

OGUN STATE GOVERNMENT, NIGERIA

STATUTORY REPORT

AND

DOMESTIC REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

ON THE ACCOUNTS

OF

ABEOKUTA NORTH LOCAL GOVERNMENT

FOR THE YEAR ENDED 31ST DECEMBER, 2022

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ACKNOWLEDGEMENT

I wish to express my gratitude and appreciation to Almighty God for giving us the privilege to produce this Report. We are grateful to God for making our proposal a success.

I also wish to acknowledge the support of His Excellency, the Governor of Ogun State, Prince Dapo Abiodun MFR to this Office. The provision of enabling environment and the needed resources by His Excellency has shown that he is an advocate of probity and accountability in governance. I also acknowledge and appreciate the contributions of the members of the 9th Legislative Assembly of Ogun State House of Assembly particularly the Chairman and members of the Public Accounts Committee.

I cannot but appreciate the favourable disposition of the immediate past Head of Service Dr Nafiu Aigoro and the current Head of Service Mr Kolawole Peter Fagbohun for their regular support towards keeping this Office afloat.

Finally, my gratitude goes to the management and staff of this Office for their uncommon commitment to duty and loyalty to the discharge of their duties without which this Report would not have been possible.

Thank you and God bless you all.



L. A. Mulero (CNA)
Auditor-General for Local Governments,
Ogun State.
23rd June, 2023.



OFFICE OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

Parastatals Building Block "B" Oke-Mosan. P.M.B. 2047, Abeokuta,
OGUN STATE, NIGERIA

AUDIT CERTIFICATE

I have examined the accounts of Abeokuta North Local Government for the year ended 31st December, 2022 in accordance with the provisions of Section 123 of Decree Number 12 of 1989 and 315 (1) of the 1999 Constitution of the Federal Republic of Nigeria and Sections 135-145 of Ogun State Local Government Law 2006 and auditing standards issued by International Organisation of Supreme Audit Institution (INTOSAI). I have obtained all information and explanations that I require for my Audit.

In my opinion, the Financial Statements give a true and fair view of the state of affairs of the Local Government as at 31st December, 2022 subject to the observations in the inspection reports.

L. A. Mulero (CNA)
Auditor-General for Local Governments,
Ogun State.
23rd June, 2023.

**STATEMENT OF OPINION OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF
ABEOKUTA NORTH LOCAL GOVERNMENT FOR THE YEAR ENDED 31ST DECEMBER,
2022**

The accounts of Abeokuta North Local Government for the year ended 31st December, 2022 have been examined in accordance with the provisions of Section 123 of Decree Number 12 of 1989 and 315 (1) of the 1999 Constitution of the Federal Republic of Nigeria and Sections 135-145 of Ogun State Local Government Law 2006 and auditing standards issued by International Organisation of Supreme Audit Institution (INTOSAI). I have obtained all information and explanations that I require for my Audit.

RESPONSIBILITY STATEMENT

The Local Government is responsible for the preparation of the Financial Statements under IPSAS Accrual Basis of accounting as applicable in the public sector. It is our responsibility to form an independent opinion based on our Audit on the Financial Statements therein.

THE SCOPE OF THE AUDIT

We conducted our Audit in accordance with Generally Accepted Auditing Standards and auditing standards issued by International Organisation of Supreme Audit Institution (INTOSAI). I have obtained all information and explanations that I require for my Audit. An audit includes examination on test basis of evidence relevant to the accounts and disclosures in the financial statements. It also includes an assessment of significant estimates and judgement made by the Council in the preparation of the financial statements, and whether the accounting policies were appropriate in the Council circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations we considered necessary to provide sufficient evidence to give reasonable assurances that the financial statements are free from material misstatement, whether by fraud, other irregularities or errors.

In forming our opinion, we evaluated the overall adequacy of the presentation of the information in the financial statements and assessed whether the Council's books and Accounts had been properly kept.

OPINION

In our opinion, the financial statements give a true and fair view of the financial activities of the Local Government for the period under review.



L. A. Mulero (CNA)

Auditor-General for Local Governments

Ogun State.

23rd June, 2023.

**STATUTORY REPORT OF THE AUDITOR-GENERAL FOR LOCAL
GOVERNMENTS ON THE ACCOUNTS OF ABEOKUTA NORTH LOCAL
GOVERNMENT, AKOMOJE FOR THE YEAR ENDED 31ST DECEMBER, 2022**

In compliance with the provisions of Section 123 of Decree Number 12 of 1989, Section 315(1) of the 1999 Constitution of the Federal Republic of Nigeria and Sections 135-145 of Ogun State Local Government Law 2006, the accounts of Abeokuta North Local Government, Akomoje for the year ended 31st December, 2022 have been audited. The General Purpose Financial Statement was prepared by the management of the Local Government and is therefore responsible for the contents and information contained therein. The Financial Statement was prepared under the International Public Sector Accounting Standards (IPSAS) Accrual Basis as applicable to the Public Sector. The audit was conducted in accordance with Generally Accepted Auditing Standards.

In our opinion, subject to our observations, the General Purpose Financial Statement presented to Audit reflects a true and fair view of the financial activities of the Local Government for the year under review.

(2) STATE OF THE BOOKS OF ACCOUNTS AND RECORDS

There was some improvements in record keeping.

(3) FINANCIAL REVIEW:

REVENUE	AMOUNTS (₦)
Internally Generated Revenue	68,600,024.00
Statutory Allocation	3,339,123,240.51
Aids and Grants	31,533,327.49
Total	<u>3,439,256,592.00</u>

EXPENDITURE

Overhead Expenses (including Depreciation & Loss on Disposal of Assets)	179,075,141.85
Salaries and Allowances	2,363,277,656.05
Pension	948,502,063.15
Long Term Assets	24,995,000.00
Total	<u>3,515,849,861.05</u>

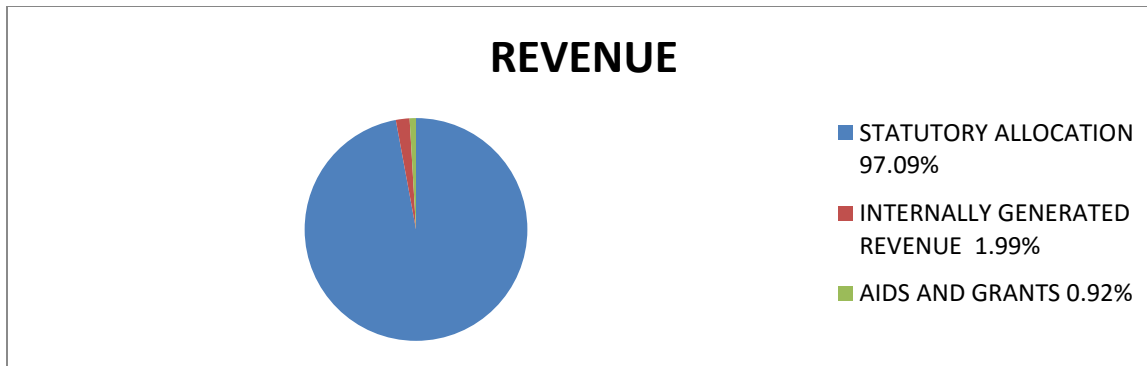
(4) REVENUE PERFORMANCE

(i) STATEMENT OF ACTUAL REVENUE

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦88,780,000.00 a sum of ₦68,600,024.00 only was actually generated internally representing 77.27% of the budget. This revenue performance represents an increase of 19.86% when compared with the sum of ₦57,235,066.12 generated internally in year 2021. This revenue performance is not a true reflection of the revenue potentials of the Local Government and this indicates that the Local Government did not harness its Internally Generated Revenue (IGR) potentials maximally or there were leakages which has not been identified and blocked.

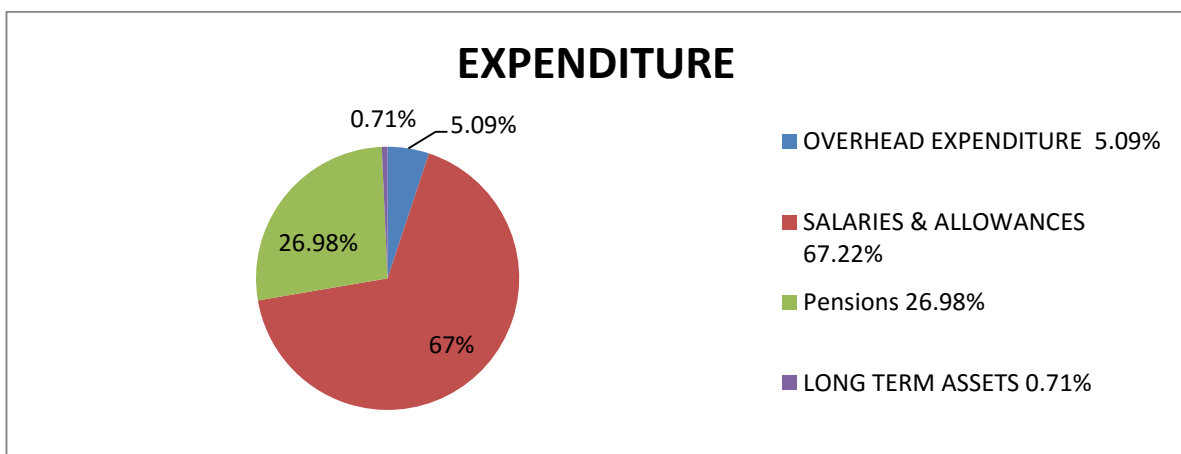
(ii) **PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE**

The Audit exercise revealed that out of the total revenue of ₦3,439,256,592.00 realized by the Local Government during the year under review, the sum of ₦68,600,024.00 only was generated internally. This represented 1.99% of the total revenue while the total sum of ₦3,339,123,240.51 statutory allocation and ₦31,533,327.49 aids and grant received from Ogun State Government represented 97.09% and 0.92% respectively. The implication of this is that without Revenue Allocation from the Federation Accounts, the Local Government might not be able to meet her obligations.



(5) **EXPENDITURE PATTERN**

During the period under review, examination of the expenditure profile of the Local Government revealed a total expenditure of ₦3,515,849,861.05. Out of this, a sum of ₦179,075,141.85 was expended on overhead which represented 5.09% of the total expenditure for the year. Also, a sum of ₦2,363,277,656.05 was expended on salaries and allowances which represented 67.22% of the expenditure for the year while ₦948,502,063.15 was expended on pensions and this represented 26.98% while the sum of ₦24,995,000.00 was expended on long term assets which represented 0.71% of the expenditure for the year. This pattern of expenditure does not augur well for meaningful development in the Local Government.



(6) DEBT PROFILE/ INDEBTEDNESS

The total debt profile of the Local Government according to the General Purpose Financial Statement as at 31st December, 2022 was ₦290,283,472.94. The liabilities are highlighted below:

S/NO	ITEMS	AMOUNTS(₦)
1	Pension Fund	127,309,493.59
2	PAYE	89,517,708.10
3	7.5% VAT	3,496,103.12
4	5% Development Levy	4,282,703.53
5	5k Tax	3,680,466.12
6	COOPERATIVE	17,080,429.23
7	Term Loan	6,576,936.58
8	Payables	18,860,235.11
9	NHF	5,317,652.95
10	Others	<u>14,161,744.61</u>
	Total	<u>290,283,472.94</u>

It was observed that the amounts highlighted above had been deducted from various contracts, salaries and allowances of workers but not remitted to appropriate agencies. This is contrary to regulations. The Local Government should always remit deductions to relevant agencies as required by regulations.

7. REVIEW OF STATEMENT OF FINANCIAL POSITION

(i) ADVANCES

The sum of ₦4,214,759.48 highlighted in the Statement of Financial Position as the Advances was stagnant throughout the year. Efforts should be intensified to recover the advances.

(ii) INVESTMENT

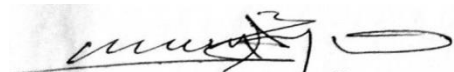
The sum of ₦550,000.00 stated as investment balance in the Statement of Financial Position could not be substantiated because the investment certificate was not produced for Audit scrutiny and no evidence of the beneficial ownership such as dividend was presented on demand.

ABEOKUTA NORTH LOCAL GOVERNMENT

RESPONSIBILITY FOR FINANCIAL STATEMENT

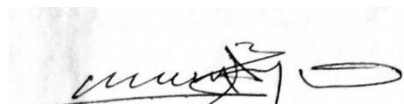
These financial statements have been prepared by me in accordance with the provisions of Finance (Control and Management) Act Cap 144 LFN 1990 as amended. The financial statements comply with Generally Accepted Accounting Practice.


The Treasurer 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 record the use of all public financial resources by the Local Government. To the best of my knowledge, this system of internal control has operated adequately through the reporting period.


Alh. Ayinla Sulaiman O.
Director, Finance & Supplies
Date:

We accept responsibility for the integrity of these financial statements, the information they contain and their compliance with the Finance (Control and Management) Act Cap 144 LFN 1990 as amended.

In our opinion, these financial statements fairly reflect the financial position of Abeokuta North Local Government as at 31st December, 2022 and its operations for the year ended on the date.


Alh. Ayinla Sulaiman O.
Director, Finance & Supplies
Date:


Prince Ayorinde Abdul-Salam
Chairman
Date

ABEOKUTA NORTH LOCAL GOVERNMENT
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2022

	NOTES	2022	2021
CURRENT ASSET		₦	₦
CASH & CASH EQUIVALENTS	10	6,648,852.92	4,634,662.09
INVENTORIES		4,481,666.92	6,725,961.60
RECEIVABLES		540,000.00	600,000.00
ADVANCE		4,214,759.48	4,214,759.48
TOTAL CURRENT ASSET (A)		15,885,279.32	16,175,383.17
NON CURRENT ASSET			
PROPERTY PLANT & EQUIPMENT	8	530,344,868.26	527,091,031.31
INVESTMENT PROPERTY	9	322,134,361.20	328,354,673.40
INVESTMENT		550,000.00	550,000.00
LOAN GRANTED			
TOTAL NON CURRENT ASSET (B)		853,029,229.46	855,995,704.71
TOTAL ASSET (C=A+B)		868,914,508.78	872,171,087.88
CURRENT LIABILITY			
LOAN & DEBT		6,576,936.58	6,576,936.58
UNREMITTED DEDUCTIONS	11	264,846,301.25	227,213,164.94
ACCURED EXPENSES, PAYABLES		18,860,235.11	8,151,681.47
TOTAL CURRENT LIABILITY (D)		290,283,472.94	241,941,782.99
NON CURRENT LIABILITY			
PUBLIC FUND			
BOROWING			
TOTAL NON CURRENT LIABILITY (E)		-	-
TOTAL LIABILITY (F=D+E)		290,283,472.94	241,941,782.99
NET ASSETS (G= C-F)		578,631,035.84	630,229,304.89
NET ASSET/EQUITY			
RESERVE			
ACCUMULATED SURPLUS/ DEFICIT		578,631,035.84	630,229,304.89
TOTAL NET ASSET/EQUITY		578,631,035.84	630,229,304.89

ABEOKUTA NORTH LOCAL GOVERNMENT
STATEMENT OF FINANCIAL PERFORMANCE AS AT 31ST DECEMBER, 2022

	NOTES	2022	2021
REVENUE		₦	₦
STATUTORY ALLOCATION	1	3,339,123,240.51	2,902,809,641.20
NON TAX REVENUE	2	68,600,024.00	56,987,066.12
GAIN ON DISPOSAL ON ASSET			
AIDS & GRANTS	3	31,533,327.49	14,981,081.00
OTHER REVENUE			248,000.00
TOTAL REVENUE (A)		3,439,256,592.00	2,975,025,788.32
EXPENDITURE			
SALARIES & WAGES	4	2,363,277,656.05	2,126,531,887.64
NON- REGULAR ALLOWANCE	5		
SOCIAL BENEFIT	6	948,502,063.15	788,705,724.55
OVERHEAD COST	7	149,468,666.60	84,665,988.66
SUBVENTION TO PARASTALS		1,750,000.00	3,950,000.00
DEPRECIATION	8 & 9	27,681,475.25	27,812,475.25
LOSS ON DISPOSAL ON ASSET		175,000.00	
TOTAL EXPENDITURE (B)		3,490,854,861.05	3,031,666,076.10
SURPLUS / DEFICIT (C=A-B)		-51,598,269.05	-56,640,287.78

ABEOKUTA NORTH LOCAL GOVERNMENT
STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2022

	₦
Balance 1/1/2021	687,548,067.68
Prior Year Adjustment	-678,475.01
Adjusted Balance	686,869,592.67
Surplus/ (deficit) for the year	-56,640,287.78
Balance 31/12/2021	630,229,304.89
Adjusted Balance	630,229,304.89
Surplus/ (deficit) for the year	-51,598,269.05
Balance at 31 December 2022	578,631,035.84

ABEOKUTA NORTH LOCAL GOVERNMENT
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	2022	2021
<u>INFLOWS</u>	₦	₦
STATUTORY ALLOCATION	3,339,123,240.51	2,904,809,641.20
LICENCES, FINES, ROYALTIES, FEES ETC	44,234,100.00	39,994,301.12
EARNINGS & SALES	11,925,924.00	13,957,065.00
RENT OF GOVERNMENT PROPERTIES	12,500,000.00	3,011,700.00
DOMESTIC AIDS & GRANTS	31,533,327.49	14,981,081.00
OTHER REVENUE		200,000.00
TOTAL INFLOW FROM OPERATING ACTIVITIES (A)	3,439,316,592.00	2,976,953,788.32
<u>OUTFLOW</u>		
PERSONNEL EMOLUMENTS	2,363,277,656.05	2,126,531,887.64
SOCIAL BENEFIT	948,502,063.15	788,705,724.55
OVERHEADS	136,515,818.28	84,842,037.43
SUBVENTION TO PARASTATALS	1,750,000.00	2,100,000.00
TOTAL OUTFLOW FROM OPERATING ACTIVITIES (B)	3,450,045,537.48	3,002,179,649.62
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B	-10,728,945.48	-25,225,861.30
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
PURCHASE/ CONSTRUCTION OF ASSETS	- 24,995,000.00	- 18,768,381.09
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE		
PROCEED FROM SALE OF ASSETS	105,000.00	2,610,000.00
DEFERRED INCOME		
DIVIDEND RECEIVED		
NET CASH FLOW FROM INVESTING ACTIVITIES	-24,890,000.00	-16,158,381.09
<u>CASH FLOW FROM FINANCIAL ACTIVITIES</u>		
DEPOSIT/ UNREMITTED DEDUCTIONS	37,633,136.31	29,664,469.91
PUBLIC FUND		
PROCEEDS FROM DOMESTIC LOANS & OTHER		
NET CASH FLOW FROM FINANCIAL ACTIVITIES	37,633,136.31	29,664,469.91
NET CASH FLOW FROM ALL ACTIVITIES	2,014,190.83	-11,719,772.48
CASH & ITS EQUIVALENT AS AT 1/1/2022	4,634,662.09	16,354,434.57
CASH & ITS EQUIVALENT AS AT 31/12/2022	6,648,852.92	4,634,662.09

ACCOUNTING POLICY

S/N	
1	<p>Basis of Preparation The General Purpose Financial Statements are prepared under the historical cost convention and in accordance with IPSAS and other applicable standards and laws.</p>
2	<p>Accounting period Reporting period runs from 1st January to 31st December.</p>
3	<p>Reporting Currency The reporting currency is Naira (₦).</p>
4	<p>Revenue</p> <ul style="list-style-type: none"> a) Revenues from non-exchange transactions such as fees, and fines are recognised when the event occurs and the asset recognition criteria are met. b) Other non-exchange revenues are recognised when it is probable that the future economic benefits or service potential associated with the asset will flow to the Local Government and the fair value of the assets can be measured reliably.
5	<p>Other revenue</p> <ul style="list-style-type: none"> a) Other revenue consists of gains on disposal of property, plant and equipment. b) Any gain on disposal is recognized at the date control of the assets is passed to the buyer and is determined after deducting from the proceeds the carrying value of the assets at that time.
6	<p>Aids and Grants Aid and grants to a Local Government is recognised as income on entitlement, while aid and grants to other governments/agencies are recognised as expenditure on commitment.</p>
7	<p>Expenses All expenses are recognised in the period they are incurred or when the related services are enjoyed, irrespective of when the payment is made.</p>
8	<p>Property, Plant & Equipment (PPE)</p> <ul style="list-style-type: none"> a) All property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. b) Where an asset (Other than land) is acquired in a non-exchange transaction for nil or normal consideration the asset is initially recognised at fair value, where fair value can be reliably determined and as income in the statement of financial performance.
9	<p>Depreciation The cost of PPE are written off, from the time they are brought into use on a straight line basis over their expected useful lives less any estimated residual value as follows:</p> <ul style="list-style-type: none"> a) Lease properties over the term of the lease b) Buildings 2% c) Plant and Machinery 10% d) Motor vehicles 20% e) Office Equipment 25% f) Furniture and Fittings 20%

	<ul style="list-style-type: none"> i. The full depreciation charge is applied to PPE in the year of acquisition and non in the year of disposal, regardless of the day of the month the transactions were carried out ii. Fully depreciated assets that are still in use are carried in the books at a net book value of ₦100.00 iii. An asset's carrying amount is written down immediately to its recoverable amount or recoverable service amount if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.
10	<p>Disposal Gains or losses on the disposal of fixed assets are included in the income statement as either an income or expenses respectively.</p> <p>Impairment Entities shall test for impairments of its PPE where it suspects that impairment has occurred.</p>
11	<p>Investment Property These are cash-generating property owned by the Local Government. The cost, depreciation and impairment of Investment Property are same with PPE.</p>
12	<p>Unremitted Deductions</p> <ul style="list-style-type: none"> a) Unremitted deductions are monies owed to third parties such as tax authorities, schemes and associations and other government agencies. These include tax deductions and other deductions at source. b) These amounts are stated as Current Liabilities in the Statement of Financial Position.
13	<p>Payable/Accrued Expenses</p> <ul style="list-style-type: none"> a) These are monies payable to third parties in respect of goods and services received b) Accrued Expenses for which payment is due in the next 12 months are classified as Current Liabilities. Where the payments are due beyond the next 12 months, they are accounted for as Non-Current Liabilities.
14	<p>Current Portion of Borrowings This is the portion of the long-term loan/borrowing that is due for repayment within the next 12 months. This portion of the borrowings is classified under Current Liabilities in the Statement of Financial Position.</p>

**NOTES TO THE GPFS FOR THE YEAR ENDED 31ST
DECEMBER, 2022**

NOTE	DETAILS	2022
1	SHARE OF STATUTORY ALLOCATION FROM JAAC	₦
	JANUARY	240,622,772.98
	FEBRUARY	
	MARCH	250,183,634.15
	APRIL	503,647,333.16
	MAY	
	JUNE	251,049,593.87
	JULY	262,090,112.40
	AUGUST	285,105,309.27
	SEPTEMBER	281,543,537.01
	OCTOBER	279,702,971.43
	NOVEMBER	702,046,222.79
	DECEMBER	283,131,753.45
	TOTAL	3,339,123,240.51

2 NON-TAX REVENUE

	LICENCES	15,213,500.00
	FEES	27,798,100.00
	FINES	1,222,500.00
	EARNINGS	6,373,009.00
	RENT OF GOVERNMENT PROPERTIES	12,440,000.00
	SALES	5,552,915.00
	TOTAL	68,600,024.00

3 AIDS & GRANTS

	OGUN STATE GOVERNMENT	31,533,327.49
	NON GOVERNMENT ORGANISATION	
	TOTAL	31,533,327.49

4 SALARIES & WAGES

	LOCAL GOVERNMENT STAFF	634,063,942.68
	PRIMARY SCHOOL TEACHERS	1,499,156,041.18
	TRADITIONAL COUNCIL	153,860,544.77
	POLITICAL FUNCTIONARIES	76,197,127.42
	TOTAL	2,363,277,656.05

5 NON-REGULAR ALLOWANCE

	LEAVE BONUS	
	TOTAL	

6 SOCIAL BENEFIT

	GRATUITY	-
	PENSION	948,502,063.15
	TOTAL	948,502,063.15

7 OVERHEAD COST BY DEPARTMENT

	CHAIRMAN & COUNCIL	44,862,400.00
	HOLGA	1,615,500.00
	INTERNAL AUDIT	1,643,000.00
	ADMINISTRATIVE	49,953,629.89
	FINANCE	18,133,696.17
	INFORMATION	2,799,000.00
	P H C	6,252,900.00
	AGRIC	1,205,000.00
	WORKS	10,513,540.54
	PLANNING	3,470,000.00
	WES	5,316,000.00
	COMMUNITY	3,704,000.00
	TOTAL	149,468,666.60

10 CASH & CASH EQUIVALENTS

	CASH AT HAND	14,635.82
	CASH IN BANKS	6,634,217.10
	TOTAL	6,648,852.92

11 UNREMITTED DEDUCTIONS

1	PAYE	89,517,708.10
2	PENSION	127,309,493.59
3	NULGE	1,226,856.19
4	5% TAX	3,680,466.12
5	7.5% TAX	3,496,103.12
6	NHF	5,317,652.95
7	COOP	25,985,430.60
8	5% DEVELOPMENT LEVY	4,282,703.53
9	OTHERS	4,029,887.05
	Total	264,846,301.25

NOTE 8 IJEBU ODE LOCAL GOVERNMENT

SCHEDULE OF PROPERTY, PLANT & EQUIPMENT	LAND & BUILDING 2%	LAND	PLANT & MACHINERY 10%	TRANSPORTATION EQUIPMENT 20%	OFFICE EQUIPMENT 25%	FURNITURE & FITTINGS 20%	INFRASTRUSURE 10%	TOTAL
BAL AS AT 01/01/2022	1,059,248,000.00	80,126,720.00	11,774,000.00	19,489,288.00	833,000.00	2,274,500.00	-	1,173,745,508.00
ADDITIONAL DURING THE YEAR			405,000.00	17,550,000.00	438,000.00	1,924,425.00	-	20,317,425.00
ADJUSTMENT FOR LEGACY ASSETS								-
ADJUSTMENT								-
DISPOSAL DURING THE YEAR				600,000.00				600,000.00
BAL. C/F	1,059,248,000.00	80,126,720.00	12,179,000.00	36,439,288.00	1,271,000.00	4,198,925.00	-	1,193,462,933.00
ACCUMULATED DEPRECIATION								
BAL. AS AT 01/01/2022	55,222,320.00		2,310,800.00	9,824,972.80	551,400.00	1,236,300.00		69,145,792.80
ADDITIONAL DURING THE YEAR	21,184,960.00		1,217,900.00	7,287,657.60	296,200.00	839,685.00		30,826,402.60
ADJUSTMENT								-
ADJUSTMENT								-
DISPOSAL DURING THE YEAR				360,000.00				360,000.00
BAL. C/F	76,407,280.00	-	3,528,700.00	16,752,630.40	847,600.00	2,075,985.00	-	99,612,195.40
AS AT 31/12/2022	982,840,720.00	80,126,720.00	8,650,300.00	19,686,657.60	423,400.00	2,122,940.00	-	1,093,850,737.60
AS AT 31/12/2021	1,004,025,680.00	80,126,720.00	9,463,200.00	9,664,315.20	281,600.00	1,038,200.00	-	1,104,599,715.20

NOTE 9 IJEBU ODE LOCAL GOVERNMENT

INVESTMENT PROPERTY	LAND & BUILDING 2%	LAND	TOTAL
BAL AS AT 01/01/2022	522,004,159.09		522,004,159.09
ADDITIONAL DURING THE YEAR			0.00
ADJUSTMENT FOR LEGACY ASSETS			0.00
ADJUSTMENT			0.00
DISPOSAL DURING THE YEAR			-
BAL. C/F	522,004,159.09	-	522,004,159.09
ACCUMULATED DEPRECIATION			
BAL. AS AT 01/01/2022	30,700,590.60		30,700,590.60
ADDITIONAL DURING THE YEAR	10,440,083.18		10,440,083.18
ADJUSTMENT			-
ADJUSTMENT			-
DISPOSAL DURING THE YEAR			-
BAL. C/F	41,140,673.78	-	41,140,673.78
AS AT 31/12/2022	480,863,485.31	-	480,863,485.31
AS AT 31/12/2021	491,303,568.49	-	491,303,568.49

The Executive Chairman,
Abeokuta North Local Government,
Akomoje.

AUDIT INSPECTION REPORT ON THE ACCOUNT OF ABEOKUTA NORTH LOCAL GOVERNMENT FOR THE YEAR ENDED 31ST DECEMBER, 2022

The following comments in addition to those contained in the Statutory Audit Report which will be issued from this Office are referred for your attention and comments in connection with the above Audit Inspection.

2. AUDIT QUERY

The query listed below had earlier been forwarded to you for necessary action as stipulated by law.

S/N	Query Number	Subject	Amount (₦)
1	OGLG/AQ/ABN/239/2022	Expenditure not supported by proper records.	150,000.00

3. BANK RECONCILIATION STATEMENT

The bank reconciliation for the year ended 31st December, 2022 had been examined where the following observations were made:

(i) Dormant Bank Balances

Observation: It was observed during examination of the bank reconciliation statements that the underlisted bank balances had remained stagnant for years and it appeared that the Local Government has lost interest in operating these bank accounts, more so that no step has been taken to either close them or merge them with other active accounts.

Below are the details of this dormant account:

S/N	NAME OF BANK	ACCOUNT NO	AMOUNT ₦
1	Zenith Bank	1012033509	-2,269.25
2	Zenith Bank	1011365946	8,182.19
3	First Bank	2023405127	24,582.26
4	First Bank	2011389161	60,448.88
5	Wema Bank	0121567592	2,211.08

6	First Bank	2022891453	11.01
7	Skye Bank	7200000189	18,431.51
8	UBA Bank	1004654969	29,985.77
9	Wema Bank	0121567585	4,716.08
10	Wema Bank	0121563408	3,772.25
11	Zenith Bank	101519252 Oke-Ogun LCDA	-2,404.68
12	Wema Bank	01227224596 Oke-Ogun LCDA	258.00
13	Wema Bank	0122752610 Oke-Ogun LCDA	510.64
14	Wema Bank	0122728642 Abk North West	16.14
15	Wema Bank	0122740743 Abk North West	50.00
16	First Bank	2032208317 Abk North West	92,976.50
17	Sterling Bank	0067196549 Abk North West	166,652.00
18	Wema Bank	01227224527 Abk North West	-31.00
19	Wema Bank	1015309191 Abk North West	16.00
	Total		408,115.38

It is disheartening to observe that a whopping sum of ₦408,115.38 had been trapped in the various banks while the Treasurer and management of the Local Government did not do anything to retrieve it. In addition, the bank statement relating to the accounts as at December, 2022 could not be presented to the Audit team on demand. On interrogation, the Treasurer (Alh. Ayinla Sulaimon) explained that he was not aware that they should have closed or merged the bank accounts. He promised to do the needful within shortest time.

Recommendation: The treasurer is advice to ensure that Local Government bank account balances are closely monitored to prevent occurrence of dormant account in future.

(ii) **Uncredited lodgment**

Observation: During the examination of bank reconciliation statements, it was observed that a sum of Twenty-Five Thousand and Fifty Naira still remained as uncredited lodgment as at 31st December, 2022. However, out of the ₦25,050.00 a sum of ₦15,950.00 had remained uncredited lodgment since 2019 and the Local Government appear not concerned about it. Below are the details of these overdue uncredited lodgment:

Date	Payer	Revenue Voucher	Amount (₦)	Remarks
2/5/2019	Ajibode Kayode	RV/May	10,600	Oke-Ogun LCDA
10/09/2019	Lawal K. O.	RV/Oct	5,000	Oke-Ogun LCDA
8/11/2019	Omidiji K. K.		350	Abk North East LCDA
28/10/2022	Olaokun M	RV. No. 138/Oct, 2022	5,000	
29/12/2022	Adeyeye M. A	RV. No. 118/Dec, 2022	4,000	
			<u>25,050.00</u>	

Investigation revealed that the ₦15,950 not credited since 2019 was inherited from Oke-Ogun LCDA and Abeokuta North East LCDA.

Recommendation: The Local Government is advised to invite the officers involved to recover the money or write them off if it is clear that it was an error and inform this Office of the findings and conclusion.

4. REVENUE PERFORMANCE

Observation: During the period covered by this report, a sum of Eighty-Eight Million, Seven Hundred and Eighty Thousand Naira (₦88,780,000.00) only was the total revenue budgeted to be generated in the year, but a sum of Sixty-Eight Million, Six Hundred Thousand and Twenty-Four Naira (₦68,600,024.00) only was actually generated. The amount generated was 77.27% of the total budget. The sum of ₦68,600,024.00 generated in year 2022 was higher than the sum of ₦57,187,066.12 generated internally in year 2021 by ₦11,412,957.88 and this represent an increase of 20.38%.

However, the shortfall for the budget performance could be attributed to non-availability of revenue database records to monitor the revenue collection and block all loopholes.

Recommendation: The Local Government should endeavor to exploit new sources and increase the internally generated revenue to make up for ever increasing Local Government demand for funds to execute project or services.

5. DORMANT ADVANCES

Observation: As at 31st December, 2022 a total sum of Four Million, Two Hundred and Fourteen Thousand, Seven Hundred and Fifty-Nine Naira, Forty-Eight Kobo (₦4,214,759.48) only was the amount that stood as dormant advances. These dormant advances had remained stagnant for years and most of these advances were granted to the political office holders and staffs, who failed to repay them contrary to Chapter 16:12 of the Model Financial Memoranda for Local Governments.

On enquiry, the Director, Finance and Supplies said that the names of defaulters and the amount due to each person has been forwarded to the IPPMS domiciled at the Local Government Service Commission and the Ministry of Local Government and Chieftaincy Affairs for Political functionaries to make the deductions, and forward same to the Local Governments. As at the time of writing this report, nothing seems to have been done.

Recommendation: The Local Government should inform this Office on the progress made and amount they are able to recover.

6. LITIGATION ON THE LOCAL GOVERNMENT LAND AT LAFENWA

Observation: It was highlighted in the previous Audit report OGLG/ABN/1/Vol.IV/299 of 23rd December, 2021 that a sum of One Hundred and Ninety Thousand Naira (₦190,000.00) only was released to Mrs. Omonaiyajo T. H. (Senior Admin. Officer GL.10) in respect of expenses incurred on Suit No. AB/257/19 filed against the Local Government by 8 families claiming the ownership of parcel of land at lafenwa which Local Government had already constructed lock-up shops through Build, Operate and Transfer (BOT).

Further enquiry on the matter revealed that the issue is being handled by the State Ministry of Justice on behalf of the Local Government and the matter is still pending in the Law Court and the next hearing had been fixed for March 17, 2023.

Recommendation: The Local Government is advised to pay special attention to the litigation, leave no stone unturned and ensure that necessary co-operation is given to prosecutors handling the case. This Office should be updated on the court judgement.

7. STREET NAMING

Observation: In the previous Audit report number OGLG/ABN/1/Vol.IV/299 of 23rd December, 2021 the attention of the Local Government was drawn to the collection of street naming / annual renewal fees. It was observed, during the audit exercise just concluded, that the revenue generated from the street naming/ renewal fees was Six Hundred and Ninety Thousand Naira (₦690,000.00) only which was very low compared with the projected figure of Four Million Naira ₦4,000,000.00.

On enquiry, the officer in charge of street naming, Mr. Karunwi (Principal Executive Officer) explained that the Local Government failed to realize the budgeted amount due to upward review of street naming fees during the period under review. In addition, the people affected were not informed of the renewal fees until when payments were to be made, thereby cut them unaware and were scared off.

Recommendation: In order to carry the people along, the Local Governments is hereby advised to create public awareness through media, such as radio announcement, Jingle and poster as well

as writing letters on the review to all Community Development Association within the Local Government Area.

8. CONSTRUCTION OF MODERN HEALTH FACILITY AT IKIJA/ILUGUN

Observation: A sum of ₦15,700,000.00 was approved for the construction of modern health facility at Ikija/Ilugun. The money was released to Engineer Junaid S. O. (Head of Works & Housing) vide PVs 19 and 55/May, PV 83/Aug, PV 39/Sept, PVs 92 and 93/Nov, 2022 respectively for the project. The project was handled through direct labour by the Local Government Works & Housing Department.

During the visitation to the project site, it was observed that the project had been completed and commissioned on Tuesday, 14th February, 2023 by His Excellency Prince Dapo Abiodun MFR under the Local Government Chairmanship of Prince Adebayo Abdulsalam Ayorinde.

However, the facility is yet to be equipped and health personnel are yet to be posted to the health center for effective usage of the place as at the time of writing this report.

Recommendation: The Local Government is advised to adequately equip the place and ensure health workers are posted to effectively man the place for delivery of better health service to the people in the area.

9. REVENUE DATABASE

I wish to refer to my previous audit inspection reports Nos. OGLG/ABN/Vol.IV/303 of 28th April, 2022 and OGLG/ABN/Vol.IV/322 of 30th September, 2022 bordering on creation of database record for Local Government, it was observed during the just concluded audit exercise that the Local Government is yet to comply with the directive of this Office in this regard.

The importance of having a revenue database for the Local Government can not be over-emphasized because it is a weapon to track all revenue accruable to the Local Government and to block all revenue loopholes. I wish to say that the Local Government's continuous disregard for the directive from the Auditor General is not in the best interest of the public service and the Local Government in particular.

Recommendation: The Local Government is hereby urgently required again to quickly create a database record for all sources of revenue for proper monitoring and planning purposes. Failure to comply, this Office would not hesitate to drag the Local Government to the Public Account Committee of the State House of Assembly.

10. EXPENDITURE NOT SUPPORTED BY PROPER RECORDS

Observation: Audit examination of payment vouchers revealed that a sum of One Hundred and Fifty Thousand Naira (₦150,000.00) only was released vide PV 45/July, 2022 to Mrs. Adesanya Olufunke O. (Assistant Chief Planning Officer) for familiarization working visit of key officers (Revenue Mobilization Team) to Abeokuta North Local Government on 1st July, 2022.

It was observed that the payment voucher was not supported with relevant document such as analysis of the expenditure and official printed receipts of the entertainment and sub-receipt voucher for the honorarium given to the officers as required by Chapter 14:17 of the Model Financial Memoranda for Local Governments.

Recommendation: Payment Vouchers should always be supported with relevant documents and official printed receipts in accordance with regulations.

ABEOKUTA NORTH LOCAL GOVERNMENT

ANLG.28T/123

22nd June, 2023

The Auditor General,
Office of the Auditor General for Local Governments,
Oke-Mosan,
Abeokuta.

MANAGEMENT'S RESPONSE ON YEAR 2022 STATUTORY AUDIT REPORT

DESTRUCTION OF EXHAUSTED RECEIPT BOOK:- Your instruction on paragraph 2 for destruction of receipt books exhausted prior to 31st December, 2022 is noted. Action is ongoing and your office shall be informed accordingly.

AUDIT QUERY:- We are unable to dispatch the Audit Query with no. OGLG/ACC/ABN/239/2022 to the affected Officer, Mrs. Adesanya Olufunke O. (Assistant Chief Planning Officer) due to the fact that she is currently out of the country for further studies. Thus, the Query was delivered to the Controlling Officer i.e. the Head, Budget, Planning, Research and Statistics, Mr. Tunde Oguntoyinbo.

DORMANT BANK BALANCES:- With reference to paragraph 5 on closure of dormant accounts. i wish to inform your office that action is ongoing to effect the closure in due course.

However, the Treasurer explained that there was no prior discussion between him and Mr. S. O. Ibrahim as claimed in the Report.

DORMANT ADVANCES:- Paragraph No. 7 was in respect of the loan given to the Political Functionaries and some Career Officers in the year 2000 during Alhaji Moruf Omolaja Ajisegiri's tenure, almost Twenty Three years now. Series of Statutory Audit Exercises already conducted on the same issue since then yielded no positive result. Also the Local Government's efforts to reach out to the beneficiaries among the Political Functionaries were fruitless as a result of the years involved.

However, investigation conducted on the issue reveal that the Political beneficiaries of the loan in question had already collected all entitlements due to them which could have been a good source of refund. They have collected the Furniture Allowance, Severance Allowance, Annual Leave/Recess Allowance etc. To worsen the case, some of those involved were reported to have died.

As an Agency vested with the sole power to conduct Statutory Audit of Local Government's account and arising from the above predicament, we rely solely on your office to proffer lasting solution to the issue and thus rest the case permanently.

In the case of the Career Staff, some have retired; some are deceased, and some are still in active service. However, the Local Government shall request the Local Government Service Commission and the Bureau of Local Government Pension to retrieve the amount owed by those officers on active service and the retired officers.

The Treasurer, Alhaji S. O. Ayinla however debunked the claim in the Report that he has forwarded the names of the defaulters and the amount due to each person to the IPPMS Office at the Local Government Service Commission and the Ministry of Local Government and Chieftaincy Affairs to effect any deduction against the affected Career Staff and Political Functionaries. He said he did not have any discussion with any person on the issue as claimed in the Report, since his resumption at Abeokuta North Local Government on August 2021.

REVENUE DATA BASE:- Your directive for the creation of database records for the sources of Local Government revenue has seen been noted and action already in progress.

STREET NAMING:- The projected four million naira (N4,000,000:00) Returns on revenue in respect of Street Naming may not be realistic due to global economic meltdown experienced in the country which people are yet to overcome.

Regardless of the above, the Local Government has put necessary machinery in motion towards increasing the revenue generated from Street Naming through distribution of notice and holding meetings with some CDA's with a view to

sensitizing them on the need and importance of registering and or renewing their Streets, Roads and Crescents.

LITIGATION:- The issue in respect of parcel of land at Lafenwa between the Local Government and eight(8) families as indicated in your Report was recently heard at the High Court of Justice, Abeokuta, Ogun State, on Monday, 19th January, 2023. Justice O. Majekodunmi presided over the Suit with no. AB/257/19.

The Local Government's Consultant (Total Valuer), the Local Government's lawyer, Mrs. Agunpopo Esq and the Local Government's representative were present at the court.

However, after cross examination of the Suit before Justice O. Majekodunmi, he, (the Justice) gave the verdict that the case should be struck out due to the absence of the counsel to the claimants (8 families) and other material facts.

CONSTRUCTION OF MODERN HEALTH FACILITY AT IKIJA, ABEOKUTA:-

I wish to state that the construction of a modern health facility at Ikija, Abeokuta has been completed and Health workers have been posted to the facility which has opened for the use of the people.

Also, there was a letter forwarded to the Office of the Honourable Commissioner for Health by the Executive Chairman of the Local Government on request for medical equipment for the health facility.

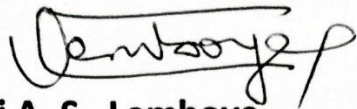
UNCREDITED LODGEMENT:-With reference to your observation on un-credited lodgement, the Local Government made enquiries at the banks and the following was the outcome:

1. The sum of five thousand naira (N5,000:00) un-credited lodgement with Wema bank Teller No. 23385253 of 28th October, 2022 is now credited into Abeokuta North Local Government's Account No. 0120003435 on 20th June, 2023 vide the attached transaction ID Receipt No. M40443/I of 20th June, 2023 (Appendix I). Enquiries at Wema bank further revealed that the account number earlier quoted was wrong and the transaction thus put on suspense account. The sum of four thousand, one hundred naira only (N4,100:00) involved is now credited to

Abeokuta North Local Government, Wema bank account No. 0120001905 vide transaction ID No. M54907/2 of 19th June, 2023 (Appendix II).

2. The sum of five thousand naira (N5,000:00) only purportedly paid by one Lawal K. O could not be traced at the bank and the bank account was not owned by the Local Government. The affected officer will have to pay back to the coffers of the Local Government. Action is on-going to retrieve the money.

3. All efforts to locate transaction tellers in respect of the purported lodgements by Mr. Ajibode Kayode and Omidiji K. K. to the tune of ten thousand, six hundred naira (N10,600:00) only and three hundred and fifty naira (N350:00) respectively at the defunct Oke-Ogun Local Council Development Area proved abortive and it could not be traced to bank. The amounts involved have to be paid into the Local Government's account by the officers. Effort are in progress to locate the Officers and get them to pay.



Alhaji A. S. Lemboye

Head of Local Government Administration

FOR: Executive Chairman