

## **REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF ETI-OSA 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 Eti – Osa Local Government for the year ended 31st December, 2020 have been audited.

The General Purpose Financial Statements were prepared by the Management of Eti-Osa Local Government and are therefore responsible for the contents 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 Accounting as applicable in the Public Sector.

The audit was conducted in accordance with Generally Accepted Auditing Standard. Projects and programmes were verified in line with the 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**

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

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 Financial Statements for the year ended 31<sup>st</sup> December, 2020 do not show the true position of Assets and Liabilities of the Local Government because the carrying value of non-current assets for the year ended 31<sup>st</sup> 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). **See schedule IB for ease of reference**

## **iii. 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 the true position 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 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

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

	CURRENT YEAR 2020	PREVIOUS YEAR 2019
	N	N
<b>Cash Flow from Operating Activities</b>		
<b>Cash Inflow</b>		
GAIN ON DISPOSAL OF ASSETS	3,850,000.00	-
GRANT/SUBVENTION	31,297,500.00	-
VAT	62,661,245.40	-
STATUTORY ALLOCATION	2,347,590,569.28	2,217,402,626.46
MISCELLANEOUS	14,319,473.67	25,138,198.08
INTERNALLY GENERATED REVENUE	863,027,589.84	1,566,810,495.27
<b>State Consolidated Revenue</b>	-	4,946,873.12
<b>TOTAL Cash Inflow from operating activities</b>	<b>3,322,746,378.19</b>	<b>3,814,298,192.93</b>
Cash Outflow from operating activities	-	-
PERSONNEL EMOLUMENTS	384,511,574.64	347,715,125.84
WOMEN AFFAIRS AND POVERTY ALLEVIATION	57,007,500.00	72,848,219.85
EDUCATIONAL SERVICES	78,906,089.00	130,090,670.00
AGRICULTURAL SERVICES	80,095,500.00	104,174,900.00
WORKS AND HOUSING	415,410,133.26	627,792,129.21
HEALTH & ENVIRONMENTAL SERVICES	310,237,865.50	226,207,733.50
OTHER OF GENERAL NATURE	1,450,852,247.57	1,709,173,473.24
DEPOSIT PAID	49,588,508.20	51,430,677.37
<b>TOTAL Cash Outflow from operating activities</b>	<b>2,826,609,418.17</b>	<b>3,269,432,929.01</b>
<b>Net Cash Flow from Operating Activities</b>	<b>496,136,960.02</b>	<b>544,865,263.92</b>
Cash Flow from Investment Activities	-	-
PURCHASE/CONSTRUCTION OF NON-CURRENT ASSETS (CAPITAL EXPENDITURE)	-	205,303,742.23
PURCHASE/CONSTRUCTION OF NON-CURRENT ASSETS (FIXED ASSET)	526,200,268.54	352,574,710.79
NET PROCEED FROM OTHER ASSETS(Staff Loan, Receivables e.t.c)	14,839,508.00	20,167,716.00
<b>Sales/Disposal of Non-Current Assets</b>		(150,000.00)
<b>Interest on Deposits</b>		-
INTEREST/DIVIDED RECEIVED	(8,163.08)	(11,624,736.03)
<b>Net Cash flow from investing activities</b>	<b>541,031,613.46</b>	<b>566,271,432.99</b>
<b>Net Cash Flow from Investing/Operating Activities</b>	<b>(44,894,653.44)</b>	<b>(21,406,169.07)</b>

<b>Cash Flow from Financing Activities</b>	-	-
PROCEEDS FROM LOANS & BORROWINGS	-	(4,060,000.00)
REPAYMENTS OF LOANS & BORROWINGS	1,930,000.00	-
NET PROCEED FROM LOAN & OTHER BORROWING	(1,930,000.00)	(13,684,797.50)
<b>Net Increase/Decrease in Cash &amp; its Equivalent</b>	<b>(44,894,653.44)</b>	<b>(35,090,966.57)</b>
<b>Cash &amp; its Equivalents as at 01-01-2019</b>	<b>117,894,031.03</b>	<b>152,984,997.60</b>
<b>Cash &amp; its Equivalents as at 31-12-2019</b>	<b>72,999,377.59</b>	<b>117,894,031.03</b>

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

	CURRENT YEAR 2020	PREVIOUS YEAR 2019
<b>ASSETS</b>		
<b>Current Asset</b>		
Cash And Bank Balance	72,999,377.59	117,894,031.03
Accounts Receivable	31,966,771.90	24,412,927.97
Staff Loan And Advances	110,000.00	166,000.00
Inventory	59,857,819.00	18,785,446.00
Prepayment	-	-
Transfer To Reserve	-	64,387,760.00
Reserve fund withState	-	-
<b>BUILDING(WORK IN PROGRESS)</b>	-	-
Infrastructural Assets(ASSETS UNDER CONSTRUCTION)	77,793,444.20	246,304,851.66
<b>Total Current Asset</b>	<b>242,727,412.69</b>	<b>471,951,016.66</b>
<b>Non-Current Assets</b>	-	
Land	9,971,592,978.11	9,971,592,978.11
Building	10,189,820,165.83	10,335,654,223.25
Motor Vehicle	305,028,030.04	302,114,419.17
Furniture And Equipment	90,605,895.37	87,331,205.69
Plant And Machinery	70,464,157.87	74,340,455.45
Infrastructural Assets	2,385,997,508.95	1,484,663,861.99
Utility Tools	-	-
Investments	-	-
	<b>23,013,508,736.17</b>	<b>22,255,697,143.66</b>
<b>Total Asset</b>	<b>23,256,236,148.86</b>	<b>22,727,648,160.32</b>
<b>LIABILITIES</b>	-	-
<b>Current Liabilities</b>	-	-
Unremitted Deductions	105,218,171.87	-
Deposits	250,645,020.39	211,436,067.00
Bank Loan And Lease	-	-
Retention	-	2,246,539.80
Accounts Payable	513,349,682.82	420,378,581.34
	<b>869,212,875.08</b>	<b>634,061,188.14</b>
<b>Non-Current Liabilities</b>	-	-
<b>Public Fund</b>	-	-
<b>Long Term Borrowings</b>	-	-
	-	-
<b>Total Liabilities</b>	<b>869,212,875.08</b>	<b>634,061,188.14</b>
<b>Net Assets</b>	<b>22,387,023,273.78</b>	<b>22,093,586,972.18</b>
<b>NET ASSETS/EQUITY</b>		
Reserve	18,174,567,171.53	18,752,623,491.36
Accumulated Surplus/(Deficit)	4,212,456,102.25	3,340,963,480.82
<b>Total Net Assets/Equity</b>	<b>22,387,023,273.78</b>	<b>22,093,586,972.18</b>

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

<b>REVENUE</b>		
	<b>CURRENT YEAR 2020</b>	<b>PREVIOUS YEAR 2019</b>
<b>Tax Revenue</b>		
Allocations	5,115,872,263.36	4,266,779,202.14
Taxes	9,421,378.44	6,290,523.41
<b>Total Tax Revenue</b>	<b>5,125,293,641.80</b>	<b>4,273,069,725.55</b>
<b>Non Tax Revenue</b>	-	-
Grants	31,297,500.00	373,381,291.67
Rates	4,000,000.00	129,874,994.88
Local Licences And Fines	678,731,508.52	942,894,700.21
Earnings From Commercial Undertakings	144,213,328.13	218,132,600.00
Rent On Properties	57,629,000.00	288,648,000.04
Investment Income	8,163.08	11,624,736.03
Miscellaneous	14,319,473.67	27,791,755.66
State Consolidated Revenue	-	-
<b>Total Non Tax Revenue</b>	<b>930,198,973.40</b>	<b>1,992,348,078.49</b>
Sales/Disposal of non-current assets	3,850,000	150,000.00
<b>Non Operating Income</b>	-	-
<b>TOTAL REVENUE</b>	<b>6,059,342,615.20</b>	<b>6,265,567,804.04</b>
<b>LESS EXPENDITURE</b>	-	
Personnel Emoluments	3,051,215,132.78	<b>2,254,423,075.06</b>
Works And Housing	432,523,912.10	833,956,545.37
Women Affairs And Poverty Alleviation	56,657,500.00	77,590,490.00
Educational Services	73,375,823.48	148,606,107.90
Agricultural Services	78,288,000.00	110,715,200.00
General Administration	1,167,862,452.03	1,508,559,505.27
Miscellaneous	323,857,468.59	354,865,799.25
Health And Environmental Services	352,324,361.15	300,843,734.13
Capital Expenditure	-	-
Current Year Depreciation	360,754,826.58	438,533,310.63
<b>TOTAL EXPENDITURE</b>	<b>5,896,859,476.71</b>	<b>6,028,093,767.61</b>
<b>Net Surplus/(Deficit) for the year</b>	<b>162,483,138.49</b>	<b>237,474,036.43</b>

**ETI OSA LOCAL GOVERNMENT  
STATEMENT OF CHANGE IN PUBLIC FUNDS  
FOR THE YEAR ENDED 31ST DECEMBER, 2020.**

**STATEMENT NO. 6 SCHEDULE 1D**

	<b>CURRENT YEAR 2020</b>	<b>PREVIOUS YEAR 2019</b>
Accumulated Surplus/(Deficit) As At 01-01-2020	4,173,601,477.86	5,804,555,621.74
Reserve As At 01-01-2020	6,896,641,688.16	15,397,649,846.14
<b>Total Public Fund As At 01-01-2020</b>	<b>11,070,243,166.02</b>	<b>21,202,205,467.88</b>
Net Surplus/(Deficit) For The Year	162,483,138.49	237,474,036.43
Reserve For The Year	11,154,296,969.27	653,907,467.87
<b>Accumulated Surplus/(Deficit) &amp; Reserve as at 31-12-2020</b>	<b>22,387,023,273.78</b>	<b>22,093,586,972.18</b>