

REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF IKEJA 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 Somolu Local Government for the year ended 31st December, 2020 have been audited.

The General Purpose Financial Statements were prepared by the Management of Ikeja 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 of 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 (GPFS)

(i) STATEMENT OF CASH FLOW

The Statement of Cashflow presented in the General Purpose Financial Statements for the year ended 31st December, 2020 shows the true cashflow 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 Statement for the year ended 31st December, 2020 do not show the true view of the Assets and Liabilities of the Local Government for the year ended 31st December, 2020. The net book value disclosed for Properties, Plants and Equipments (PPE) could not be confirmed in view of the destruction orchestrated by ENDSARS protest and failure on the part of management of the Local Government to conduct revaluation of the affected assets and disclose the revalued amount. **See schedule 1B 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 31st December, 2020 shows a true view of 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 Statement 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 observation noted in the statement of Financial Position occasioned by ENDSARS protest effect. **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.

**IKEJA 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	30,000,000.00	54,581,145.00
GAIN ON DISPOSAL OF ASSETS	-	
STATUTORY ALLOCATION	2,444,544,619.64	2,251,609,630.60
VALUE ADDED TAX	-	
INTERNALLY GENERATED REVENUE	330,936,348.93	724,421,125.82
STATE CONSOLIDATED REVENUE	65,855,780.42	
MISCELLANEOUS	20,540,519.47	22,653,579.29
TOTAL CASH INFLOW	2,891,877,268.46	
CASHFLOW FROM OPERATING ACTIVITIES	-	3,053,265,480.71
PERSONNEL EMOLUMENTS	370,522,049.54	267,586,436.43
WOMEN AFFAIRS AND POVERTY ALLEVIATION	71,247,035.83	58,920,950.00
EDUCATIONAL SERVICES	56,846,933.18	63,176,662.27
HEALTH AND ENVIROMENTAL SERVICES	188,427,118.19	159,524,969.90
WORKS AND HOUSING	362,505,241.30	687,696,037.21
AGRICULTURAL SERVICE	103,279,244.67	97,103,800.00
OTHER OF GENERAL NATURE	1,149,250,785.31	1,088,833,611.16
DEPOSIT PAID	99,263,501.19	145,713,142.17
TOTAL CASH OUTFLOW	2,401,341,909.21	2,568,555,609.14
	-	
NET CASH FLOW FROM OPERATING ACTIVITIES	490,535,359.25	484,709,871.57
CASH FLOW FROM INVESTMENT ACTIVITIES	-	
PURCHASE/ CONSTRUCTION OF NON CURRENT ASSETS(CAPITAL EXPENDITURE)	250,000.00	9,351,500.00
NET PROCEED FROM OTHER ASSETS (STAFF LOAN, RECEIVABLES, ETC)	9,507,523.82	34,450,000.00
PURCHASE/CONSTRUCTION OF NONCURRENT ASSETS (FIXED ASSETS)	468,512,549.55	510,329,012.76
NET CASHFLOW FROM INVESTING ACTIVITIES	478,270,073.37	554,130,512.76
NET CASHFLOW FROM OPERATING/ INVESTING ACTIVITIES	12,265,285.88	(69,420,641.19)
CASH FLOW FROM FINANCING ACTIVITIES	-	
PROCEEDS FROM LOANS, BORROWING AND OTHER PAYABLES	-	
REPAYMENT OF LOANS, BORROWING AND OTHER PAYABLES	2,536,217.91	8,010,450.68
NET PROCEED FROM LOANS AND BORROWING AND OTHER PAYABLES	(2,536,217.91)	(8,010,450.68)
NET INCREASE/ DECREASE IN CASH AND ITS EQUIVALENT	12,265,285.88	(77,431,091.87)
CASH AND ITS EQUIVALENTS AS AT 01-01-2020	32,150,767.65	109,581,859.52
CASH AND ITS EQUIVALENTS AS AT 31-12-2020	44,416,053.53	32,150,767.65

IKEJA 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	44,416,053.53	22,764,233.47
ACCOUNT RECEIVABLE	63,865,443.45	31,684,544.05
STAFF LOANS AND ADVANCES	-	536,700.00
INVENTORY	24,962,510.00	12,383,180.00
PREPAYMENT	3,483,023.82	
ASSET UNDER CONSTRUCTION	-	
BUILDING (WORK IN PROGRESS)	-	215,000,000.00
	136,727,030.80	282,368,657.52
NON- CURRENT ASSETS	-	
LAND	18,223,461,040.00	18,223,461,040.00
BUILDING	4,561,722,078.33	4,173,271,463.29
MOTOR VEHICLE	200,356,400.13	243,002,743.10
FURNITURE AND EQUIPMENTS	89,985,850.02	97,378,911.50
PLANTS AND MACHINERY	45,490,744.74	58,024,641.17
UTILITY TOOLS	-	3,300,000.00
INFRASTRUCTURAL ASSETS	1,064,810,313.43	752,398,778.73
	24,185,826,426.65	23,550,837,577.79
TOTAL ASSETS	24,322,553,457.45	23,833,206,235.31
LIABILITIES	-	
CURRENT LIABILITIES	-	
DEPOSITS	177,471,960.87	257,106,579.08
ACCOUNT PAYABLE	333,897,728.90	461,128,362.54
UNREMITTED DEDUCTIONS	194,917,973.81	149,945,001.37
	706,287,663.58	868,179,942.99
NON- CURRENT LIABILITIES	-	
PUBLIC FUND	-	
LONG TERM BORROWING	-	
	-	
TOTAL LIABILITIES	706,287,663.58	868,179,942.99
NET ASSETS	23,616,265,793.87	22,965,026,292.32
NET ASSETS/ EQUITY		
RESERVE	21,900,921,251.07	21,610,683,311.56
ACCUMULATED SURPLUS/(DEFICIT)	1,715,344,542.80	1,354,342,980.76
TOTAL NET ASSETS/ EQUITY	23,616,265,793.87	22,965,026,292.32

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

DESCRIPTION	CURRENT YEAR 2020	PREVIOUS YEAR 2019
REVENUE		
TAX REVENUE		
ALLOCATION	5,410,768,750.64	4,759,845,564.17
GRANTS		
TAXES	9,863,737.05	13,927,942.02
STATE CONSOLIDATED REVENUE	-	
TOTAL TAX REVENUE	5,420,632,487.69	4,773,773,506.19
NON TAX REVENUE	-	
GRANTS	30,000,000.00	54,581,145.01
RATES	-	67,840,182.61
LOCAL LICENCES AND FINES	306,360,378.53	576,267,702.21
EARNING FROM COMMERCIAL UNDERTAKEN	56,005,370.00	78,594,081.00
RENT ON PROPERTY	895,000.00	292,000.00
INVESTMENT INCOME	-	
MISCELLANEOUS	20,514,554.17	22,579,079.29
GAIN ON DISPOSAL	-	
CONSOLIDATED REVENUE	65,855,780.42	25,696,833.67
TOTAL NON TAX REVENUE	479,631,083.12	825,851,023.79
TOTAL REVENUE	5,900,263,570.81	5,599,624,529.98
LESS EXPENDITURE	-	
PERSONNEL EMOLUMENTS	3,286,484,974.05	2,652,408,893.01
WORKS AND HOUSING	348,871,531.27	962,333,222.44
WOMEN AFFAIRS AND POVERTY ALLEVIATION	76,449,050.83	59,697,500.00
EDUCATION SERVICES	59,442,931.77	72,502,321.07
AGRICULTURAL SERVICES	104,144,844.67	99,934,500.00
GENERAL ADMINISTRATION	948,357,955.43	960,826,072.42
MISCELLANEOUS	238,547,238.52	277,830,781.91
OTHER DEDUCTIONS		
HEALTH AND ENVIROMENTAL SERVICES	226,199,558.04	198,021,704.54
CAPITAL EXPENDITURE	-	
DEPRECIATION	250,763,924.21	199,211,309.02
TOTAL EXPENDITURE	5,539,262,008.79	5,482,766,304.41
NET SURPLUS/ DEFICIT FOR THE YEAR	361,001,562.02	116,858,225.57

**IKEJA 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	1,354,342,980.76	1,237,484,755.19
RESERVE AS AT 01/01/2020	18,639,293,478.92	5,005,550,609.87
TOTAL PUBLIC FUND AS AT 01/01/2020	19,993,636,459.69	6,243,035,365.06
NET SURPLUS/ DEFICIT FOR THE YEAR	361,001,562.02	116,858,225.57
RESERVE FOR THE YEAR	3,261,627,772.16	16,605,132,701.69
ACCUMULATED SURPLUS/ DEFICIT AS AT 31/12/ 2020	23,616,265,793.87	22,965,026,292.32