

**OGUN STATE GOVERNMENT, NIGERIA**

**STATUTORY REPORT**

**AND**

**DOMESTIC REPORT**

**OF THE**

**AUDITOR-GENERAL FOR LOCAL GOVERNMENTS**

**ON THE ACCOUNTS**

**OF**

**IFO LOCAL GOVERNMENT**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2021**

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## ACKNOWLEDGEMENT

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

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

I cannot but appreciate the favourable disposition of the immediate past Head of Service Alhaja Selimot Olapeju Ottun and the current Head of Service Dr Nafiu Aigoro 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.  
17<sup>th</sup> June, 2022.



## **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, 2021 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, 2021 subject to the observations in the inspection reports.

**L.A. Mulero** (CNA)  
Auditor-General for Local Governments,  
Ogun State.  
17<sup>th</sup> June, 2022.

## **STATEMENT OF OPINION OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF IFO LOCAL GOVERNMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2021**

The accounts of Ifo Local Government for the year ended 31<sup>st</sup> December, 2021 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.

17<sup>th</sup> June, 2022.

**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, 2021**

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, 2021 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 but the cashbook was not properly prepared.

**(3) FINANCIAL REVIEW:**

<b>REVENUE</b>	<b>AMOUNTS (₦)</b>
Internally Generated Revenue	85,585,420.71
Statutory Allocation	2,500,690,432.72
Aids and Grants	<u>17,600,000.00</u>
<b>Total</b>	<b><u>2,603,875,853.43</u></b>
<b>EXPENDITURE</b>	
Overhead Expenses	158,740,539.41
Salaries and Allowances	1,645,557,123.50
Pension	873,197,625.50
Long Term Assets	<u>7,900,000.00</u>
<b>Total</b>	<b><u>2,685,395,288.05</u></b>

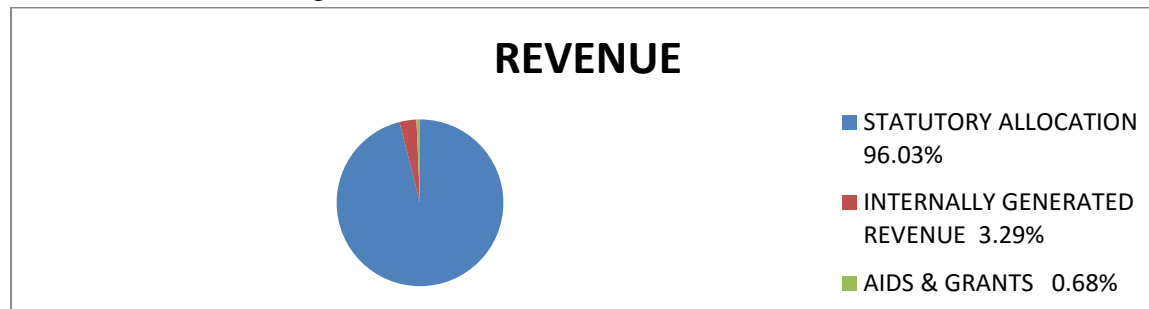
**(4) REVENUE PERFORMANCE:**

**(i) STATEMENT OF ACTUAL REVENUE**

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦175,580,000.00 a sum of ₦85,585,420.71 only was actually generated internally representing 48.74% of the budget. This represents a rise of 29.76% when compared with the sum of ₦83,111,936.16 generated in year 2020. While this improvement in revenue performance is commendable, it does not represent the true revenue potential of the Local Government.

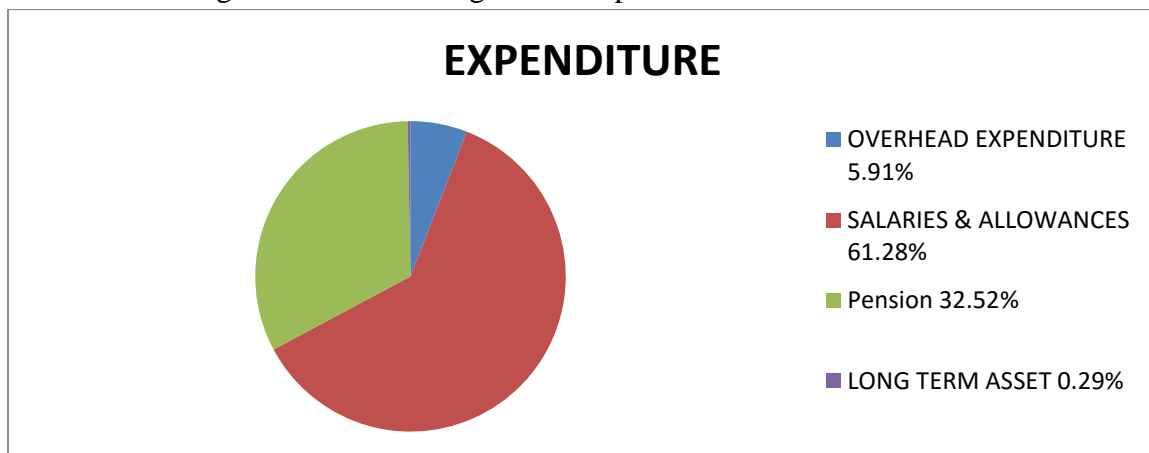
(ii) **PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE**

The Audit exercise revealed that out of the revenue of ₦2,603,875,853.43 realized by the Local Government during the year under review, a sum of ₦85,585,420.71 only was generated internally. This represented 3.29% of the total revenue while the sum of ₦2,500,690,432.72 statutory allocation and ₦17,600,000.00 aids and grant received from the State Joint Account Allocation Committee represented 96.03% and 0.68% 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 ₦2,685,395,288.05. Out of this, a sum of ₦158,740,539.41 was expended on overhead which represented 5.91% of the total expenditure for the year. Also, a sum of ₦1,645,557,123.50 was expended on salaries and allowances which represented 61.28% of the expenditure for the year while ₦873,197,625.50 was expended on pensions to retirees and this represented 32.52% while the sum of ₦7,900,000.00 was expended on long term assets which represented 0.29% 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, 2021 was ₦231,233,055.55. The liabilities are highlighted below:

S/NO	ITEMS	AMOUNTS(₦)
1	Pension Fund	41,152,954.50
2	5% Development Levy	12,369,079.67
3	5% Tax	6,301,844.41
4	PAYE	152,012,032.12
5	7.5 VAT	570,730.47
6	Payables	18,803,637.65
7	Others	<u>12,391,856.40</u>
	<b>TOTAL</b>	<b><u>231,233,055.55</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 ₦2,445,712.54 highlighted in the Statement of Financial Position as the Advances were majorly dormant during the year.

**(8) INVESTMENT ACCOUNT BALANCE**

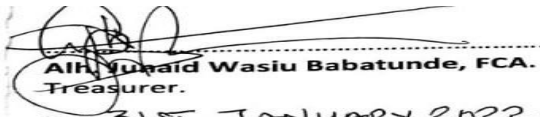
The sum of ₦419,200.00 stated as investment balance in the statement of financial position could not be substantiated because the share certificate was not produced for Audit scrutiny and no evidence of the beneficial ownership such as dividend was presented on demand.

**IFO LOCAL GOVERNMENT**

**RESPONSIBILITY FOR FINANCIAL STATEMENT**

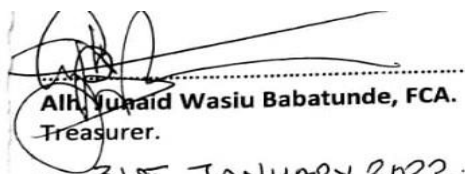
These financial statements have been prepared by me in accordance with the provisions of Finance (Control and Management) Act Cap 144 LFN 1990 as amended. The financial statements comply with Generally Accepted Accounting Practice.

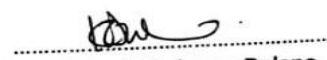
The Treasurer is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly record the use of all public financial resources by the Local Government. To the best of my knowledge,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

  
.....  
**Alh. Yussaid Wasiu Babatunde, FCA.**  
Treasurer.  
Date: 31<sup>ST</sup> JANUARY, 2022.

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, 2021 and its operations for the year ended on the date.

  
.....  
**Alh. Yussaid Wasiu Babatunde, FCA.**  
Treasurer.  
Date: 31<sup>ST</sup> JANUARY, 2022.

  
.....  
**Hon. (Mrs.) Kikelomo Delano,**  
Executive Chairman.  
Date: 31/01/2022

**IFO LOCAL GOVERNMENT**  
**STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2021**

	NOTES	2021	2020
<b>CURRENT ASSET</b>		₱	₱
CASH & CASH EQUIVALENTS	8	345,870.95	2,575,606.52
INVENTORIES		8,015,429.94	7,287,342.28
RECEIVABLES		28,634,630.00	32,873,630.00
PREPAYMENT			
ADVANCE		2,445,712.54	2,354,962.54
<b>TOTAL CURRENT ASSET (A)</b>		<b>39,441,643.43</b>	<b>45,091,541.34</b>
<b>NON CURRENT ASSET</b>			
PROPERTY PLANT & EQUIPMENT	10	1,036,228,019.39	1,056,292,568.78
INVESTMENT PROPERTY	11	86,773,280.00	88,619,520.00
BIOLOGICAL ASSET	12	184,000.00	192,000.00
INVESTMENT		419,200.00	419,200.00
LOAN GRANTED			
<b>TOTAL NON CURRENT ASSET (B)</b>		<b>1,123,604,499.39</b>	<b>1,145,523,288.78</b>
<b>TOTAL ASSET (C=A+B)</b>		<b>1,163,046,142.82</b>	<b>1,190,614,830.12</b>
<b>CURRENT LIABILITY</b>			
DEPOSIT			
LOAN & DEBT			
UNREMITTED DEDUCTIONS	9	212,429,417.90	164,651,920.58
ACCURED EXPENSES, PAYABLES		18,803,637.65	20,530,387.65
DEFERED INCOME			
CURRENT PORTION OF BORROWING			
<b>TOTAL CURRENT LIABILITY (D)</b>		<b>231,233,055.55</b>	<b>185,182,308.23</b>
<b>NON CURRENT LIABILITY</b>			
PUBLIC FUND			
BOROWING			
<b>TOTAL NON CURRENT LIABILITY (E)</b>		-	-
<b>TOTAL LIABILITY (F=D+E)</b>		<b>231,233,055.55</b>	<b>185,182,308.23</b>
<b>NET ASSETS (G= C-F)</b>		<b>931,813,087.27</b>	<b>1,005,432,521.89</b>
<b>NET ASSET/EQUITY</b>			
RESERVE			
ACCUMULATED SURPLUS/ DEFICIT		931,813,087.27	1,005,432,521.89
<b>TOTAL NET ASSET/EQUITY</b>		<b>931,813,087.27</b>	<b>1,005,432,521.89</b>

**IFO LOCAL GOVERNMENT**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2021**

	NOTES	2021	2020
<b>REVENUE</b>		₦	₦
STATUTORY ALLOCATION	1	2,500,690,432.72	2,377,238,979.88
NON TAX REVENUE:	2	79,671,604.20	71,063,198.00
INVESTMENT INCOME			
INTEREST EARNED		312,692.84	103,769.46
AIDS & GRANTS	3	17,600,000.00	10,500,000.00
OTHER REVENUE		5,601,123.67	11,944,968.70
<b>TOTAL REVENUE (A)</b>		<b>2,603,875,853.43</b>	<b>2,470,850,916.04</b>
<b>EXPENDITURE</b>			
SALARIES & WAGES	4	1,645,557,123.14	1,601,352,636.27
NON- REGULAR ALLOWANCE	5		-
SOCIAL BENEFIT	6	873,197,625.50	795,821,294.27
OVERHEAD COST	7	126,521,750.02	114,453,097.58
SUBVENTION TO PARASTALS		2,400,000.00	2,600,000.00
DEPRECIATION	10 & 11	29,818,789.39	29,330,403.87
GAIN/LOSS ON DISPOSAL ON ASSET			
<b>TOTAL EXPENDITURE (B)</b>		<b>2,677,495,288.05</b>	<b>2,543,557,431.99</b>
<b>SURPLUS / DEFICIT (C=A-B)</b>		<b>-73,619,434.62</b>	<b>-72,706,515.95</b>

**IFO LOCAL GOVERNMENT**  
**STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2021**

	₦
<b>Balance 1/1/2020</b>	<b>1,077,772,669.26</b>
Prior Year Adjustment	368,368.58
Adjusted Balance	1,078,139,037.84
<b>Surplus/ (deficit) for the year</b>	<b>-72,706,515.95</b>
<b>Balance 31/12/2020</b>	<b>1,005,432,521.89</b>
Prior Year Adjustment	
<b>Adjusted Balance</b>	<b>1,005,432,521.89</b>
Surplus/ (deficit) for the year	73,619,434.62
<b>Balance at 31 December 2021</b>	<b>931,813,087.27</b>

**IFO LOCAL GOVERNMENT**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2021**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2021</b>	<b>2020</b>
<b>INFLOWS</b>	<b>₦</b>	<b>₦</b>
STATUTORY ALLOCATION	2,502,690,432.72	2,375,238,979.88
LICENCES, FINES, ROYALTIES, FEES ETC	48,953,500.00	36,621,750.00
EARNINGS & SALES	24,909,104.20	16,522,948.00
RENT OF GOVERNMENT PROPERTIES	8,048,000.00	2,410,500.00
INVESTMENT INCOME		103,769.46
INTEREST & REPAYMENT GENERAL	312,692.84	
DOMESTIC AIDS & GRANTS	17,600,000.00	10,500,000.00
OTHER REVENUE	5,601,123.67	11,898,968.70
<b>TOTAL INFLOW FROM OPERATING ACTIVITIES A</b>	<b>2,608,114,853.43</b>	<b>2,453,296,916.04</b>
<b>OUTFLOW</b>		
PERSONNEL EMOLUMENTS	1,645,557,123.14	1,601,352,636.27
SOCIAL BENEFIT	873,197,625.50	795,821,294.27
OVERHEADS	128,976,587.68	107,435,696.86
SUBVENTION TO PARASTATALS	2,400,000.00	2,600,000.00
INTEREST PAYMENT		
<b>TOTAL OUTFLOW FROM OPERATING ACTIVITIES B</b>	<b>2,650,131,336.32</b>	<b>2,507,209,627.40</b>
<b>NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B</b>	<b>-42,016,482.89</b>	<b>-53,912,711.36</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
PURCHASE/ CONSTRUCTION OF ASSETS	- 7,900,000.00	- 3,851,000.00
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE	- 90,750.00	297,799.22
PROCEED FROM SALE OF ASSETS		3,930,000.00
DIVIDEND RECEIVED		
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-7,990,750.00</b>	<b>376,799.22</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
DEPOSIT/ UNREMITTED DEDUCTIONS	47,777,497.32	27,939,460.76
PUBLIC FUND		
PROCEEDS FROM DOMESTIC LOANS & OTHER		
<b>NET CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>47,777,497.32</b>	<b>27,939,460.76</b>
<b>NET CASH FLOW FROM ALL ACTIVITIES</b>	<b>-2,229,735.57</b>	<b>-25,596,451.38</b>
<b>CASH &amp; ITS EQUIVALENT AS AT 1/1/2021</b>	<b>2,575,606.52</b>	<b>28,172,057.90</b>
<b>CASH &amp; ITS EQUIVALENT AS AT 31/12/2021</b>	<b>345,870.95</b>	<b>2,575,606.52</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, 2021**

NOTE	DETAILS	2021
<b>1</b>	<b>SHARE OF STATUTORY ALLOCATION FROM JAAC</b>	<b>₦</b>
	JANUARY	199,386,895.57
	FEBUARY	206,216,436.54
	MARCH	135,349,102.90
	APRIL	264,964,341.79
	MAY	199,867,385.20
	JUNE	91,596,827.35
	JULY	313,475,248.87
	AUGUST	135,134,674.18
	SEPTEMBER	209,110,964.19
	OCTOBER	89,436,045.28
	NOVEMBER	233,292,141.66
	DECEMBER	422,860,369.19
	<b>TOTAL</b>	<b>2,500,690,432.72</b>

**2 NON-TAX REVENUE**

	LICENCES	24,280,300.00
	FEES	23,756,700.00
	FINES	916,500.00
	EARNINGS	12,434,658.20
	RENT OF GOVERNMENT PROPERTIES	5,809,000.00
	SALES	12,474,446.00
	<b>TOTAL</b>	<b>79,671,604.20</b>

**3 AIDS & GRANTS**

	OGUN STATE GOVERNMENT	17,600,000.00
	NON GOVERNMENT ORGANISATION	0.00
	<b>TOTAL</b>	<b>17,600,000.00</b>

**4 SALARIES & WAGES**

	LOCAL GOVERNMENT STAFF	477,812,371.10
	PRIMARY SCHOOL TEACHERS	1,040,369,061.59
	TRADITIONAL COUNCIL	100,504,076.10
	POLITICAL FUNCTION	26,871,614.35
	<b>TOTAL</b>	<b>1,645,557,123.14</b>

**5 NON- REGULAR ALLOWANCE**

	LEAVE BONUS	-
	<b>TOTAL</b>	



**6 SOCIAL BENEFIT**

	GRATUITY	-
	PENSION	873,197,625.50
	<b>TOTAL</b>	<b>873,197,625.50</b>

**7 OVERHEAD COST BY DEPARTMENT**

	CHAIRMAN & COUNCIL	31,677,000.00
	HOLGA	1,730,000.00
	INTERNAL AUDIT	1,207,700.00
	ADMINISTRATIVE	22,978,584.94
	FINANCE	11,509,131.57
	INFORMATION	17,090,383.51
	P H C	17,085,650.00
	AGRIC	1,018,000.00
	WORKS	5,708,500.00
	PLANNING	6,378,800.00
	WES	6,380,100.00
	COMMUNITY	3,757,900.00
	<b>TOTAL</b>	<b>126,521,750.02</b>

**8 CASH & CASH EQUIVALENTS**

	CASH AT HAND	17,813.47
	CASH IN BANKS	328,057.48
	<b>TOTAL</b>	<b>345,870.95</b>

**9 UNREMITTED DEDUCTIONS**

1	PAYE	152,012,032.12
2	PENSION	41,152,954.50
3	NULGE	22,776.73
4	5% TAX	6,301,844.41
5	7.5% TAX	570,730.47
6	OTHERS	12,369,079.67
	<b>Total</b>	<b>212,429,417.90</b>

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 01/01/2021	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	
ADDITIONAL DURING THE YEAR							7,900,000.00	7,900,000.00	
LEGACY								0.00	
DISPOSAL DURING THE YEAR								-	
BAL C/F	1,075,520,156.00	-	12,807,362.50	12,508,160.00	4,052,900.00	2,117,950.00	15,365,775.00	1,122,372,303.50	
ACCUMULATED DEPRECIATION									
BAL AS AT 01/01/2021	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	
ADDITIONAL DURING THE YEAR	21,510,402.64		1,334,146.25	2,500,248.00	553,675.00	469,520.00	1,596,557.50	27,964,549.39	
DISPOSAL DURING THE YEAR								-	
BAL C/F	64,590,429.36	-	3,991,981.25	8,764,696.00	3,844,100.00	1,830,290.00	3,122,787.50	86,144,284.11	
AS AT 31/12/2021	1,010,929,726.64	-	8,815,381.25	3,743,464.00	208,800.00	287,660.00	12,242,987.50	1,036,228,019.39	
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	

IFO LOCAL GOVERNMENT				
INVESTMENT PROPERTY	LAND & BUILDING 2%	BIOLOGICAL 4%		TOTAL
BAL AS AT 01/01/2021	92,312,000.00	200,000.00		92,512,000.00
ADDITIONAL DURING THE YEAR				0.00
LEGACY				0.00
DISPOSAL DURING THE YEAR				-
BAL C/F	92,312,000.00	200,000.00		92,512,000.00
ACCUMULATED DEPRECIATION				
BAL AS AT 01/01/2021	3,692,480.00	8,000.00		3,700,480.00
ADDITIONAL DURING THE YEAR	1,846,240.00	8,000.00		1,854,240.00
DISPOSAL DURING THE YEAR				
BAL C/F	5,538,720.00	16,000.00		5,554,720.00
AS AT 31/12/2021	86,773,280.00	184,000.00		86,957,280.00
AS AT 31/12/2020	88,619,520.00	192,000.00		88,811,520.00

**The Executive Chairman,**  
Ifo Local Government,  
Ifo.

**AUDIT INSPECTION REPORT ON THE ACCOUNTS OF IFO LOCAL  
GOVERNMENT, IFO FOR YEAR ENDED 31<sup>ST</sup> DECEMBER, 2021**

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

2. **AUDIT QUERIES**

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

S/N	Query number	Subject	Amount (₦)
1.	OGLG/AQ/1FO/229/2021	Unreceipted Expenditure	225,000.00
2.	OGLG/AQ/1FO/230/2021	Doubtful Expenditure	156,250.00
3.	OGLG/AQ/1FO/231/2021	Nugatory Expenditure	500,000.00
4.	OGLG/AQ/1FO/232 /2021	Doubtful Expenditure	245,000.00

3. **UN-RECEIPTED EXPENDITURE**

**Observation**

It was observed that some expenditure incurred by the Local Government during the period under review were not supported by official printed receipts. Example of such expenditure was the sum of Two Hundred and Twenty-Five Thousand Naira (**₦225, 000.00**) only released to Mr Tunde Oguntoyinbo (Director, Planning, Research and Statistics) Vide PV No.58/March, 2021 for Community Development Statistic in Ifo.

**Recommendation:** The Local Government Officers are advised to always attach official printed receipts and other relevant documents to payment vouchers as evidence in line with Chapter 14:17 of the Model Financial Memoranda for Local Governments.

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

**Observation** A sum of One Hundred and Fifty-six Thousand Two Hundred and Fifty Naira (~~₦156,250.00~~) only was released to Mr Tunde Oguntoyinbo (Director, Planning, Research and Statistics) Vide PV No. 3/April, 2021 to organise investment submit within the Local Government in April, 2021. It was observed that the payment voucher was not supported with relevant official printed receipts as evidence contrary to the Provisions of Chapter 14:17 of the Model Financial Memoranda for Local Governments. In addition, the pictorial evidence of the event was not produced on Audit demand thereby makes the expenditure doubtful.

Also, a sum of (~~₦245,000.00~~) only was released to Mr Obadimu Ayoola (Head, Education Information and Sports) vide PV 29/July, 2021 as cost of hiring of buses during the assessment of public primary schools in Ifo Ward III.

It was observed that the payment voucher was not supported with the official printed receipt of the buses hired for the tour. Also, the list of primary schools visited was not attached to the payment voucher. This is contrary to the Provisions of Chapter 14:17 of the Model Financial Memoranda for Local Governments.

#### **5. NUGATORY EXPENDITURE**

##### **Observation**

During the period under review, it was observed that a sum of ₦500,000.00 was approved and released to Mr Tunde Oguntoyinbo (Director, Planning, Research and Statistics) vide payment voucher Nos.52 & 53/April, 2021 (~~₦250,000~~ each). The money was meant for printing/production of 450 copies of data forms LGG/121 IFL for the purpose of accountability of the council expenditure. Audit observation revealed that the two (2) memos were raised and approved the same day by the Transition Chairman. The payment appeared to have been splitted in order to circumvent the Finance and General Purpose Committee approval.

Also, the official printed receipts attached to the two payment vouchers could not be traced to any printer but bookshop and stationeries. The Store Receipt Voucher (SRV) was not attached to payment vouchers as evidence of taken on ledger charge after purchase.

##### **Recommendation**

Money approved should always be spent for the purpose it is meant for by attaching relevant documentary evidence of execution. Expenditure above the approving limit of the Chairman's should be taken to the Finance and General Purposes Committee (F&GPC) for approval instead of splitting payment vouchers.

## **6. BANK RECONCILIATION**

### ***a. Dormant Bank Accounts and Existing Bank Account***

**Observation:** The Audit Team observed that some bank accounts have remained dormant for some years. These dormant accounts were left inactive with some balances in the accounts. The dormant accounts are listed below:

<b><u>Banks</u></b>	<b><u>Account Number</u></b>	<b><u>Amount ₦</u></b>
First Bank Plc	2014024128	125,748.47
FCMB	1458961018	43,674.22
Access Bank Plc	0034613768	161,821.09
WemaBank Drug a/c	0220835451	732.23
WemaBnk Motor Vehicle A/c	0120222823	34,164.99
Wema Bank HIVA/C	0122154788	8,842.39
Zenith Bank a/c	1012794970	16,925.59
Foresight micro finance a/c	1203000245	<u>2,752.40</u>
		<b><u>394,661.38</u></b>

It was observed that the Local Government maintain twenty (20) different bank accounts as highlighted in her bank reconciliation statement. The Local Government did not yield to the advice of this Office in the last audit inspection report No. OGLG/IFO/Vol.III/284/2021 of 17<sup>th</sup>November, 2021 to activate and merge those dormant bank accounts and also not to maintain more than six (6) bank accounts in line with the bank regulation.

**Recommendation:** The management is again advice to reduce the bank accounts to six(6) in accordance with the circular letter from this Office. The dormant bank accounts should be activated and merged to the existing ones. This will reduce paper work in the preparation of accounts and also enhance ease operations.

## **7. NON RETIREMENT OF IMPREST**

**Observation:** It was reported in the last audit report that majority of the career officers and political functionaries were still in the habit of taken imprest without retiring the previous ones. At the time of this audit exercise, the situation was not different. The officers have not complied with the Model Financial Memoranda for Local Government Chapter 14:24–27 which stipulate that “No imprest shall be approved or given unless the previous imprests collected for the same purpose has been retired. This shows that the Internal Auditor has not been carrying out post payment audit checks as required by provisions of chapter 40:1 of the Model Financial Memoranda.

**Recommendation:** The Internal Auditor is advised to be more alive to her responsibilities by ensuring that post-payment audit exercise is carried out on payment vouchers. Henceforth, the Internal Auditor will be held responsible for non-compliance with the provisions of the MFMA, chapter 40:1.

## **8. REVENUE GENERATION PERFORMANCE**

**Observation:** During the period under review, it was observed that the Local Government budgeted a sum of One hundred and seventy five million, five hundred and eighty thousand Naira (₦175, 580,000.00) only to be generated internally but at the end of the financial year 2021, the Local Government generated a sum of Eighty-seven million, eight hundred and twenty four Thousand, four hundred and twenty Naira, Seventy -one kobo (₦87, 824,420.71) only as its independent revenue. This represents 50% revenue generation performance.

The Local Government can still perform better because there were areas where revenue were not fully tapped. Such areas include: Street naming, Markets, Schools, Bakery, Food Vendor, Masts, Outstanding Receivable (Stallages), Guest House etc.

**Recommendation:** The Local Government is hereby advised to intensify more efforts to improve her internally generated revenue in the next financial year 2022.

## **9. LOCAL GOVERNMENT VEHICLE WITH THE FORMER EXECUTIVE CHAIRMAN.**

**Observation:** It was observed that the official vehicle, Toyota Camry No. LG01FFF taken away by the former Executive chairman, Hon .Hakeem Bello without following due process has not been recovered from him as directed by this Office. Efforts made by the Local Government to recover the vehicle from him proved abortive.

**Recommendation:** This Office will report the issue to the Public Accounts Committee of the House of Assembly for necessary action.

## **10. PREPARATION OF GENERAL PURPOSE FINANCIAL STATEMENT (GPFS)**

**Observation:** It was observed that the printed year 2021 General Purpose Financial Statements did not provide enough space for any corrections to be made. The space in-between the figures were narrow and the figures too were tiny thereby making corrections difficult for Auditors.

**Recommendation:** Henceforth, the General Purpose Financial Statement (GPFS) should be prepared in such a way to give room for any correction(s) by Auditors.

## **11. LOCAL GOVERNMENT HEALTH FACILITIES**

**Observation:** It was observed that the Local Government have thirty-one (31) health centres. Out of these centres, Audit team was able to visit three (3) and they are: Olose health centre, Agosi health centre and Okenla health centre due to time constraint.

During Audit visit to the three health centres, it was observed that the pharmacy store ledgers were not updated. For instance, at Olose health centre, 180 items of drugs were recorded

in the store ledger whereas 35 types of drugs were physically found in the store etc. Also, the laboratory ledger was not well maintained at the Medical Laboratory Centre.

**Recommendation:** The Internal Auditor is advised to always carry out sporadic check of all health centres in order to guide against any irregularities in record keeping.

**12. PROJECT UNDER BUILD, OPERATE AND TRNASFER (BOT) ARRANGEMENT**

**CONSTRUCTION/DEVELOPMENT OF SHOPPING ARENA ALONG THE PERIMETER FENCE OF THE LOCAL GOVERNMENT SECRETARIAT**

**Observation:** Available records revealed that during the period under reference, the Local Government awarded the construction /development of a shopping complex arena along the perimeter fence of the Local Government Secretariat to Tundra Global Investment. The contract was awarded in March/April, 2021 at the cost of ₦126,104,577.00. The project was in three phases and each phase consists of thirty (30) shops including toilet and waste disposal collection point at ₦42,034,857.00 for each phase. The project was expected to be completed within twelve (12) months from the date of commencement. The project shall be solely funded by the contractor on Build, Operate and Transfer (BOT) arrangement. The project will revert to Local Government by the contractor after twenty-five (25) years operation.

Further observation revealed that a sum of ₦1,000,000.00 premium and a sum of ₦50,000.00 non-refundable shall be paid by the contractor before commencement.

At the time of this audit exercise in March, 2022, part payment sum of ₦500,000.00 only as premium has been paid leaving an outstanding sum of ₦500,000.00 on premium and ₦50,000.00 non-refundable fee yet to be paid by the contractor.

Also, other capital projects under BOT arrangement across the Local Government which detail information were not provided for audit purpose are contained in appendix “A” attached to this report.

**Recommendation:** The management is advised to abreast this Office about the latest development in respect of construction of shopping arena along the perimeter fence of the Local Government Secretariat.

Also, the latest development and relevant documentary evidence of award of contract/project under BOT by the Local Government in the appendix “A” attached to this report should be forwarded to this Office within two (2) weeks from the date on this report for necessary action.

Furthermore, the contractor should be made to pay the outstanding sum of ₦500,000.00 premium and ₦50,000.00 non-refundable fee, all totalling ₦550,000.00 .

### **13. PROCUREMENT OF LAND FOR REFUSE DUMP SITE AND FOR CEMETERY**

#### **Observation**

In the previous Audit Inspection report No. OGLG/FFF/T/Vol.II/155 of 3<sup>rd</sup> August 2015 and OGLG/IFO/T/Vol.II/166 of 24<sup>th</sup> of February, 2017 it was highlighted that the Local Government purchased a land at NITEL Road, Ifo for cemetery and for relocation of refuse dump site. A sum of Three Million, Eight Hundred and Fifty Thousand (**₦3,850,000.00**) only was approved for the purchase of the land out of which a sum of Three Million, Six Hundred Thousand Naira (**₦3,600,000.00**) only had been released leaving a sum of Two Hundred and Fifty Thousand Naira (**₦250,000.00**) to pay.

It was the advice of this Office then that since substantial amount of the money had been paid, the Local Government should do the perimeter survey of the land, to demarcate it by mounting four corner pillars or to fence it round in order to prevent it from public encroachment. However, at the time of this audit exercise, the Local government has neither included it into its asset schedule nor do the corner pillars to forestall public encroachment.

#### **Recommendation**

The Local Government is one again advised to capture this land in their fixed asset register and do necessary things to guide against encroachment of the land.



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

**RE: AUDIT INSPECTION REPORT ON THE ACCOUNTS OF IFO LOCAL GOVERNMENT IFO FOR  
YEAR ENDED 31<sup>ST</sup> DECEMBER, 2021**

I am directed to refer to the above and to forward the following reactions as regards the report.

1. **DESTRUCTION OF EXHAUSTED RECEIPTS BOOK**

It is good to note that approval has been given by the Local Government while in the same vein, the exhausted receipt books had been destroyed with the certification from the representatives of office Of Auditor General for Local Governments.

2. **AUDIT QUERIES**

Audit Queries No. OGLG/AQ/IFO/229-231/2021 had been delivered to the officer involved and it is expected of him to respond appropriately to the appropriate quarters within the specified period.

3. **BANK RECONCILIATION**

The management has taken appropriate steps to correct the issue of reduction of account being operated to the maximum of six. In the same vein, some dormant accounts left inactive have been reactivated while others have been closed up.

4. **REVENUE GENERATION PERFORMANCE**

Appropriate steps have been taken while all machineries have been put in place to ensure better revenue generation performance. It is good to note here that almost all our revenue items mentioned have been taken over by the State Government i.e. mast, guest house, bakery, schools, etc. through the Land use Charge.

5. **NON-RETIREMENT OF IMPREST**

The Internal Auditor has been informed appropriately and she has swung into action immediately. The incidence is now being corrected.

6. **PROCUREMENT OF LAND FOR REFUSE DUMPSITE AND FOR CEMENTARY**

The land in question was actually purchased by the Local Government as contained in the records. However, the land cannot be fenced contrary to your recommendation because it is a

swamping land. The Local Government will only do documentation of its boundaries and erect sign post depicting the Local Government ownership of the land as soon as possible. The land has already been included in our assets schedule as advised.

7. **THE LOCAL GOVERNMENT VEHICLE WITH THE FORMER CHAIRMAN**

The Local Government has already sent a letter to the former Chairman on the need to return the vehicle as advised by the office of the Auditor General.

8. **PREPARATION OF GENERAL PURPOSE FINANCIAL STATEMENT (GPFS)**

Recommendation is noted for necessary action.

9. **LOCAL GOVERNMENT HEALTH FACILITIES**

Internal auditor has been informed and necessary action will be taken.

10. **AGRIC AND NATURAL RESOURCES DEPARTMENT**

It was observed that the 300 broilers purchased by the Local Government have been disposed but as at today, 24<sup>th</sup> May, 2022 no account has been rendered by the department.

11. **PROJECT UNDER BUILD, OPERATE AND TRANSFER (BOT) ARRANGEMENT**

Effort has been made to reach out to Tundra Global on the outstanding sum of Five Hundred Thousand Naira (N500,000.00) and non-refundable fee of Fifty Thousand Naira (N50,000.00) to be paid on or before the end of May, 2022.

The latest development and relevant documentary evidence of award of contract/project under BOT by the Local Government in the appendix "A" is hereby attached for your necessary action.

Thanks.

  
**Mrs. Akintomide Taiwo O.,**  
**Head of Local Government Administration,**  
**For: Chairman.**