

**OGUN STATE GOVERNMENT, NIGERIA**

**STATUTORY REPORT**

**AND**

**DOMESTIC REPORT**

**OF THE**

**AUDITOR-GENERAL FOR LOCAL GOVERNMENTS**

**ON THE ACCOUNTS**

**OF**

**ABEOKUTA SOUTH LOCAL GOVERNMENT**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2020**

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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 Head of Service Alhaja Selimot Olapeju Ottun for her 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.  
14<sup>th</sup> July, 2021.



## **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 South Local Government for the year ended 31<sup>st</sup> December, 2020 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 31<sup>st</sup> December, 2020 subject to the observations in the inspection reports.

L.A. Mulero (CNA)  
Auditor-General for Local Governments,  
Ogun State.  
14<sup>th</sup> July, 2021

**STATEMENT OF OPINION OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF  
ABEOKUTA SOUTH LOCAL GOVERNMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER,  
2020**

The accounts of Abeokuta South Local Government for the year ended 31<sup>st</sup> December, 2020 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. The federal allocation received by the State Local Government Joint Account Allocation Committee (JAAC) was completely distributed to the Local Government.



**L. A. Mulero (CNA)**

Auditor-General for Local Governments

Ogun State.

14<sup>th</sup> July, 2021.

**STATUTORY REPORT OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS ON THE ACCOUNTS OF ABEOKUTA SOUTH LOCAL GOVERNMENT, AKE FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2020**

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 South Local Government, Ake for the year ended 31<sup>st</sup> December, 2020 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**

Some required accounting records like Revenue Registers and payable ledger were not kept.

**(3) FINANCIAL REVIEW:**

<b>REVENUE</b>	<b>AMOUNTS(₦)</b>
Internally Generated Revenue	62,777,286.72
Statutory Allocation	2,583,888,019.72
Aids and Grants	<u>10,000,000.00</u>
<b>Total</b>	<b><u>2,656,665,306.44</u></b>
<b>EXPENDITURE</b>	
Overhead Expenses	107,528,335.62
Salaries and Allowances	1,945,450,684.26
Pensions	652,874,527.90
Long Term Assets	<u>36,086,842.12</u>
<b>Total</b>	<b><u>2,741,940,389.90</u></b>

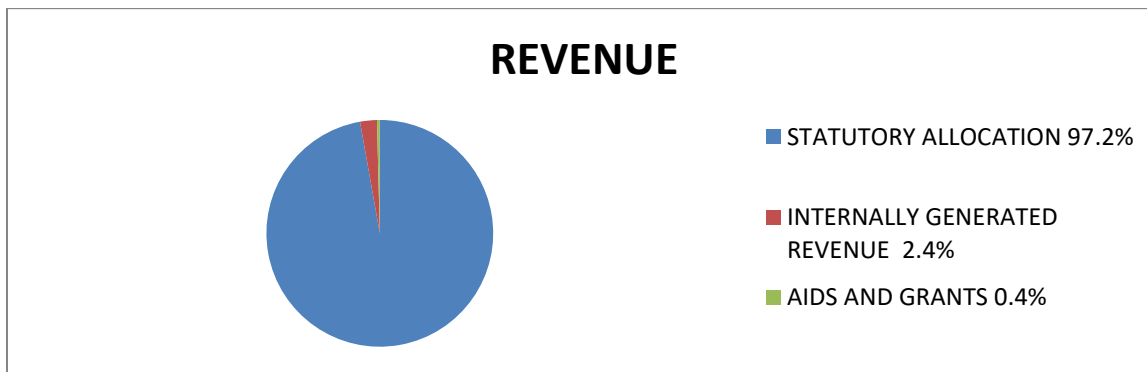
**(4) REVENUE PERFORMANCE**

**(i) STATEMENT OF ACTUAL REVENUE**

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦126,800,000, a sum of ₦62,777,286.72 only was actually generated internally which represented 48.98% of the budget. This is an improvement to the sum of ₦55,503,745.00 generated internally in year 2019 and this represented an increase of 13.1%.

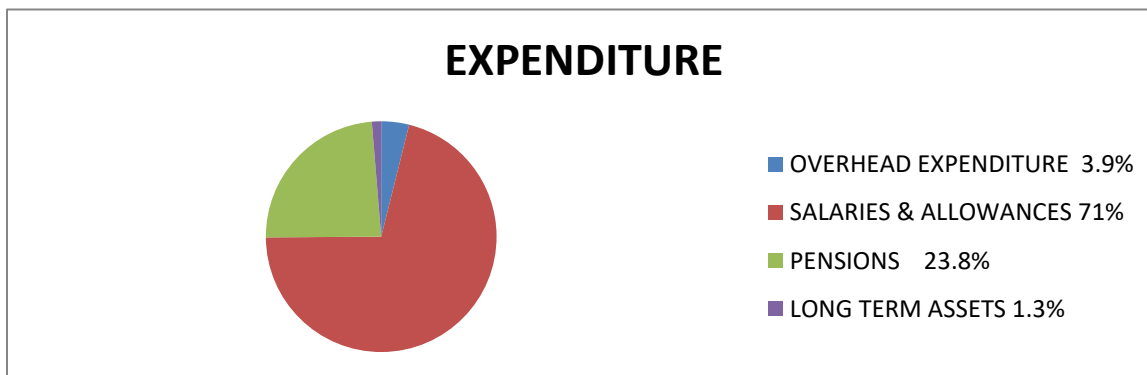
(ii) **PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE**

The Audit exercise revealed that out of the revenue of ₦2,656,665,306.44 realized by the Local Government during the year under review, a sum of ₦62,777,286.72 only was generated internally. This represented 2.4% of the total revenue while the total sum of ₦2,583,888,019.72 statutory allocation and ₦10,000,000.00 aids and grant received from the State Joint Account Allocation Committee represented 97.2% and 0.4% 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 expenditure profile of the Local Government revealed a total expenditure of ₦2,741,940,389.90. Out of this, a sum of ₦107,528,335.62 was expended on overhead which represented 3.9% of the total expenditure for the year. Also, a sum of ₦1,945,450,684.26 was expended on salaries and allowances which represented 71% of the expenditure for the year while ₦652,874,527.90 was expended on pensions and this represented 23.8% of the expenditure for the year and the sum of ₦36,086,842.12 was expended on long term assets which represented 1.3% of total expenditure for the year. The 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 31<sup>st</sup> December, 2020 was ₦201,414,283.09. The liabilities are highlighted below:

S/NO	ITEMS	AMOUNTS(₦)
1	Pension Fund	77,038,422.37
2	5% Development Levy	11,021,074.66
3	5% VAT	14,553,676.13
4	2.5% WITHHOLDING TAX	3,680,537.52
5	5% TAX	6,388,832.83
6	PAYABLES	9,743,450.00
7	PAYE	71,980,531.59
8	Others	<u>7,007,757.99</u>
	<b>TOTAL</b>	<b><u>201,414,283.09</u></b>

It was observed that the amounts highlighted above were deducted from various contracts, salaries and overhead of workers but not remitted to appropriate agencies. This is against extant rules and financial regulations.

**(7) REVIEW OF STATEMENT OF FINANCIAL POSITION:**

**(i) ADVANCES**

The sum of ₦3,796,745.54 highlighted in the Statement of Financial Position as at 31<sup>st</sup> December, 2020 as the Advances was dormant during the year contrary to regulations. Efforts should be intensified to recover the advances.

**(ii) INVESTMENT ACCOUNT BALANCE**

The sum of ₦512,933.00 stated as investment balance in the Statement of Financial Position as at 31<sup>st</sup> December, 2020 could not be substantiated because the shares certificate was not produced for Audit scrutiny and no evidence of the beneficial ownership such as dividend was presented on demand.

**ABEOKUTA SOUTH 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.



Alhaji. Ayinla S. O.  
Treasurer

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 South Local Government as at 31<sup>st</sup> December, 2020 and its operations for the year ended on the date.



Alhaji. Ayinla S. O.  
Treasurer

Date: 22<sup>nd</sup> JAN 2021



Hon. Ayodeji Shomide  
Chairman

Date: 22<sup>nd</sup> JAN 2021

**ABEOKUTA SOUTH LOCAL GOVERNMENT**  
**STATEMENT OF FINANCIAL POSITION AS AT 31<sup>ST</sup> DECEMBER, 2020**

	NOTES	2020	2019
<b>CURRENT ASSET</b>		₦	₦
CASH & CASH EQUIVALENTS	8	7,088,600.49	25,341,060.69
INVENTORIES		11,926,187.14	14,523,121.00
RECEIVABLES		6,202,700.00	3,820,000.00
PREPAYMENT			
ADVANCE		3,796,745.54	3,882,336.93
<b>TOTAL CURRENT ASSET (A)</b>		<b><u>29,014,233.17</u></b>	<b><u>47,566,518.62</u></b>
<b>NON-CURRENT ASSET</b>	-		
PROPERTY PLANT & EQUIPMENT	10	302,678,704.37	296,871,326.90
INVESTMENT PROPERTY	11	295,637,479.11	293,023,200.00
BIOLOGICAL ASSET	12		
INVESTMENT		512,933.00	512,933.00
LOAN GRANTED			
<b>TOTAL NON CURRENT ASSET (B)</b>		<b><u>598,829,116.48</u></b>	<b><u>590,407,459.90</u></b>
<b>TOTAL ASSET (C=A+B)</b>		<b><u>627,843,349.65</u></b>	<b><u>637,973,978.52</u></b>
<b>CURRENT LIABILITY</b>	-		
DEPOSIT			
LOAN & DEBT			
UNREMITTED DEDUCTIONS	9	191,670,833.09	160,873,154.30
ACCURED EXPENSES, PAYABLES		9,743,450.00	22,177,654.82
DEFERED INCOME		1,200,000.00	
CURRENT PORTION OF BORROWING			
<b>TOTAL CURRENT LIABILITY (D)</b>		<b><u>202,614,283.09</u></b>	<b><u>183,050,809.12</u></b>
<b>NON-CURRENT LIABILITY</b>	-		
PUBLIC FUND			
BOROWING			
<b>TOTAL NON CURRENT LIABILITY (E)</b>		-	-
<b>TOTAL LIABILITY (F=D+E)</b>		<b><u>202,614,283.09</u></b>	<b><u>183,050,809.12</u></b>
<b>NET ASSETS (G= C-F)</b>		<b><u>425,229,066.56</u></b>	<b><u>454,923,169.40</u></b>
<b>NET ASSET/EQUITY</b>			
RESERVE			
ACCUMULATED SURPLUS/ DEFICIT		425,229,066.56	454,923,169.40
<b>TOTAL NET ASSET/EQUITY</b>		<b><u>425,229,066.56</u></b>	<b><u>454,923,169.40</u></b>

**ABEOKUTA SOUTH LOCAL GOVERNMENT**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2020**

	NOTES	2020	2019
<b>REVENUE</b>		₦	₦
STATUTORY ALLOCATION	<b>1</b>	2,583,888,019.72	1,606,331,128.35
NON-TAX REVENUE:	<b>2</b>	62,039,686.60	55,503,745.00
INVESTMENT INCOME			
INTEREST EARNED			
AIDS & GRANTS	<b>3</b>	10,000,000.00	0.00
OTHER REVENUE		73,600.12	
<b>TOTAL REVENUE (A)</b>		<b><u>2,656,665,306.44</u></b>	<b><u>1,661,834,873.35</u></b>
<b>EXPENDITURE</b>			
SALARIES & WAGES	<b>4</b>	1,933,479,168.41	1,323,225,807.66
NON- REGULAR ALLOWANCE	<b>5</b>	11,971,515.85	125,584.09
SOCIAL BENEFIT	<b>6</b>	652,874,527.90	286,964,198.52
OVERHEAD COST	<b>7</b>	82,773,150.08	53,305,019.26
SUBVENTION TO PARASTALS		1,800,000.00	1,025,000.00
DEPRECIATION	<b>10 &amp; 11</b>	22,955,185.54	21,868,140.70
GAIN/LOSS ON DISPOSAL ON ASSET			
<b>TOTAL EXPENDITURE (B)</b>		<b><u>2,705,853,547.78</u></b>	<b><u>1,686,513,750.23</u></b>
<b>SURPLUS / DEFICIT (C=A-B)</b>		<b><u>-49,188,241.34</u></b>	<b><u>-24,678,876.88</u></b>

**ABEOKUTA SOUTH LOCAL GOVERNMENT**  
**STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2020**

	₦
<b>Balance 1/1/2019</b>	<b>-102,565,548.72</b>
Prior Year Adjustment	582,167,595.00
Adjusted Balance	479,602,046.28
<b>Surplus/ (deficit) for the year</b>	<b>-24,678,876.88</b>
<b>Balance 31/12/2019</b>	<b><u>454,923,169.40</u></b>
Prior Year Adjustment	19,494,138.50
<b>Adjusted Balance</b>	<b>474,417,307.90</b>
Surplus/ (deficit) for the year	-49,188,241.34
<b>Balance at 31 December 2020</b>	<b><u>425,229,066.56</u></b>

**ABEOKUTA SOUTH LOCAL GOVERNMENT**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2020**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2020</b>	<b>2019</b>
<b>INFLOWS</b>	₦	₦
STATUTORY ALLOCATION	2,581,888,019.72	1,606,331,128.35
LICENCES, FINES, ROYALTIES, FEES ETC	43,880,596.60	40,278,100.00
EARNINGS & SALES	11,096,190.00	10,754,845.00
RENT OF GOVERNMENT PROPERTIES	7,880,200.00	4,940,000.00
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL		
DOMESTIC AIDS & GRANTS	10,000,000.00	
OTHER REVENUE	53,600.12	
<b>TOTAL INFLOW FROM OPERATING ACTIVITIES A</b>	<b><u>2,654,798,606.44</u></b>	<b><u>1,662,304,073.35</u></b>
<b>OUTFLOW</b>		
PERSONNEL EMOLUMENTS	1,945,450,684.26	1,323,351,391.75
SOCIAL BENEFIT	652,874,527.90	286,964,198.52
OVERHEADS	74,206,066.22	58,405,902.06
SUBVENTION TO PARASTATALS	1,800,000.00	1,025,000.00
INTEREST PAYMENT		
<b>TOTAL OUTFLOW FROM OPERATING ACTIVITIES B</b>	<b><u>2,674,331,278.38</u></b>	<b><u>1,669,746,492.33</u></b>
<b>NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B</b>	<b><u>-19,532,671.94</u></b>	<b><u>-7,442,418.98</u></b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
PURCHASE/ CONSTRUCTION OF ASSETS	- 36,086,842.12	-534,500.00
PURCHASE OF FINANCIAL MARKET INSTRUMENTS	85,591.39	
ADVANCE	5,394,000.00	
PROCEED FROM SALE OF ASSETS		
DIVIDEND RECEIVED		
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b><u>-30,607,250.73</u></b>	<b><u>-534,500.00</u></b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
DEPOSIT/ UNREMITTED DEDUCTIONS	31,887,462.47	31,180,711.93
PUBLIC FUND		
PROCEEDS FROM DOMESTIC LOANS & OTHER		
<b>NET CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b><u>31,887,462.47</u></b>	<b><u>31,180,711.93</u></b>
<b>NET CASH FLOW FROM ALL ACTIVITIES</b>	<b><u>-18,252,460.20</u></b>	<b><u>23,203,792.95</u></b>
<b>CASH &amp; ITS EQUIVALENT AS AT 1/1/2020</b>	<b><u>25,341,060.69</u></b>	<b><u>2,137,267.74</u></b>
<b>CASH &amp; ITS EQUIVALENT AS AT 31/12/2020</b>	<b><u>7,088,600.49</u></b>	<b><u>25,341,060.69</u></b>

## ACCOUNTING POLICY

S/N	
1	<p><b>Basis of Preparation</b> 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><b>Accounting period</b> Reporting period runs from 1<sup>st</sup> January to 31<sup>st</sup> December.</p>
3	<p><b>Reporting Currency</b> The reporting currency is Naira (₦).</p>
4	<p><b>Revenue</b></p> <ul style="list-style-type: none"> <li>a) Revenues from non-exchange transactions such as fees, and fines are recognised when the event occurs and the asset recognition criteria are met.</li> <li>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.</li> </ul>
5	<p><b>Other revenue</b></p> <ul style="list-style-type: none"> <li>a) Other revenue consists of gains on disposal of property, plant and equipment.</li> <li>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.</li> </ul>
6	<p><b>Aids and Grants</b> 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><b>Expenses</b> 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><b>Property, Plant &amp; Equipment (PPE)</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>

9	<p><b>Depreciation</b> 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"> <li>a) Lease properties over the term of the lease</li> <li>b) Buildings 2%</li> <li>c) Plant and Machinery 10%</li> <li>d) Motor vehicles 20%</li> <li>e) Office Equipment 25%</li> <li>f) Furniture and Fittings 20%</li> </ul> <ul style="list-style-type: none"> <li>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</li> <li>ii. Fully depreciated assets that are still in use are carried in the books at a net book value of ₦100.00</li> <li>ii. 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.</li> </ul>
10	<p><b>Disposal</b> Gains or losses on the disposal of fixed assets are included in the income statement as either an income or expenses respectively.</p> <p><b>Impairment</b> Entities shall test for impairments of its PPE where it suspects that impairment has occurred.</p>
11	<p><b>Investment Property</b> 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><b>Unremitted Deductions</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>b) These amounts are stated as Current Liabilities in the Statement of Financial Position.</li> </ul>
13	<p><b>Payable/Accrued Expenses</b></p> <ul style="list-style-type: none"> <li>a) These are monies payable to third parties in respect of goods and services received</li> <li>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.</li> </ul>
14	<p><b>Current Portion of Borrowings</b> 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, 2020**

<b>1. SHARE OF STATUTORY ALLOCATION FROM JAAC</b>	<b>₦</b>
JANUARY	193,267,991.50
FEBRUARY	297,724,803.95
MARCH	205,564,072.58
APRIL	198,213,771.92
MAY	193,767,995.49
JUNE	193,402,965.63
JULY	216,252,286.25
AUGUST	213,698,815.54
SEPTEMBER	206,750,584.25
OCTOBER	3,760,742.37
NOVEMBER	438,854,637.72
DECEMBER	222,629,352.52
<b>TOTAL</b>	<b><u>2,583,888,019.72</u></b>

**2. NON-TAX REVENUE**

LICENCES	9,917,846.60
FEES	32,253,950.00
FINES	1,752,000.00
EARNINGS	8,324,010.00
RENT OF GOVERNMENT PROPERTIES	6,680,200.00
SALES	3,111,680.00
<b>TOTAL</b>	<b><u>62,039,686.60</u></b>

**3. AIDS & GRANTS**

OGUN STATE GOVERNMENT	10,000,000.00
NON-GOVERNMENT ORGANISATION	0.00
<b>TOTAL</b>	<b><u>10,000,000.00</u></b>

**4. SALARIES & WAGES**

LOCAL GOVERNMENT STAFF	577,923,628.18
PRIMARY SCHOOL TEACHERS	1,102,889,786.75
TRADITIONAL COUNCIL	238,876,113.03
POLITICAL FUNCTIONARIES	13,789,640.46
<b>TOTAL</b>	<b><u>1,933,479,168.41</u></b>



### 5. NON- REGULAR ALLOWANCE

LEAVE BONUS	11,971,515.85
<b>TOTAL</b>	<b><u>11,971,515.85</u></b>

### 6. SOCIAL BENEFIT

GRATUITY	-
PENSION	652,874,527.90
<b>TOTAL</b>	<b><u>652,874,527.90</u></b>

### 7. OVERHEAD COST BY DEPARTMENT

CHAIRMAN & COUNCIL	18,474,125.00
HOLGA	1,440,000.00
INTERNAL AUDIT	1,415,000.00
ADMINISTRATIVE	24,700,298.99
FINANCE	10,180,432.32
INFORMATION	3,938,500.00
P H C	5,836,450.00
AGRIC	2,516,000.00
WORKS	2,581,600.00
PLANNING	4,483,743.86
WES	4,251,000.00
COMMUNITY	2,956,000.00
<b>TOTAL</b>	<b><u>82,773,150.17</u></b>

### 8. CASH & CASH EQUIVALENTS

CASH AT HAND	14,848.70
CASH IN BANKS	7,073,751.79
<b>TOTAL</b>	<b><u>7,088,600.49</u></b>

### 9. UNREMITTED DEDUCTIONS

Pension Fund	77,038,422.37
5% Development Levy	11,021,074.66
5% VAT	14,553,676.13
2.5% WITHHOLDING TAX	3,680,537.52
5% TAX	6,388,832.83
Others	7,007,757.99
	-
<b>Total</b>	<b><u>191,670,833.09</u></b>

NOTE 10	ABEOKUTA SOUTH LOCAL GOVERNMENT SCHEDULE OF PROPERTY PLANT & EQUIPMENT							TOTAL
	LAND & BUILDING 2%	LAND	PLANT & MACHINERY 10%	TRANSPORTATIO N EQUIPMENT 20%	OFFICE EQUIPMENT 25%	FURNITURE & FITTINGS 20%	INFRASTRUSUR E 10%	
BAL AS AT 01/01/2020	257,018,435.00		16,245,000.00	40,950,560.00	1,640,000.00	3,027,800.00	2,200,000.00	321,081,795.00
ADDITION DURING THE YEAR	23,765,972.62		125,000.00			425,000.00	3,293,850.00	27,609,822.62
LEGACY								0.00
DISPOSAL DURING THE YEAR				(7,850,000.00)				(7,850,000.00)
BAL. C/F	<b>280,784,407.62</b>	-	<b>16,370,000.00</b>	<b>33,100,560.00</b>	<b>1,640,000.00</b>	<b>3,452,800.00</b>	<b>5,493,850.00</b>	<b>340,841,617.62</b>
ACCUMULATED DEPRECIATION								
BAL. AS AT 01/01/2020	5,202,106.10		1,633,500.00	14,640,112.00	841,750.00	1,453,000.00	440,000.00	24,210,468.10
ADDITION DURING THE YEAR	5,615,688.15		1,637,000.00	8,190,112.00	409,700.00	690,560.00	549,385.00	17,092,445.15
DISPOSAL DURING THE YEAR				(3,140,000.00)				-
BAL. C/F	10,817,794.25	-	3,270,500.00	19,690,224.00	1,251,450.00	2,143,560.00	989,385.00	38,162,913.25
AS AT 31/12/2020	<b>269,966,613.37</b>	-	<b>13,099,500.00</b>	<b>13,410,336.00</b>	<b>388,550.00</b>	<b>1,309,240.00</b>	<b>4,504,465.00</b>	<b>302,678,704.37</b>
AS AT 31/12/2019	<b>251,816,328.90</b>	-	<b>14,611,500.00</b>	<b>26,310,448.00</b>	<b>798,250.00</b>	<b>1,574,800.00</b>	<b>1,760,000.00</b>	<b>296,871,326.90</b>
NOTE 11	ABEOKUTA SOUTH LOCAL GOVERNMENT INVESTMENT PROPERTY							
	LAND & BUILDING 2%	LAND	TOTAL					
BAL AS AT 01/01/2020	284,660,000.00	14,072,000.00	298,732,000.00					
ADDITION DURING THE YEAR	8,477,019.50		8,477,019.50					
LEGACY			0.00					
DISPOSAL DURING THE YEAR			-					
BAL. C/F	<b>293,137,019.50</b>	<b>14,072,000.00</b>	<b>307,209,019.50</b>					
ACCUMULATED DEPRECIATION								
BAL. AS AT 01/01/2020	5,708,800.00		5,708,800.00					
ADDITION DURING THE YEAR	5,862,740.39		5,862,740.39					
DISPOSAL DURING THE YEAR								
BAL. C/F	<b>11,571,540.39</b>	-	<b>11,571,540.39</b>					
AS AT 31/12/2020	<b>281,565,479.11</b>	<b>14,072,000.00</b>	<b>295,637,479.11</b>					
AS AT 31/12/2019	<b>278,951,200.00</b>	<b>14,072,000.00</b>	<b>293,023,200.00</b>					

**The Chairman,**  
Transition Committee,  
Abeokuta South Local Government,  
Ake, Abeokuta.

**AUDIT INSPECTION REPORT ON THE ACCOUNTS OF ABEOKUTA SOUTH  
LOCAL GOVERNMENT, AKE FOR THE PERIOD 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup>  
DECEMBER, 2020.**

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 Report.

2. **BANK RECONCILIATION STATEMENT**

The bank reconciliation statements for the period 1<sup>st</sup> January to 31<sup>st</sup> December, 2020 were examined from where the followings were observed:

**DORMANT BANK BALANCES**

**Observation:** I wish to refer to paragraph 5 of the last Audit Inspection Report reference number OGLG/ABS/1/VOL.III/341 of 14<sup>th</sup> September,2020 where it reported that three (3) of your Bank Accounts had remained dormant for several years.

It was surprising to note once again during the current audit exercise, that the number of dormant accounts has increased from three (3) in 2019 to Nine (9) in year 2020 and it appears that no positive action seems to have been taken on the issue.

The Local Government is strongly advised once again to either reactivate these bank accounts or close them if there are no needs to operate them.

The Analysis of the Dormant Bank Accounts is detailed below:

S/N	NAMES OF BANK	ACCOUNT NO	AMOUNT (₦)	REMARK
1	Access bank plc Oke Ilewo	131001000036050	128,314.60	Dormant since 2013
2	Access bank plc Oke Ilewo	13100001000026001	10,559.89	Dormant since 2013
3	Stanbic IBTC,Oke Ilewo	9201593428	45,105.21	Dormant since 2013
4	UBA,Oke Ilewo	1001686732	50.00	Dormant since 2013
5	Zenith	10012202497	3,260.95	Dormant since 2013

6	SKYE.Bank, Oke Ilewo	1750016555	35,191.14	Dormant since 2013
7	First Bank	2022262420	3,891.14	Dormant since 2013
8	SKYE Bank plc	1750056970	7,404.00	Dormant since 2013
9	SKYE Bank	1750014908	12,123.88	Dormant since 2013

**Recommendation:** You are advised to ensure that the dormant bank accounts are reactivated or closed to reflect the true financial position of the Local Government.

(b) **UNPRESENTED CHEQUES**

**Observation:** It was observed that a total sum of ₦3,157,767.12 was reflected as unpresented cheques as at 31<sup>st</sup> December,2020. Out of this, Wema bank cheque number 0055246 on Account number amounting to ₦56,000.00 issued to Mr. Nurudeen on 15<sup>th</sup> May,2020 had remained unpresented as at the time of this audit report. The said cheque has not been presented for more than six months after issuance.

**Recommendation:** The Local Government is advised to write this cheque back into the cashbook in order to reflect the correct financial position of its affairs.

(c) **BANK CHARGES NOT CAPTURED IN THE BANK RECONCILIATION STATEMENT**

**Observation:** Audit examination of the bank reconciliation statements revealed that the charges on Access Bank account number 0815147927 was not captured in the prepared bank reconciliation statement during the period under reference. It was discovered that a total sum of ₦639,413.47 was charged on the Access bank account between 1<sup>st</sup> January and 31<sup>st</sup> December,2020. However, at the instance of the Audit Team, the bank charges has now been reflected in bank reconciliation statements.

**Recommendation:** The Local Government is advised to keep track of all transactions and ensure that all bank charges are captured and recorded appropriately. In addition, please ensure that all bank charges which are not within the prevailing rate approved by the Central Bank are investigated and appropriate steps taken on them.

(d) **DIRECT DEBIT**

**Observation:** It was observed that a sum of ₦43,739.50 was the amount reflected as the value of direct debits in the bank statement without the corresponding credit entry in the cashbook. Further scrutiny of the bank reconciliation statement revealed that out of this amount, the sum of ₦33,920.52 was being carried forward since year 2018 while the balance of ₦9,818.98 was the difference noticed in the amount posted into the cashbook as against the total sum debited in the bank statement during the payment of salary for the month of November 2020. A sum of ₦223,549.27 was directly credited into the Access Bank Account number 0815147927 vide JAAC, but later reversed and debited a sum of ₦233,368.25 thus leaving a sum of ₦9,818.98 as direct debit in the bank account.

**Recommendation:** The Local Government is advised to investigate the two bank transaction with a view of identifying the beneficiaries of the amount involved. Efforts taken on this should be communicated to this Office within two weeks from the receipt on this report.

3. **REVIEW OF REVENUE GENERATION PERFORMANCE**

**Observation:** A review of the budget performance of the Local Government was carried out during the period under reference. A closely look at the comparison between the budgeted and the actual revenue collected revealed that the budgetary provision was far from being achieved.

The Local Government budgeted a sum of ₦126,800,000.00 as the Internally Generated Revenue for 2020 fiscal year but a sum of ₦62,039,686.60 only which represent 48.98% of the budgeted revenue was realized.

It's worthy of note that the Local Government being an urban Local Government with high population advantage is expected to translates the opportunities into active commercial activities. Audit further observed that the reasons for low revenue revealed that the revenue potential of the Local Government in the area of private schools (Nursery, Primary & Colleges), Street Naming, Baker Houses Licenses and many others were yet to be fully tapped.

**Recommendation:** I therefore wish to reiterate once again that efforts should be made to collate adequate data of all revenue sources and harness them adequately in the best interest of your Local Government.

#### **4. INDEBTEDNESS OF REVENUE CONTRACTORS**

**Observation:** I wish to refer to paragraph 6 of the inspection reports Reference No OGLG/ASWLCDA/I/22/2019 of 10<sup>th</sup> August, 2020 earlier forwarded to the defunct Abeokuta South West LCDA and to observed with dismay that your Local Government being the mother Local Government appears not to have taken any concrete action to recover the money owed by some of the Revenue Contractors appointed by the defunct Abeokuta South West LCDA

According to the report, a total sum of ₦1,394,000.00 was still in the custody of these revenue contractors as at June, 2019 and there was no evidence that they have paid this indebtedness to the Abeokuta South Local Government.

It was also discovered during the period under review that some of the revenue contractors engaged by your Local Government were indebted to your Local Government to the tune of ₦870,000.00 as at 31<sup>st</sup> December, 2020.

**Recommendation:** You are advised to take appropriate legal action against these revenue contractors and ensure that revenue trapped in the hand of these contractors are collected without any further delay.

#### **5. EXCESS OF PAYMENT ON SALARIES AND ALLOWANCES**

**Observation:** It was observed that there was an excess payment of the sum of ₦11,892,039.18 as revealed by the bank statement of Access Bank Plc A/c No. 0815147927 when compared with the salary vouchers raised for the payment of salaries and allowances for the year 2020. The attention of the Treasurer was drawn to this and he explained that the purported excess sum of ₦11,892,039.18 was the amount paid directly into various bank accounts of some staff of your Local Government as annual leave bonus by the Integrated Payroll Payment Management System (IPPMS) at the Local Government service commission.

It was therefore at the instance of the Audit team that the total sum of ₦11, 892,039.18 has now been posted into the cashbook and other subsidiary ledgers. It has also been incorporated into the General Purpose Financial Statements for the year under review.

6. **AWARD OF CONTRACT FOR THE USE OF THE LOCAL GOVERNMENT  
POULTRY PEN**

**Observation:** Audit investigation revealed that your Local Government contracted its Poultry Pen and half of its brooder house located within the staff quarters at Asero to Caroline Resources, of 30, Road 3, SOAS Estate Adigbe, Abeokuta in December, 2016.

The Contract is expected to cover a period of five (5) years commencing from 1<sup>st</sup> of December, 2016 to 30<sup>th</sup> November, 2021 with agreed terms of payment of ₦320,000.00 per annum amounting to ₦1,600,000.00 for the five (5) year period. Available records revealed that the contractor has fully paid for the contract sum and the facility was put to use during the period.

It was observed that sometime in July, 2019 the contractor applied for an extension of the contract period for an additional five (5) years and was considered and approved by the Local Government. This was to run between year 2021 and 2026. Audit Inspection visit made to the poultry site at Asero revealed that the poultry roof has collapsed and the roof has caved in. No activity was currently going on at the poultry, the cages were left under the collapsed roof. The contractor upon interrogation explained that there was no provision for the repair and renovation in the agreement he signed with the Local Government because nobody envisaged such an occurrence.

**Recommendation:** I wish to advice that your Local Government should return to negotiations with the contractor and ensure that the poultry pen is re-roof so as to prevent further damage to the poultry pen especially now that the prices of cages has gone up astronomically in the market.

7. **LOCAL GOVERNMENT LANDED PROPERTY (FARMLAND) AT  
AKINGBASA VILLAGE, ALONG ODEDA- ALABATA ROAD, ODEDA LOCAL  
GOVERNMENT.**

**Observation:** I wish to refer to previous Inspection Report Nos. OGLG/ABS/I/VoI.III/329 and OGLG/ABS/I/VoI.III/341/ dated 28<sup>th</sup> February and 4<sup>th</sup> September, 2020 respectively where it was reported that your Local Government acquired twenty (20) acres of land at Akingbasa

Village near Odeda for establishment of oil palm plantation farm and to also make provisions for planting of maize and cassava inter-crop.

The cassava and the maize were harvested sometimes in year 2020, and a meagre sum of ₦90,000.00 was realized from the plantation.

Audit investigation revealed that certain part of the farmland was gutted by fire on 26<sup>th</sup> January, 2020 and the inferno destroyed the cassava plantation and this may be responsible for the poor revenue realized from the Agric project.

Audit verification visit was made to the farmland at Akingbasa Village and it was observed that the farm was bushy and unkept. The oil farm was found to have been invaded by rodents, grass cutters and other animals who were feeding freely on the oil palm plantain.

On Interrogation the Head of Agriculture and Natural Resources explained that the problem of the farm started in 2019 when the bank accounts of the Local Government were frozen by the State Government which resulted in paucity of fund to clear the farmland. He explained further that several memos were written by him to the Management on the situation of the farm but none yielded positive response. The perimeter fencing of the land was yet to be carried out and this could further expose the landed property to encroachment by unscrupulous persons.

**Recommendation:** The Local Government is advised once again to attend to the farmland, ensure that the weed in the Plantation is cleared and those destroyed be replaced in order to justify the huge sum of money expended on the project. Efforts taken on this should be communicated to this Office within two weeks from the date of receipt of this report.

## **8. POULTRY ACTIVITIES OF LOCAL GOVERNMENT**

**Observation:** It was observed that sometime in September, 2020 the Local Government at its F&GPC meeting considered and approved a sum of ₦1,336,000.00 to purchase Five Hundred (500) birds and for its feeding and vaccination. The birds were meant to be sold in December, 2020 for the purpose of increasing its internally generated revenue.

A review of the income and expenditure of the poultry activities during the period revealed that the programme was run at a loss. A total sum of ₦1,336,000.00 was expended on the birds whereas a sum of ₦1,041,000.00 was realized thereby incurring a loss of ₦295,000.00



from the sale of the birds which took place between December, 2020 and February, 2021. Audit investigation revealed that the birds were programmed to be sold in December, 2020 during the Christmas and new year festive period but the process of obtaining approval for the disposal of the birds was delayed and this lead to drop in proposed price for the sale of the birds.

It is the opinion of this Office that the Agriculture Department ought to be a revenue generating department if all the controls needed are not only put in place but allowed to work effectively, efficiently and economically.

**Recommendation:** I therefore wish to advice your Local Government to ensure that all its Agricultural programmes are given the timeliness and promptness it deserves so as to justify the public fund expended on them.

#### 9. **SHUTTLE BUSES YET TO BE RETURNED TO THE LOCAL GOVERNMENT**

**Observation:** I wish to refer to paragraph 10 of the Audit Inspection Report No. OGLG/ABS/I/VoI.III/329 of 28<sup>th</sup> February, 2020 and paragraph II of Audit Inspection Report No. OGLG/ABS/I/VoI.III/341 of 4<sup>th</sup> September, 2020 and to express with dismay that no positive action seems to have been taken to recover the sum of ₦3,895,000.00 trapped in the hands of Hon. Olukayode Olumide (Revenue contractor) and to also compel him to return the two (2) shuttle buses which were still in his possession. One of the buses was reported to have developed fault on its way to Abuja, while the second bus was also reported to have been abandoned at Ilogbo area of Sango-Ota.

These vehicles abandoned at various location are not only an image damaging situation for your Local Government, but also a loss of asset. It may interest you to note that some vital parts of the vehicles could have been removed by unauthorized person which is not in the best interest of your Local Government.

**Recommendation:** I wish to advice that concrete action be taken to compel Hon. Olumide Kayode to return the two buses back to the premises of your Local Government and also take appropriate legal action to recover the debt of ₦3,895,000.00 owed by him without any further delay.

10. **AWARD OF CONTRACT ON RENOVATION AND LEASE OF FIFTEEN (15) UNITS OF FLATS AT THE STAFF QUARTERS, AT ASERO.**

**Observation:** Audit investigation revealed that sometime in November, 2017, the Local Government entered into a contractual agreement with Mr. Shittu Samuel Alabi of No 1, Samuel Shittu close, Oke Lantoro Abeokuta to renovate fifteen (15) of her staff quarters at Asero for the purpose of commercializing the staff quarters.

The agreement provides for the renovation of the fifteen (15) flats to a habitable condition and to pay a rent of ₦36,000.00 per flat for a total period of twenty-five (25) years amounting to a total sum of Thirteen Million and Five Hundred Thousand Naira (₦13,500,000.00).

Available records revealed that the lessee (Mr. Shittu Samuel) has actually paid the sum of ₦13,500,000.00 into the coffers of the Local Government in December, 2017 which according to the agreement covered rent for the period of 25 years. It was observed that the deed of agreement was prepared by Barrister A. A. Ayodele Adebayo of Adebayo Ayodele & Co located at 1 Janet Osunbumi Avenue, Olumo Village road off Moshood Abiola Way, Abeokuta, but there was no documentary evidence to proof that the Lawyer was officially engaged by the management of your Local Government.

Further investigation revealed that the Ogun State Ministry of Justice prepared another version of agreement on behalf of your Local Government to correct some grey areas noticed in the deed of agreement initially prepared by Barr. A. A. Ayodele Adebayo but despite repeated demand by the Audit Team, the agreement prepared by the Ministry of Justice could not be presented on demand for ease of reference.

Audit verification visit made to the project site revealed that out of the agreed fifteen(15) flats to be renovated, ten(10) had been completely renovated while work is still on-going on the rest.

The issue was also discussed with the Alhaji Nurudeen Ayorinde (Secretary to Local Government) and he has given his assurance that the developer will be invited for further discussion to clear some of the grey areas of the contract

**Recommendation:** The Local Government is advised to review the contract and ensure that the agreement prepared by the Ministry of Justice is effected and copies of the agreement be forwarded to this Office without delay.

11. **AWARD OF CONTRACT ON LEASE OF SIX (6) PLOTS OF LAND SITUATED WITHIN ASERO QUARTERS**

**Observation:** Available records revealed that the Local Government in June 2017 awarded a contract for the lease of six (6) plots of its vacant land within its staff quarters at Asero to Mr. Shittu Samuel Alabi of No 1, Samuel Shittu close, Oke Lantoro Abeokuta.

In the agreement reached, the Lessee was to take possession of six plots of land numbers 4, 5, 9, 10, 11 & 12 for construction of building for residential purposes. The contractor was to pay ₦800,000.00 per plot for fifty (50) years and a ground rent of ₦2,000.00 per plot for Ten (10) years, the contract was to take effect from 2<sup>nd</sup> of March, 2016 to 1<sup>st</sup> of March, 2066, an indication that the contract was back dated because the agreement was reached and signed in June 2017.

It is the opinion of this office that agreement for a period of fifty(50) years appeared unreasonable and payment of a sum of ₦800,000 per plot is very low, considering the current market price of a plot of land at Asero area of Abeokuta which currently sells for between ₦1,000,000 and ₦1,500,000 per plot. Audit verification visit made to the site revealed that construction of two units of three (3) bedroom flats was ongoing at the time of the visitation.

**Recommendation:** The Local Government is therefore advised to revisit this agreement and reduce the period of the contract to not more than twenty-five (25) years. The amount payable for the usage of the land should also be reviewed upward to reflect economic realities. Steps taken on this should be communicated to this Office within two weeks of the receipt of this report.

12. **AWARD OF CONTRACT FOR THE CONSTRUCTION OF OFFICE COMPLEX AT THE SECRETARIAT OF DEFUNCT ABEOKUTA SOUTH WEST LOCAL COUNCIL DEVELOPMENT AREA.**

**Observation:** I wish to draw your attention to paragraph 7 of the Audit Inspection Report No. OGLG/ASWLCDA/1/22/2019 of 10<sup>th</sup> August, 2020 earlier forwarded to the defunct Abeokuta

South West LCDA where it was reported that the defunct Abeokuta South West LCDA Ibara engaged a developer, Panseke Property Development Ltd of No 449 Awolowo Avenue Grammar School, Abeokuta for the development of adjoining land at the entrance of the LCDA Secretariat at Ibara into lock- up shop and offices.

The agreement provided for the completion of twenty-eight (28) units of lock-up shops and conference room for the use of the LCDA not later than 31<sup>st</sup> December. 2018. The contractor was to commence the payment of annual ground rent of ₦5,000.00 per shop after ten (10) years of completion of the project.

Audit verification visit made to the project site revealed that the project had remained at the stage reported in the last inspection report. No further work has been done on the project.

**Recommendation:** I wish to reiterate once again that your Local Government should invite the contractor for further discussion on the need to complete the project because he has violated the content of the agreement relating to the period of completion of the project. Please inform this Office of the action taken within two (2) weeks of the receipt of this report.

### **13. DEVELOPMENT OF PART OF KUTO MARKET BY BIMAT INTEGRATED VENTURES, (BUILT OPERATE AND TRANSFER)**

**Observation:** I wish to refer to paragraph 8 of the Inspection Report No. OGLG/ASWLCDA/I/22/2019 of 10<sup>th</sup> August, 2020 earlier issued to the defunct Abeokuta South West LCDA where it was reported that the defunct LCDA entered into an agreement with BIMAT Integrated Venture of 63, Olumegbon road, off western avenue Lagos to finance the construction of 200 units of lock up shops. The project is expected to commence with effect from 15<sup>th</sup> March, 2019 and completed on or before 15<sup>th</sup> March 2021. The terms of agreement provided for the payment of ground rent of ₦5,000 per unit of lock- up shop to the LCDA but receivable after ten (10) years of completion and commissioning of the project. The developer is expected to transfer the ownership of the property back to the LCDA after he must have recouped his cost of investment.

Audit verification visit made to the project site revealed that out of the 200 units of lock-up shops agreed, fifty five(55) lock- up shops had been completed, out of which 38 units has

been allocated while remaining seventeen(17) lock up shops were yet to be allocated. It may interest you to note that the terms of agreement provided for the commencement of payment of ground rent of N5,000.00 per lock-shop after the official commissioning of the project but now that the project is being completed in phases, it will be difficult for your Local Government to determine the exact date that the contractor will start to pay ground rent accruable to your Local Government.

**Recommendation:** The Local Government is advised to invite the contractor and re-emphasize the agreed date of 31<sup>st</sup> March 2021 for the completion of this project. The shops already allocated should be noted by both parties and other matters that were of importance should also be discussed. Please inform this office of the steps taken on this within two (2) weeks of the receipt of this report.

#### **14. LANDED PROPERTY OF THE LOCAL GOVERNMENT ACROSS THE MAJOR SETTLEMENTS IN THE LOCAL GOVERNMENT AREA.**

**Observation:** The audit exercise revealed that your Local Government has no comprehensive data of all its landed properties scattered across the length and breadth of the Local Government. Investigation conducted by this office revealed that some of the properties had been encroached upon by unauthorized person, while some were without title documents. For instance, the perimeter survey of the agricultural farmland at Akingbasa was yet to be carried out thereby exposing the landed property to encroachment.

Some of the landed property that requires title document and deed of ownership includes but not limited to the followings.

1. Land at Ibarapa Street, Adatan.
2. Land at Saje.
3. Land at Coker street.
4. Land within the staff quarters, Asero.
5. Land at the back of Asero Garage.
6. Land at Omida.
7. Land at Gbangba Market.
8. Land at Bola Ajibola Area Asero etc.

**Recommendation:** The Local Government is advised to prepare a comprehensive list of size and location of its landed property spread across the Local Government. Also, you are to obtain other relevant documents as prove of ownership, copies of which should be forwarded to this office for further necessary action.

## **15. CONSTRUCTION OF FIFTY (50) OPEN STALLS AT ASERO GARAGE**

**Observation:** It was observed that your Local Government sought for approval of the Ministry of Local Government and chieftaincy affairs to construct fifty (50) open stalls at Asero garage and the approval was conveyed via letter reference No. Cm/289/62 of 27<sup>th</sup> May, 2020 where a sum of ₦5,000,000.00 was approved for the project. Further audit scrutiny revealed that the Local Government at its F&GPC meeting of 22<sup>nd</sup> May, 2020 considered and approved an additional sum of ₦3,746,504.00 for the construction of the open stalls, all totalling ₦8,746,504.00 that was expended on the project. The sum of ₦8,746,504.00 was released to Mr. Ogungbemi O. Isaiah (Principal Technical Officer) vide P.V. No. 31/March, and 29/June, 2020.

Audit verification visit made to the project site revealed that the project has been completed and commissioned but yet to be allocated to interested applicants. Audit investigation revealed that the allocation of the stalls was delayed due to misunderstanding between members of National Union of Road Transport Workers and the Market Women.

**Recommendation:** The Local Government is advised to take appropriate steps towards allocating the Fifty (50) stalls without any further delay. The maintenance of the open stalls should also be given adequate attention.

## **16. SITUATION REPORT ON MEDICAL HEALTH DEPARTMENT**

**Observation:** It was observed that the medical facilities at some of your Primary Health Centre needed a very urgent attention. At the time of audit visit to the health centre at Oke-Ilewo, it was observed that the scanning machine which is one of the major source of revenue to your Local Government was not functioning. The machine was reported to have developed fault long time ago and no step seems to have been taken to repair it. Also, the ambulance of your Local Government was found to be faulty and it is currently parked within the premises of the Local Government Secretariat. The ambulance and the scanning machine are veritable source of revenue to your Local Government and should therefore be repaired and put back into use.

Some of your health centres also appeared to lack basic amenities such as water, electricity etc.

For instance, health centres at Oke-Ilewo, Fajol and Keesi were without electricity at the time of the audit visit.

**Recommendation:** The Local Government is advised to attend to these basic amenities at your health Centres so as to secure the facilities and also to encourage more patronage thereby increasing her internally generated revenue.

17. **VEHICLE TAKEN AWAY BY FORMER POLITICAL FUNCTIONARIES**

**Observation:** I wish to refer to paragraph 10 of year 2019 Audit Inspection Report and to re-emphasis that necessary action should be taken to recover the official vehicles taken away by the former political functionaries without following due process.

The details of the vehicles taken away by the political office holders are details below:

S/N	DESCRIPTION OF VEHICLES	NAME OF POLITICAL HOLDER	REMARKS
1	Toyota Corolla	Mrs Simisola H Onaji (Chairman)	Taken away from Defunct Abeokuta South East LCDA
2	Toyota Corolla	Hon. Taofeek Soremi (Vice Chairman)	-do-
3	Toyota Camry 2010 model	Hon. Olusola Ekundayo (Chairman)	Taken away from Abeokuta South Local Govt.(N616,000 outstanding)
4	Toyota Camry 2010 model	Hon. Suraju Abiodun(Vice Chairman)	Taken away from Abeokuta South Local Govt.(N200,000 outstanding)
5	Toyota Camry 2000 Model	Hon. Mukaila Awakan (Former Vice Chairman)	Taken away from Abeokuta South Local Government (No Payment made)
6	Toyota Camry 2010 model	Hon. Ranti Ogunmokun (SLG)	Taken away from Abeokuta South Local Govt.(No payment made)
7	Toyota Camry 2010 model	Hon. Tajudeen Adebayo Jimoh (Chairman)	Taken away from Defunct Abeokuta South West LCDA
8	Toyota Avalon	Hon. Afeez Sopeyin (Vice Chairman)	-do-
9	Mercedez benz	Mr Oluwanbe Oyedele (SLG)	-do-

**Recommendation:** The Local Government is advised to ensure that the above listed vehicles are retrieved from the former political office holders without any further delay.

## ABEOKUTA SOUTH LOCAL GOVERNMENT

ASLG/VOL.II/58/116

10<sup>th</sup> August, 2021

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

### **RE-AUDIT INSPECTION ON THE ACCOUNTS OF ABEOKUTA SOUTH LOCAL GOVERNMENT, AKE FOR THE PERIOD 1<sup>ST</sup> JANUARY 31<sup>ST</sup> TO DECEMBER, 2020**

With reference to your letter No. OGLG/ABS/1/VOL.III/350 of 24<sup>th</sup> May, 2021 on the above subject. The comments have been critically looked into and the following steps have been taken as itemized below:

#### **(1) DORMANT BANK BALANCES**

Various steps have been taken on the dormant bank balances as explained below:

- (i) ACCESSBANK PLC, OKE-ILEWO, ACCOUNT NUMBER: 131001000036050**  
**ACCESSBANK PLC, OKE-ILEWO, ACCOUNT NUMBER: 13100001000026001**

We visited the bank with the intention to close the two accounts. The bank observed the accounts were yet to be issued with the new 10 digits (NUBA) number and thus, things have to be sorted out with the headquarters before the closure. We are yet to receive further response from the bank.

- (ii) STANBIC IBTC OKE-ILEWO, ACCOUNT NUMBER: 9201593428**
- (iii) ZENITH ACCOUNT NUMBER: 10012202497**
- (iv) SKYE BANK ACCOUNT NUMBER: 1750016555**
- (iv) FIRST BANK ACCOUNT NUMBER: 2022262420**

We have made a move for the closure of the account but dishonored. The bank observed further that the registered signatories to the account were not the ones that signed the letter of closure and that was as a result of the signatories not traceable. The bank thus requested for the confirmatory letter from the Auditor-General for Local Government being the Supervisory Agency to support such claim of the Local Government.

#### **2. UNPRESENTED CHEQUES**

The wema bank cheque No. 0055246 amounting to ₦56,000.00 was issued to Mr. Nurudeen on order of the court and yet to be returned to the Local Government and if written back, it will require re-issuance of another cheque with another approval.

#### **3. BANK CHARGES NOT CAPTURED IN THE BANK RECONCILIATION STATEMENT**

The bank charges to the tune of ₦639,413.47 have been taken care of



#### 4. **DIRECT DEBIT**

We visited UBA bank to enquire on direct occurring since 2018. We were made to understand that it was as a result of the account being dormant and the amount being moved to suspense account by the bank. The bank is now requesting the Local Government to activate appropriately so as to credit the account back.

However, there was a misconception on the two figures referred to in the audit report as the sum of ₦233,549.27 and ₦223,368.25 represented two different transactions and not reversal of any such. The sum of ₦233,368.25 was meant for the salary of a staff while the sum of ₦223,549.27 was a reversal from November, 2020 salary and could not be treated as the same. Therefore, the sum of ₦9,818.98 did not arise.

#### 5. **REVENUE GENERATION**

The advice of the Auditor-General as appeared in the report is well taken and action to increase on our IGR has been a priority to the council but permits me to refer to:

1. The refusal of private (Nursery, Primary and Colleges to pay as a result of land use act from the State Government which they usually refer to as double taxation.
2. The low revenue performance on street naming and banker's house was as a result of lack of project vehicle in the Local Government. Efforts are in place for the provision of mobility in this regard.
3. The below 50% performance in revenue generated was due largely to the Covid-19 Pandemic disruption of the ceremony.

#### 6. **INDEBTEDNESS OF REVENUE CONTRACTORS**

It was discussed at F&GPC meeting and plan is on to communicate the HOLGA and the Treasurer of the defunct Abeokuta South West Local Council Development Area to provide the Local Government with necessary information about the contractor that would help in taking helpful decision.

#### 7. **AWARD OF CONTRACT FOR THE USE OF THE LOCAL GOVERNMENT POULTRY PEN**

This Local Government held discussion with the Lessee (Contractor) trying to work out agreement on how the pen would be re-roofed.

#### 8. **LAND PROPERTY**

It was discussed at a meeting in the Local Government to put up a fence made up of trees planting and to make a perimeter survey and to make other necessary documentations.

#### 9. **POULTRY ACTIVITIES OF LOCAL GOVERNMENT**

This was discussed at F&GPC and the Agricultural officer was called to brace up for future challenges.

#### 10. **SHUTTLE BUSES**

This was discussed at F&GPC meeting and the appropriate department has been given instructions to invite the contractor for recovery of the buses and money

**11 AWARD OF CONTRACT ON RENOVATION AND LEASE OF FIFTEEN (15) UNITS OF FLATS AT STAFF QUARTERS, ASERO**

The issue has been presented at F&GPC meetings for further deliberations and still ongoing while the department involved was asked to fix an appropriate time for a meeting.

**12 AWARD OF CONTRACT ON LEASE OF SIX (6) PLOTS OF LAND SITUATED WITHIN ASERO QUARTERS**

The discussion on this is still ongoing at F&GPC.

**13 AWARD OF CONTRACT FOR THE CONSTRUCTION OF OFFICE COMPLEX AT THE SECRETARIAT OF DEFUNCT ABEOKUTA SOUTH WEST LOCAL COUNCIL DEVELOPMENT AREA**

It was discussed at F&GPC meeting and all was of the view of inviting the contractors and others of like issues to a meeting with the management.

**14 DEVELOPMENT OF PART OF KUTO MARKET BY BIMAT INTEGRATED VENTURES (BUILT OPERATE AND TRANSFER)**

The F&GPC has directed the department involved to invite the contractors affected for further discussion.

**15 LANDED PROPERTY OF THE LOCAL GOVERNMENT ACROSS THE MAJOR SETTLEMENTS IN THE LOCAL GOVERNMENT AREA**

The action has been taken to ensure full possession of the land a instruction was given to the department involved by F&GPC

**16 CONSTRUCTION OF FIFTY (50) OPEN STALLS AT ASERO GARAGE**

The shops have been built and allocated to successful allottees.

**17 SITUATION REPORT ON MEDICAL AND HEALTH DEPARTMENT**

This has been taken note of as all other centres were to bring their request so it could be given the urgency needed, so action is ongoing.

**18 VEHICLE TAKEN AWAY BY FORMER POLITICAL FUNCTIONARIES**

Action is ongoing on this.

Thanks.

  
Owolabi B. A.  
Head of Local Government Administration  
For: Chairman