.71	94,432,084.03	71,720,031.25	254,625,846.99
September	72,348,743.65	118,890,767.56	59,998,310.95	251,237,822.16
October	88,640,138.10	94,753,263.21	45,081,598.37	228,474,999.68
November	68,541,374.07	109,865,026.96	65,370,715.87	243,777,116.90
December	81,236,896.35	118,508,337.84	87,288,162.35	287,033,396.54
Total	1,103,588,676.51	1,112,693,754.26	1,313,421,754.18	3,529,704,184.95

NOTE 2:										
SCHEDULE OF INDEPENDENT REVENUE OF UHUNMWODE LOCAL GOVERNMENT COUNCIL, EHOR FOR THE YEAR ENDED 2023										
Month	120201 Licences General	120204 Fees General	120205 Fines General	120206 Sales General	120207 Earnings General	120208 Rent On Govt. Buildings General	120209 Rent On Land & Others General	120210 Repayments General	120211 Investment Income	Monthly Total
January	568,000.00	3,432,555.93	532,000.00	-	56,000.00	-	-	-	-	4,588,555.93
February	-	605,000.00	-	-	-	-	-	-	-	605,000.00
March	1,568,000.00	18,005,320.00	943,000.00	-	230,000.00	-	-	-	-	20,746,320.00
April	24,000.00	2,350,000.00	11,900.00	-	-	-	-	-	-	2,385,900.00
May	300,400.00	4,230,000.00	200,000.00	-	23,700.00	-	-	-	-	4,754,100.00
June	923,000.00	9,000,000.00	987,070.00	-	-	-	-	-	-	10,910,070.00
July	280,350.00	2,356,770.00	928,400.00	-	-	-	-	-	-	3,565,520.00
August	300,000.00	3,800,000.00	496,700.00	-	-	-	-	-	-	4,596,700.00
September	133,000.00	6,500,000.00	14,445.62	-	657,904.38	-	-	-	-	7,305,350.00
October	245,000.00	890,000.00	50,000.00	-	436,092.17	-	-	-	-	1,621,092.17
November	34,000.00	1,774,353.45		-	224,803.45	-	-	-	-	2,033,156.90
December	100,000.00	3,100,000.00	150,000.00	-	3,500.00	-	-	-	-	3,353,500.00
Total	4,475,750.00	56,043,999.38	4,313,515.62	-	1,632,000.00	-	-	-	-	66,465,265.00

NOTE: 3 SCHEDULE OF SALARIES AND WAGES OF UHUNMWODE LOCAL GOVERNMENT, EHOR FOR THE YEAR ENDED 2023

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
21010101	Office of the Chairman	85,378,429.00	13,060,555.00	15%
21010102	The Council (Legislative)	101,953,676.30	12,621,294.02	12%
21010103	Personnel Management	88,341,655.80	59,969,412.24	68%
21010104	Internal Audit	6,027,694.00	13,787,719.00	229%
21010105	Information	6,676,000.00	4,759,935.88	71%
21010106	Office of the Head of LGA	-	-	
21010107	Agriculture and National Resources	2,040,000.00	3,872,627.74	190%
21010108	Finance and Supply	38,959,612.82	27,254,281.09	70%
21010109	Budget, Planning & Statistics	14,885,452.18	8,546,611.38	57%
2101010	Revenue	17,394,845.34	16,026,780.99	92%
2101011	Works and Housing	27,527,267.83	26,568,115.90	97%
2101012	Procurement	3,046,414.87	3,262,203.40	107%
2101013	Legal Services	5,970,315.53	3,241,284.15	54%
2101014	Youth, Women & Social Development	10,772,973.31	17,895,383.19	166%
2101015	Primary Health Care	276,881,802.94	110,281,184.31	40%
2101016	Environment	22,868,608.96	31,909,962.97	140%
2101017	Water and Sanitary Hygiene	7,656,512.64	9,250,241.92	121%
	Total	716,381,261.52	362,307,593.18	51%

NOTE: 4 SCHEDULE OF OVERHEAD COST OF UHUNMWODE LOCAL GOVERNMENT, EHOR FOR THE YEAR ENDED 2023

Economic Code	Details	Approved Budget	Actual Expenditure	Percentage of Budget Performance
22020101	Office of the Chairman	133,078,627.00	107,789,000.00	81%
22020102	The Council (Legislative)	31,816,748.00	30,876,442.00	97%
22020103	Personnel Management (Admin)	160,237,500.00	98,613,000.00	62%
22020104	Internal Audit	24,000,000.00	11,365,000.00	47%
22020105	Information	15,351,067.00	13,907,000.00	91%
22020106	Office of the Head of LGA	-	-	
22020107	Agriculture and National Resources	17,470,312.00	16,690,000.00	96%
22020108	Finance and Supply	44,428,686.00	42,075,000.00	95%
22020109	Budget, Planning & Statistics	38,249,740.00	25,820,839.82	68%
22020110	Procurement	7,640,054.00	7,435,000.00	97%
22020111	Revenue	22,276,569.00	21,999,000.00	99%
22020112	Works & Housing	33,538,142.00	30,750,000.00	92%
22020113	Legal Services	14,391,313.00	10,763,000.00	75%
22020114	Social Development	17,746,785.00	17,901,000.00	101%
22020115	Primary Health Care	24,471,669.00	17,633,000.00	72%
22020116	Environment	20,292,954.00	21,765,000.00	107%
22020117	Water and Sanitary Hygiene	10,393,587.00	5,313,000.00	51%
22020118	Contribution to LG Service Commission	14,000,000.00	12,000,000.00	86%
	Total	629,383,753.00	492,695,281.82	78%

**NOTE 5: SCHEDULE OF TRANSFERS TO SUBEB AND OTHER LOCAL GOVERNMENT ENTITIES IN UHUNMWODE
LOCAL GOVERNMENT, EHOR**

Month	Deductions for Mandatory Expenditure				Total
	Subvention to LGEA (SUBEB)	Total Salary for Teaching and LGEAs	5% Traditional Council	Other Transfers to Local Govt. Entities	
January	385,933.31	68,760,461.14	12,416,899.90	97,303,573.29	178,866,867.64
February	385,933.31	65,160,479.45	10,126,847.26	86,817,620.92	162,490,880.94
March	385,933.31	65,263,764.39	9,911,347.40	91,798,199.85	167,359,244.95
April	385,933.31	62,280,079.74	9,734,074.76	88,783,848.36	161,183,936.17
May	385,933.31	60,915,749.40	8,825,565.93	81,103,056.05	151,230,304.69
June	385,933.31	60,218,003.75	10,966,264.89	91,527,579.13	163,097,781.08
July	385,933.31	81,774,517.05	12,131,722.57	113,849,644.42	208,141,817.35
August	385,933.31	59,736,545.60	12,731,292.34	88,854,650.22	161,708,421.47
September	385,933.31	60,088,969.02	12,561,891.10	88,882,699.01	161,919,492.44
October	385,933.31	60,171,805.43	11,423,749.98	93,834,937.84	165,816,426.56
November	385,933.31	60,496,744.60	12,188,855.84	90,278,993.28	163,350,527.03
December	385,933.31	59,393,461.84	14,351,669.82	105,938,977.10	180,070,042.07
Total	4,631,199.72	764,260,581.41	137,370,181.79	1,118,973,779.47	2,025,235,742.39

**NOTE 6: SCHEDULE OF CAPITAL EXPENDITURE OF UHUNMWODE LOCAL GOVERNMENT, EHOR FOR THE YEAR ENDED
31ST DECEMBER, 2023**

Month	Land & Building General 320101	Infrastructure General 320102	Furniture & Fittings 320106	Intangible Assets 320301	Monthly Total
January	1,000,000.00	36,000,000.00	-	7,000,000.00	44,000,000.00
February	650,000.00	12,000,000.00	43,000.00	2,500,000.00	15,193,000.00
March	15,250,000.00	7,000,000.00	560,000.00	6,000,000.00	28,810,000.00
April	23,870,000.00	4,500,000.00	-	1,200,050.00	29,570,050.00
May	1,348,000.00	7,500,000.00	4,530,000.00	567,000.00	13,945,000.00
June	4,000,000.00	13,000,000.00	3,442,000.00	13,000,000.00	33,442,000.00
July	215,000.00	8,900,000.00	-	15,050,000.00	24,165,000.00
August	400,000.00	5,670,000.00	4,200,000.00	5,800,000.00	16,070,000.00
September	6,000,000.00	8,990,000.00	-	8,600,000.00	23,590,000.00
October	753,600.00	7,570,000.00	363,580.00	5,000,000.00	13,687,180.00
November	15,800,000.00	3,560,000.00	6,744,440.00	16,700,000.00	42,804,440.00
December	435,000.00	14,533,330.00	-	25,600,000.00	40,568,330.00
Total	69,721,600.00	129,223,330.00	19,883,020.00	107,017,050.00	325,845,000.00

NOTE 7:	
CURRENT AND NON-CURRENT ASSETS AS AT 31ST DECEMBER, 2023	
Cash and Cash Equivalent	306,254,585.36
Inventories	-
Loans Granted	18,436,870.79
Property, Plant and Equipment (PPE)	267,784,391.83
Intangible Assets (Advances)	775,954,652.76
Total Assets	₦ 1,368,430,500.74

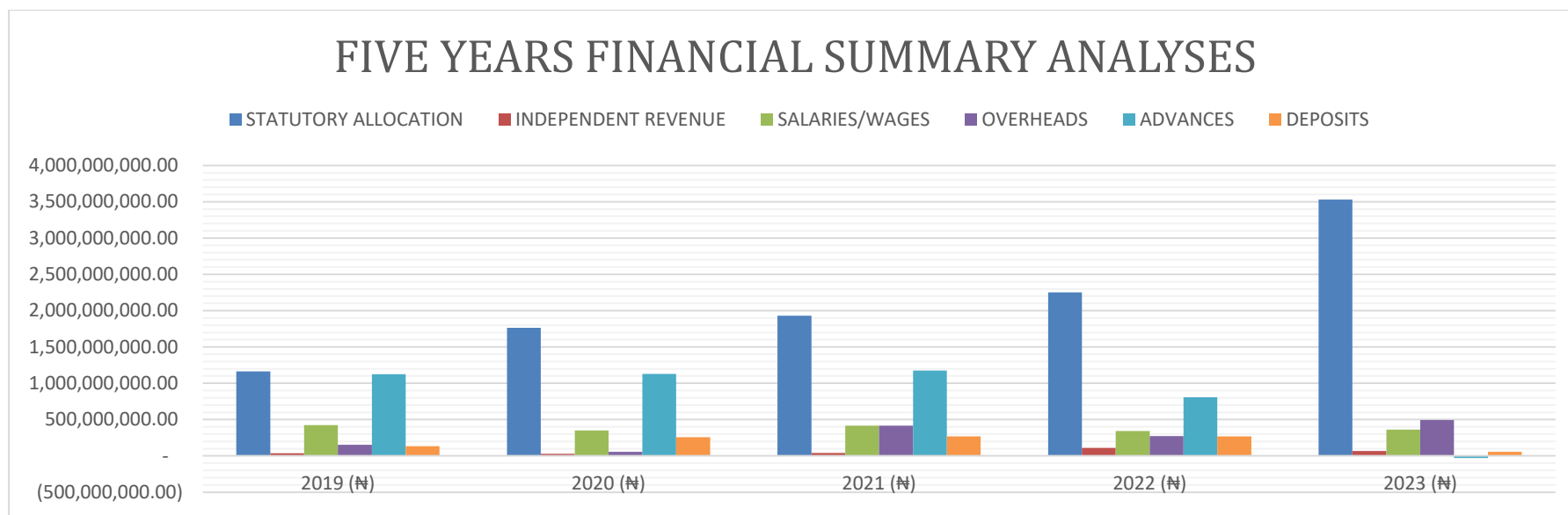
NOTE 8:	
CURRENT AND NON-CURRENT LIABILITIES AS AT 31ST DECEMBER, 2023	
Deposits	321,791,349.42
Loans/Debts	800,000.00
Payables	-
Long Term Borrowings	-
Total Liabilities	₦ 322,591,349.42

NOTE 9:	
CAPITAL RESERVES	
Reserves as at 1/1/2023	655,753,318.66
Accumulated Surpluses/Deficits for the Year	390,085,832.66
Net Assets/Equity as at 31/12/2023	₦ 1,045,839,151.32

NOTE 10:**DETAILS OF AUDIT QUERIES ISSUED TO UHUNMWODE LOCAL GOVERNMENT COUNCIL, EHOR IN RESPECT OF 2023 ACCOUNTS**

S/No.	Query Number	P.V. No./Date	Reason	Amount (₦)	Remark
	Current Year:				
1.	AQ/ULG/EHR/1/2023	Various	Irregular Expenditure	9,686,000.00	Resolved
2.	AQ/ULG/EHR/2/2023	Various	Irregular Expenditure	6,500,000.00	Resolved
3.	AQ/ULG/EHR/3/2023	Various	Irregular Expenditure	1,500,000.00	Resolved
4.	AQ/ULG/EHR/4/2023	17/Feb/2023	Irregular Expenditure	34,988,192.46	Resolved
5.	AQ/ULG/EHR/5/2023	11/Sept/2023	Unreceipted Payments	24,776,143.13	Resolved
6.	AQ/ULG/EHR/6/2023	38/Sept/2023	Expenditure Not Supported By Proper Rocords or Accounts	1,000,000.00	Resolved
7.	AQ/ULG/EHR/7/2023	Various	Irregular Expenditure	12,210,000.00	Resolved
	Total			90,660,335.59	

UHUNMWODE LOCAL GOVERNMENT COUNCIL, EHOR							
FIVE YEARS FINANCIAL SUMMARY ANALYSES							
S/N		2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)	2023 (₦)	TOTAL (₦)
1	STATUTORY ALLOCATION	1,163,238,966.63	1,762,802,942.72	1,931,077,536.53	2,252,879,690.11	3,529,704,184.95	10,639,703,320.94
2	INDEPENDENT REVENUE	36,514,250.00	30,160,392.35	41,488,744.99	110,171,477.00	66,465,265.00	284,800,129.34
3	SALARIES/WAGES	424,380,916.52	350,672,792.87	414,514,249.83	340,951,105.70	362,307,593.18	1,892,826,658.10
4	OVERHEADS	153,571,863.62	57,311,748.19	415,097,642.00	271,288,025.20	492,695,281.82	1,389,964,560.83
5	ADVANCES	1,125,514,386.90	1,128,772,086.90	1,174,541,224.63	805,580,652.76	-29,626,000.00	4,204,782,351.19
6	DEPOSITS	133,131,418.76	256,862,618.92	268,651,521.70	267,318,367.41	54,472,982.01	980,436,908.80
	TOTAL	3,036,351,802.43	3,586,582,581.95	4,245,370,919.68	4,048,189,318.18	4,476,019,306.96	19,392,513,929.20



NOTES: