

**OGUN STATE GOVERNMENT, NIGERIA**

**STATUTORY REPORT**

**AND**

**DOMESTIC REPORT**

**OF THE**

**AUDITOR-GENERAL FOR LOCAL GOVERNMENTS**

**ON THE ACCOUNTS**

**OF**

**EWEKORO LOCAL GOVERNMENT**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2022**

## TABLE OF CONTENT

(1)	Table of Content	2
(2)	Acknowledgement	3
(3)	Audit Certificate	4
(4)	Statement of Opinion of the Auditor-General	5-6
(5)	Statutory Report	7-9
(6)	Responsibility Statement	10
(7)	Statement of Financial Position	11
(8)	Statement of Financial Performance	12
(9)	Statement of Changes in Net Assets/Equity	12
(10)	Cash Flow Statement	13
(11)	Accounting Policy	14-15
(12)	Notes to the Financial Statement	16-18
(13)	Audit Inspection Report	19-25
(14)	Management Letter	26-27

## 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.  
23<sup>rd</sup> 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 Ewekoro Local Government for the year ended 31<sup>st</sup> 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 31<sup>st</sup> December, 2022 subject to the observations in the inspection reports.

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

## **STATEMENT OF OPINION OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF EWEKORO LOCAL GOVERNMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2022**

The accounts of Ewekoro Local Government for the year ended 31<sup>st</sup> 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.

23<sup>rd</sup> June, 2023.

**STATUTORY REPORT OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS ON THE ACCOUNTS OF EWEKORO LOCAL GOVERNMENT, ITORI FOR THE YEAR ENDED 31<sup>ST</sup> 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 Ewekoro Local Government, Itori for the year ended 31<sup>st</sup> 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 although there were few errors in the ledger.

**(3) FINANCIAL REVIEW:**

<b>REVENUE</b>	<b>AMOUNTS(₦)</b>
Internally Generated Revenue	90,296,594.14
Statutory Allocation	1,890,468,747.78
Aids and Grants	<u>11,498,666.67</u>
<b>Total</b>	<b><u>1,992,264,008.59</u></b>
<b>EXPENDITURE</b>	
Overhead Expenses (including Depreciation & Loss on Disposal of Assets)	212,429,885.03
Salaries and Allowances	1,420,114,264.04
Pensions	392,273,644.90
Long Term Assets	<u>6,378,000.00</u>
<b>Total</b>	<b><u>2,031,195,793.97</u></b>

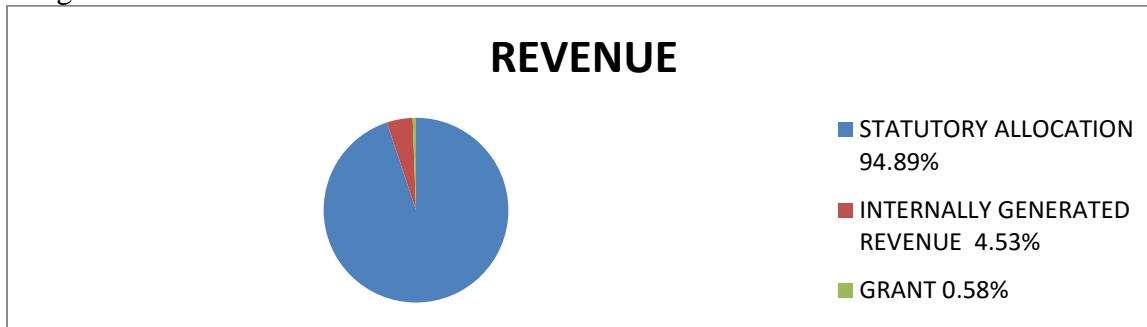
**(4) REVENUE PERFORMANCE:**

**(i) STATEMENT OF ACTUAL REVENUE**

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦106,995,000.00, a sum of ₦90,296,594.14 only was actually generated and representing 84.39% of the budget. This revenue performance is an improvement of 103.23% on the sum of ₦44,430,367.53 generated in year 2021. However, this is not a reflection of the revenue potential of the Local Government.

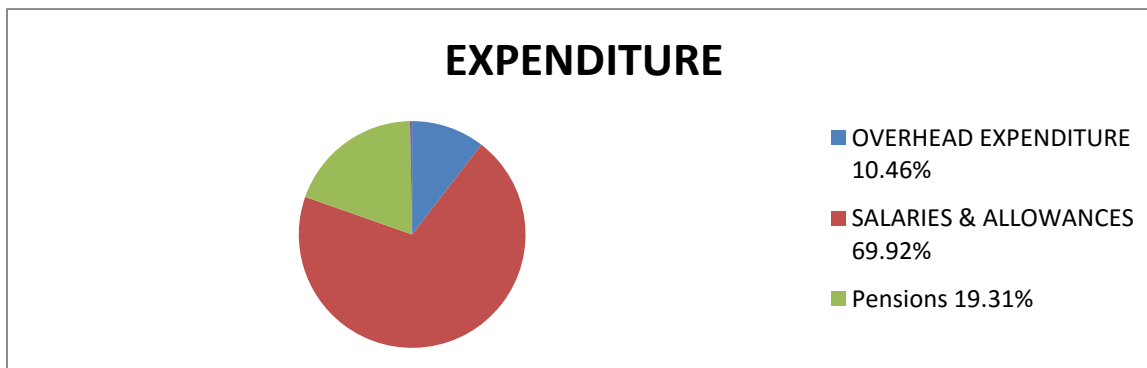
(ii) **PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE**

The Audit exercise revealed that out of the revenue of ₦1,992,264,008.59 realized by the Local Government during the year under review, a sum of ₦90,296,594.14 only was generated internally. This represented 4.53% of the total revenue while the sum of ₦1,890,468,747.78 statutory allocation and ₦11,498,666.67 aids and grant received from Ogun State Government represented 94.89% and 0.58% 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 ₦2,031,195,793.97. Out of this, a sum of ₦212,429,885.03 was expended on overhead which represented 10.46% of the total expenditure for the year. Also, a sum of ₦1,420,114,264.04 was expended on salaries and allowances which represented 69.92% of the expenditure for the year while ₦392,273,644.90 was paid to pensioners which represented 19.31% of the total expenditure. The sum of ₦6,378,000.00 was expended on long term assets and this represented 0.31% 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 31<sup>st</sup> December, 2022 was ₦232,608,071.56. The liabilities are highlighted below:

<b>S/NO</b>	<b>ITEMS</b>	<b>AMOUNTS(₦)</b>
1	Pension Fund	99,448,857.83
2	5% Withholding Tax	1,664,567.07
3	5% VAT	6,294,206.27
4	PAYE	63,369,140.51
5	Cooperative	6,870,529.64
6	Loan	15,750,000.00
7	Payables	28,889,371.25
8	Others	<u>10,321,398.99</u>
	<b>TOTAL</b>	<b><u>232,608,071.56</u></b>

It was observed that the amounts highlighted above had been deducted from various contracts and salaries of workers but not remitted to appropriate agencies. This is against the extant rules and financial regulations. Term loan was also not repaid for the year.

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

**ADVANCES**

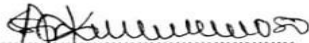
The sum of ₦24,949,671.11 highlighted in the Statement of Financial Position as the Advances was dormant during the year.

**EWEKORO LOCAL GOVERNMENT**

**RESPONSIBILITY FOR FINANCIAL STATEMENT**

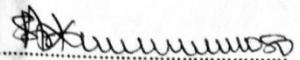
These financial statements have been prepared by me in accordance with the provisions of Finance (Control and Management) Act Cap 144 LFN 1990 as amended. The financial statements comply with Generally Accepted Accounting Practice.

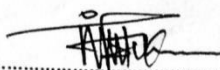
The Treasurer is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly record the use of all public financial resources by the Local Government. To the best of my knowledge, this system of internal control has operated adequately through the reporting period.

  
.....  
**Hadjia Al-Hassan Ewuoso A. K**  
*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 Ewekoro Local Government as at 31<sup>st</sup> December, 2022 and its operations for the year ended on the date.

  
.....  
**Hadjia Al-Hassan Ewuoso A. K**  
*Treasurer*  
Date..... 31<sup>st</sup> Dec 2023

  
.....  
**Hon. Adesina Sikiru**  
*Chairman*  
Date..... 2-3-2023

**EWEKORO LOCAL GOVERNMENT  
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2022**

	NOTES	2022	2021
<b>CURRENT ASSET</b>		₦	₦
CASH & CASH EQUIVALENTS	10	-33,655,991.30	-36,197,403.26
INVENTORIES		3,320,062.56	3,888,149.00
RECEIVABLES		1,020,000.00	669,000.00
PREPAYMENT			
ADVANCE		24,949,671.11	24,949,671.11
<b>TOTAL CURRENT ASSET (A)</b>		<b>-4,366,257.63</b>	<b>-6,690,583.15</b>
<b>NON CURRENT ASSET</b>			
PROPERTY PLANT & EQUIPMENT	8	263,460,175.00	269,151,930.00
INVESTMENT PROPERTY	9	188,561,740.00	191,911,200.00
BIOLOGICAL ASSET			
INVESTMENT			
LOAN GRANTED			
<b>TOTAL NON CURRENT ASSET (B)</b>		<b>452,021,915.00</b>	<b>461,063,130.00</b>
<b>TOTAL ASSET (C=A+B)</b>		<b>447,655,657.37</b>	<b>454,372,546.85</b>
<b>CURRENT LIABILITY</b>			
DEPOSIT			
LOAN & DEBT		15,750,000.00	15,750,000.00
UNREMITTED DEDUCTIONS	11	187,968,700.31	178,167,775.66
ACCRUED EXPENSES, PAYABLES		28,889,371.25	12,929,600.00
DEFERRED INCOME			
CURRENT PORTION OF BORROWING			
<b>TOTAL CURRENT LIABILITY (D)</b>		<b>232,608,071.56</b>	<b>206,847,375.66</b>
<b>NON CURRENT LIABILITY</b>			
PUBLIC FUND		2,352,515.00	2,352,515.00
BORROWING			
<b>TOTAL NON CURRENT LIABILITY (E)</b>		<b>2,352,515.00</b>	<b>2,352,515.00</b>
<b>TOTAL LIABILITY (F=D+E)</b>		<b>234,960,586.56</b>	<b>209,199,890.66</b>
<b>NET ASSETS (G= C-F)</b>		<b>212,695,070.81</b>	<b>245,172,656.19</b>
<b>NET ASSET/EQUITY</b>			
RESERVE			
<b>ACCUMULATED SURPLUS/ DEFICIT</b>		<b>212,695,070.81</b>	<b>245,172,656.19</b>
<b>TOTAL NET ASSET/EQUITY</b>		<b>212,695,070.81</b>	<b>245,172,656.19</b>

**EWEKORO LOCAL GOVERNMENT**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2022**

	NOTES	2022	2021
<b>REVENUE</b>		KSh	KSh
STATUTORY ALLOCATION	1	1,890,468,747.78	1,519,491,092.93
NON TAX REVENUE	2	88,973,983.52	43,485,174.21
INVESTMENT INCOME			
INTEREST EARNED			
GAIN/LOSS ON DISPOSAL ON ASSET			
AIDS & GRANTS	3	11,498,666.67	15,700,000.00
OTHER REVENUE		1,322,610.62	945,193.32
<b>TOTAL REVENUE (A)</b>		<b>1,992,264,008.59</b>	<b>1,579,621,460.46</b>
<b>EXPENDITURE</b>			
SALARIES & WAGES	4	1,420,114,264.04	1,127,318,695.22
NON- REGULAR ALLOWANCE	5		
SOCIAL BENEFIT	6	392,273,644.90	408,845,838.99
OVERHEAD COST	7	192,484,470.03	88,239,737.77
SUBVENTION TO PARASTALS		1,450,000.00	1,200,000.00
DEPRECIATION	8 & 9	18,495,415.00	16,869,655.00
GAIN/LOSS ON DISPOSAL ON ASSET			
<b>TOTAL EXPENDITURE (B)</b>		<b>2,024,817,793.97</b>	<b>1,642,473,926.98</b>
<b>SURPLUS / DEFICIT (C=A-B)</b>		<b>-32,553,785.38</b>	<b>-62,852,466.52</b>

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

	KSh
<b>Balance 1/1/2021</b>	<b>308,025,122.71</b>
Prior Year Adjustment	
<b>Adjusted Balance</b>	<b>308,025,122.71</b>
Surplus/ (deficit) for the year	-62,852,466.52
<b>Balance 31/12/2021</b>	<b>245,172,656.19</b>
Prior Year Adjustment	76,200.00
<b>Adjusted Balance</b>	<b>245,248,856.19</b>
Surplus/ (deficit) for the year	-32,553,785.38
<b>Balance at 31 December 2022</b>	<b>212,695,070.81</b>

**EWEKORO LOCAL GOVERNMENT**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2022**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2022</b>	<b>2021</b>
<b>INFLOWS</b>	<b>₦</b>	<b>₦</b>
STATUTORY ALLOCATION	1,890,468,747.78	1,521,491,092.93
LICENCES, FINES, ROYALTIES, FEES ETC	64,652,550.00	34,014,657.21
EARNINGS & SALES	16,795,933.52	6,637,917.00
RENT OF GOVERNMENT PROPERTIES	7,174,500.00	4,665,100.00
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL		
DOMESTIC AIDS & GRANTS	8,498,666.67	15,700,000.00
OTHER REVENUE	1,322,610.62	848,443.86
<b>TOTAL INFLOW FROM OPERATING ACTIVITIES (A)</b>	<b>1,988,913,008.59</b>	<b>1,583,357,211.00</b>
<b>OUTFLOW</b>		
PERSONNEL EMOLUMENTS	1,420,114,264.04	1,127,318,695.22
SOCIAL BENEFIT	392,273,644.90	408,845,838.99
OVERHEADS	175,956,612.34	83,579,268.47
SUBVENTION TO PARASTATALS	1,450,000.00	1,200,000.00
INTEREST PAYMENT		
<b>TOTAL OUTFLOW FROM OPERATING ACTIVITIES (B)</b>	<b>1,989,794,521.28</b>	<b>1,620,943,802.68</b>
<b>NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=(A)-(B)</b>	<b>-881,512.69</b>	<b>-37,586,591.68</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
PURCHASE/ CONSTRUCTION OF ASSETS	6,378,000.00	9,561,000.00
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE		52,409.49
PROCEED FROM SALE OF ASSETS		
DEFERRED INCOME		
DIVIDEND RECEIVED		
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-6,378,000.00</b>	<b>-9,508,590.51</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
DEPOSIT/ UNREMITTED DEDUCTIONS	9,800,924.65	45,910,486.63
PUBLIC FUND		
PROCEEDS FROM DOMESTIC LOANS & OTHER		
<b>NET CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>9,800,924.65</b>	<b>45,910,486.63</b>
<b>NET CASH FLOW FROM ALL ACTIVITIES</b>	<b>2,541,411.96</b>	<b>-1,184,695.56</b>
<b>CASH &amp; ITS EQUIVALENT AS AT 1/1/2022</b>	<b>-36,197,403.26</b>	<b>-35,012,707.70</b>
<b>CASH &amp; ITS EQUIVALENT AS AT 31/12/2022</b>	<b>-33,655,991.30</b>	<b>-36,197,403.26</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</li> </ul>

	<p>value of ₦100.00</p> <p>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.</p>
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> <p>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.</p> <p>b) These amounts are stated as Current Liabilities in the Statement of Financial Position.</p>
13	<p><b>Payable/Accrued Expenses</b></p> <p>a) These are monies payable to third parties in respect of goods and services received</p> <p>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.</p>
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, 2022**

**1. SHARE OF STATUTORY ALLOCATION FROM JAAC**

	JANUARY	134,718,438.00
	FEBRUARY	
	MARCH	134,944,628.09
	APRIL	277,193,863.11
	MAY	
	JUNE	135,907,619.02
	JULY	130,628,873.43
	AUGUST	160,608,136.27
	SEPTEMBER	153,933,077.68
	OCTOBER	145,518,913.92
	NOVEMBER	459,711,980.98
	DECEMBER	157,303,217.28
	<b>TOTAL</b>	<b>1,890,468,747.78</b>

**2 NON-TAX REVENUE**

	LICENCES	7,246,300.00
	FEES	56,271,750.00
	FINES	1,134,500.00
	EARNINGS	14,628,129.52
	RENT OF GOVERNMENT PROPERTIES	7,174,500.00
	SALES	2,518,804.00
	<b>TOTAL</b>	<b>88,973,983.52</b>

**3 AIDS & GRANTS**

	OGUN STATE GOVERNMENT	11,498,666.67
	NON GOVERNMENT ORGANISATION	0.00
	<b>TOTAL</b>	<b>11,498,666.67</b>

**4 SALARIES & WAGES**

	LOCAL GOVERNMENT STAFF	451,535,137.38
	PRIMARY SCHOOL TEACHERS	751,529,847.36
	TRADITIONAL COUNCIL	153,860,533.26
	POLITICAL FUNCTIONARIES	63,188,746.04
	<b>TOTAL</b>	<b>1,420,114,264.04</b>

**5 NON- REGULAR ALLOWANCE**

	LEAVE BONUS	-
	<b>TOTAL</b>	



**6 SOCIAL BENEFIT**

	GRATUITY	-
	PENSION	392,273,644.90
	<b>TOTAL</b>	<b>392,273,644.90</b>

**7 OVERHEAD COST BY DEPARTMENT**

	CHAIRMAN & COUNCIL	42,956,000.00
	HOLGA	650,000.00
	INTERNAL AUDIT	368,000.00
	ADMINISTRATIVE	55,200,739.60
	FINANCE	24,804,243.99
	INFORMATION	9,685,000.00
	P H C	15,866,286.44
	AGRIC	150,000.00
	WORKS	20,039,200.00
	PLANNING	3,351,000.00
	WES	7,465,000.00
	COMMUNITY	11,949,000.00
	<b>TOTAL</b>	<b>192,484,470.03</b>

**10 CASH & CASH EQUIVALENTS**

	CASH AT HAND	11,251.84
	CASH IN BANKS	- 33,667,243.14
	<b>TOTAL</b>	<b>- 33,655,991.30</b>

**11 UNREMITTED DEDUCTIONS**

1	PENSION	99,448,857.83
2	5% VAT	6,294,206.27
3	5% WHT	1,664,567.07
4	PAYEE	63,369,140.51
5	MAHWUN	1,318,762.63
6	COOPERATIVE	6,870,529.64
7	NULGE	2,485,733.87
8	OTHERS	6,516,902.49
	<b>Total</b>	<b>187,968,700.31</b>

NOTE 8

EWEKORO 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	249,440,000.00	3,634,200.00	17,410,000.00	20,525,000.00	270,000.00	2,166,000.00	14,566,550.00	308,011,750.00
ADDITIONAL DURING THE YEAR				7,000,000.00		900,000.00	735,000.00	8,635,000.00
LEGACY								0.00
DISPOSAL DURING THE YEAR								-
BAL. C/F	249,440,000.00	3,634,200.00	17,410,000.00	27,525,000.00	270,000.00	3,066,000.00	15,301,550.00	316,646,750.00
ACCUMULATED DEPRECIATION								
BAL. AS AT 01/01/2022	14,966,400.00		5,224,500.00	12,315,000.00	244,900.00	1,190,200.00	4,842,620.00	38,783,620.00
ADDITIONAL DURING THE YEAR	4,988,800.00		1,741,000.00	5,505,000.00	24,900.00	613,100.00	1,530,155.00	14,402,955.00
DISPOSAL DURING THE YEAR								
BAL. C/F	19,955,200.00	-	6,965,500.00	17,820,000.00	269,800.00	1,803,300.00	6,372,775.00	53,186,575.00
AS AT 31/12/2022	229,484,800.00	3,634,200.00	10,444,500.00	9,705,000.00	200.00	1,262,700.00	8,928,775.00	263,460,175.00
AS AT 31/12/2021	234,473,600.00	3,634,200.00	12,185,500.00	8,210,000.00	25,100.00	975,800.00	9,723,930.00	269,228,130.00

NOTE 9

EWEKORO LOCAL GOVERNMENT

INVESTMENT PROPERTY	LAND & BUILDING 2%	LAND	TOTAL
BAL AS AT 01/01/2022	203,880,000.00		203,880,000.00
ADDITIONAL DURING THE YEAR	743,000.00		743,000.00
LEGACY			0.00
DISPOSAL DURING THE YEAR			-
BAL. C/F	204,623,000.00	-	204,623,000.00
ACCUMULATED DEPRECIATION			
BAL. AS AT 01/01/2022	11,968,800.00		11,968,800.00
ADDITIONAL DURING THE YEAR	4,092,460.00	-	4,092,460.00
DISPOSAL DURING THE YEAR			
BAL. C/F	16,061,260.00	-	16,061,260.00
AS AT 31/12/2022	188,561,740.00	-	188,561,740.00
AS AT 31/12/2021	191,911,200.00	-	191,911,200.00

**The Executive Chairman,**  
Ewekoro Local Government,  
Itori.

**AUDIT INSPECTION REPORT ON THE ACCOUNTS OF EWEKORO LOCAL  
GOVERNMENT, ITORI FOR THE YEAR ENDED 31<sup>st</sup> 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 respect of the points raised.

**2. AUDIT QUERY**

Audit Query stated below had earlier been forwarded to you for necessary action as required by law.

S/N	Query Number	Subject	Amount(₦)
1	OGLG/AQ/EWK/202/2022	Doubtful Expenditure	120,000.00

**3. DORMANT BANK ACCOUNTS**

**Observation:** I wish to refer to paragraph 5 of the previous inspection report of 11<sup>th</sup> May, 2022 and to observe with dismay that your Local Government is yet to heed to my advice on the need to take necessary action on your fourteen (14) bank accounts that had remained dormant for several years. In the previous reports, you were advised to either reactivate or close such dormant accounts and transfer the balances therein into functioning banks.

The attention of the Treasurer, Mrs. Alhazzan Ewuoso was drawn to the previous report and she informed the Audit team that appropriate action had commenced on the issue.

**Recommendation:** Please ensure that this is done without any further delay.

**4. LOCAL GOVERNMENT LANDED PROPERTY**

**Observation:** It was reported in paragraph 6 of the previous inspection report of 11<sup>th</sup> May, 2022 that two (2) acres of land belonging to your Local Government situated beside Total Filling Station, Itori was leased to lord's Mint Technology Nigeria Limited, Old Abeokuta road, Itori, Ogun State. The company is co-owned by Engineer Nathaniel

Adewole Sodipo and Mrs. Maria Bolanle Sodipo. A cursory look at the deed of agreement revealed that both parties agreed that the lessee shall pay ₦5,000,000.00 upfront to cover a period of ninety nine (99) years commencing from 22<sup>nd</sup> June, 2020 to 21<sup>st</sup> June, 2119 and the lessee are expected to pay a yearly sum of ₦50,000.00 as ground rent for the two (2) acres of land.

Further audit investigation and available records revealed that the lessee had paid the agreed sum of ₦5,000,000.00 vide RV No 61 of 19<sup>th</sup> June, 2020 and had also paid a sum of ₦500,000.00 upfront as ground rent for a period of ten (10) years vide RVs No.43 of 14<sup>th</sup> August, 2020.

In the light of the above, this Office is of the opinion that the deed of agreement signed with Mr & Mrs. Sodipo appears not to be in the best interest of your Local Government because the amount appear too low, and not in tune with current economic realities, considering the strategic location of the land which is very close to the major road that linked the state capital. The location of the land will definitely make the value of the land to appreciate astronomically on yearly basis.

**Recommendation:** I wish to emphatically state that the period of ninety-nine (99) years being the duration of the agreement appear to be an outright sale of the Local Government landed property and should therefore be reviewed downwards to about twenty (20) years in the interest of your Local Government.

## **5. INDEBTEDNESS OF REVENUE CONTRACTORS**

**Observation:** It was reported in paragraph 7 of the previous inspection report No OGLG/EWK/1/Vol.III/449 of 11<sup>th</sup> May, 2022 that receivables from revenue contractors was Two Million, Four Hundred and Fifty-Three Thousand, Five Hundred Naira (₦2,453,500.00) only.

The recent audit exercise revealed that a sum of ₦1,393,500.00 was recovered during the year under reference thus leaving a balance of One Million and Sixty Thousand Naira (₦1,060,000.00) only yet to be recovered.

**Recommendation:** Please ensure that all the indebtedness of the revenue contractors are recovered without further delay.

## **6. NAMING OF STREETS**

**Observation:** I wish to draw your attention to paragraph 7 of the last inspection report of 31<sup>st</sup> October, 2022 where it was reported that some of the street owners within your Local Government were owing a sum of ₦550,000.00 naira only. During the recent audit exercise, the issue was discussed with the officer in charge (Mr Seye Akinwunmi) who informed the Audit team that demand notices have been served to the affected street owners on the need to pay their outstanding fees and this has been yielding positive results. He added that a vehicle had been repaired to strictly monitor the exercise.

Available records also revealed that a sum of Two Hundred and Sixty Thousand Naira (₦260,000.00) only had been recovered as at 31<sup>st</sup> December, 2022, thus leaving a balance of ₦290,000.00 yet to be recovered.

**Recommendation:** Please intensify efforts towards recovering the outstanding debts.

## **7. DORMANT PERSONAL ADVANCES**

**Observation:** It is worrisome to note that the sum of Twenty-Four Million, Nine Hundred and Forty-Nine Thousand, Six Hundred and Seventy-One Naira, Eleven Kobo (₦24,949,671.11) which represented the outstanding balances of personal advances granted to members of Staff of your Local Government several years ago has continue to remain dormant in spite of my advice in previous inspection reports. The stagnancy of the personal advances is an indication that your Local Government did not comply with the provisions of Chapter 16:12 of the Model Financial Memoranda which states that personal advances must be paid on regular monthly instalments, deducted at source from monthly salaries and allowances of the beneficiaries.

The Local Government has equally failed to heed the advice of this Office to take advantage of the central salary payment platform domiciles at the Local Government Service Commission to effect the deductions of these long overdue dormant advances.

**Recommendation:** I wish to reiterate as earlier advised that a letter should be written to each debtor as a reminder, informing them on the need to pay the loan immediately. Also, for those that have retired, the list of all the debtors should be forwarded to Bureau

of Local Government Pensions on monthly basis to recover the outstanding advances from the retired staff.

**8. CONSTRUCTION OF 84 LOCK UP SHOPS AND 40 OPEN STALLS AT ARIGBAJO MARKET ON BUILD, OPERATE AND TRANSFER (BOT) ARRANGEMENT**

**Observation:** I wish to refer to paragraph 9 of the last inspection report of 31<sup>st</sup> October, 2022 where it was reported that your Local Government on 12<sup>th</sup> July, 2021 entered into a contractual agreement with MELVAT International Construction Company Nigeria Limited situated at Cele Express International Ultra-Modern Market, Cele Bus stop, Okota Road, Lagos State. The contract was for the contractor to construct eighty four (84) lock-up shops and forty (40) open stalls at Arigbajo market at a cost of ₦68,294,259.19 on Build, Operate and Transfer (BOT) basis. The developer is expected to complete the project within a period of twelve (12) months. The two parties also agreed that after the completion of the projects, the developer shall manage the property for a period of twenty-five (25) years after which the ownership of the property shall be reverted back to your Local Government.

Audit verification visit made to site in February, 2023 revealed that sixty-five (65) lock up shops had been completed remaining nineteen (19) lock-up shops yet to be done. But work had been completed on all the seventy-two (72) open stalls.

**Recommendation:** I wish to advise your Local Government to invite the contractor and re-emphasize the agreed date of 12<sup>th</sup> July, 2022 for the completion of this project. It was observed that fifty (50) lock-up shops and fifty (50) open stalls had already been allocated. This should be noted by both parties. Any other matters that are of importance should also be discussed with the developer. Please, inform this office of the steps taken on this within two (2) weeks of the receipt of this report.

**9. CONSTRUCTION OF 17 LOCK UP SHOPS AT THE BACK OF THE FENCE OF OBADA HEALTH CENTER ON BUILD, OPERATE AND TRANSFER (BOT) ARRANGEMENT.**

**Observation:** It was observed that the Finance and General Purposes Committee (F&GPC) of the Local Government at its meeting of 26<sup>th</sup> January, 2022 approved the award of contract to Dinkay Creations of No 105 Vaughan Street, Adedotun, Abeokuta, Ogun State. The agreement was signed on 10<sup>th</sup> March, 2022 for the construction of seventeen (17) lock-up shops at the back of the fence of Obada health centre on Build, Operate and Transfer (BOT) arrangement at a cost of Twenty Three Million, Four Hundred and Ninety Thousand, Nine Hundred and Ten Naira, Seventy Five Kobo (₦23,490,910.75) only.

A cursory look at the deed of agreement revealed that, the developer shall pay a sum of ₦500,000.00 as premium into the coffers of the Local Government and that he is expected to complete the project within a period of Twelve (12) months. In the agreement, the developer is to use the lock up shops or property for a period of fifty (50) years commencing from the date of completion of the project after which the ownership of the property shall be reverted to the Local Government.

Similarly, in paragraph 6 of the deed of agreement, it was agreed that after the sales or purchase of the shops, each allottee shall remit into the Local Government coffers, appropriate tenement rates and other trade licenses on yearly basis from the date of the purchase of the shops.

Audit verification visit made to the site in February, 2023 revealed that all the seventeen (17) lock-up shops had been completed out of which fourteen (14) lock-up shops have been occupied by prospective buyers thus leaving only three (3) lock-up shops yet to be occupied.

The location of the lock-up shops which is very close to the Main Road, makes it so attractive to prospective buyers and it's also a pointer to the fact that the place where the lock-up shops are located possessed high economic value.

It is therefore the opinion of this Office that the period of fifty (50) years agreed upon by both parties for the developer to recoup his money appears to be too long and is

not in tune with current economic realities. This agreement appears to be an outright sale of the landed property which is not in the best interest of your Local Government.

**Recommendation:** I therefore wish to advise that the contract period of 50 years be reviewed downwards to about twenty-five (25) years that would reflect the current economic realities. Please inform this Office of the steps taken within two (2) weeks of the receipt of this report.

**10. RE-CONSTRUCTION AND SINKING OF MOTORISED BOREHOLE AT ABALABI HEALTH CENTRE**

**Observation:** In August, 2022 the Ministry of Local Government and Chieftaincy Affairs granted your Local Government the approval to incur a sum of ₦7,625,000.00 on the renovation and sinking of borehole at Abalabi health centre.

Further Audit scrutiny revealed that the Finance and General Purposes Committee (F&GPC) at its meeting of 19<sup>th</sup> September, 2022 approved an additional sum of ₦1,400,000.00 being the variation cost on the project thus increasing the total cost of the project to the sum of ₦9,025,000.00.

A sum of ₦8,090,000.00 had so far been released to Engineer Oladapo Oladeinde (Director of Works and Housing) vide PV Nos. 35&36/August, 6/September and 12/October, 2022 thus leaving an outstanding of ₦935,000.00 yet to be released to the project officer.

Audit verification visit made to site revealed that the project had been completed but the project officer failed to attach the relevant official printed receipt to the payment vouchers thereby contravening the provisions of Chapter 14:17 of the Model Financial Memoranda for Local Governments.

**Recommendation:** In future officials of your Local Government should ensure that necessary accounting documents are attached to payment vouchers. This would be evidence that the money release had been judiciously expended.



## **11. DOUBTFULL EXPENDITURE**

**Observation:** It was observed that a sum of One Hundred and Twenty Thousand Naira (₦120,000.00) only was approved and released vide PV No. 56/October, 2022 to Idowu Abiola. O (Community Development Officer) to provide refreshment at the meeting which the Executive Chairman held with the Kabiesi's, Baales, Chiefs and Divisional Police Officer in October, 2022.

Audit examination of the payment vouchers revealed that it was not supported with relevant official receipts in line with the provisions of Chapter 14:17 of Model Financial Memoranda for Local Governments. More so, Mr. Idowu Abiola could not produce on demand, the minutes of the meeting purportedly held to further confirm this expenditure.

**Recommendation:** The officer is advised to always attach relevant accounting document to support expenditure.

## **12. REVENUE COLLECTOR NOT CHECKED**

**Observation:** I wish to inform you that one revenue collector (Mrs. Obisesan A. A, PCHEW, GL 12) of Mechanic Village health centre was reported sick and was unable to present the revenue earning receipts in her possession for Audit check.

Details of the revenue earning receipts books in her custody are stated below:

General Revenue Receipt (GRR): 021421-021450 and 021465-021500  
Maternity Receipt: 12301-12350.

**Recommendation:** The Treasurer is advised to recover the receipt books from her as soon as she gets better.

The Auditor General for Local Governments,  
Office of Auditor General for Local Governments,  
Parastatals Building, Block 'B',  
Oke-Mosan,  
Abeokuta.

**RE- AUDIT INSPECTION REPORT ON THE ACCOUNT OF EWEKORO LOCAL GOVERNMENT FOR  
THE PERIOD OF 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER, 2022**

I wish to refer you to the above subject matter vide OGLG/EWK/1/VOL.111/478 dated 18<sup>th</sup> April, 2023 and to respond to the observation raised as follows:

- (i) **DESTRUCTION OF EXHAUSTED RECEIPTS**  
The Finances and Supplies Department will inform the management on the need to destroy the exhausted receipt, and as soon as the F&GPC approval is given, your office shall be duly informed for further necessary action.
- (ii) **AUDIT QUERIES**  
The audit queries have been dispatched to the concerned officers and acknowledged by them. We believe necessary steps shall be taken by them to do the needful on time.
- (iii) **DORMANT BANK ACCOUNT**  
On the issue of dormant bank accounts, letters had been written last year to all the affected banks. Responses from the banks have not been received for further necessary action to be taken. Another reminder letter shall be sent to the banks since they have failed to give response.
- (iv) **INDEBTEDNESS OF REVENUE CONTRACTORS**  
The revenue contractors have been invited and well informed to quickly take necessary steps on how to pay their debts to the coffers of the Local Government without any delay. They were informed that legal action shall be taken against them for holding Local Government monies illegally.
- (v) **DORMANT PERSONAL ADVANCES**  
Action has been taken to locate the new Local Governments that the members of staff who are indebted to this Local Government were transferred to. Letters shall be written to the management of those Local Governments and the IPPMS as well to help us deduct the advances from source.
- (vi) **DOUBTFUL EXPENDITURE**  
On the issue of doubtful expenses, all the concerned officers have been informed for necessary action without delay.

**(vii) REVENUE COLLECTOR NOT CHECKED**

On the issue of revenue collector not checked, Mrs. Obisesan A.A. PCHEW attention of Director of Primary and Health Care Department has been drawn to it to help us withdraw the receipt booklet in her care without delay.

**(viii) LOCAL GOVERNMENT LANDED PROPERTY**

Please be informed that the process which brought about the leasehold was done during the previous administration. However, a letter has been written to the concerned Company in tandem with your directive and we are still awaiting their response.

**(ix) NAMING OF STREET**

Work is ongoing to ensure payment of outstanding Street Naming renewal fees by defaulters.

**(x) CONSTRUCTION OF 84 LOCK-UP SHOPS AND 40 OPEN STALLS AT ARIGBAJO MARKET ON BUILD, OPERATE AND TRANSFER ARRANGEMENT**

We wish to inform you that the construction is nearing completion. Meetings had been held with the developer and all challenges causing the delay has been addressed by the Local Government. The developer has assured us that the project will be completed and handed over to the Local Government before the end of June, 2023.

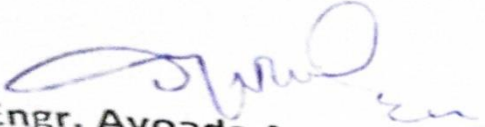
**(xi) CONSTRUCTION OF 17 LOCK-UP SHOPS AT THE BACK OF THE FENCE OF OBADA HEALTH CENTRE ON BUILD, OPERATE AND TRANSFER**

The Local Government had written to the developer informing him of the reduction in number of years of lease from 50 years to 25 years, based on your directive.

Above for your information and further necessary action.

Please accept our highest regards.

Thank you.

  
Engr. Ayoade Anthony A.  
Head of Local Government Administration.,