

**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, 2022**

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## ACKNOWLEDGEMENT

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

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

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

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

Thank you and God bless you all.



**L. A. Mulero (CNA)**  
Auditor-General for Local Governments,  
Ogun State.  
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 Ifo 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 IFO LOCAL GOVERNMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2022**

The accounts of Ifo 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 IFO LOCAL GOVERNMENT, IFO 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 Ifo Local Government, Ifo 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 no improvement in record keeping. There were some errors in posting to the cashbook and ledger. Some recordings in some books were done with pencil.

**(3) FINANCIAL REVIEW:**

<b>REVENUE</b>	<b>AMOUNTS (₦)</b>
Internally Generated Revenue	113,678,006.75
Statutory Allocation	2,970,076,238.77
Aids and Grants	<u>33,333,327.49</u>
<b>Total</b>	<b><u>3,117,087,573.01</u></b>
<b>EXPENDITURE</b>	
Overhead Expenses (including Depreciation & Loss on Disposal of Assets)	227,980,405.15
Salaries and Allowances	1,844,577,929.98
Pension	992,425,259.96
Long Term Assets	<u>9,000,500.00</u>
<b>Total</b>	<b><u>3,073,984,095.09</u></b>

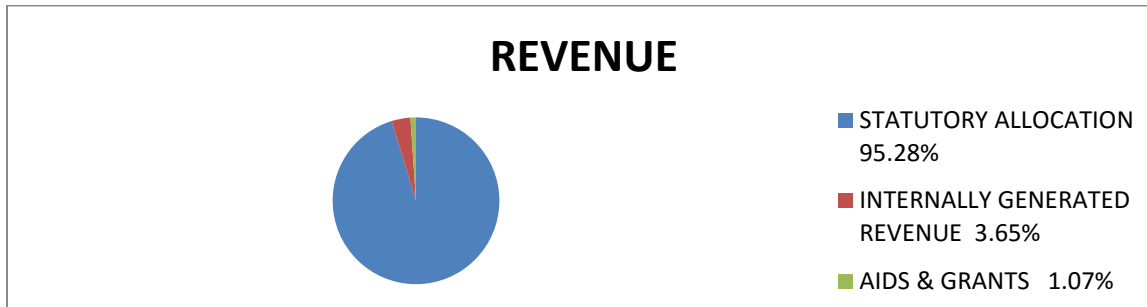
**(4) REVENUE PERFORMANCE:**

**(i) STATEMENT OF ACTUAL REVENUE**

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦87,102,349.61 a sum of ₦113,678,006.75 only was actually generated internally representing 130.51% of the budget. This represents a rise of 32.82% when compared with the sum of ₦85,585,420.71 generated in year 2021. While this improvement in revenue performance is commendable, it does not represent the true revenue potential of the Local Government.

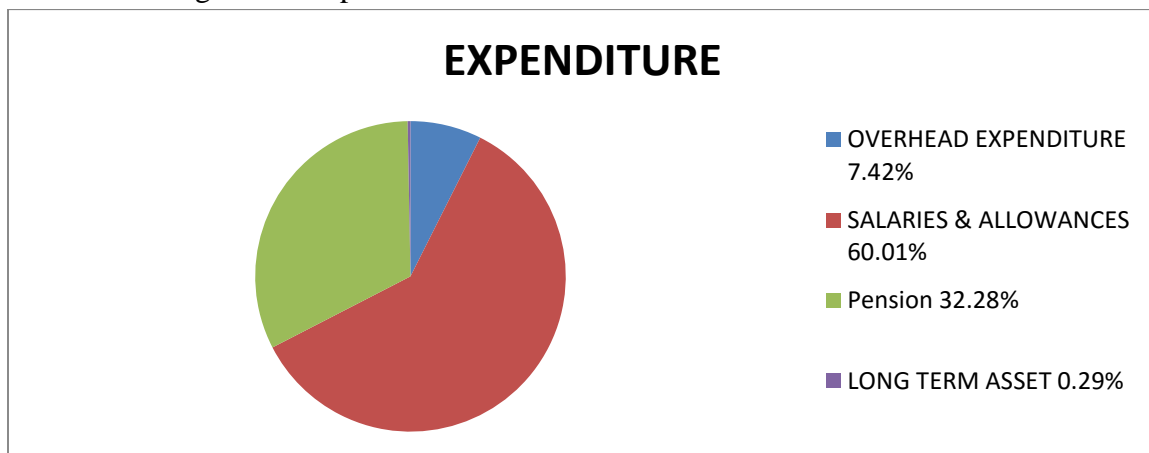
(ii) **PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE**

The Audit exercise revealed that out of the revenue of ₦3,117,087,573.01 realized by the Local Government during the year under review, a sum of ₦113,678,006.75 only was generated internally. This represented 3.65% of the total revenue while the sum of ₦2,970,076,238.77 statutory allocation and ₦33,333,327.49 aids and grant received from Ogun State Government represented 95.28% and 1.07% 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 ₦3,073,984,095.09. Out of this, a sum of ₦227,980,405.15 was expended on overhead which represented 7.42% of the total expenditure for the year. Also, a sum of ₦1,844,577,929.98 was expended on salaries and allowances which represented 60.01% of the expenditure for the year while ₦992,425,259.96 was expended on pensions to retirees and this represented 32.28% while the sum of ₦9,000,500.00 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, 2022 was ₦162,947,346.21. The liabilities are highlighted below:

S/NO	ITEMS	AMOUNTS(₦)
1	Pension Fund	50,334,509.97
2	5% Development Levy	12,182,187.80
3	PAYE	71,662,730.16
4	7.5 VAT	7,423,717.89
5	Payables	21,134,571.17
6	Others	<u>209,629.22</u>
	<b>TOTAL</b>	<b><u>162,947,346.21</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 ₦2,357,380.54 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.

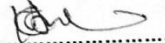
The Treasurer is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly record the use of all public financial resources by the Local Government. To the best of my knowledge,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

  
.....  
**Alh. Donald Wasiu Babatunde, FCA.**  
Treasurer.  
Date: 31/12/22

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, 2022 and its operations for the year ended on the date.

  
.....  
**Alh. Donald Wasiu Babatunde, FCA.**  
Treasurer.  
Date: 31/12/22

  
.....  
**Hon. (Mrs.) Kikelomo Delano,**  
Executive Chairman.  
Date: 31/12/2022

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

	NOTES	2022	2021
<b>CURRENT ASSET</b>		₱	₱
CASH & CASH EQUIVALENTS	10	-783,283.29	345,870.95
INVENTORIES		5,953,283.63	8,015,429.94
RECEIVABLES		36,908,630.00	28,634,630.00
PREPAYMENT			
ADVANCE		2,357,380.54	2,445,712.54
<b>TOTAL CURRENT ASSET (A)</b>		<b>44,436,010.88</b>	<b>39,441,643.43</b>
<b>NON CURRENT ASSET</b>			
PROPERTY PLANT & EQUIPMENT	8	1,020,512,160.52	1,036,228,019.39
INVESTMENT PROPERTY	9	84,927,040.00	86,773,280.00
BIOLOGICAL ASSET		176,000.00	184,000.00
INVESTMENT		419,200.00	419,200.00
LOAN GRANTED			
<b>TOTAL NON CURRENT ASSET (B)</b>		<b>1,106,034,400.52</b>	<b>1,123,604,499.39</b>
<b>TOTAL ASSET (C=A+B)</b>		<b>1,150,470,411.40</b>	<b>1,163,046,142.82</b>
<b>CURRENT LIABILITY</b>			
DEPOSIT			
LOAN & DEBT			
UNREMITTED DEDUCTIONS	11	141,812,775.04	212,429,417.90
ACCRUED EXPENSES, PAYABLES		21,134,571.17	18,803,637.65
DEFERRED INCOME		6,000.00	
CURRENT PORTION OF BORROWING			
<b>TOTAL CURRENT LIABILITY (D)</b>		<b>162,953,346.21</b>	<b>231,233,055.55</b>
<b>NON CURRENT LIABILITY</b>			
PUBLIC FUND			
BORROWING			
<b>TOTAL NON CURRENT LIABILITY (E)</b>		-	-
<b>TOTAL LIABILITY (F=D+E)</b>		<b>162,953,346.21</b>	<b>231,233,055.55</b>
<b>NET ASSETS (G= C-F)</b>		<b>987,517,065.19</b>	<b>931,813,087.27</b>
<b>NET ASSET/EQUITY</b>			
RESERVE			
ACCUMULATED SURPLUS/ DEFICIT		987,517,065.19	931,813,087.27
<b>TOTAL NET ASSET/EQUITY</b>		<b>987,517,065.19</b>	<b>931,813,087.27</b>

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

		<b>2022</b>	<b>2021</b>
<b>REVENUE</b>		<b>₦</b>	<b>₦</b>
STATUTORY ALLOCATION	1	2,970,076,238.77	2,500,690,432.72
NON TAX REVENUE	2	96,310,490.58	79,671,604.20
INVESTMENT INCOME			
INTEREST EARNED		5,604.77	312,692.84
GAIN/LOSS ON DISPOSAL ON ASSET			
AIDS & GRANTS	3	33,333,327.49	17,600,000.00
OTHER REVENUE		17,361,911.40	5,601,123.67
<b>TOTAL REVENUE (A)</b>		<b>3,117,087,573.01</b>	<b>2,603,875,853.43</b>
<b>EXPENDITURE</b>			
SALARIES & WAGES	4	1,844,577,929.98	1,645,557,123.14
NON- REGULAR ALLOWANCE	5		
SOCIAL BENEFIT	6	992,425,259.96	873,197,625.50
OVERHEAD COST	7	195,609,806.28	126,521,750.02
SUBVENTION TO PARASTALS		1,950,000.00	2,400,000.00
DEPRECIATION	8 & 9	30,420,598.87	29,818,789.39
GAIN/LOSS ON DISPOSAL ON ASSET			
<b>TOTAL EXPENDITURE (B)</b>		<b>3,064,983,595.09</b>	<b>2,677,495,288.05</b>
<b>SURPLUS / DEFICIT (C=A-B)</b>		<b>52,103,977.92</b>	<b>-73,619,434.62</b>

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

	<b>₦</b>
<b>Balance 1/1/2021</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 31/12/2021</b>	<b>931,813,087.27</b>
Prior Year Adjustment	3,600,000.00
<b>Adjusted Balance</b>	<b>935,413,087.27</b>
Surplus/ (deficit) for the year	52,103,977.92
<b>Balance at 31 December 2022</b>	<b>987,517,065.19</b>

**IFO 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><u>INFLOWS</u></b>	<b>₦</b>	<b>₦</b>
STATUTORY ALLOCATION	2,970,076,238.77	2,502,690,432.72
LICENCES, FINES, ROYALTIES, FEES ETC	57,132,800.00	48,953,500.00
EARNINGS & SALES	22,755,690.58	24,909,104.20
RENT OF GOVERNMENT PROPERTIES	8,148,000.00	8,048,000.00
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL	5,604.77	312,692.84
DOMESTIC AIDS & GRANTS	33,333,327.49	17,600,000.00
OTHER REVENUE	17,361,911.40	5,601,123.67
<b>TOTAL INFLOW FROM OPERATING ACTIVITIES (A)</b>	<b>3,108,813,573.01</b>	<b>2,608,114,853.43</b>
<b><u>OUTFLOW</u></b>		
PERSONNEL EMOLUMENTS	1,844,577,929.98	1,645,557,123.14
SOCIAL BENEFIT	992,425,259.96	873,197,625.50
OVERHEADS	191,466,726.45	128,976,587.68
SUBVENTION TO PARASTATALS	1,950,000.00	2,400,000.00
INTEREST PAYMENT		
<b>TOTAL OUTFLOW FROM OPERATING ACTIVITIES (B)</b>	<b>3,030,419,916.39</b>	<b>2,650,131,336.32</b>
<b>NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=(A)-(B)</b>	<b>78,393,656.62</b>	<b>-42,016,482.89</b>
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
PURCHASE/ CONSTRUCTION OF ASSETS	-9,000,500.00	-7,900,000.00
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE	88,332.00	90,750.00
PROCEED FROM SALE OF ASSETS		
DEFERRED INCOME	6,000.00	
DIVIDEND RECEIVED		
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-8,906,168.00</b>	<b>-7,990,750.00</b>
<b><u>CASH FLOW FROM FINANCIAL ACTIVITIES</u></b>		
DEPOSIT/ UNREMITTED DEDUCTIONS	-70,616,642.86	47,777,497.32
PUBLIC FUND		
PROCEEDS FROM DOMESTIC LOANS & OTHER		
<b>NET CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>-70,616,642.86</b>	<b>47,777,497.32</b>
<b>NET CASH FLOW FROM ALL ACTIVITIES</b>	<b>-1,129,154.24</b>	<b>-2,229,735.57</b>
<b>CASH &amp; ITS EQUIVALENT AS AT 1/1/2022</b>	<b>345,870.95</b>	<b>2,575,606.52</b>
<b>CASH &amp; ITS EQUIVALENT AS AT 31/12/2022</b>	<b>-783,283.29</b>	<b>345,870.95</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> <p>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</p>

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

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

**SHARE OF STATUTORY ALLOCATION  
FROM JAAC**

1

₦

JANUARY	216,642,015.47
FEBRUARY	
MARCH	223,195,744.95
APRIL	447,073,431.33
MAY	
JUNE	225,280,557.60
JULY	228,146,646.16
AUGUST	245,236,602.68
SEPTEMBER	253,051,318.16
OCTOBER	246,962,945.96
NOVEMBER	630,426,987.90
DECEMBER	254,059,988.56
<b>TOTAL</b>	<b>2,970,076,238.77</b>

**2 NON-TAX REVENUE**

LICENCES	28,471,500.00
FEES	27,430,300.00
FINES	1,225,000.00
EARNINGS	13,805,269.58
RENT OF GOVERNMENT PROPERTIES	16,428,000.00
SALES	8,950,421.00
<b>TOTAL</b>	<b>96,310,490.58</b>

**3 AIDS & GRANTS**

OGUN STATE GOVERNMENT	33,333,327.49
NON GOVERNMENT ORGANISATION	0.00
<b>TOTAL</b>	<b>33,333,327.49</b>

**4 SALARIES & WAGES**

LOCAL GOVERNMENT STAFF	497,520,844.13
PRIMARY SCHOOL TEACHERS	1,131,462,384.86
TRADITIONAL COUNCIL	153,860,544.77
POLITICAL FUNCTIONARIES	61,734,156.22
<b>TOTAL</b>	<b>1,844,577,929.98</b>



**5 NON- REGULAR ALLOWANCE**

	LEAVE BONUS	-
	<b>TOTAL</b>	

**6 SOCIAL BENEFIT**

	GRATUITY	-
	PENSION	992,425,259.96
	<b>TOTAL</b>	<b>992,425,259.96</b>

**7 OVERHEAD COST BY DEPARTMENT**

	CHAIRMAN & COUNCIL	45,385,143.84
	HOLGA	1,015,000.00
	INTERNAL AUDIT	1,360,000.00
	ADMINSTRATIVE	65,765,360.86
	FINANCE	15,747,545.41
	INFORMATION	2,157,000.00
	P H C	10,965,493.01
	AGRIC	2,138,000.00
	WORKS	30,105,780.00
	PLANNING	3,554,000.00
	WES	5,810,183.16
	COMMUNITY	11,606,300.00
	<b>TOTAL</b>	<b>195,609,806.28</b>

**10 CASH & CASH EQUIVALENTS**

	CASH AT HAND	216,243.47
	CASH IN BANKS	- 999,526.76
	<b>TOTAL</b>	<b>- 783,283.29</b>

**11 UNREMITTED DEDUCTIONS**

1	PAYE	71,662,730.16
2	PENSION	50,334,509.97
3	8% VAT	1,121,873.48
4	5% TAX	12,182,187.80
5	5% VAT CONTRACT	6,301,844.41
6	NULGE	22,737.35
7	OTHERS	186,891.87
	<b>Total</b>	<b><u>141,812,775.04</u></b>

**NOTE 8 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 01/01/2022	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
ADDITIONAL DURING THE YEAR	1,000,000.00		279,500.00	3,990,000.00	470,000.00	3,261,000.00		9,000,500.00
ADJUSTMENT		3,850,000.00						3,850,000.00
DISPOSAL DURING THE YEAR								-
BAL C/F	<b>1,076,520,156.00</b>	<b>3,850,000.00</b>	<b>13,086,862.50</b>	<b>16,498,160.00</b>	<b>4,522,900.00</b>	<b>5,378,950.00</b>	<b>15,365,775.00</b>	<b>1,135,222,803.50</b>
ACCUMULATED DEPRECIATION								
BAL AS AT 01/01/2022	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
ADDITIONAL DURING THE YEAR	21,510,403.12		1,308,686.25	3,069,432.00	233,900.00	907,360.00	1,536,577.50	28,566,358.87
DISPOSAL DURING THE YEAR								-
BAL C/F	86,100,832.48	-	5,300,667.50	11,834,128.00	4,078,000.00	2,737,650.00	4,659,365.00	114,710,642.98
AS AT 31/12/2022	<b>990,419,323.52</b>	<b>3,850,000.00</b>	<b>7,786,195.00</b>	<b>4,664,032.00</b>	<b>444,900.00</b>	<b>2,641,300.00</b>	<b>10,706,410.00</b>	<b>1,020,512,160.52</b>
AS AT 31/12/2021	<b>1,010,929,726.64</b>	<b>-</b>	<b>8,815,381.25</b>	<b>3,743,464.00</b>	<b>208,800.00</b>	<b>287,660.00</b>	<b>12,242,987.50</b>	<b>1,036,228,019.39</b>

**NOTE 9 IFO LOCAL GOVERNMENT**

INVESTMENT PROPERTY	LAND & BUILDING 2%	BIOLOGICAL 4%	TOTAL
BAL AS AT 01/01/2022	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	<b>92,312,000.00</b>	<b>200,000.00</b>	<b>92,512,000.00</b>
ACCUMULATED DEPRECIATION			
BAL AS AT 01/01/2022	5,538,720.00	16,000.00	5,554,720.00
ADDITIONAL DURING THE YEAR	1,846,240.00	8,000.00	1,854,240.00
DISPOSAL DURING THE YEAR			
BAL C/F	7,384,960.00	24,000.00	7,408,960.00
AS AT 31/12/2022	<b>84,927,040.00</b>	<b>176,000.00</b>	<b>85,103,040.00</b>
AS AT 31/12/2021	<b>86,773,280.00</b>	<b>184,000.00</b>	<b>86,957,280.00</b>

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

**AUDIT INSPECTION REPORT ON THE ACCOUNTS OF IFO LOCAL GOVERNMENT, IFO 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 connection with the above Audit Inspection.

**2. AUDIT QUERIES**

Audit Queries issued are as followed.

S/N	QUERY NUMBER	SUBJECT	AMOUNT(₦)
1.	OGLG/AQ/FFF/233/2022	Nugatory	570,000.00
2.	OGLG/AQ/FFF/234/2022	Doubtful Expenditure	420,000.00
3.	OGLG/AQ/FFF/235/2022	Unreasonable Expenditure	1,350,000.00
4.	OGLG/AQ/FFF/236/2022	Doubtful Expenditure	110,000.00
5.	OGLG/AQ/FFF/237/2022	Doubtful Expenditure	1,000,000.00
6.	OGLG/AQ/FFF/238/2022	Doubtful Expenditure	2,600,000.00
7.	OGLG/AQ/FFF/238/2022	Engagement of revenue contractor in violation of regulation	6,004,000.00

**3. BANK RECONCILIATION**

**Observation:** During the examination of the bank reconciliation statement, the following were observed;

**Direct Debit:** It was observed that a cheque of One Hundred and Thirty Thousand Naira (₦130,000.00) was issued to the Internal Auditor (Mrs T. A. Ademuyiwa) vide P.V. 40 January, 2022. During the examination of the bank reconciliation statement, it was observed that the bank mistakenly debited Local Government bank account twice and also credited Mrs Ademuyiwa T. A. twice which resulted to payment without voucher and direct debit. On interrogation, the Internal Auditor (Mrs Ademuyiwa T. A.) admitted that her account was credited twice and she had refunded the sum of ₦50,000.00 vide RV 11/March 2023 leaving a sum of ₦80,000.00 yet to be refunded.

**Recommendation:** The management is advised to ensure that Mrs Ademuyiwa T. A refund the sum of ₦80,000.00 involved and forward a copy of the bank teller of the recovery to this Office.

**Unpresented Cheque:**

**Observation:** During the examination of the bank reconciliation prepared by the Local Government, it was observed that a sum of ₦6,352,825.77 National Housing Fund (NHF) money was the amount that accumulated in the bank reconciliation as unpresented cheque from January, 2022 till the time of writing this report. This scenario was brought about by the fact that NHF money deducted monthly from staff salaries were often not treated like other deductions, rather it was included in the net salary to be paid and not deductions. Meanwhile the Local Government did not effect the release of the fund, which was already included in net pay, to NHF. This is how it came to be carried as unpresented cheques because it was already included in the net pay but there was no movement of fund from the bank to NHF.

**Recommendation:** You are advised to effect payment of staff NHF standing as unpresented cheques in your bank reconciliation statement. Please note that there is no need to raise any payment voucher for this. In addition, you are to note the appropriate treatment of NHF and to remit it monthly to the appropriate organisation whenever salaries are paid.

**Dormant Bank Accounts:**

**Observation:** On the dormant bank account, the Treasurer said the Local Government had taken steps on the issue by writing the banks involved that some of the accounts should be closed while some should be merged.

**Recommendation:** You are enjoined to follow-up your letter to the banks and to ensure that they effect the closure or merger of accounts as requested.

**4. INTERNALLY GENERATED REVENUE**

**Observation:** During the period covered by this report, a sum of Eighty-Seven Million, One Hundred and Two Thousand, Three Hundred Forty-Nine Naira, Sixty-One kobo. (₦87,102,349.61) was the total revenue budgeted to be generated in the year, but the sum of One Hundred and Thirteen Million, Six Hundred and Seventy-Eight Thousand, Six Naira, Seventy-Five kobo. (₦113,678,006.75) was generated. The amount represented 130.51% of the revenue budget and 132.83% of the sum of Eighty-Five Million Five Hundred and Eighty-Five Thousand Four Hundred and Twenty Naira, Seventy-One kobo. (₦85,585,420.71) that was generated in year 2021.

While the sum of ₦113,678,006.75 generated in year 2022 appear to be impressive when compared with the sum of ₦85,585,420.71 generated in year 2021, a close look at the performance in individual items of revenue revealed that while some were very impressive, others showed a sharp drop in revenue generated. The table below contains some of the revenue heads where the Local Government either did not collect any revenue at all while revenue was collected in the previous period and those that the collections were less than those of the previous year:

<b>IFO LOCAL GOVERNMENT INDEPENDENT REVENUE FOR YEAR 2021 AND 2022</b>			
<b>ECONOMIC CODE</b>	<b>DESCRIPTION</b>	<b>2021</b>	<b>2022</b>
12020120	Registration of Voluntary Organization	883,000.00	281,000.00
12020124	Abattoir/Slaughter Licenses	981,000.00	783,000.00
12020137	Application Fees	2,070,000.00	787,500.00
12020138	Business/Trade Operation	100,000.00	
12020142	Sewage Management	206,000.00	102,000.00
12020442	Street Naming	3,115,000.00	996,000.00
12020474	Proceeds from Sale of Drugs	12,471,446.00	7,785,221.00
12020490	Earnings from Advert and Rights	641,688.20	

Worthy of note is the revenue from sale of drugs which dropped from the sum of ₦12,471,446.00 in year 2021 to ₦7,785,221.00 in year 2022 amounting to reduction in performance by ₦4,686,225.00 representing 37.58% decrease. Other notable areas of underperformance were street naming with a reduction in revenue generated of ₦2,119,000.00 representing 68.03% decrease and revenue from application fees that reduced by ₦1,282,500.00 representing 61.96% decrease in performance when compared with the collections in year 2021.

**Recommendation:** Concerted efforts should be intensified towards enhanced revenue generation. All revenue items should be optimally harnessed.

## **5. STATE OF RECORDS**

**Observation:** During the year under review, it was observed that there was no improvement in the manner in which the accounting records were kept. During the audit exercise so many errors such as incorrect posting of figures into the cashbook and the

ledgers, transaction written in pencil and payment vouchers charged to wrong heads were detected. This made the work tedious for the audit team.

**Recommendation:** The Treasurer and the Treasury Department should be alive to their responsibilities by keeping accurate records of transactions. Senior Officers are enjoined to step up supervision of their subordinates.

## **6. INVENTORY**

**Observation:** During the year under review, it was observed that the name of Local Government was not engraved on all the newly purchased items such as Fridge, Laptops, Printers, Fans, etc. Inscription of names on asset will prevent unauthorized access or movements of the items.

**Observation:** The internal audit should take urgent steps to write Local Government name and identification code on all assets as required by regulations.

## **7. REVENUE CONTRACTORS.**

**Observation:** During the just concluded audit exercise, the Local Government engaged revenue contractors to collect some revenue whereas the Local Government staff are available to do the work. In the process, a sum of Six Million, Four Thousand Naira (₦6,004,000.00) was collected but not remitted to the Council by the revenue contractors as at the time of writing this report.

It is worthy of note that awarding revenue contract is a violation of the State Government's directive in Circular letter No. SART/72/003 of 25<sup>th</sup> October, 2013 issued from the Office of the Special Adviser to the Ogun State Government on Revenue and Taxation which forbids revenue contract.

**Recommendation:** You are advised to revoke the revenue contracts forthwith and recover the sum of ₦6,004,000.00 yet to be remitted to the Treasury.

## **8. PROJECT UNDER BUILD, OPERATE AND TRANSFER (BOT) ARRANGEMENTS**

**Observation:** In April, 2022 the Local Government awarded the development of Ifo Market to *Seminathowe Nig. Ltd* to do the following constructions:

### **(i) 218 LOCK-UP-SHOPS**

- Block A (Bungalow): Five blocks consisting of 18 shops in each block, all totalling 90 shops
- Block B (High Rise): Four blocks consisting of 32 lock up shops both up and downstairs all totalling 128 shops. As at the time of writing this report, 28 lock-up-shops has been completed out of which 9 is already occupied.

(ii) **224 OPEN STALLS**

➤ Block C (Open Stall): Fourteen blocks consisting 16 open stalls in each block all totalling 224. As at the time of writing this report, 181 open stalls has been completed out of which 187 is occupied.

(iii) **16 VIP TOILETS**

➤ Block D: Two blocks of eight VIP Toilets all totalling 16 VIP Toilets.

(iv) Two Offices to be built in the market for the Local Government use

The approval to Build, Operate and Transfer (BOT) the project was given to Seminathow Nig Ltd on 8/8/2018. The lease agreement was to last 20 years.

The contractor is to pay a sum Two Million Naira to the Local Government as a premium.

**Recommendation:** The management is advised to make sure the contractor complete the works as stipulated in the agreement.

**9. PROCUREMENT OF LAND FOR REFUSE DUMPSITE AND FOR CEMETARY.**

**Observation:** In the previous Audit Inspection Report Nos. OGLG /IFO/VOL.III/295, 2022 dated 31<sup>st</sup> March, 2022 and OGLG/IFO/VOL.III/305 dated 6<sup>th</sup> September, 2022 it was highlighted that the Local Government purchased a land at NITEL Road, Ifo, for cemetery and for relocation of refuse dump site. According to those reports, a sum of Three Million, Eight Hundred and Fifty Thousand (**₦3,850,000.00**) was approved for the purchase out of which a sum of Three Million, Six Hundred Thousand Naira (**₦3,600,000.00**) had been paid for the land leaving a sum of Two Hundred and Fifty Thousand Naira (**₦250, 000.00**) to balance up. The Local Government was advised to do the survey of the land and the fencing but at the time of writing this report, nothing has been done on the land.

**Recommendation:** You are once again advised to pay up the balance of the land purchased, obtain all the title documents and do the survey of the land and inform this Office appropriately.

**10. LOCAL GOVERNMENT VEHICLE WITH THE FORMER EXECUTIVE CHAIRMAN.**

**Observation:** In the previous Audit Inspection Report Nos. OGLG /IFO/VOL.III/295, dated 31<sup>st</sup> March, 2022 and OGLG/IFO/VOL.III/305 dated 6<sup>th</sup> September, 2022, it was highlighted that an official vehicle, Toyota Camry No. LG01FFF has been taken away by the former Executive Chairman, Hon Hakeem Bello. During the audit just concluded, nothing appears to have been done by the Local Government to recover the vehicle as advised by this Office.

**Recommendation:** You are advised to recover your Local Government vehicle that was unlawfully taken away by the former Chairman and inform this Office of the recovery.

**11. PROVISION OF CENTRAL STORE FOR PRIMARY HEALTH FACILITIES**

**Observation:** It was highlighted in the last Audit Inspection Report Nos. OGLG/IFO/VOL.III/305 dated 6<sup>th</sup> September, 2022 that the Local Government should make provision for medical central store for proper storage, recording and accounting for the purchase and distribution of drugs and equipment to its health centres. As at now, nothing has been done.

**Recommendation:** The management is once again advised to make provision for medical store for proper accounting purpose.

**12. CONSTRUCTION/DEVELOPMENT OF SHOPPING ARENA ALONG THE PERIMETER FENCE OF THE LOCAL GOVERNMENT SECRETARIAT ON BUILD, OPERATE AND TRANSFER (BOT) ARRANGEMENT**

**Observation:** In the previous Audit Inspection Report Nos. OGLG /IFO/VOL.III/295 of 31<sup>st</sup> March, 2022 and OGLG/IFO/VOL.III/305 dated 6<sup>th</sup> September, 2022, it was reported that in March/April, 2021 the construction and development of shopping complex and arena along the perimeter fence of the Local Government Secretariat was awarded to Tundra Global Investment at a cost of ₦126,104,577.00.

The project was expected to be completed within twelve (12) months from the date of commencement. The project was to be solely funded by the contractor on Build, Operate and Transfer (BOT) arrangement and shall revert to the Local Government after twenty-five (25) years.

In the report, the Local Government was advised as follows:

- (i) That the Local Government should ensure that the contractor adhere strictly to project duration of twelve (12) months for its completion as specified in the terms of agreement.
- (ii) That the project should be monitored and supervised by the Local Government Engineer.
- (iii) That certificate of completion should be issued at every stage of completion.
- (iv) That the contractor should be made to pay the balance of ₦500,000.00 premium and ₦50,000.00 non-refundable fee since the initial payments were made.

However, during the audit exercise just concluded, there was no evidence that the Local Government took any step on the issue. The balance of ₦500,000.00 premium and ₦50,000.00 non-refundable fee were yet to be paid since the initial payment was made in early year 2021.



**Recommendation:** The management is once again advised to make sure the contractor pay the premium balance of ₦500,000.00 and ₦50,000 non-refundable fee as agreed. The Local Government should put pressure on the contractor to complete the building on BOT within the time agreed.

### **13 DOUBTFUL EXPENDITURE**

**Observation:** It was observed during the examination of vouchers that official receipts were not attached to some payment vouchers contrary to the provisions of Chapter 14:17 of the Model Financial Memoranda for Local Governments while others that were receipted appears not to have emanated from the vendors but were computer generated receipts and most of them were not dated.

Examples of such transactions were:

- (a) The sum of ₦420,000.00 paid to Mr Omolade Oluyinka (Principal Community Development Inspector) to sensitize the public on the importance of obtaining Permanent Voters Card (PVC)
- (b) The sum of ₦110,000.00 paid to Mr. Ige G. S (Administration Officer GL 09) to cater for the transportation, entertainment and other logistics during a meeting held with Traditional Rulers and other stakeholders. The meeting was held to deliberate on how to improve the Internally Generated Revenue of the Council.
- (c) The sum of ₦1,000,000.00 paid to Mr Ogundele Enoch Olusola (Senior Technical Officer GL 09) for construction and installation of fourteen (14) solar led street light at some location in Ifo Local Government vide PV 32/Nov, 2022.
- (d) The sum of ₦2,600,000.00 paid to Mr Ogundele Enoch Olusola (Senior Technical Officer GL 09) to install electricity at Agosi area of Ifo vide PV 20 & 22/ Nov, 2022.

**Recommendation:** You are required to always attach genuine official printed receipts and statement of expenditure to account for funds released.

### **14. UNREASONABLE EXPENDITURE**

**Observation:** During the period under review, a sum of ₦1,350,000.00 was paid vide PV 160/Nov, 2022 to Mr. Idowu Jonathan A. (Director, Community and Social Development) for year 2022 World Community Development Day Celebration. During the examination of the payment vouch, the following were observed:

- (i) The letter of invitation from the State Government require that 100 persons be sponsored
- (i4) The Council claimed that 20 busses were hired for One Million Naira.
- (iii) Provision was made to feed 250 persons while the receipt attached claimed that 280 persons were fed.

Based on the State Government's request for sponsorship of 100 persons, the Local Government should not have expended more than ₦412,500.00 as detailed below:

	₦
(i) Hire of 8 busses at 50,000.00 each	400,000.00
(ii) Entertainment of 100 persons as provided at ₦1,250.00 each	<u>12,500.00</u>
<b>Total</b>	<u>412,500.00</u>

It would appear that the Local Government had expended the sum of ₦937,500.00 (₦1,350,000.00 - ₦412,500) unreasonably.

**Recommendation:** You are advised to be reasonable and circumspect when expending public fund.

## **15. NUGATORY PAYMENT**

**Observation:** It was observed during the examination of vouchers that a sum of ₦570,000.00 was released vide PV 03/July, 2022 to Mr Sodunke E. Koleoso (Community Development Officer GL 08) as entertainment and feeding during a 5days vocational training organized for the youth.

In the Payment voucher, the following were observed:

- (i) Evidence of holding the meeting such as photograph taken during the programme and certificate of attendance were not attached as evidence that the programme was held.
- (ii) The receipts attached were not dated and they appear to be written by the same person but they emanated from different organisations.
- (iii) No money was expended on training material as approved because it was not reflected in the receipt.
- (iv) There was no provision for public address system because it was not reflected in the receipt.
- (v) There was no provision for tutors at the training because it was not reflected in the receipt.

If training materials were not produced as approved and there was no provision for tutors who will train the participants, it would be reasonable to conclude that the training did not hold. It would appear that the sum of ₦570,000.00 involved was not expended for the purpose approved.

**Recommendation:** You are enjoined to always utilise funds released for the purposes intended.

**IFO LOCAL GOVERNMENT**  
**P.M.B 5023**  
**IFO.**

**IFLG.T194/2**

**18<sup>th</sup> May, 2023**

The Auditor-General for Local Governments,  
P.M.B 2047,  
Oke-Mosan,  
Abeokuta.

**RE-AUDIT INSPECTION REPORT ON THE ACCOUNT OF IFO LOCAL GOVERNMENT,  
IFO FOR YEAR ENDED 31<sup>ST</sup> DECEMBER, 2022**

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

**1. DESTRUCTION OF EXHAUSTED RECEIPT BOOKS**

In accordance with the model financial memoranda for Local Government chapter 7:14 and with strict directives from your office, all receipt books completely exhausted and audited prior to 31<sup>st</sup> December, 2022 shall be destroyed immediately the approval to do that is given by the Local Government. However, your office shall dully be informed so as to send the representative to witness the exercise.

**2. AUDIT QUERY: Delivered accordingly.**

**3. BANK RECONCILIATION: Mrs. Ademuyiwa T. A. has been informed of the directive.**

**\* UNPRESENTED CHEQUE**

The issue of National Housing fund (NHF) outstanding's have been resolved between Access bank and Mortgage bank. NHF deductions from January – December, 2022 have been remitted to Federal Mortgage bank through Access Bank Plc.

**\*DORMANT BANK ACCOUNTS**: Action has already been taken on this.

**4. INTERNALLY GENERATED RVENUE**

Concerted efforts are being taken to ensure better revenue generation performance in all items that showed sharp drop in revenue generated.

**5. STATE OF RECORDS**

All recommendations are noted for necessary action.

**6. INVENTORY**: Internal Auditor has been informed accordingly.

**7. REVENUE CONTRACTORS**

Efforts are being put in place to recover the outstanding debts by the Contractors. In addition, we will continue to engage the political class on the need to discontinue the award of revenue collection to the politicians.

**8. CONSTRUCTION/DEVELOPMENT OF SHOPING ARENA ALONG THE PERIMETER FENCE OF THE LOCAL GOVERNMENT SECRETARIAT ON (BOT) ARRANGEMENT**

The Contractor (Tundra Global Investment) has paid the premium of #500,000.00 on 25<sup>th</sup> June, 2022, remaining #50,000.00 non-refundable fee to pay. Effort will be made to recover the remaining balance of #50,000.00 from the Contractor.

**9. PROJECTS UNDER BUILD, OPERATE AND TRANSFER (BOT) ARRANGEMENT**

Recommendations on all other items are well noted for necessary action.

#### **10. PROCUREMENT OF LAND FOR REFUSE DUMPSITE AND FOR CEMENTARY**

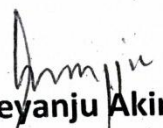
The land in question was actually purchased by the Local Government as contained in the records but is yet to be fenced. This will be done by the Local Government as soon as her finance improves.

The land has been included in our assets schedule as advised.

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

The above observation is noted. While it is true that the Executive Chairman, Hon Hakeem Bello went away with the Local Government official vehicle (Toyota Camry No. LG 01 FFF), the Local Government has already sent a letter to him on the need to return the vehicle as advised by your office. But we are yet to receive any response from him.

Thanks.

  
**Mr. Adeyanju Akinyemi .S,**  
*Head of Local Government Administration,*  
For: Executive Chairman.