

## **REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF IKORODU LOCAL GOVERNMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2020**

In compliance with the provisions of section 50 subsections 1-4 of Lagos State Local Government Administration Law No.7 of 1999, and sections 69-72 of Lagos State Public Finance Management Law No.9 of 2011, the accounts of Ikorodu Local Government for the year ended 31st December, 2020 have been audited.

The General purpose Financial Statements were prepared by the Management of Ikorodu Local Government and are therefore responsible for the content and information contained therein.

The Financial Statements consisting Statements Nos. 3 to 6 attached herewith as Schedules (1A-1D) consisting of Statement of Cashflow, Statement of Financial Position, Statement of Financial Performance and Statement of Change in Public Fund with the accompanying notes to the accounts were prepared under International Public Sector Accounting Standards (IPSAS) Accrual Basis of Accounting as applicable in the Public Sector.

The Audit was conducted in accordance with Generally Accepted Auditing Standards. Projects and Programmes were verified in line with concept of Performance Audit. Hence, the Audit was comprehensively carried out.

In our opinion, the General Purpose Financial Statements presented for audit show a true and fair view of the financial activities of the Local Government for the year under review.

### **2. REVIEW OF GENERAL PURPOSE FINANCIAL STATEMENTS (GPFS)**

#### **i. STATEMENT OF CASH FLOW**

The Statement of Cash flow presented in the General Purpose Financial Statements for the year ended 31<sup>st</sup> December, 2020 shows the true cash flow trend of the Local Government for the year under review. **See Schedule 1A for ease of reference.**

#### **ii STATEMENT OF FINANCIAL POSITION**

The Statement of Financial Position presented in the General Purpose Financial Statements for the year ended 31<sup>st</sup> December, 2020 shows a true position of the Assets and Liabilities of the Local Government for the year under review. **See Schedule 1B for details for ease of reference**

## **STATEMENT OF FINANCIAL PERFORMANCE**

The Statement of Financial Performance presented in the General Purpose Financial Statements for the year ended 31<sup>st</sup> December, 2020 shows a true and fair view of the Income and Expenditure activities of the Local Government for the year under review.

**See Schedule 1C for ease of reference**

## **iv STATEMENT OF CHANGE IN PUBLIC FUND**

The Statement of Change in Public Fund presented in the General Purpose Financial Statements for the year ended 31<sup>st</sup> December, 2020 was confirmed correct. **See**

**Schedule 1D for ease of reference**

Audit observations on the financial activities of the Local Government are as contained in the management report

**IKORODU LOCAL GOVERNMENT  
STATEMENT OF CASHFLOW  
FOR THE YEAR ENDED 31ST DECEMBER, 2020.  
STATEMENT NO. 3 SCHEDULE 1A**

	CURRENT YEAR 2020	PREVIOUS YEAR 2019
<b>CASHFLOW FROM OPERATING ACTIVITIES:</b>	<b>=N=</b>	<b>=N=</b>
<b>CASH INFLOW:</b>		
Statutory Allocation	1,905,091,580.27	1,698,809,746.79
Grant/Subvention	60,726,666.66	356,511,764.42
Internally Generated Revenue (IGR)	201,377,428.63	376,289,948.81
Miscellaneous	28,827,151.14	28,272,899.36
Value Added Tax	231,905,853.18	68,643,281.33
Gain on Disposal of Assets	300,000.00	725,000.00
<b>TOTAL CASHFLOW FROM OPERATING ACTIVITIES</b>	<b>2,428,228,679.88</b>	<b>2,529,252,640.71</b>
<b>CASH OUTFLOW FROM OPERATING ACTIVITIES:</b>		
Personnel Emolument	393,948,689.05	313,140,383.35
Other General Nature	1,165,210,328.56	898,206,345.44
Educational Services	44,306,200.00	47,335,000.00
Health and Environment Services	153,191,410.30	129,624,560.00
Women Affairs and Poverty Alleviation	60,997,000.00	129,421,353.44
Agricultural Services	87,790,600.00	118,515,611.03
Works and Housing	151,633,893.41	279,007,092.89
Deposit Paid	24,876,305.80	17,902,909.72
<b>Total Cash Outflow from operating activities</b>	<b>2,081,954,427.12</b>	<b>1,933,153,255.87</b>

<b>Net Cashflow from Operating Activities</b>	<b>346,274,252.76</b>	<b>603,352,411.10</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES:</b>		
Purchase/Construction of Non-Current Assets (Capital Expenditure)	32,084,414.09	23,517,001.55
Purchase/Construction of Non-Current Assets (Fixed Assets)	275,804,443.93	479,920,939.63
Purchase From Other Assets (Inventory Paid)	0.00	0.00
Interest on Deposits	0.00	0.00
Net Proceed From Other Assets (Staff Loan, Receivables etc.)	43,520,382.09	100,704,497.54
Interest/Dividend Received	290,054.08	(50,059.05)
<b>Cashflow From Investing Activities</b>	<b>351,119,186.03</b>	<b>604,092,379.67</b>
<b>NET CASHFLOW FROM INVESTING/OPERATING ACTIVITIES</b>	<b>(4,844,933.27)</b>	<b>(739,968.57)</b>
<b>CASHFLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Loans and Borrowings	8,974,188.50	-
Repayment of Loans and Borrowings	19,787,416.24	15,157,229.26
NET PROCEED FROM LOAN & OTHER BORROWING	(10,813,227.74)	(27,005,229.24)
NET INCREASE/DECREASE IN CASH AND ITS EQUIVALENT	(15,658,161.01)	(27,745,197.81)
<b>CASH AND ITS EQUIVALENT AS AT 01-01-2020</b>	<b>18,001,604.25</b>	<b>45,746,800.89</b>
<b>CASH AND ITS EQUIVALENT AS AT 31-12-2020</b>	<b>2,343,443.24</b>	<b>18,001,604.25</b>

**IKORODU LOCAL GOVERNMENT  
STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31ST DECEMBER, 2020.  
STATEMENT NO. 4 SCHEDULE 1B**

	CURRENT YEAR 2020	PREVIOUS YEAR 2019
	=N=	
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash And Bank Balance	2,343,443.24	18,001,604.25
Accounts Receivable	45,692,479.62	46,036,017.11
Staff Loan And Advances	0.00	
Inventory	28,058,653.47	27,595,740.19
Prepayment	0.00	
Transfer To Reserves	93,854,665.37	
Assets Under Construction	77,887,035.39	
Bailout Fund	0.00	
<b>Total Current Assets</b>	<b>247,836,277.09</b>	<b>91,633,361.55</b>
<b>Non-Current Assets</b>	0.00	
Land	6,211,560,873.00	5,983,677,138.00
Building	3,162,478,810.53	2,550,804,986.71
Motor Vehicle	280,606,031.36	290,023,203.08
Furniture And Equipment	46,610,412.77	51,990,399.32
Plant And Machinery	21,706,486.15	27,657,138.50
Utility Tools	0.00	
Intangible Assets	0.00	
Investments	0.00	
Infrastructural Assets	2,369,484,232.51	1,422,391,189.56
<b>Total Non Current Assets</b>	<b>12,092,446,846.32</b>	<b>10,326,544,055.17</b>
<b>TOTAL ASSETS</b>	<b>12,340,283,123.23</b>	<b>10,418,177,416.72</b>
<b>LIABILITIES</b>	0.00	
<b>Current Liabilities</b>	0.00	
Deposits	159,088,485.59	115,086,934.73
Bank Loan And Lease	0.00	
Accounts Payable	749,728,697.35	670,052,098.69
Unremitted Deductions	157,525,159.71	137,432,105.00
Deposits (Lake Rice)	0.00	
<b>Non-Current Liabilities</b>	1,066,342,342.65	
	0.00	
Public Fund	3,069,444.81	
Long Term Borrowings	0.00	
	0.00	
<b>TOTAL LIABILITIES</b>	<b>1,069,411,787.46</b>	<b>922,571,138.42</b>
<b>NET ASSETS</b>	<b>11,270,871,335.77</b>	<b>9,495,606,278.30</b>
	0.00	
<b>NET ASSETS/EQUITY</b>	0.00	
Reserve	7,026,846,169.83	5,261,975,334.45
Accumulated Surplus/(Deficit)	4,244,025,166.14	4,233,630,943.85
<b>TOTAL NET ASSETS/EQUITY</b>	<b>11,270,871,335.97</b>	<b>9,495,606,278.30</b>

**IKORODU LOCAL GOVERNMENT  
STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31ST DECEMBER, 2020.  
STATEMENT NO. 5 SCHEDULE 1C**

REVENUE	CURRENT YEAR 2020	PREVIOUS YEAR 2019
	=N=	=N=
Allocation	6,900,697,979.98	6,270,527,179.11
Taxes	5,079,621.99	10,254,582.31
<b>Total Tax Revenue</b>	<b>6,905,777,601.97</b>	<b>6,380,781,761.42</b>
Non Tax Revenue	0.00	
Grants	60,726,666.66	603,087,161.64
Rate	0.00	21,572,483.54
Local Licences And Fines	170,733,178.63	280,042,440.19
Earning From Commercial Undertakings	27,188,450.00	41,317,360.12
Rent On Properties	6,265,000.00	34,845,000.00
Interest On Deposit Account	3,321,676.24	
Investment Income	330,054.08	55,059.05
Miscellaneous	39,009,106.19	24,801,202.68
<b>Total Non Tax Revenue</b>	<b>307,574,131.80</b>	<b>1,025,422,304.91</b>
Non-Operating Income		
Sales/Disposal Of Assets	1,875,000.00	
Non-Current Assets	0.00	725,000.00
<b>Total Non-Operating income</b>	<b>1,875,000.00</b>	
<b>TOTAL REVENUE</b>	<b>7,215,226,733.77</b>	<b>7,306,929,066.33</b>
LESS EXPENDITURE	0.00	
Personnel Emoluments	5,136,627,432.54	4,430,816,417.39
Works And Housing	135,920,049.20	256,607,086.27
Women Affairs And Poverty Alleviation	65,734,000.00	79,800,350.28
Educational Services	72,393,123.12	56,525,740.01
Agricultural Services	89,501,000.00	90,761,555.00
General Administration	760,071,009.39	854,362,100.83
Miscellaneous	506,487,920.85	426,192,562.86
Health And Environmental Services	202,215,618.03	191,221,878.49
Capital Expenditure	298,000.00	
Current Year Depreciation	237,487,388.52	231,932,445.05
<b>TOTAL EXPENDITURE</b>	<b>7,206,735,541.65</b>	<b>6,615,928,136.18</b>
<b>Net Surplus/(Deficit) for the year</b>	<b>8,491,192.12</b>	<b>691,000,930.15</b>

**IKORODU LOCAL GOVERNMENT  
STATEMENT OF CHANGE IN PUBLIC FUND  
FOR THE YEAR ENDED 31ST DECEMBER, 2020.  
STATEMENT NO. 6 SCHEDULE 1D**

DETAILS	CURRENT YEAR 2020	PREVIOUS YEAR 2019
=N=	=N=	=N=
Accumulated Surplus/(Deficit) As At 01-01-2020	7,230,648,076.97	2,212,792,062.95
Reserve As At 01-01-2020	3,371,164,824.54	5,883,689,327.72
Total Public Fund As At 01-01-2020	10,601,812,901.51	8,096,481,390.67
Net Surplus/(Deficit) For The Year	8,491,192.12	691,000,930.15
Reserve For The Year	660,567,242.14	708,123,957.48
<b>Accumulated Surplus/(Deficit) &amp; Reserve as at 31-12-2020</b>	<b>11,270,871,335.77</b>	<b>9,495,606,278.30</b>