

**OGUN STATE GOVERNMENT, NIGERIA**

**STATUTORY REPORT**

**AND**

**DOMESTIC REPORT**

**OF THE**

**AUDITOR-GENERAL FOR LOCAL GOVERNMENTS**

**ON THE ACCOUNTS**

**OF**

**I/O 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 Ifo 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 IFO  
LOCAL GOVERNMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2020**

The accounts of Ifo 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 IFO LOCAL GOVERNMENT, IFO 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 Ifo Local Government, Ifo 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**

There was improvement in record keeping and account preparation.

**(3) FINANCIAL REVIEW:**

<b>REVENUE</b>	<b>AMOUNTS(₦)</b>
Internally Generated Revenue	83,111,936.16
Statutory Allocation	2,377,238,979.88
Aids and Grants	<u>10,500,000.00</u>
<b>Total</b>	<b><u>470,850,916.04</u></b>
<b>EXPENDITURE</b>	
Overhead Expenses	146,383,501.45
Salaries and Allowances	1,601,352,636.27
Pension	795,821,294.27
Long Term Assets	<u>3,851,000.00</u>
<b>Total</b>	<b><u>2,547,408,431.99</u></b>

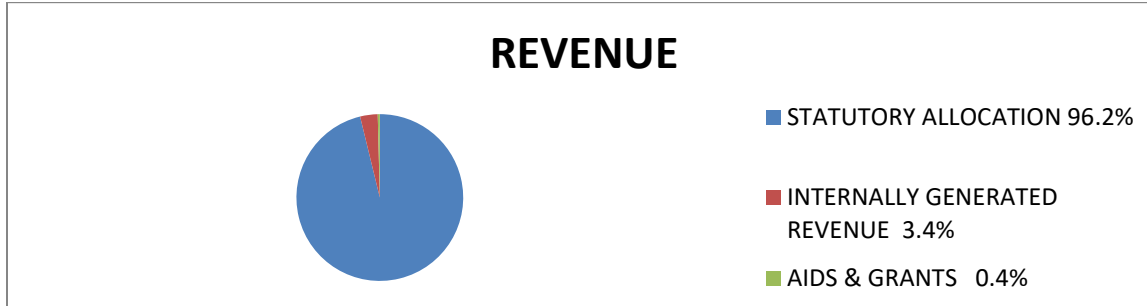
**(4) REVENUE PERFORMANCE:**

**(i) STATEMENT OF ACTUAL REVENUE**

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦131,310,000.00 a sum of ₦83,111,936.16 only was actually generated internally representing 40.4% of the budget. This represents a rise of 26.9% when compared with the sum of ₦65,503,340.00 generated in year 2019.

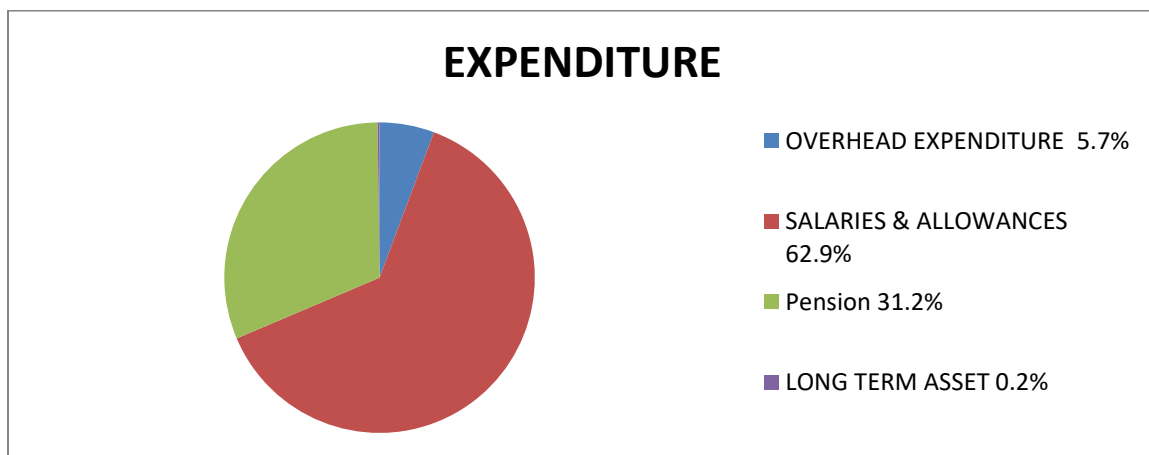
(ii) **PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE**

The Audit exercise revealed that out of the revenue of ₦2,470,850,916.04 realized by the Local Government during the year under review, a sum of ₦83,111,936.16 only was generated internally. This represented 3.4% of the total revenue while the sum of ₦2,377,238,979.88 statutory allocation and ₦10,500,000.00 aids and grant received from the State Joint Account Allocation Committee represented 96.2% 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 ₦2,547,408,431.99. Out of this, a sum of ₦146,383,501.45 was expended on overhead which represented 5.7% of the total expenditure for the year. Also, a sum of ₦1,601,352,636.27 was expended on salaries and allowances which represented 62.9% of the expenditure for the year while ₦795,821,294.27 was expended on pensions to retirees and this represented 31.2% while the sum of ₦3,851,000.00 was expended on long term assets which represented 0.2% of the 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 ₦185,182,308.23. The liabilities are highlighted below:

<b>S/NO</b>	<b>ITEMS</b>	<b>AMOUNTS(₦)</b>
1	Pension Fund	25,861,116.36
2	5% Development Levy	12,182,187.80
3	5% VAT	6,301,844.41
4	PAYE	117,556,922.52
5	Payables	20,530,387.65
6	Others	<u>2,749,849.49</u>
	<b>TOTAL</b>	<b><u>185,182,308.23</u></b>

It was observed that the amounts highlighted above had been deducted from various contracts, salaries and allowances of workers but not remitted to appropriate agencies. It also included amounts payable on goods and services enjoyed.

**(7) ADVANCES**

The sum of ₦2,354,962.54 highlighted in the Statement of Financial Position as the Advances was dormant during the year.

**(8) INVESTMENT ACCOUNT BALANCE**

The sum of ₦419,200.00 stated as investment balance in the statement of financial position could not be substantiated because the share certificate was not produced for Audit scrutiny and no evidence of the beneficial ownership such as dividend was presented on demand.

**IFO 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.

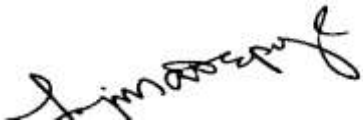
The Treasurer is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly record the use of all public financial resources by the Local Government. To the best of my knowledge,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



Mr. Toyin E. Adepoju  
Treasurer

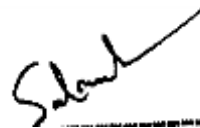
We accept responsibility for the integrity of these financial statements, the information they contain and their compliance with the Finance (Control and Management) Act Cap 144 LFN 1990 as amended.

In our opinion, these financial statements fairly reflect the financial position of Ifo Local Government as at 31<sup>st</sup> December, 2020 and its operations for the year ended on the date.



Mr. Toyin E. Adepoju  
Treasurer

Date: 



Hon. Folahanmi Salami  
Chairman

Date: 

**IFO LOCAL GOVERNMENT**  
**STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2020**

	NOTES	2020	2019
<b>CURRENT ASSET</b>		₪	₪
CASH & CASH EQUIVALENTS	8	2,575,606.52	28,172,057.90
INVENTORIES		7,287,342.28	7,713,441.00
RECEIVABLES		32,873,630.00	14,381,300.00
PREPAYMENT			
ADVANCE		2,354,962.54	2,606,761.76
<b>TOTAL CURRENT ASSET (A)</b>		<b><u>45,091,541.34</u></b>	<b><u>52,873,560.66</u></b>
<b>NO- CURRENT ASSET</b>	-		
PROPERTY PLANT & EQUIPMENT	10	1,056,292,568.78	1,083,275,664.65
INVESTMENT PROPERTY	11	88,619,520.00	90,465,760.00
BIOLOGICAL ASSET	12	192,000.00	200,000.00
INVESTMENT		419,200.00	419,200.00
LOAN GRANTED			
<b>TOTAL NON CURRENT ASSET (B)</b>		<b><u>1,145,523,288.78</u></b>	<b><u>1,174,360,624.65</u></b>
<b>TOTAL ASSET (C=A+B)</b>		<b><u>1,190,614,830.12</u></b>	<b><u>1,227,234,185.31</u></b>
<b>CURRENT LIABILITY</b>	-		
DEPOSIT			
LOAN & DEBT			
UNREMITTED DEDUCTIONS	9	164,651,920.58	135,816,478.40
ACCRUED EXPENSES, PAYABLES		20,530,387.65	13,647,037.65
DEFERRED INCOME			
CURRENT PORTION OF BORROWING			
<b>TOTAL CURRENT LIABILITY (D)</b>		<b><u>185,182,308.23</u></b>	<b><u>149,463,516.05</u></b>
<b>NON-CURRENT LIABILITY</b>			
PUBLIC FUND			
BORROWING			
<b>TOTAL NON CURRENT LIABILITY (E)</b>		-	-
<b>TOTAL LIABILITY (F=D+E)</b>		<b><u>185,182,308.23</u></b>	<b><u>149,463,516.05</u></b>
<b>NET ASSETS (G= C-F)</b>		<b><u>1,005,432,521.89</u></b>	<b><u>1,077,770,669.26</u></b>
<b>NET ASSET/EQUITY</b>			
RESERVE			
<b>ACCUMULATED SURPLUS/ DEFICIT</b>		1,005,432,521.89	1,077,770,669.26
<b>TOTAL NET ASSET/EQUITY</b>		<b><u>1,005,432,521.89</u></b>	<b><u>1,077,770,669.26</u></b>

**IFO LOCAL GOVERNMENT**

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2020**

	NOTES	2020	2019
<b>REVENUE</b>		₦	₦
STATUTORY ALLOCATION	1	2,377,238,979.88	1,511,819,548.82
NON-TAX REVENUE:	2	71,063,198.00	64,686,540.00
INVESTMENT INCOME			
INTEREST EARNED		103,769.46	
AIDS & GRANTS	3	10,500,000.00	
OTHER REVENUE		11,944,968.70	816,800.00
<b>TOTAL REVENUE (A)</b>		<b><u>2,470,850,916.04</u></b>	<b><u>1,577,322,888.82</u></b>
<b>EXPENDITURE</b>			
SALARIES & WAGES	4	1,601,352,636.27	1,142,282,222.35
NON- REGULAR ALLOWANCE	5		
SOCIAL BENEFIT	6	795,821,294.27	388,557,125.59
OVERHEAD COST	7	114,453,097.58	40,258,554.36
SUBVENTION TO PARASTALS		2,600,000.00	1,475,000.00
DEPRECIATION	10 & 11	29,330,403.87	30,106,291.35
GAIN/LOSS ON DISPOSAL ON ASSET			
<b>TOTAL EXPENDITURE (B)</b>		<b><u>2,543,557,431.99</u></b>	<b><u>1,602,679,193.65</u></b>
<b>SURPLUS / DEFICIT (C=A-B)</b>		<b><u>-72,706,515.95</u></b>	<b><u>-25,356,304.83</u></b>

**IFO LOCAL GOVERNMENT**

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

	₦
<b>Balance 1/1/2019</b>	<b>-84,306,421.91</b>
Prior Year Adjustment	1,187,433,396.00
Adjusted Balance	1,103,126,974.09
<b>Surplus/ (deficit) for the year</b>	<b>-25,356,304.83</b>
<b>Balance 31/12/2019</b>	<b>1,077,770,669.26</b>
Prior Year Adjustment	368,368.58
<b>Adjusted Balance</b>	<b><u>1,078,139,037.84</u></b>
Surplus/ (deficit) for the year	-72,706,515.95
<b>Balance at 31 December 2020</b>	<b><u>1,005,432,521.89</u></b>

**IFO 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><u>INFLOWS</u></b>	<b>₦</b>	<b>₦</b>
STATUTORY ALLOCATION	2,375,238,979.88	1,511,819,548.82
LICENCES, FINES, ROYALTIES, FEES ETC	36,621,750.00	35,260,600.00
EARNINGS & SALES	16,522,948.00	20,795,495.00
RENT OF GOVERNMENT PROPERTIES	2,410,500.00	4,922,875.00
INVESTMENT INCOME	103,769.46	
INTEREST & REPAYMENT GENERAL		
DOMESTIC AIDS & GRANTS	10,500,000.00	
OTHER REVENUE	11,898,968.70	816,800.00
<b>TOTAL INFLOW FROM OPERATING ACTIVITIES A</b>	<b><u>2,453,296,916.04</u></b>	<b><u>1,573,615,318.82</u></b>
<b><u>OUTFLOW</u></b>		
PERSONNEL EMOLUMENTS	1,601,352,636.27	1,142,282,222.35
SOCIAL BENEFIT	795,821,294.27	388,557,125.59
OVERHEADS	107,435,696.86	43,296,347.81
SUBVENTION TO PARASTATALS	2,600,000.00	1,475,000.00
INTEREST PAYMENT		
<b>TOTAL OUTFLOW FROM OPERATING ACTIVITIES B</b>	<b><u>2,507,209,627.40</u></b>	<b><u>1,575,610,695.75</u></b>
<b>NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B</b>	<b><u>-53,912,711.36</u></b>	<b><u>-1,995,376.93</u></b>
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
PURCHASE/ CONSTRUCTION OF ASSETS	- 3,851,000.00	-1,980,000.00
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE	297,799.22	253,497.56
PROCEED FROM SALE OF ASSETS	3,930,000.00	
DIVIDEND RECEIVED		
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b><u>376,799.22</u></b>	<b><u>-1,726,502.44</u></b>
<b><u>CASH FLOW FROM FINANCIAL ACTIVITIES</u></b>		
DEPOSIT/ UNREMITTED DEDUCTIONS	27,939,460.76	26,444,670.91
PUBLIC FUND		
PROCEEDS FROM DOMESTIC LOANS & OTHER		
<b>NET CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b><u>27,939,460.76</u></b>	<b><u>26,444,670.91</u></b>
<b>NET CASH FLOW FROM ALL ACTIVITIES</b>	<b><u>-25,596,451.38</u></b>	<b><u>22,722,791.54</u></b>
<b>CASH &amp; ITS EQUIVALENT AS AT 1/1/2020</b>	<b>28,172,057.90</b>	<b>5,449,266.36</b>
<b>CASH &amp; ITS EQUIVALENT AS AT 31/12/2020</b>	<b><u>2,575,606.52</u></b>	<b><u>28,172,057.90</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</li> </ul>

	<p>value of ₦100.00</p> <p>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.</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, 2020**

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

	₦
JANUARY	187,301,351.65
FEBRUARY	239,940,904.29
MARCH	190,890,047.89
APRIL	184,882,056.60
MAY	117,544,029.77
JUNE	188,102,722.03
JULY	203,459,000.53
AUGUST	205,842,947.11
SEPTEMBER	258,363,139.46
OCTOBER	1,907,894.00
NOVEMBER	396,899,353.41
DECEMBER	202,105,533.14
<b>TOTAL</b>	<b><u>2,377,238,979.88</u></b>

**2. NON-TAX REVENUE**

LICENCES	25,330,800.00
FEES	25,382,900.00
FINES	1,416,050.00
EARNINGS	8,538,710.00
RENT OF GOVERNMENT PROPERTIES	2,410,500.00
SALES	7,984,238.00
<b>TOTAL</b>	<b><u>71,063,198.00</u></b>

**3. AIDS & GRANTS**

OGUN STATE GOVERNMENT	10,500,000.00
NON-GOVERNMENT ORGANISATION	0.00
<b>TOTAL</b>	<b><u>10,500,000.00</u></b>

**4. SALARIES & WAGES**

LOCAL GOVERNMENT STAFF	552,161,313.22
PRIMARY SCHOOL TEACHERS	950,632,562.36
TRADITIONAL COUNCIL	84,801,588.33
POLITICAL FUNCTIONARIES	13,757,172.36
<b>TOTAL</b>	<b><u>1,601,352,636.27</u></b>



#### 5. NON- REGULAR ALLOWANCE

LEAVE BONUS	-
<b>TOTAL</b>	

#### 6. SOCIAL BENEFIT

GRATUITY	-
PENSION	795,821,294.27
<b>TOTAL</b>	<b><u>795.821.294.27</u></b>

#### 7. OVERHEAD COST BY DEPARTMENT

CHAIRMAN & COUNCIL	15,025,000.00
HOLGA	1,960,700.00
INTERNAL AUDIT	1,027,000.00
ADMINISTRATIVE	17,045,380.00
FINANCE	9,159,337.58
INFORMATION	9,909,800.00
P H C	18,158,230.00
AGRIC	656,950.00
WORKS	9,370,450.00
PLANNING	5,784,000.00
WES	16,109,000.00
COMMUNITY	10,247,250.00
<b>TOTAL</b>	<b><u>114.453.097.58</u></b>

#### 8. CASH & CASH EQUIVALENTS

CASH AT HAND	576.98
CASH IN BANKS	2,575,029.54
<b>TOTAL</b>	<b><u>2,575,606.52</u></b>

#### 9. UNREMITTED DEDUCTIONS

Pension Fund	25,861,116.36
5% Development Levy	12,182,187.80
5% VAT	6,301,844.41
PAYE	117,556,922.52
Others	2,749,849.49
	-
	-
<b>Total</b>	<b><u>164,651,920.58</u></b>

NOTE 10 IFO LOCAL GOVERNMENT SCHEDULE OF PROPERTY PLANT & EQUIPMENT									
	LAND & BUILDING 2%	LAND	PLANT & MACHINERY 10%	TRANSPORTATION EQUIPMENT 20%	OFFICE EQUIPMENT 25%	FURNITURE & FITTINGS 20%	INFRASTRUCTURE 10%	TOTAL	
BAL AS AT 01/01/2020	1,075,520,156.00		13,214,242.50	15,765,360.00	3,686,900.00	2,117,950.00	4,720,775.00	1,115,025,383.50	
ADDITION DURING THE YEAR			740,000.00		366,000.00		2,745,000.00	3,851,000.00	
LEGACY								0.00	
DISPOSAL DURING THE YEAR			(1,146,880.00)	(3,257,200.00)				(4,404,080.00)	
BAL - C/F	1,075,520,156.00	-	12,807,362.50	12,508,160.00	4,052,900.00	2,117,950.00	7,465,775.00	1,114,472,303.50	
ACCUMULATED DEPRECIATION									
BAL AS AT 01/01/2020	21,569,623.60		1,491,786.75	4,414,256.00	2,277,200.00	937,180.00	779,652.50	31,469,698.85	
ADDITION DURING THE YEAR	21,510,403.12	-	1,280,736.25	2,501,632.00	1,013,225.00	423,590.00	746,577.50	27,476,163.87	
DISPOSAL DURING THE YEAR			(114,688.00)	(651,440.00)				766,128.00	
BAL - C/F	43,080,026.72	-	2,657,835.00	6,264,448.00	3,290,425.00	1,360,770.00	1,526,230.00	58,179,734.72	
AS AT 31/12/2020	1,032,440,129.28	-	10,149,527.50	6,243,712.00	762,475.00	757,180.00	5,939,545.00	1,056,292,568.78	
AS AT 31/12/2019	1,053,950,532.40	-	11,722,455.75	11,351,104.00	1,409,700.00	1,180,770.00	3,941,122.50	1,083,555,684.65	
NOTE 11 IFO LOCAL GOVERNMENT INVESTMENT PROPERTY									
	LAND & BUILDING 2%			TOTAL		NOTE 12 BIOLOGICAL 4%	BIOLOGICAL ASSET	TOTAL	
BAL AS AT 01/01/2020	92,312,000.00			92,312,000.00		200,000.00		200,000.00	
ADDITION DURING THE YEAR				0.00					
LEGACY				0.00					
DISPOSAL DURING THE YEAR				-					
BAL - C/F	92,312,000.00	-		92,312,000.00		200,000.00		200,000.00	
ACCUMULATED DEPRECIATION									
BAL AS AT 01/01/2020	1,846,240.00			1,846,240.00					
ADDITION DURING THE YEAR	1,846,240.00			1,846,240.00		8,000.00		8,000.00	
DISPOSAL DURING THE YEAR									
BAL - C/F	3,692,480.00	-		3,692,480.00		8,000.00		8,000.00	
AS AT 31/12/2020	88,619,520.00	-		88,619,520.00		192,000.00		192,000.00	
AS AT 31/12/2019	90,465,760.00	-		90,465,760.00		200,000.00		200,000.00	

**The Chairman,**  
Transition Committee  
Ifo Local Government,  
Ifo.

**AUDIT INSPECTION REPORT ON THE ACCOUNTS OF IFO LOCAL  
GOVERNMENT, IFO 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. AUDIT QUERY**

The underlisted audit queries had earlier been forwarded to you for your necessary action. Please ensure quick response to the queries.

<b>S/N</b>	<b>Query Number</b>	<b>Subject</b>	<b>Amount (₦)</b>
1.	OGLG/ AQ/IFO/223/2020	Unreceipted Expenditure	250,000.00
2.	OGLG/ AQ/IFO/224/2020	Doubtful Expenditure	135,000.00
3.	OGLG/ AQ/IFO/225/2020	Unreceipted Expenditure	400,000.00
4.	OGLG/ AQ/IFO/226/2020	Unreceipted Expenditure	170,000.00
5.	OGLG/ AQ/IFO/227/2020	Unreceipted Expenditure	125,000.00
6.	OGLG/ AQ/IFO/228/2020	Doubtful Expenditure	167,000.00

**3. UNRECEIPTED EXPENDITURE**

**Observation:** During the period under review, a sum of ₦170,000.00 was paid to Mr. Awhanse David T. (Principal Social Welfare Officer) to host a sensitization meeting of Zonal Community Development Committee and ACDC Chairman on internally generated revenue in August, 2020.

Also, a sum of ₦125,000.00 was released to Mr. Awhanse David T. for hosting Youth within the Local Government area in August, 2020.

Another sum of ₦400,000.00 was released to Mrs. Ajasa O. A. (Principal Community Development Officer) for monthly meeting of National Council of Women Society (NCWS) held in July & August, 2020.

It was observed that relevant official printed receipts of expenditure incurred during these meeting were not attached to payment vouchers contrary to Chapter 14:17 of the Model Financial Memoranda for Local Governments.

**Recommendation:** The official printed receipts of expenditure incurred should either be produced for audit scrutiny or recover the various amount involved from the officials of the Local Government.

#### 4. **DOUBTFUL EXPENDITURE**

**Observation:** It was observed that some of the expenditure incurred by the officials of the Local Government during the period under review were doubtful as there were no relevant documentary evidence of execution attached to the vouchers contrary to financial regulations. An instance was the sum of ₦135,000.00 released to Mrs. Ajasa Olufunke A. (Principal Community Development Officer) through PV No. 30/July, 2020 for hosting a meeting of Widows with the wife of the Chairman.

The meeting appears not held because photographs taken during the meeting were not made available to the Auditors. Also, the official printed receipts of expenditure incurred were not attached to the payment voucher contrary to Chapter 14:17 of the Model Financial Memoranda for Local Governments.

Another expenditure that appears doubtful was the sum of ₦167,000.00 paid to her, Mrs. Ajasa Olufunke A. (Principal Community Development Officer) for a Seminar organized by WHO and NCDC at Green Legacy Hotel, Abeokuta between 7<sup>th</sup> and 8<sup>th</sup> September, 2020. The payment was made via PV No. 23/September, 2020. There was no evidence that the purported participants attended the seminar because the certificates of attendance and receipts for workshop fees were not attached to the payment voucher contrary to Chapter 14:17 of the Model Financial Memoranda for Local Governments.

**Recommendation:** Relevant documentary evidence of expenditure should always be attached to the payment vouchers.

## 5. REVENUE GENERATION PERFORMANCE

**Observation:** During the period under review, it was observed that the Local Government budgeted a sum of ₦131,310,000.00 only to be generated internally but a sum of ₦83,111,936.16 only was actually generated. The amount so generated was 63.29% of the approved budget and which is a little above the sum of ₦65,503,340.00 generated in 2019 financial year by the Local Government inclusive of the three (3) defunct LCDAs. This is not encouraging enough considering the abundant revenue potentials within the Local Government area.

The Local Government can still generate more revenue if untapped revenue sources such as: cattle dealer license, hawker permits business/trade operating fees, motor park fees, motorcycle/tricycle fees etc, were fully tapped while partially tapped revenue such as: street naming fees, parking fees, contractor registration fees, registration of voluntary organization etc. were fully tapped during the year.

Also, if the career officers on schedule of revenue generation are allowed to operate instead of engaging the service of revenue contractors on some revenues that can ordinarily be collected by career revenue collectors and the revenue performance will improve.

**Recommendation:** The management is advised to be more proactive towards improved revenue generation performance during the next financial year. Ensure that all untapped revenue heads/subheads in its approved budget are harness optimally. The career officers on revenue generation should be engaged on revenue that can ordinarily be collected by them instead of giving it out to the revenue contractors who are not performing or remitting revenue collected to the Council.

## 6. REVENUE CONTRACTORS

**Observation:** In the last audit inspection, No. OGLG/IFO/T/Vol.III/242 of 9<sup>th</sup> November, 2020 the Local Government was advised to recover a sum ₦6,088,500.00 owed by the revenue collectors as at December, 31<sup>st</sup>, 2017 and ₦1,594,000.00 owed as at 2019 respectively, totalling ₦7,682,500.00 owed by its revenue contractors as at then. At the time of this audit exercise, the management of the Local Government had not recovered the amount owed by these revenue contractors.

Despite the amount owed by those revenue contractors as at 31<sup>st</sup> December, 2019 the management of the Local Government continue to engage revenue contractors and as at December, 2020 a sum of ₦8,200,000.00 was the amount owed by them (Revenue contractors).

It was observed that a sum of ₦1,560,000.00 out of the ₦8,200,000.00 was waived due to Covid-19 pandemic in year 2020. The remaining ₦6,640,000.00 owed in year 2020.

The issue of revenue contractors at the defunct Isheri-Akute-Ajuwon LCDA have not been resolved. In the last Audit Inspection report of the LCDA for the year 2019 accounts, the management was asked to recover the sum of ₦2,660,200.00 owed by the revenue contractors which appears not to have been recovered

Also, the sum of ₦666,330.00 owed by revenue contractors engaged by the management of the defunct Coker-Ibogun LCDA appears not to have been recovered. The audit inspection reports for the year 2019 accounts of those LCDAs were addressed to the Chairman; Transition Committee, Ifo Local Government to take action on the reports.

**Recommendation:** The management should desist from engaging revenue contractors in compliance with circular letters under revenue. Terminate the appointment of those revenue contractors (main Local Government and LCDAs) and ensure that the amounts owed by them are recovered.

#### 7. **LOCK-UP SHOPS AND OPEN STALLS**

**Observation:** It was observed that the Local Government has 1,136 lock-up shops and open stalls during the period under review. The shops and stalls consist of those at Isheri-Akute-Ajuwon, Agbado-Oke Aro and Ifo main Local Government.

All these shops and stalls had been captured in the market ledgers maintained by Ifo Local Government. Between January and December, 2020 the outstanding balance (Receivable) on lock-up shops and open stalls was ₦8,868,000.00 while a sum of ₦6,640,000.00 was on revenue contract totalling ₦15,508,000.00. In addition, the receivables brought forward from Ifo main Local Government was ₦13,711,800.00, defunct Agbado-Oke Aro was ₦550,000.00 and Coker-Ibogun was ₦1,103,830.00 totaling ₦15,365,630.00.

In a nutshell, the outstanding balance or receivable on lock-up shops and open stalls as at 31<sup>st</sup> December, 2020 was ₦30,873,630.00, (₦15,508,000.00 + ₦15,365,630.00).

**Recommendation:** The outstanding amount of ₦30,873,630.00 otherwise known as receivables as at 31<sup>st</sup> December, 2020 appears to be on the high side.

Concerted efforts should be intensified towards recovery of this debt on time in order to invest the money on meaningful projects.

8. **LOCAL GOVERNMENT VEHICLE WITH THE FORMER EXECUTIVE CHAIRMAN (HONOURABLE HAKEEM BELLO)**

**Observation:** The Local Government has not been able to retrieve the vehicle taken away by the former Executive Chairman, honourable Hakeem Bello despite the effort made to restrict him. The official vehicle is Toyota Camry No. LG 01 FFF. The taken away of the vehicle is contrary to circular letter No. OGLG/AUD/94/Vol.III/34 of 14<sup>th</sup> June, 2019 which states that no political office holder should be allowed to take away his official vehicle after his tenure of office.

**Recommendation:** The management of the Local Government should officially report to this Office the efforts made towards recovery of this vehicle from the former Executive Chairman.

9. **CONSTRUCTION/REHABILITATION OF AGBADO MAIN MARKET**

**Observation:** As at the time of this audit exercise, it was observed that the information requested for by this Office in the last audit inspection report No. OGLG/AOALCDA/I/23 of October, 2020 (Agbado Oke-Aro LCDA) on the projects have not been provided. Such information includes the date in which the project was completed, the date in which the shops were allocated and the date the ownership will revert to the council. This information was not provided in the contract agreement. Also, the outstanding amount of ₦1,000,000.00 on the shops appeared not to have been recovered from the developer (Baulah Topline Limited) because there was no evidence of recovery given to the Audit Team. During interface with the chairman, transition committee, the developer was called on phone but he did not respond.

**Recommendation:** The management should ensure that vital information requested on the project as stated in this report are provided to this Office.

10. **CONSTRUCTION OF IJOKO/LEMODE MAIN MARKET**

**Observation:** During the last audit inspection exercise, it was reported that the project was on-going. At the time of this audit exercise, the project has been completed and the shops had been allocated. Audit physical verification visit to the market revealed that the market contained 146 lock-up shops, 220 open stalls (Kee-Klamps) and two (2) offices for Rate Officer and Water and Environment Sanitation staff.

The project gulped a sum of ₦288,705,314.00 and is excepted to revert to the Local Government after twenty-five years with effect from October, 2020.

**Recommendation:** The duly signed contract agreement in respect of the project should be officially forwarded to this Office.

## 11. AGRICULTURE AND NATURAL RESOURCES DEPARTMENT

**Observation:** During the period under review, it was observed that the department was idle in the sense that there was no single project on ground. The advice given to the Local Government in the last audit inspection report to resuscitate the department and make it functional was turned down. All the facilities in the place such as poultry pen, feed mill, fish pond etc are deteriorating year in, year out. The plantation farm at the back of the secretariat was nothing to write home about. The place was weedy and lying fallow.

It is disheartening that the Local Government generated a whopping sum of N83,111,936.16 during the year but could not spend part of the money to resuscitate the department by investing in the poultry pen etc in order to enhance its revenue generation. The staff in this department are just drawing their salaries and allowances without working or contributing to the activities of the Local Government. The continuous deterioration of these facilities is a loss of public fund as well as to the Local Government which is not good for the system.

**Recommendation:** The management of the Local Government is again advised to have second thought towards resuscitating the Agric department and make the poultry pen, feed mill and fish pond functional. The management can alternatively go into Public-Private partnership in order to make the Agric department functional. Investment in the department especially poultry pen and fish pond will increase the internally generated revenue and provide necessary protein from the intake of eggs and fish to its citizenry.



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

**IFO LOCAL GOVERNMENT MANAGEMENT REPORT**

I wish to report on behalf of the Local Government further to your letter reference OGLG/AUD/94/Vol.III/76 dated 2<sup>nd</sup> August, 2021 as follows:

Item 2.           **DESTRUCTION OF EXHAUSTED RECEIPT BOOKS**

The management approval has been obtained for destruction of exhausted receipt books and a committee has been formed for the same purpose.

Item 5.           **BANK RECONCILIATION STATEMENT**

- (i)   **Direct Credit:** after necessary statutory auditing most payers has presented their bank tellers and it has been used to clear most of the outstanding direct credit leaving the balance of ₦524,623.67 which has been written back to the cash book vide RV No. 103 dated June, 2021.
- (ii)   **Unpresented Cheques:** All unpresented cheques have been presented and honoured by the banks, leaving us with no unpresented cheques till date.
- (iii)   **Dormant Bank Balance:** Letter of reactivation has been written to all the banks involved but all effort to achieve this proved abortive.

Item 8.           **REVENUE GENERATION PERFORMANCE**

We suggest that our chairman needs to be oriented on the need to protect the revenue of the Local Government. Internally generated revenue of the Local Government should not be seen as dividend of democracy by the contractors/politicians.

Item 9.           **REVENUE CONTRACTORS**

The recommendation on the revenue contractors is noted for action.

Item 10. **LOSS OF REVENUE**

The affected officer has paid the remaining balance of ₦23,000.00 (Twenty-Three Thousand Naira only) to the Local Government coffers vide RV No. 53 dated 4<sup>th</sup> September, 2020 and RV No. 98 dated 14<sup>th</sup> October, 2020.

Item 11. **LOCK UP SHOP AND STALLS**

All machineries have been set in place to recover the outstanding balance.

Many thanks.



**Wole Adeosun, FCIA**  
Ag. Head of Local Government Admin.,  
For: Chairman.