

**OGUN STATE GOVERNMENT, NIGERIA**

**STATUTORY REPORT**

**AND**

**DOMESTIC REPORT**

**OF THE**

**AUDITOR-GENERAL FOR LOCAL GOVERNMENTS**

**ON THE ACCOUNTS**

**OF**

**IJEBU NORTH EAST 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 Ijebu North East 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  
IJEBU NORTH EAST LOCAL GOVERNMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER,  
2020**

The accounts of Ijebu North East 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 IJEBU NORTH EAST LOCAL GOVERNMENT, ATAN FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2020**

In compliance 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, the accounts of Ijebu North East Local Government, Atan 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**

It was observed that asset register was not kept while revenue registers were not well kept.

**(3) FINANCIAL REVIEW:**

<b><u>REVENUE</u></b>	<b>AMOUNT (₦)</b>
Independent Revenue	14,723,905.58
Statutory Allocation	1,274,914,668.65
Aids and Grants	<u>10,150,000.00</u>
<b>Total</b>	<b><u>1,299,788,574.23</u></b>
<b><u>EXPENDITURE</u></b>	
Salaries and Allowances	902,756,962.45
Overhead Expenses	48,388,922.34
Pensions	376,758,783.25
Long Term Assets	<u>9,014,400.00</u>
<b>Total</b>	<b><u>1,336,919,068.04</u></b>

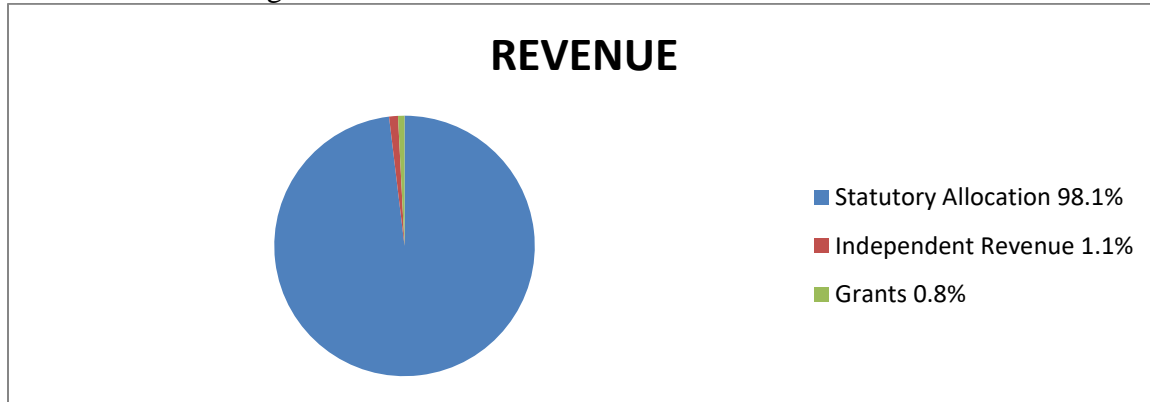
**(4) REVENUE PERFORMANCE:**

**(i) STATEMENT OF ACTUAL REVENUE**

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦15,050,000.00, a sum of ₦14,723,905.58 only was actually generated internally representing 97.8% of the budget. This represents a decrease of 8.6% when compared with the sum of ₦16,107,613.12 generated internally in year 2019. This implied that the Local Government did not harness its Internally Generated Revenue (IGR) potentials maximally or there were leakages which have not been identified and blocked.

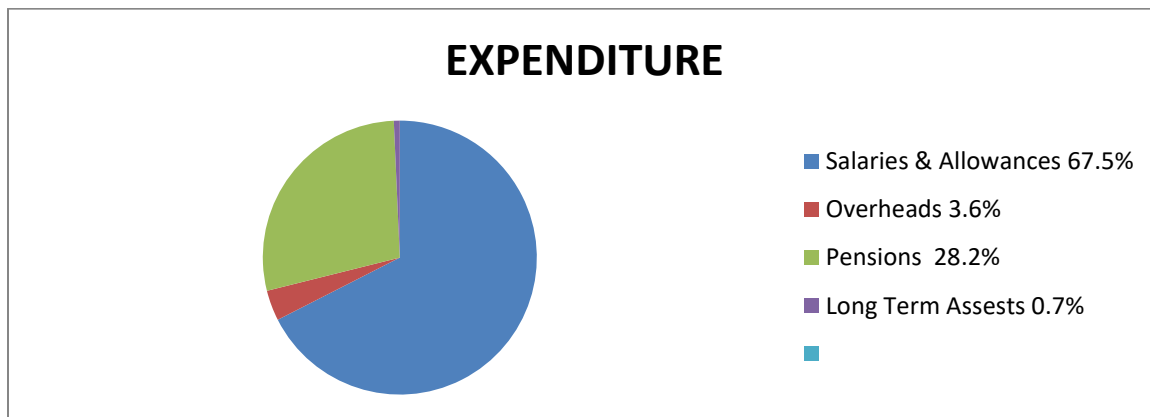
(ii) **PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE**

The Audit exercise revealed that out of the revenue of ₦1,299,788,574.23 realized by the Local Government during the year under review, a sum of ₦14,723,905.58 only was generated internally. This represented 1.1% of the total revenue while the total sum of ₦1,274,914,668.65 statutory allocation and ₦10,150,000.00 aids and grant received from the State Joint Account Allocation Committee represented 98.1% and 0.8% 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 ₦1,336,919,068.04. Out of this, a sum of ₦902,756,962.45 was expended on salaries and allowances which represented 67.5% of the total expenditure for the year. Also, a sum of ₦48,388,922.34 expended on Overheads represented 3.6% while ₦376,758,783.25 expended on pensions represented 28.2% of the total expenditure for the year while the sum of ₦9,014,400.00 was expended on long term assets and this represents 0.7% of total expenditure for the year.





**(6) DEBT PROFILE/STATE OF 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 ₦177,984,519.12

The liabilities are highlighted below:

<b><u>ITEMS</u></b>	<b><u>AMOUNT (₦)</u></b>
1. PAYE	97,105,489.94
2. NULGE	4,499,898.03
3. VAT	17,691,191.06
4. DEVELOPMENT FUND	4,196,294.26
5. PENSIONS	37,255,033.77
6. PAYABLES	2,459,000.00
7. OTHERS	<u>14,777,612.06</u>
<b>TOTAL</b>	<b><u>177,984,519.12</u></b>

It was observed that the above amount had been deducted from various contracts, salaries and allowances of workers and had not been remitted to the appropriate agencies. This is contrary to regulations.

**ADVANCES**

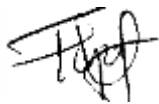
The sum of ₦618,433.93 highlighted in the Statement of Financial Position as the Advances figure was dormant during the year.

**IJEBU-NORTH EAST 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.

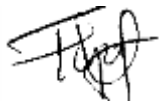
The Treasurer is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly record the use of all public financial resources by the Local Government. To the best of my knowledge,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



Mrs. Ejide Temitope Adeola  
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 Ijebu-North East Local Government Area as at 31<sup>st</sup> December, 2020 and its operations for the year ended on the date.



Mrs. Ejide Temitope Adeola  
Treasurer

Date: 5/2/2021



Tpl. Odunola Christopher Olusegun  
Chairman

Date: 5/2/2021

**IJEBU NORTH EAST LOCAL GOVERNMENT**  
**STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2020**

	NOTES	2020	2019
<b>CURRENT ASSET</b>		₦	₦
CASH & CASH EQUIVALENTS	8	-8,124,470.25	-9,686,034.52
INVENTORIES		1,503,021.50	3,369,465.15
RECEIVABLES		3,611,000.00	1,661,900.00
PREPAYMENT			
ADVANCE		618,433.93	618,433.93
<b>TOTAL CURRENT ASSET (A)</b>		<b><u>-2,392,014.82</u></b>	<b><u>-4,036,235.44</u></b>
<b>NON-CURRENT ASSET</b>	-		
PROPERTY PLANT & EQUIPMENT	10	538,121,669.32	544,515,260.88
INVESTMENT PROPERTY	11		
BIOLOGICAL ASSET	12		
INVESTMENT		50,000.00	50,000.00
LOAN GRANTED			
<b>TOTAL NON CURRENT ASSET (B)</b>		<b><u>538,171,669.32</u></b>	<b><u>544,565,260.88</u></b>
<b>TOTAL ASSET (C=A+B)</b>		<b><u>535,779,654.50</u></b>	<b><u>540,529,025.44</u></b>
<b>CURRENT LIABILITY</b>	-		
DEPOSIT			
LOAN & DEBT			
UNREMITTED DEDUCTIONS	9	175,525,519.12	150,844,974.42
ACCRUED EXPENSES, PAYABLES		2,459,000.00	2,459,000.00
DEFERRED INCOME			
CURRENT PORTION OF BORROWING			
<b>TOTAL CURRENT LIABILITY (D)</b>		<b><u>177,984,519.12</u></b>	<b><u>153,303,974.42</u></b>
<b>NON-CURRENT LIABILITY</b>			
PUBLIC FUND		16,000.00	16,000.00
BORROWING			
<b>TOTAL NON CURRENT LIABILITY (E)</b>		<b><u>16,000.00</u></b>	<b><u>16,000.00</u></b>
<b>TOTAL LIABILITY (F=D+E)</b>		<b><u>178,000,519.12</u></b>	<b><u>153,319,974.42</u></b>
<b>NET ASSETS (G= C-F)</b>		<b><u>357,779,135.38</u></b>	<b><u>387,209,051.02</u></b>
<b>NET ASSET/EQUITY</b>			
RESERVE			
ACCUMULATED SURPLUS/ DEFICIT		357,779,135.38	387,209,051.02
<b>TOTAL NET ASSET/EQUITY</b>		<b><u>357,779,135.38</u></b>	<b><u>387,209,051.02</u></b>

**IJEBU NORTH EAST LOCAL GOVERNMENT**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2020**

	NOTES	2020	2019
<b>REVENUE</b>		₦	₦
STATUTORY ALLOCATION	<b>1</b>	1,274,914,668.65	829,301,577.55
NON-TAX REVENUE:	<b>2</b>	13,938,295.00	15,694,109.79
INVESTMENT INCOME			
INTEREST EARNED			
AIDS & GRANTS	<b>3</b>	10,150,000.00	
OTHER REVENUE		785,610.58	413,504.00
<b>TOTAL REVENUE (A)</b>		<b><u>1,299,788,574.23</u></b>	<b><u>845,409,191.34</u></b>
<b>EXPENDITURE</b>			
SALARIES & WAGES	<b>4</b>	902,756,962.45	674,164,016.97
NON- REGULAR ALLOWANCE	<b>5</b>	-	
SOCIAL BENEFIT	<b>6</b>	376,758,783.25	175,622,030.44
OVERHEAD COST	<b>7</b>	32,330,930.78	12,133,280.44
SUBVENTION TO PARASTALS		650,000.00	
DEPRECIATION	<b>10 &amp; 11</b>	15,407,991.56	14,425,551.57
GAIN/LOSS ON DISPOSAL ON ASSET			
<b>TOTAL EXPENDITURE (B)</b>		<b><u>1,327,904,668.04</u></b>	<b><u>876,344,879.42</u></b>
<b>SURPLUS / DEFICIT (C=A-B)</b>		<b><u>-28,116,093.81</u></b>	<b><u>-30,935,688.08</u></b>

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

	₦
<b>Balance 1/1/2019</b>	<b>-131,712,223.35</b>
Prior Year Adjustment	549,856,962.45
Adjusted Balance	418,144,739.10
<b>Surplus/ (deficit) for the year</b>	<b>-30,935,688.08</b>
<b>Balance 31/12/2019</b>	<b>387,209,051.02</b>
Prior Year Adjustment	-1,313,821.83
<b>Adjusted Balance</b>	<b><u>385,895,229.19</u></b>
Surplus/ (deficit) for the year	-28,116,093.81
<b>Balance at 31 December 2020</b>	<b><u>357,779,135.38</u></b>

**IJEBU NORTH EAST LOCAL GOVERNMENT**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2020**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2020</b>	<b>2019</b>
<b>INFLOWS</b>	₦	₦
STATUTORY ALLOCATION	1,272,914,668.65	829,301,577.55
LICENCES, FINES, ROYALTIES, FEES ETC	9,819,500.00	11,586,939.79
EARNINGS & SALES	3,810,735.00	3,517,270.00
RENT OF GOVERNMENT PROPERTIES	358,960.00	
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL		
DOMESTIC AIDS & GRANTS	10,150,000.00	
OTHER REVENUE	785,610.58	413,504.00
<b>TOTAL INFLOW FROM OPERATING ACTIVITIES A</b>	<b><u>1,297,839,474.23</u></b>	<b><u>844,819,291.34</u></b>
<b>OUTFLOW</b>		
PERSONNEL EMOLUMENTS	902,756,962.45	674,164,016.97
SOCIAL BENEFIT	376,758,783.25	175,622,030.44
OVERHEADS	30,464,487.13	13,572,705.49
SUBVENTION TO PARASTATALS	650,000.00	
INTEREST PAYMENT		
<b>TOTAL OUTFLOW FROM OPERATING ACTIVITIES B</b>	<b><u>1,310,630,232.83</u></b>	<b><u>863,358,752.90</u></b>
<b>NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B</b>	<b><u>-12,790,758.60</u></b>	<b><u>-18,539,461.56</u></b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
PURCHASE/ CONSTRUCTION OF ASSETS	- 9,014,400.00	-861,000.00
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE		
PROCEED FROM SALE OF ASSETS		255,000.00
DIVIDEND RECEIVED		
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b><u>-9,014,400.00</u></b>	<b><u>-606,000.00</u></b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
DEPOSIT/ UNREMITTED DEDUCTIONS	23,366,722.87	19,288,405.81
PUBLIC FUND		
PROCEEDS FROM DOMESTIC LOANS & OTHER		
<b>NET CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b><u>23,366,722.87</u></b>	<b><u>19,288,405.81</u></b>
<b>NET CASH FLOW FROM ALL ACTIVITIES</b>	<b><u>1,561,564.27</u></b>	<b><u>142,944.25</u></b>
<b>CASH &amp; ITS EQUIVALENT AS AT 1/1/2020</b>	<b><u>-9,686,034.52</u></b>	<b><u>-9,828,978.77</u></b>
<b>CASH &amp; ITS EQUIVALENT AS AT 31/12/2020</b>	<b><u>-8,124,470.25</u></b>	<b><u>-9,686,034.52</u></b>

## ACCOUNTING POLICY

S/N	
1	<p><b>Basis of Preparation</b> The General Purpose Financial Statements are prepared under the historical cost convention and in accordance with IPSAS and other applicable standards and laws.</p>
2	<p><b>Accounting period</b> Reporting period runs from 1<sup>st</sup> January to 31<sup>st</sup> December.</p>
3	<p><b>Reporting Currency</b> The reporting currency is Naira (₦).</p>
4	<p><b>Revenue</b></p> <ul style="list-style-type: none"> <li>a) Revenues from non-exchange transactions such as fees, and fines are recognised when the event occurs and the asset recognition criteria are met.</li> <li>b) Other non-exchange revenues are recognised when it is probable that the future economic benefits or service potential associated with the asset will flow to the Local Government and the fair value of the assets can be measured reliably.</li> </ul>
5	<p><b>Other revenue</b></p> <ul style="list-style-type: none"> <li>a) Other revenue consists of gains on disposal of property, plant and equipment.</li> <li>b) Any gain on disposal is recognized at the date control of the assets is passed to the buyer and is determined after deducting from the proceeds the carrying value of the assets at that time.</li> </ul>
6	<p><b>Aids and Grants</b> Aid and grants to a Local Government is recognised as income on entitlement, while aid and grants to other governments/agencies are recognised as expenditure on commitment.</p>
7	<p><b>Expenses</b> All expenses are recognised in the period they are incurred or when the related services are enjoyed, irrespective of when the payment is made.</p>
8	<p><b>Property, Plant &amp; Equipment (PPE)</b></p> <ul style="list-style-type: none"> <li>a) All property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.</li> <li>b) Where an asset (Other than land) is acquired in a non-exchange transaction for nil or normal consideration the asset is initially recognised at fair value, where fair value can be reliably determined and as income in the statement of financial performance.</li> </ul>
9	<p><b>Depreciation</b> The cost of PPE are written off, from the time they are brought into use on a straight line basis over their expected useful lives less any estimated residual value as follows:</p> <ul style="list-style-type: none"> <li>a) Lease properties over the term of the lease</li> <li>b) Buildings 2%</li> <li>c) Plant and Machinery 10%</li> <li>d) Motor vehicles 20%</li> <li>e) Office Equipment 25%</li> <li>f) Furniture and Fittings 20%</li> </ul> <ul style="list-style-type: none"> <li>i. The full depreciation charge is applied to PPE in the year of acquisition and non in the year of disposal, regardless of the day of the month the transactions were carried out</li> <li>ii. Fully depreciated assets that are still in use are carried in the books at a net book value of ₦100.00</li> </ul>

	<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	97,922,629.22
FEBRUARY	132,420,793.46
MARCH	96,871,082.42
APRIL	91,478,861.02
MAY	90,456,494.07
JUNE	95,897,334.58
JULY	109,639,011.01
AUGUST	118,704,902.90
SEPTEMBER	105,759,866.66
OCTOBER	1,012,633.90
NOVEMBER	223,992,871.13
DECEMBER	110,758,188.28
<b>TOTAL</b>	<b><u>1,274,914,668.65</u></b>

**2. NON-TAX REVENUE**

LICENCES	3,405,000.00
FEES	6,009,500.00
FINES	354,100.00
EARNINGS	2,145,850.00
RENT OF GOVERNMENT PROPERTIES	358,960.00
SALES	1,664,885.00
<b>TOTAL</b>	<b><u>13,938,295.00</u></b>

**3. AIDS & GRANTS**

OGUN STATE GOVERNMENT	10,150,000.00
NON-GOVERNMENT ORGANISATION	0.00
<b>TOTAL</b>	<b><u>10,150,000.00</u></b>

**4. SALARIES & WAGES**

LOCAL GOVERNMENT STAFF	382,722,336.56
PRIMARY SCHOOL TEACHERS	429,167,316.47
TRADITIONAL COUNCIL	78,188,215.46
POLITICAL FUNCTION	12,679,093.96
<b>TOTAL</b>	<b><u>902,756,962.45</u></b>



**5. NON- REGULAR ALLOWANCE**

LEAVE BONUS	-
<b>TOTAL</b>	

**6. SOCIAL BENEFIT**

GRATUITY	-
PENSION	376,758,783.25
<b>TOTAL</b>	<b><u>376,758,783.25</u></b>

**7. OVERHEAD COST BY DEPARTMENT**

CHAIRMAN & COUNCIL	16,010,000.00
HOLGA	280,000.00
INTERNAL AUDIT	171,500.00
ADMINISTRATIVE	3,070,000.00
FINANCE	3,715,230.78
INFORMATION	685,300.00
P H C	2,384,700.00
AGRIC	105,000.00
WORKS	3,033,600.00
PLANNING	1,062,000.00
WES	906,600.00
COMMUNITY	907,000.00
<b>TOTAL</b>	<b><u>32,330,930.78</u></b>

**8. CASH & CASH EQUIVALENTS**

CASH AT HAND	24,060.20
CASH IN BANKS	- 8,148,530.45
<b>TOTAL</b>	<b><u>- 8,124,470.25</u></b>

**9. UNREMITTED DEDUCTIONS**

PAYE	97,105,489.94
NULGE	4,499,898.03
VAT	17,691,191.06
DEVELOPMENT FUND	4,196,294.26
PENSIONS	37,255,033.77
OTHERS	14,777,612.06
<b>TOTAL</b>	<b><u>175,525,519.12</u></b>

NOTE 10	IEBU NORTH EAST 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	534,656,400.00	417,500	10,150,889.30	9,944,673.16	962,000.00	577,000.00	4,735,000.00	561,343,462.46		
ADDITION DURING THE YEAR							9,014,400.00	9,014,400.00		
LEGACY								0.00		
DISPOSAL DURING THE YEAR								-		
BAL C/F	534,656,400.00	417,500.00	10,150,889.30	9,944,673.16	962,000.00	577,000.00	13,749,400.00	570,357,862.46		
ACCUMULATED DEPRECIATION										
BAL AS AT 01/01/2020	10,683,128.00		1,015,088.94	3,048,934.63	624,750.00	313,800.00	1,132,500.00	16,828,201.57		
ADDITION DURING THE YEAR	10,683,128.00		1,015,088.93	1,568,934.63	240,500.00	115,400.00	1,374,940.00	15,407,991.56		
DISPOSAL DURING THE YEAR										
BAL C/F	21,376,256.00	-	2,030,177.87	5,017,869.26	865,250.00	429,200.00	2,507,440.00	32,236,193.13		
AS AT 31/12/2020	513,280,144.00	417,500.00	8,120,711.43	4,826,803.89	96,750.00	137,800.00	11,241,960.00	538,121,689.32		
AS AT 31/12/2019	523,973,272.00	417,500.00	9,135,800.36	6,795,738.53	337,250.00	253,200.00	3,602,500.00	544,515,260.89		

**The Chairman,**  
Transition Committee  
Ijebu North East Local Government,  
Atan.

**AUDIT INSPECTION REPORT ON THE ACCOUNTS OF IJEBU NORTH EAST  
LOCAL GOVERNMENT, ATAN FOR THE PERIOD 1<sup>ST</sup> JANUARY 2020 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.

2. **REVENUE COLLECTION**

**Observation:** In the last audit report No. OGLG/INE/1/VOL.II/223 of 10<sup>th</sup> August, 2020 it was reported in paragraph 9 that seventy-seven (77) revenue receipts in possession of Hon. Banjo Deola, former Transition Chairman of the Local Government should be recovered from him. The Treasurer (Mrs. Ejide Temitope) informed Auditors that all efforts made to recover the revenue receipts from Hon. Banjo Deola proved abortive.

**Recommendation:** The Management should continue to make frantic efforts towards recovery of the revenue receipts from Hon. Banjo Deola (former Transition Chairman). The issue has already been taken to the House of Assembly for necessary action at the appropriate time.

3. **REVENUE GENERATION PERFORMANCE**

**Observation:** During the period, a sum of ₦15,050,000.00 was approved to be generated internally but a sum of ₦14,723,905.58 only was actually generated. The amount generated was 97.8% revenue performance of the budget. It was observed that in year 2019 accounts, the main Local Government budgeted ₦9,340,000.00 while Yemoji LCDA budgeted ₦20,000,000.00 as internally generated revenue and they both generated ₦16,250,514.00 in the year whereas ₦14,723,905.58 was generated in year 2020.

This implied that the Local Government had under-budgeted in year 2020 and the amount generated in the year 2020 accounts was ₦1,526,608.42 lesser than the amount generated internally during the year by both the Local Government and the LCDA. Also, it implied that there were revenue leakages in the system.

**Recommendation:** The Local Government is advised to be realistic in its approved budget. Ensure leakages in revenue are blocked and necessary vehicles and others tools are provided for enhanced revenue generation in the next financial year.

#### 4. **REPAIR AND SERVICING OF KOMATSU GRADER**

**Observation:** It was observed that the grader has been grounded and abandoned at IKEN IDOMOWO despite the huge amounts spent in repairing and servicing it. During our investigation, the Engineer explained that the grader developed engine problem which is quite different from the initial problem that was attended to. He stated further that efforts had been made to ensure the repair of the engine but the Chairman (TP Segun Odunola) refused to approve fund/s for the repair.

During Audit chat with the Chairman, he strongly opposed the repair of the engine based on the professional advice of the Mechanical Engineer. He stressed further that it has been repaired twice but got knocked and the Engineer (Artisan) advised that a new engine is required.

The Chairman explained that, the Local Government could have purchased a new engine but could not do so because of non-availability of funds. He promised to attend to the grader immediately fund is available.

**Recommendation:** The Local Government is hereby advised to ensure that the grader is repaired to prevent further deterioration and vandalization of its parts. Also, it should be repaired so that it can be used by the Council to generate revenue.

#### 5. **PURCHASE OF TOYOTA CAMRY (MUSCLE)**

**Observation:** The Local Government was advised in the last audit report reference No OGLG/INE/1/VOL.II/223 of 10<sup>th</sup> August, 2020 to recover a vehicle (Toyota Camry Muscle) attached to the Office of the former Executive Chairman, Mr. Sunday Onafuye which was taken away by him.

At the time of this audit exercise, it was observed that the vehicle has not been recovered from him. Although the Local Government has made part-payment of ₦1,000,000.00 to the dealer out of ₦3,000,000.00 cost of the vehicle leaving an outstanding balance of ₦2,000,000.00 yet to be paid. The balance of ₦2,000,000.00 was highlighted as payable in the statement of financial position of the GPFS for the year 2019 accounts.

During further investigation, a grave vine information revealed that the former Chairman (Mr. Onafuye) has paid the outstanding balance of ₦2,000,000.00 on the vehicle to the dealer.

**Recommendation:** The Management is hereby advised to get in touch with the Chairman in order to pay the initial sum of ₦1,000,000.00 on the vehicle to the Local government so as to set record straight. This office should be informed of the latest development for necessary action.

6. **ESTABLISHMENT OF 3<sup>RD</sup> RICE MILL FACTORY IN IJEBU EAST LOCAL GOVERNMENT, ATAN.**

**Observation:** The Local Government was advised in the last audit report No. OGLG/INE/1/Vol.II/223 of 10<sup>th</sup> August, 2020 to continue mounting pressure on the State Government through the Ministry of Agriculture and Infrastructure Abeokuta for the full operations of the rice mill project.

It was noted that nothing has been done in this regard as the rice mill was yet to start operation as at the time when Auditors left the Local Government in May, 2021.

**Recommendation:** The security of the machine and other facilities in the rice-mill is very important while frantic efforts should be intensified through the Ministry of Agriculture for the operation of the project in earnest.

7. **ABANDON VEHICLES AT MECHANIC SITE AND OTHER MOVABLE ASSETS**

**Observation:** It was observed that the Local Government Hiace bus and Mazda 626 at Mukaila Mechanical Engineering Workshop at Erunwon had been towed to the Secretariat.

Also, a Toyota Camry, Hiace bus for Legislators, Tacoma pick-up and two (2) Foton tractors at the defunct premises of Yemoji LCDA were located at the Local Government Secretariat, Atan. These vehicles & plant were highlighted in the last audit inspection report No: OGLG/YLCDA/1/22 of 10<sup>th</sup> August, 2020 of the LCDA (Yemoji).

**Recommendation:** The Local Government is advised to repair the vehicles for revenue generation purposes while those that are in worst conditions should be disposed by following due process.

8. **BANK RECONCILIATION STATEMENTS**

(i) **Dormant Bank Accounts**

**Observation:** A sum of Eighteen Million, One Hundred and Twenty Thousand, Three Hundred and Twenty-Nine Naira (₦18,120,329.00) only was dormant in the Zenith Bank Plc of the Local Government. The accounts had remained inactive over the years without being attended to despite the advice given to the Local Government in paragraph 5 of the last Audit Report dated 10<sup>th</sup> of August, 2020.

**Recommendation:** The Local Government is once again advised to either close these accounts or activate them so that the banks can stop deducting charges on the dormant accounts.

**(ii) Uncredited Lodgements**

**Observation:** Despite the advice and method given to the Local Government in the last audit inspection report No: OGLG/INE/1/Vol.II/223 of 10<sup>th</sup> August, 2020 to investigate the uncredited lodgements of ₦2,928,883.38 as at 31<sup>st</sup> December, 2019 it was observed that the uncredited lodgements were not investigated.

In the last audit report, the Local Government was advised to make use of the revenue vouchers and bank teller numbers highlighted in the bank reconciliation statement to trace the individuals or organization involved but the advice has not been heeded to. The uncredited lodgement has increased to ₦2,929,933.38 as at this audit exercise.

During a chat with Mrs. Ejide Temitope (Treasurer), she said the items could not be traced. The Team frown at this attitude and mandated the Local Government to investigate these items of uncredited lodgement because the amount involved was enormous.

**Recommendation:** The Local Government is once again advised to investigate the sum of ₦2,929,933.38 being uncredited lodgement items as at 31<sup>st</sup> December, 2020 by making use of the tip or method given in the last audit inspection report.

**(iii) Direct Credit**

**Observation:** During examination of the Bank Reconciliation Statements, it was observed that a total sum of Nine Hundred and Thirty-Eight Thousand, Six Hundred and Eighty Seven Naira and Forty Seven Kobo. (₦938,687.47) only represented the money paid directly into the Local Government accounts as at 31<sup>st</sup> December, 2020 but bank tellers were not presented to the Local Government Treasury for issuance of Treasury Receipt. The practice by which cash were paid into the Local government bank accounts and not presenting bank slips in exchange for treasury receipt immediately should not be encouraged by the Treasurer.

**Recommendation:** The Audit Team has advised the Treasurer of the Local Government to write back the direct credit into the cashbook and forward the Revenue Voucher particulars to this Office. Also, the treasurer should guide against subsequent direct credit in bank reconciliation statement.

**IJEBU NORTH-EAST LOCAL GOVERNMENT**

**INELG.521/98**

**9<sup>th</sup> August, 2021**

**The Auditor General,**  
Local Government Audit,  
Oke-Mosan,  
Abeokuta.

Sir,

**RE: AUDIT INSPECTION REPORT ON THE ACCOUNT OF IJEBU NORTH-EAST  
LOCAL GOVERNMENT, ATAN FOR THE PERIOD 1<sup>ST</sup> JANUARY, 2020 TO 31<sup>ST</sup>  
DECEMBER, 2020**

The Local Government response to all the comments raised by your office concerning Audit Inspection report on the account of IJEBU NORTH-EAST Local GOVERNMENT, ATAN for the period of 1<sup>st</sup> January, 2020 to 31<sup>st</sup> December, 2020 are as follows:

(1) **DESTRUCTION OF EXHAUSTED RECEIPT BOOK**

The list of the exhausted receipt books will be sent to your office before the destruction as mandated in the audit report i.e. the receipt books completely exhausted prior to 31<sup>st</sup> December, 2020.

(2) **BANK RECONCILIATION STATEMENT**

- i. **Dormant Bank Account:** The debit balance Account of (₦18,120,329.00) with Zenith Bank cannot be closed as advised in the report because of the debit status. The issue has been discussed with the new Executive Chairman and efforts are being made to contact the bank if the interest elements can be waived.
- ii. **Unaccredited lodgement:** The uncredited lodgement of ₦2,928,883.38 mentioned in the report was an accrued figure which the relevant documents are not available. However, we are trying to trace/investigate the genesis of the said amount so that we can do the needful.
- iii. **Direct Credit:** Necessary steps has been taken on this as advised in the report. Some direct credits have been cleared in the year 2021 while the remaining ones will be written back to the cashbook.

(3) **REPAIRS AND SERVICING OF KOMATSU GRADER**

The komatsu grader issue is being looked into by the management and necessary action will be taken. The Local Government has decided to tow the Komatsu garder back to the secretariat and it will be done as soon as possible.

(4) **PURCHASE OF TOYOTA CAMRY CAR**

In Line with your Audit Inspection Report Ref. No: OGLG/INE/I/Vol.II/256 dated 23<sup>rd</sup> June, 2021 it was known to us that, the circular backing what his action by taken the vehicle away when he left office. Though it must be taking away with the state and your office approval at a given cost.

However, upon investigation on the said vehicles as enumerated in the report, the cost of the vehicle was Three Million Naira (₦3,000,000.00) in which the Local Government paid One Million Naira (₦1,000,000.00) on delivery to the dealer. Mr. Sunday Kolawole Onafuye the former chairman before he left office paid the remaining balance of Two Million Naira (₦2,000,000.00) to the dealer upon threat to withdraw the vehicle from him by the dealer. (The receipt is here with)

(5) **REVENUE COLLECTION**

The management will continue to make frantic efforts towards the recovery of the revenue receipt from Hon. Banjo Deota (Former Transition Chairman).

6. **ESTABLISHMENT OF 3<sup>RD</sup> RICE MILL FACTORY IN IJEBU NORTH EAST LOCAL GOVERNMENT, ATAN**

The management will continue to liase with the ministry of agriculture and intensified efforts so that the rice mill will be in operation soonest.

7. **ABANDON VEHICLE AT MECHANIC SITE AND OTHER MOVABLE ASSETS**

All items has been brought back to the premises of the Ijebu North East Local Government. The unserviceable ones has been disposed and the money realized will be used to put remaining ones in good condition. The list of disposed and the remaining is hereby listed below:

**LIST OF VEHICLE DISPOSED**

1. Mazda 6269 (Liftback) car
2. Nissan (Vanette) Bus
3. Toyota Hiace Bus (Hummer)
4. Toyota Hiace Bus (Hummer)
5. Mazda 626 (Saloon) car
6. Nissan Almera (Saloon) car



## **AVAILABLE VEHICLES IN THE SECRETARIAT**

1. Toyota Hiace Bus (Hummer)
2. Nissan Almera (Saloon) car
3. Nissan Almera (Saloon) car
4. Nissan Almera (Saloon) car
5. Tachoma Pickup van

## 8. **REVENUE GENERATION PERFORMANCE**

The shortfall in the revenue generation in the year 2020 was due largely to the covid'19 pandemic which seriously affected the economics activities of the state and the nation in general. Also, necessary tools and vehicles are not readily available. It is believed that the management will look into it. The issue under budgeted revenue will also be looked into.

Thank you.

  
Mr. Adesanya Stephen Olusegun  
Treasurer