

REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF AJEROMI IFELODUN LOCAL GOVERNMENT FOR THE YEAR ENDED 31ST 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 Ajeromi Ifelodun Local Government for the year ended 31st December, 2020 have been audited.

The General-Purpose Financial Statements were prepared by the Management of Ajeromi Ifelodun Local Government and are therefore responsible for the content and the 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, subject to audit observation 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 31st 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 31st December, 2020 do not show true position of Assets and Liabilities of the Local Government because the carrying value of non-current assets for the year ended 31st December, 2020 were doubtful and could not be validated. Also, the Local Government management failed to recognize the diminution value of most of the assets occasioned by ENDSARS protest which led to burning of the following assets of the Local Government

- **Building**
- **Motor Vehicle**
- **Furniture and Equipment**
- **Plant and Machinery**

The Council Management is enjoined to revalue these assets in accordance with the generally accepted audit standards (G.A.A.S) and restate the revalued figures in line with International Public Sector Accounting Standards (3). **Schedule IB for ease of reference**

III. STATEMENT OF FINANCIAL PERFORMANCE

The Statement of Financial Performance as presented in the General Purpose Financial Statements for the year ended 31st December, 2020 shows the true 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 31st December, 2020 do not show the true net worth of the Local Government for the year under review in view of the ENDSARS protest effects on Non-Current Assets Value disclosed in the Statement of Financial Position. **See Schedule 1D for ease of reference**

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

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

Cash flow from Operating Activities	CURRENT YEAR 2020	PREVIOUS YEAR 2019
Cash Inflow		
GRANT/SUBVENTION	0.00	0.00
GAIN ON DISPOSAL OF ASSETS	0.00	2,004,000.00
STATUTORY ALLOCATION	3,664,686,875.45	3,423,789,389.42
VALUE ADDED TAX	48,119,525.30	
INTERNALLY GENERATED REVENUE	175,165,072.07	264,607,196.66
STATE CONSOLIDATED REVENUE	0.00	
MISCELLANEOUS	27,536,798.36	11,913,050.49
TOTAL CASH INFLOW	3,915,508,271.18	
CASHFLOW FROM OPERATING ACTIVITIES	0.00	3,702,313,636.57
PERSONNEL EMOLUMENTS	243,357,152.77	200,561,899.47
WOMEN AFFAIRS AND POVERTY ALLEVIATION	70,885,000.00	155,315,192.00
EDUCATIONAL SERVICES	219,703,792.14	300,690,496.39
HEALTH AND ENVIROMENTAL SERVICES	621,141,094.80	344,675,081.00
WORKS AND HOUSING	57,188,044.48	269,030,873.12
AGRICULTURAL SERVICE	242,208,450.27	246,151,250.00
OTHER OF GENERAL NATURE	1,357,377,660.46	1,209,282,626.10
DEPOSIT PAID	14,532,406.44	12,220,890.43
TOTAL CASH OUTFLOW	2,826,393,601.36	2,737,928,308.51
	0.00	
NET CASH FLOW FROM OPERATING ACTIVITIES	1,089,114,669.82	964,385,328.06
CASH FLOW FROM INVESTMENT ACTIVITIES	0.00	
PURCHASE/ CONSTRUCTION OF NON CURRENT ASSETS(CAPITAL EXPENDITURE)	54,350,000.00	120,888,952.25
NET PROCEED FROM OTHER ASSETS (STAFF LOAN, RECEIVABLES, ETC)	1,254,880.00	11,680,847.40
PURCHASE/CONSTRUCTION OF NONCURRENT ASSETS (FIXED ASSETS)	930,500,664.12	75,945,430.02
INTEREST/DIVIDEND RECEIVED	(2,454,501.56)	888,221.91
NET CASHFLOW FROM INVESTING ACTIVITIES	983,651,042.56	208,827,007.76
NET CASHFLOW FROM OPERATING/ INVESTING ACTIVITIES	105,463,627.26	1,173,212,335.82
CASH FLOW FROM FINANCING ACTIVITIES	0.00	
PROCEEDS FROM LOANS, BORROWING AND OTHER PAYABLES	0.00	

REPAYMENT OF LOANS, BORROWING AND OTHER PAYABLES	23,000,000.00	15,725,000.00
NET PROCEED FROM LOANS AND BORROWING AND OTHER PAYABLES	(23,000,000.00)	(15,725,000.00)
NET INCREASE/ DECREASE IN CASH AND ITS EQUIVALENT	105,463,627.26	12,153,410.52
CASH AND ITS EQUIVALENTS AS AT 01-01-2020	56,466,320.90	68,619,731.42
CASH AND ITS EQUIVALENTS AS AT 31-12-2020	161,929,948.16	56,466,320.90

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

DESCRIPTION	CURRENT YEAR 2020	PREVIOUS YEAR 2019
ASSETS		
CURRENT ASSETS		
CASH AND BANK BALANCES	161,929,948.16	56,466,320.90
ACCOUNT RECEIVABLE	86,600,961.16	77,584,103.26
STAFF LOANS AND ADVANCES	504,000.00	504,000.00
INVENTORY	24,750,499.10	22,214,849.40
PREPAYMENT	0.00	
ASSET UNDER CONSTRUCTION	0.00	184,800,000.00
BUILDING (WORK IN PROGRESS)	0.00	
TOTAL CURRENT ASSETS	273,785,408.42	341,569,273.56
NON- CURRENT ASSETS		
LAND	2,131,407,896.87	2,131,407,896.87
BUILDING	2,588,945,657.64	1,861,611,267.05
MOTOR VEHICLE	206,780,891.15	240,828,433.44
FURNITURE AND EQUIPMENTS	271,322,408.51	66,518,143.69
PLANTS AND MACHINERY	47,090,610.00	28,792,340.00
UTILITY TOOLS	0.00	
INFRASTRUCTURAL ASSETS	2,172,344,763.42	1,793,346,230.28
TOTAL NON CURRENT ASSETS	7,417,892,227.59	6,122,504,311.33
TOTAL ASSETS	7,691,677,636.01	6,464,073,584.89
LIABILITIES	0.00	
CURRENT LIABILITIES	0.00	
DEPOSITS	582,030,329.46	341,264,507.06
ACCOUNT PAYABLE	765,623,254.26	714,898,977.90
UNREMITTED DEDUCTIONS	0.00	
	1,347,653,583.72	1,056,163,484.96
NON- CURRENT LIABILITIES		
PUBLIC FUND	0.00	
LONG TERM BORROWING	0.00	
	0.00	
TOTAL LIABILITIES	1,347,653,583.72	1,056,163,484.96
NET ASSETS	6,344,024,052.29	5,407,910,099.93
NET ASSETS/ EQUITY	0.00	
RESERVE	3,177,915,243.94	4,490,316,379.03
ACCUMULATED SURPLUS/(DEFICIT)	3,166,108,808.35	917,593,720.90
TOTAL NET ASSETS/ EQUITY	6,344,024,052.29	5,407,910,099.93

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

DESCRIPTION	NOTES	CURRENT YEAR 2020	PREVIOUS YEAR 2019
REVENUE			
TAX REVENUE			
ALLOCATION	6	3,451,013,909.07	6,059,662,790.60
GRANTS		3,265,740,731.28	
TAXES	25	14,442,996.75	12,274,922.40
STATE CONSOLIDATED REVENUE		-	
TOTAL TAX REVENUE		6,731,197,637.10	6,071,937,713.00
NON TAX REVENUE		-	
INVESTMENT INCOME	27	-	888,221.91
RATES	21	6,500.00	22,127,857.54
LOCAL LICENCES AND F	22	105,342,126.87	161,112,241.20
EARNING FROM COMM	23	45,036,750.58	
RENT ON PROPERTY	28	66,754,400.00	3,312,000.00
INVESTMENT INCOME	24	2,454,501.56	
MISCELLANEOUS	26	29,214,428.36	27,922,321.42
GAIN ON DISPOSAL		-	2,004,000.00
CONSOLIDATED REVENUE		-	
TOTAL NON TAX REVENUE		248,808,707.37	217,366,642.07
TOTAL REVENUE		6,980,006,344.47	6,289,304,355.07
LESS EXPENDITURE		-	
PERSONNEL EMOLUMENTS		2,859,857,912.87	2,380,933,009.27
WORKS AND HOUSING		61,217,625.13	320,225,502.06
WOMEN AFFAIRS AND POVERTY ALLEVIATION		78,399,500.00	162,742,500.00
EDUCATION SERVICES		269,950,538.97	392,363,427.25
AGRICULTURAL SERVICES		232,568,450.27	271,512,824.47
GENERAL ADMINISTRATION		995,040,784.37	1,072,083,185.70
MISCELLANEOUS		462,010,712.48	734,966,920.23
OTHER DEDUCTIONS			
HEALTH AND ENVIROMENTAL SERVICES		749,919,193.67	385,099,443.45
OTHER DEDUCTIONS		64,824,133.68	
DEPRECIATION		115,097,114.89	168,207,296.47
TOTAL EXPENDITURE		5,888,885,966.33	5,888,134,108.90
NET SURPLUS/ DEFICIT FOR THE YEAR		1,091,120,378.14	401,170,246.17

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

DESCRIPTION	CURRENT YEAR 2020	PREVIOUS YEAR 2019
ACCUMULATED SURPLUS/ DEFICIT AS AT 01/01/ 2020	2,008,815,930.51	823,574,860.31
RESERVE AS AT 01/01/2020	3,168,405,793.99	(137,786,888.49)
TOTAL PUBLIC FUND AS AT 01/01/2020	5,177,221,724.50	685,787,971.82
NET SURPLUS/ DEFICIT FOR THE YEAR	1,091,120,378.14	401,170,246.17
RESERVE FOR THE YEAR	75,681,949.65	4,320,951,881.94
ACCUMULATED SURPLUS/ DEFICIT AS AT 31/12/ 2020	6,344,024,052.29	5,407,910,099.93