

OGUN STATE GOVERNMENT, NIGERIA

STATUTORY REPORT

AND

DOMESTIC REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

ON THE ACCOUNTS

OF

IJEBU NORTH LOCAL GOVERNMENT

FOR THE YEAR ENDED 31ST 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.
17th 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 Ijebu North Local Government for the year ended 31st 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 31st December, 2021 subject to the observations in the inspection reports.

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

STATEMENT OF OPINION OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF IJEBU NORTH LOCAL GOVERNMENT FOR THE YEAR ENDED 31ST DECEMBER, 2021

The accounts of Ijebu North Local Government for the year ended 31st 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.

17th June, 2022.

STATUTORY REPORT OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS ON THE ACCOUNTS OF IJEBU NORTH LOCAL GOVERNMENT, IJEBU IGBO FOR THE YEAR ENDED 31ST 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 Ijebu North Local Government, Ijebu Igbo for the year ended 31st 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

It was observed that asset register was not properly maintained.

(3) FINANCIAL REVIEW:

REVENUE	AMOUNT(₦)
Internally Generated Revenue	47,134,638.96
Statutory Allocation	2,317,175,816.22
Aids and Grants	<u>14,900,000.00</u>
Total	<u>2,379,210,455.18</u>
EXPENDITURE	
Overhead Expenses	131,781,353.37
Salaries and Allowances	1,626,692,549.93
Pensions	711,396,021.90
Long Term Assets	<u>12,700,000.00</u>
Total	<u>2,482,569,925.20</u>

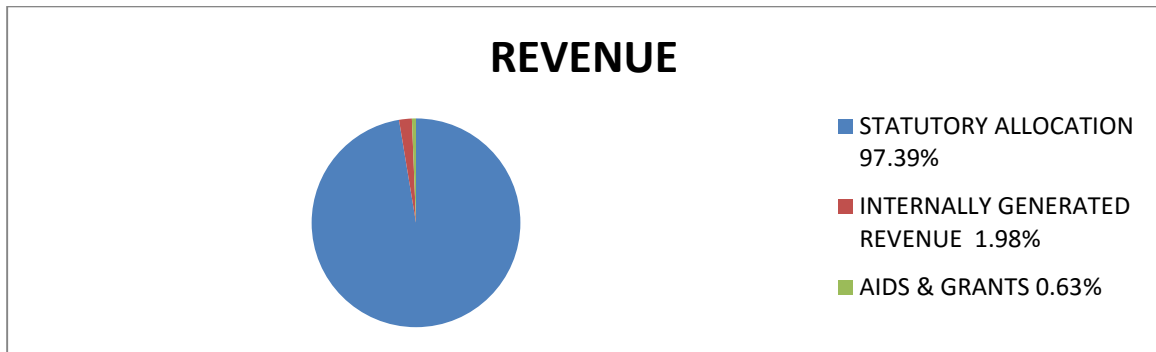
(4) REVENUE PERFORMANCE:

(i) STATEMENT OF ACTUAL REVENUE

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦99,843,000.00, a sum of ₦47,134,638.96 only was actually generated internally representing 47.21% of the budget. This represents an increase of 74% when compared with the sum of ₦27,071,778.02 generated internally for year 2020. This revenue performance is an improvement but does not represent the revenue potential of the Local Government.

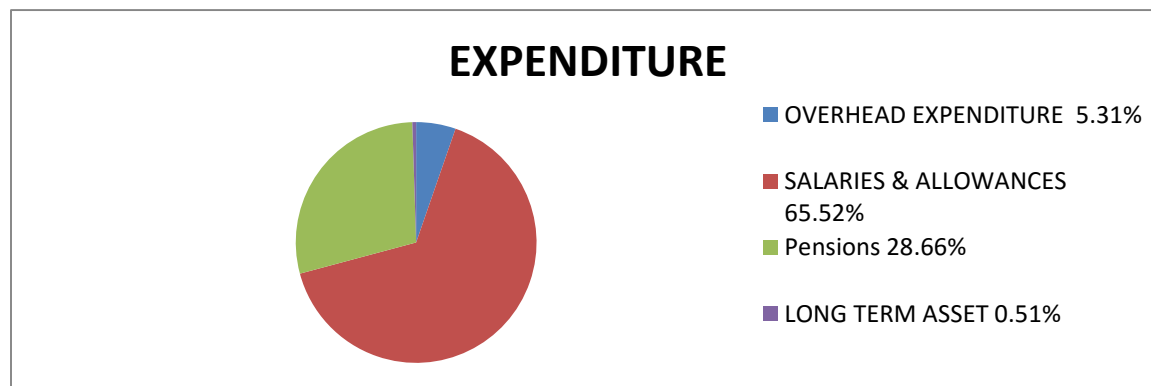
(ii) **PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE**

The Audit exercise revealed that out of the revenue of ₦2,379,210,455.18 realized by the Local Government during the year under review, a sum of ₦47,134,638.96 only was generated internally. This represented 1.98% of the total revenue while the sum of ₦2,317,175,816.22 statutory allocation and ₦14,900,000.00 aids and grant received from the State Joint Account Allocation Committee represented 97.39% and 0.63% 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 ₦2,482,569,925.20. Out of this, a sum of ₦131,781,353.37 was expended on overhead which represented 5.31% of the total expenditure for the year. Also, a sum of ₦1,626,692,549.93 was expended on salaries and allowances which represented 65.52% of the expenditure for the year while ₦711,396,021.90 was expended on pensions and this represented 28.66% while the sum of ₦12,700,000.00 expended on long term assets represented 0.51% 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 31st December, 2021 was ₦191,126,423.81. The liabilities are highlighted below:

S/NO	ITEMS	AMOUNTS(₦)
1	Pension Fund	54,447,655.74
2	5% Development Levy	1,699,776.24
3	PAYE	114,316,794.89
4	NHF	648,683.46
5	5% VAT	-6,342,790.95
6	Payables	1,265,000.00
7	NULGE	3,436,583.14
8	PENSIONER	1,409,269.64
9	Others	<u>7,559,869.75</u>
	TOTAL	<u>191,126,423.81</u>

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. This is against extant rules and financial regulations. The Local Government should always remit deductions as required by regulations.

(7) REVIEW OF STATEMENT OF FINACIAL POSITION:

(i) ADVANCES

The sum of ₦5,672,281.61 highlighted in the Statement of Financial Position as the Advances figure was dormant during the year.

(ii) INVESTMENT ACCOUNT BALANCE

The sum of ₦782,700.00 stated as investment balance in the statement of financial position could not be substantiated because the investment certificate was not produced for Audit scrutiny and no evidence of the beneficial ownership such as dividend was presented on demand.

IJEBU-NORTH 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.

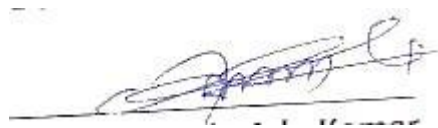
The Treasurer is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly record the use of all public financial resources by the Local Government Council. To the best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



Mr Olayiwola Ade Kamar
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 Local Government Area as at 31st December, 2021 and its operations for the year ended on the date.



Mr Olayiwola Ade Kamar
Treasurer



Hon. Odusanya Bolaji
Chairman

IJEBU NORTH LOCAL GOVERNMENT
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2021

	NOTES	2021	2020
CURRENT ASSET		₦	₦
CASH & CASH EQUIVALENTS	8	71,817,643.35	88,346,282.54
INVENTORIES		1,789,850.00	2,180,840.00
RECEIVABLES		4,982,800.00	6,982,800.00
PREPAYMENT			
ADVANCE		5,672,281.61	5,043,117.11
TOTAL CURRENT ASSET (A)		84,262,574.96	102,553,039.65
NON CURRENT ASSET			
PROPERTY PLANT & EQUIPMENT	10	822,397,161.75	847,987,554.96
INVESTMENT PROPERTY	11	297,547,576.00	293,069,184.00
BIOLOGICAL ASSET	12		
INVESTMENT		782,700.00	782,700.00
LOAN GRANTED			
TOTAL NON CURRENT ASSET (B)		1,120,727,437.75	1,141,839,438.96
TOTAL ASSET (C=A+B)		1,204,990,012.71	1,244,392,478.61
CURRENT LIABILITY			
DEPOSIT			
LOAN & DEBT			
UNREMITTED DEDUCTIONS	9	189,861,423.81	138,604,419.69
ACCURED EXPENSES, PAYABLES		1,265,000.00	1,265,000.00
DEFERRED INCOME			
CURRENT PORTION OF BORROWING			
TOTAL CURRENT LIABILITY (D)		191,126,423.81	139,869,419.69
NON CURRENT LIABILITY			
PUBLIC FUND		1,495,125.00	1,495,125.00
BORROWING			
TOTAL NON CURRENT LIABILITY (E)		1,495,125.00	1,495,125.00
TOTAL LIABILITY (F=D+E)		192,621,548.81	141,364,544.69
NET ASSETS (G= C-F)		1,012,368,463.90	1,103,027,933.92
NET ASSET/EQUITY			
RESERVE			
ACCUMULATED SURPLUS/ DEFICIT		1,012,368,463.90	1,103,027,933.92
TOTAL NET ASSET/EQUITY		1,012,368,463.90	1,103,027,933.92

IJEBU NORTH LOCAL GOVERNMENT
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2021

	NOTES	2021	2020
REVENUE		₦	₦
STATUTORY ALLOCATION	1	2,317,175,816.22	2,238,361,271.15
NON TAX REVENUE:	2	40,208,371.46	25,234,860.00
INVESTMENT INCOME			
INTEREST EARNED			
AIDS & GRANTS	3	14,900,000.00	11,300,000.00
OTHER REVENUE		6,926,267.50	1,836,918.02
TOTAL REVENUE (A)		2,379,210,455.18	2,276,733,049.17
EXPENDITURE			
SALARIES & WAGES	4	1,626,692,549.93	1,479,853,852.78
NON- REGULAR ALLOWANCE	5		-
SOCIAL BENEFIT	6	711,396,021.90	690,609,025.89
OVERHEAD COST	7	97,319,352.16	57,231,655.85
SUBVENTION TO PARASTALS		650,000.00	400,000.00
DEPRECIATION	10 & 11	33,812,001.21	33,439,201.21
GAIN/LOSS ON DISPOSAL ON ASSET			
TOTAL EXPENDITURE (B)		2,469,870,925.20	2,261,533,735.73
SURPLUS / DEFICIT (C=A-B)		-90,659,470.02	15,199,313.44

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

	₦
Balance 1/1/2020	1,087,828,620.48
Prior Year Adjustment	
Adjusted Balance	1,087,828,620.48
Surplus/ (deficit) for the year	15,199,313.44
Balance 31/12/2020	1,103,027,933.92
Prior Year Adjustment	
Adjusted Balance	1,103,027,933.92
Surplus/ (deficit) for the year	- 90,659,470.02
Balance at 31 December 2021	1,012,368,463.90

IJEBU NORTH LOCAL GOVERNMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	2021	2020
INFLOWS	₦	₦
STATUTORY ALLOCATION	2,319,175,816.22	2,236,361,271.15
LICENCES, FINES, ROYALTIES, FEES ETC	32,506,156.46	20,409,750.00
EARNINGS & SALES	7,567,215.00	4,825,110.00
RENT OF GOVERNMENT PROPERTIES	135,000.00	
INVESTMENT INCOME		-
INTEREST & REPAYMENT GENERAL		
DOMESTIC AIDS & GRANTS	14,900,000.00	11,300,000.00
OTHER REVENUE	6,,297,103.00	1,836,918.02
TOTAL INFLOW FROM OPERATING ACTIVITIES A	2,380,581,290.68	2,274,733,049.17
OUTFLOW		
PERSONNEL EMOLUMENTS	1,626,692,549.93	1,479,853,852.78
SOCIAL BENEFIT	711,396,021.90	690,609,025.89
OVERHEADS	96,928,362.16	56,481,957.52
SUBVENTION TO PARASTATALS	650,000.00	400,000.00
INTEREST PAYMENT		
TOTAL OUTFLOW FROM OPERATING ACTIVITIES B	2,435,666,933.99	2,227,344,836.19
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B	-55,085,643.31	47,388,212.98
CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE/ CONSTRUCTION OF ASSETS	- 12,700,000.00	- 1,500,000.00
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE		-
PROCEED FROM SALE OF ASSETS		
DIVIDEND RECEIVED		
NET CASH FLOW FROM INVESTING ACTIVITIES	-12,700,000.00	-1,500,000.00
CASH FLOW FROM FINANCIAL ACTIVITIES		
DEPOSIT/ UNREMITTED DEDUCTIONS	51,257,004.12	31,014,378.94
PUBLIC FUND		
PROCEEDS FROM DOMESTIC LOANS & OTHER		
NET CASH FLOW FROM FINANCIAL ACTIVITIES	51,257,004.12	31,014,378.94
NET CASH FLOW FROM ALL ACTIVITIES	-16,528,639.19	76,902,591.92
CASH & ITS EQUIVALENT AS AT 1/1/2021	88,346,282.54	11,443,690.62
CASH & ITS EQUIVALENT AS AT 31/12/2021	71,817,643.35	88,346,282.54

ACCOUNTING POLICY

S/N	
1	<p>Basis of Preparation 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>Accounting period Reporting period runs from 1st January to 31st December.</p>
3	<p>Reporting Currency The reporting currency is Naira (₦).</p>
4	<p>Revenue</p> <ul style="list-style-type: none"> a) Revenues from non-exchange transactions such as fees, and fines are recognised when the event occurs and the asset recognition criteria are met. 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.
5	<p>Other revenue</p> <ul style="list-style-type: none"> a) Other revenue consists of gains on disposal of property, plant and equipment. 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.
6	<p>Aids and Grants 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>Expenses 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>Property, Plant & Equipment (PPE)</p> <ul style="list-style-type: none"> 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. 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.
9	<p>Depreciation 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"> a) Lease properties over the term of the lease b) Buildings 2% c) Plant and Machinery 10% d) Motor vehicles 20% e) Office Equipment 25% f) Furniture and Fittings 20% <ul style="list-style-type: none"> 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 ii. Fully depreciated assets that are still in use are carried in the books at a net book value of ₦100.00

	<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>Disposal Gains or losses on the disposal of fixed assets are included in the income statement as either an income or expenses respectively.</p> <p>Impairment Entities shall test for impairments of its PPE where it suspects that impairment has occurred.</p>
11	<p>Investment Property 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>Unremitted Deductions</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>Payable/Accrued Expenses</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>Current Portion of Borrowings 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**

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

	₦
JANUARY	185,198,454.96
FEBUARY	190,476,685.80
MARCH	134,154,791.05
APRIL	192,786,513.41
MAY	198,185,014.23
JUNE	87,975,879.46
JULY	301,710,831.93
AUGUST	133,843,664.91
SEPTEMBER	196,587,026.76
OCTOBER	74,438,739.08
NOVEMBER	215,552,842.14
DECEMBER	406,265,372.49
TOTAL	2,317,175,816.22

2 NON-TAX REVENUE

LICENCES	12,529,900.00
FEES	19,597,756.46
FINES	378,500.00
EARNINGS	2,036,070.00
RENT OF GOVERNMENT PROPERTIES	135,000.00
SALES	5,531,145.00
TOTAL	40,208,371.46

3 AIDS & GRANTS

OGUN STATE GOVERNMENT	14,900,000.00
NON GOVERNMENT ORGANISATION	0.00
TOTAL	14,900,000.00

4 SALARIES & WAGES

LOCAL GOVERNMENT STAFF	503,926,707.74
PRIMARY SCHOOL TEACHERS	995,681,310.77
TRADITIONAL COUNCIL	100,504,076.10
POLITICAL FUNCTION	26,580,455.32
TOTAL	1,626,692,549.93

5 NON- REGULAR ALLOWANCE

LEAVE BONUS	-
TOTAL	

6 SOCIAL BENEFIT

	GRATUITY	-
	PENSION	711,396,021.90
	TOTAL	711,396,021.90

7 OVERHEAD COST BY DEPARTMENT

	CHAIRMAN & COUNCIL	32,920,069.80
	HOLGA	-
	INTERNAL AUDIT	1,183,000.00
	ADMINISTRATIVE	35,212,476.99
	FINANCE	7,229,768.13
	INFORMATION	967,600.00
	P H C	3,905,637.24
	AGRIC	235,000.00
	WORKS	9,461,300.00
	PLANNING	1,929,000.00
	WES	2,725,500.00
	COMMUNITY	1,550,000.00
	TOTAL	97,319,352.16

8 CASH & CASH EQUIVALENTS

	CASH AT HAND	411.83
	CASH IN BANKS	71,817,231.52
	TOTAL	71,817,643.35

9 UNREMITTED DEDUCTIONS

1	Pension Fund	54,447,655.74
2	5% Development Levy	1,699,776.24
3	PAYE	114,316,794.89
4	NHF	648,683.46
5	5% VAT	6,342,790.95
6	NULGE	3,436,583.14
7	PENSIONER	1,409,269.64
8	OTHER	7,559,869.75
	Total	189,861,423.81

IIEBU NORTH 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	803,651,400.00	340,000.00	87,225,430.62	7,781,360.76	367,000.00	2,600,000.00	3,700,000.00	905,665,191.38	
ADDITIONAL DURING THE YEAR							1,900,000.00	1,900,000.00	
LEGACY								0.00	
DISPOSAL DURING THE YEAR								-	
BAL. C/F	803,651,400.00	340,000.00	87,225,430.62	7,781,360.76	367,000.00	2,600,000.00	5,600,000.00	907,565,191.38	
ACCUMULATED DEPRECIATION									
BAL. AS AT 01/01/2021	32,200,056.00		19,191,286.12	3,412,544.30	307,750.00	1,976,000.00	590,000.00	57,677,636.42	
ADDITIONAL DURING THE YEAR	16,073,028.00		8,722,543.06	1,556,072.15	58,950.00	519,800.00	560,000.00	27,490,393.21	
DISPOSAL DURING THE YEAR									
BAL. C/F	48,273,084.00	-	27,913,829.18	4,968,616.45	366,700.00	2,495,800.00	1,150,000.00	85,168,029.63	
AS AT 31/12/2021	755,378,316.00	340,000.00	59,311,601.44	2,812,744.31	300.00	104,200.00	4,450,000.00	822,397,161.75	
AS AT 31/12/2020	771,451,344.00	340,000.00	68,034,144.50	4,368,816.46	59,250.00	624,000.00	3,110,000.00	847,987,554.96	

IIEBU NORTH LOCAL GOVERNMENT			
INVESTMENT PROPERTY	LAND & BUILDING 2%	LAND	TOTAL
BAL AS AT 01/01/2020	305,280,400.00		305,280,400.00
ADDITIONAL DURING THE YEAR	10,800,000.00		10,800,000.00
LEGACY			0.00
DISPOSAL DURING THE YEAR			-
BAL. C/F	316,080,400.00	-	316,080,400.00
ACCUMULATED DEPRECIATION			
BAL. AS AT 01/01/2020	12,211,216.00		12,211,216.00
ADDITIONAL DURING THE YEAR	6,321,608.00		6,321,608.00
DISPOSAL DURING THE YEAR			
BAL. C/F	18,532,824.00	-	18,532,824.00
AS AT 31/12/2021	297,547,576.00	-	297,547,576.00
AS AT 31/12/2020	293,069,184.00	-	293,069,184.00

The Executive Chairman,
Ijebu North Local Government,
Ijebu Igbo.

AUDIT INSPECTION REPORT ON THE ACCOUNTS OF IJEBU NORTH LOCAL GOVERNMENT, IJEBU IGBO FOR THE YEAR ENDED 31ST 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. 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/JGB/247/2021	Doubtful Expenditure	150,000.00
2.	OGLG/AQ/JGB/248/2021	Doubtful Expenditure	750,000.00
3.	OGLG/AQ/JGB/249/2021	Unauthorized Expenditure	1,931,200.00
4.	OGLG/AQ/JGB/250/2021	Unauthorized Expenditure	690,000.00
5.	OGLG/AQ/JGB/251/2021	Unreceipted Expenditure	157,000.00
6	OGLG/AQ/JGB/252/2021	Doubtful Expenditure	100,000.00
7	OGLG/AQ/JGB/253/2021	Doubtful Expenditure	80,000.00
8	OGLG/AQ/JGB/254/2021	Refusal To Maintain Capital Expenditure/Fixed Asset Register	

3. DOUBTFUL EXPENDITURE

Observation: It was observed that a sum of ₦500,000.00 was paid to Mr Balogun Olusegun (Senior Admin. Officer) while a sum of ₦250,000.00 was paid to Mr Ayenogun F. A. (Senior Admin. Officer) as running cost to take care of exigencies for the months of April, May and June, 2021.

Audit observed that the expenditure was doubtful because details of expenditure incurred during those months were not attached to the payment vouchers contrary to the Provisions of chapter 14:17 of the Model Financial Memoranda for Local Governments.

Also, another sum of ₦150,000.00 out of the ₦250,000.00 approved was released to Mr Onanuga A. O. (Senior Planning Officer) for production of 45 copies of year 2021 draft budget to be distributed to Government Agencies.

The expenditure also appeared doubtful because official printed receipts of items of stationery purchased and the list of beneficial Government Agencies were not attached to the payment voucher in line with the financial regulations.

Similarly, a sum of ₦100,000.00 was purportedly given to Alhaja Adeleye Sariat (Iyaloja of Obada Market) as appreciation to her Office for delinquency and goodwill in the promotion of internal revenue generation within the Local Government vide PV No. 02/August, 2021. The expenditure was doubtful to Audit because there was no letter from the Office of the Iyaloja General requesting for such assistance neither was there any appreciation letter obtained and attached to the payment voucher as evidence contrary to chapter 14:17 of the Model Financial Memoranda for Local Governments.

Another expenditure that appeared doubtful was a sum of ₦80,000.00 paid to Mrs Awobadejo Elizabeth (Principal Environmental Health Technician) vide PV No. 108/December, 2021 for clearing of overgrown weeds at the Local Government staff quarters. The expenditure was doubtful because duly signed sub-receipts of labourers used for the job was not attached to the payment voucher as evidence contrary to the financial regulations.

Recommendation: The officers should either provide the relevant documents or refund the money to the treasury within two (2) weeks from the date on these queries.

4. UNAUTHORISED EXPENDITURE

Observation: It was observed that a sum of ₦1,931,200.00 was spent to re-roof Water and Environmental Sanitation (WES) department building, Generator House and to do the repair of building occupied by the Executive Chairman, HOLGA, Treasurer as well as shopping complex. The expenditure was single-handedly approved by the Executive Chairman because it was not ratified at the Finance & General Purpose Committee (F&GPC). This is a contravention of the chairman's approving limit of ₦250,000.00 as entrenched in the Guideline on Administrative procedure for Local Governments in Ogun State on spending limit.

Also, a sum of ₦690,000.00 was used to purchase drugs for all health facilities in the Local Government. The expenditure was singly approved by the Chairman and not ratified at the F&GPC meeting.

Recommendation: The Executive Chairman should not exceed his approving limit, if the need arises, the expenditure should be ratified at the F&GPC meets and evidence of ratification be attached to the payment voucher.

5. UNRECEIPTED EXPENDITURE

Observation: A sum of ₦157,000.00 was given to Oduntan E. Oluwaseun (WES Dept) vide PV No. 31/Sept., 2021 to do the year 2021 World Environmental Health Day. It was observed that the expenditure was not retired because the official printed receipts of items purchased were not attached to the payment voucher as evidence that the programme was held contrary to chapter 14:17 of the Model Financial Memoranda for Local Governments.

Recommendation: Evidence of expenditure incurred should always be attached to the payment voucher.

7. DORMANT BANK BALANCE

Observation: Despite the advice of this Office through audit inspection report No. OGLG/IJN/1/Vol.V/340 of 26th May, 2021 and OGLG/IJN/1/Vol.V/387 of 17th November, 2021 that the Local Government should either close or reactivate its six (6) dormant bank accounts, the accounts still remained dormant as at the time of this audit exercise. This Office was informed that series of letters had been written to these banks on the issue but no positive response due to

Garnishee order being placed on the accounts. It is disheartening to note that the situation still remains as it was reported in the last half year audit report.

The six (6) dormant bank accounts are listed below:

Name of Bank	Account No.	Amount (₦)
1. First City Monument Bank	0289151012	20,137.29
2. Zenith Bank Plc, Ijebu Ode	1012870452	29,822.30
3. Zenith Bank Plc, Ijebu Ode	1013638949	60,056.00
4. Diamond Bank Plc, Ijebu Ode	0029492751	66,759.76
5. Skye Bank Plc, Ijebu Igbo	1750037563	54,070.84
6. Skye Bank Plc, Ijebu Igbo	1770841494	<u>21,874.30</u>
		<u>252,720.49</u>

7. INTERNALLY GENERATED REVENUE

Observation: During the period under review, a sum of Ninety-Nine Million, Eight Hundred and Forty-Two Thousand, Six Hundred Naira (₦99,842,600.00) only was the approved independent revenue budget of the Local Government but a sum of Sixty One Million, Three Hundred and Forty One Thousand, One Hundred and Thirty-Eight Naira, Ninety-Six Kobo (₦61,341,138.96) only was generated which represents 61.43% revenue generation performance during the year, 2021.

Audit observed that the Local Government can still perform better if untapped revenue sources are harness.

Recommendation: The Local Government is advised to put more efforts toward enhancing revenue generation in the next financial year 2022. Arrears of revenue from stallages, renewal of street naming etc. should be recovered. Also, all revenue leakages should be blocked.

8. CAPITAL EXPENDITURE REGISTER/FIXED ASSET REGISTER

Observation: During the audit verification of legacy asset of the Local Government, it was observed that the Local Government did not maintain a Capital Expenditure Register as required

by Chapter 36:4 of the Model Financial Memoranda for Local Governments (MFM) because the capital expenditure registers could not be produced despite repeated demand. This is in spite of the fact that the MFM required that the Capital Expenditure Register should be regarded as the most important accounting record to be kept by the Local Government and that it should be a permanent record of the assets of a Local Government that is kept in perpetuity. If this register is properly maintained, it would provide information on all assets of the Government at any point in time, their location, custodian etc. In the absence of a Capital Expenditure Register, it would be difficult to trace the movement of assets. Keeping of this record gained more relevance after the adoption of the International Public Sector Accounting Standard (IPSAS) Accrual Basis by Nigeria which requires the reporting of long term assets expected to be recorded in this register in the General Purpose Financial Statement.

Also, the physical inspection of the assets in either the Capital Expenditure Register or Fixed Asset Register is to be done every six months as required by Chapter 26:6 of Model Financial Memoranda for Local Governments. The excuses given to Auditors by the officials of the Local Government that they were not aware of the existence or location of the Council's assets will no longer be tolerated.

Recommendation: You are advised to open Fixed Asset Register of all Local Government assets in compliance with the financial regulations and IPSAS accrual basis requirements. However, this has been the made subject of Audit Query No. OGLG/AQ/JGB/254/2021.

9. **NON-RETIREMENT OF IMPREST**

Observation: Available records revealed that office imprest paid to both political office holder and career officers were not often retired, contrary to the provisions of Chapter 14:27 of the Model Financial Memoranda for Local Governments which states that current imprest shall not be paid until the previous month imprest have been retired.

Recommendation: The Local Government should ensure that all imprest paid are retired in line with the provisions of Chapter 14:27 of the Model Financial Memoranda for Local Governments. The Internal Auditor should enforce compliance.

Recommendation: The Local Government is once again advised to resolve the garnishee order placed on the bank accounts in order to address the dormant bank accounts.

10. Naming of Street

(ii). In the half year, 2021 Audit Inspection Report No. OGLG/JGB/I/Vol.V/387 of 17th November, 2021, it was reported that the management had set up a committee to recover the outstanding sum of ₦4,710,000.00 on renewal of naming of street.

At the time of this audit exercise, it was observed that a sum of ₦105,000.00 only was recovered despite the committee set up to look into how to recover the debts. The arrears on renewal of naming of street stands at ₦4,605,000.00 as at 31st December, 2021.

The outstanding sum of ₦4,605,000.00 on renewal of naming of street should be recovered to the Local Government coffers at all cost.

11. Loss of Revenue

I wish to refer to the last half year 2021 audit inspection report No OGLG/JGB/I/Vol.V/387 of 17th November, 2021, which states that a sum of ₦685,000.00 was standing against Mr. Ogah Sunday (Chief Clerical Officer) on certificate of Origin and General Revenue Receipt (GRR) he failed to pay into the coffers of the Local Government.

At the time of this audit exercise, it was observed that advance account had been opened for him on monthly deduction of ₦19,170.00 from his salaries and allowances. The outstanding balance in the advance accounts of Mr Ogah Sunday stands at ₦629,164.50 as at 31st December, 2021.

The treasurer should ensure regular deductions from his monthly salaries and allowances.

12. Checking of Treasury Store

In the half year audit inspection report No OGLG/JGB/I/Vol.V/387 of 17th November, 2021, the Local Government was advised to purchase new revenue ledgers in replacement of old and tore ledgers in the treasury store.

At the time of this audit exercise, the old and tore revenue ledgers are still being used in the treasury store.

The Local Government is again advised to replace the old tattered and tore revenue ledgers with new ones in the treasury store for easy tracing/identification of revenue receipts by

the External Auditors without the assistance of the Storekeeper. Also, the importance of revenue receipt ledgers should not be compromised by the management.

13. OVERDRAFT FACILITIES (₦10,000,000.00)

Observation: It was reported in the half year audit inspection report No OGLG/JGB/1/Vol.V/387 of 17th November, 2021 that sometimes, the Local Government entered into agreement with the Skye Bank Plc in respect of Account No. 1750037219 Ijebu-Igbo, to pay ₦200,000.00 monthly until the loan is finally liquidated. It was stated in the report that the debt or loan has been reduced to ₦15,839,922.41 but the Local Government later reneged on the agreement to pay further money.

As at 31st December, 2021, the outstanding loan on account No. 1750037219 at Skye Bank Plc, Ijebu-Igbo could not be ascertained by Auditor as the bank statement of the loan account was not made available to Audit.

Recommendation: The Local Government is once again advised to make repayment of the loan from the monthly IGR so that the issue would not degenerate into court litigation.

14. CAPITAL PROJECTS EXECUTED BY THE LOCAL GOVERNMENT

Observation: It was reported in the half year 2021 audit inspection report that some capital projects had been completed but yet to be commissioned and allocated for use.

The capital projects are as follows:

- a. Construction of 30 open stalls at Obada market at the cost of ₦5,400,000.00
- b. Construction of 30 open stalls at Ago-Iwoye/Oru market at the cost of ₦5,400,000.00
- c. Construction of Mini Bridge at Idode, Ihan Oke-Ebute street, Ago-Iwoye at the cost of ₦5,400,000.00

In the report, the Local Government was advised to commission the projects especially the shops and allocate them in order to generate revenue but the Local Government did not yield to the advice of this Office because the open stalls have not been allocated to the users at the time of this audit exercise.

Also, during the audit exercise, it was observed that the Local Government spent a sum of ₦1,900,000.00 vide PV No. 13/July, 2021 to sink a borehole at Station, Ijebu-Igbo. The project has been completed and is in use.

Recommendation: The management is again advised to allocate the open stalls at Obada market and Ago-Iwoye in order to generate revenue to the Local Government. Non-allocation of those stalls to the public could lead to vandalization of the place, waste of public fund and deny of revenue to the Local Government etc.

Also, the borehole at the Station, Ijebu-Igbo should be secured and monitored for effective functioning in the interest of the people in the area.

**The Auditor-General
Office of the Auditor-General
for Local Governments
Parastal Building
Oke-Mosan
Abeokuta**

**RE-AUDIT INSPECTION REPORT ON THE ACCOUNT OF IJEBU NORTH LOCAL GOVERNMENT,
IJEBU-IGBO FOR THE ENDED 31ST DECEMBER, 2021**

In furtherance of the Audit Inspection report on the account of Ijebu North Local Government, Ijebu-Igbo for the Year Ended 31st December, 2021 on letter Ref.No.OGLG/JGB/I/Vol.VI/396 dated 20th April, 2022. I write on behalf of the management that the corrections made as sported in the report are as stated here-under:-

1. The exhausted receipt books had been enlisted for destruction and approved by the finance and general purposes committee (F&PC).
2. All the Audit Queries issues had been dispatched to the recipients and auditing response.
3. **Direct Credit**:- The direct credit in the Reconciliation Statement amounted to a sum of **₦2,476,277.36** had been credited into the cashbook as recommended by your office.
4. **Direct Debit**:- As recommended by your office, the Treasurer has raised payment vouchers for the amount involved.
5. **Unauthorized Expenditure**:- During the period covered by the Audit Exercise, the appointment of both the Secretary to the Local Government (SLG) and the Supervisors had not been made and thus the Finance and General Purposes Committee (F&GPC) meeting could not hold but at the inauguration of the above mentioned members of the Committee, all the concerned transactions had been ratified and the extracts arising from the meeting had been attached to the payment vouchers.
6. **Unreceipted Expenditure**:- All Local Government official has been advised to always attach evidence of work done (official printed receipt) to payment vouchers as a matter of due process.
7. **Doubtful Expenditure**:-
 - (a) A letter of appreciation has been obtained from the office of the Iyaloja of Obada Market to acknowledge the receipt of the sum of N100,000.00 in question.
 - (b) The sum of **₦80,000.00** collected by Mrs. Awobadejo Elizabeth for the clearing of overgrown weeds at the Local Government Quarters, honestly the project was actually carried out satisfactorily. She hired labourers from Kara (Hausa Settlement), however, collecting labourers signature as an evidence will be consider as part of due process in the subsequent dealings.
8. **Internally Generated Revenue**:- The current economic disequilibrium have affected our people to the extent that some people are closing down their shop were the sharp drop in the revenue generated for the period.

However, effort is on top gear to expand the revenue base of the Local Government.

9. **Fixed Asset Register**:- In consonance with your recommendation, the Fixed Asset Register has not only be

Printed, but all the assets of the Local Government have been posted therein.

Non-Retirement of Imprest

All Public/Civil Servant in the Local Government have been directed to retire all their imprest, failure of which may deny the collecting the subsequent imprest. And the Internal Auditor has been directed to uphold this as a principle of operation.

General Revenue Receipt not Presented for Audit Check

The Chairman of the defunct, Ijebu North Central Local Council Development Area (LCDA) Hon. Adefisan K. A. has visited your office with convincing evidence in this respect and the GRR in question has been checked by your office.

Therefore, case laid to rest.

Naming of Street

No availability of Revenue Bus has been the major bottleneck of the committee set up to recover the outstanding debt, but the committee will charged to swing into action now that the bus has been repaired.

Loss of Revenue

Despite that the deduction in respect of **MR. OGAH SUNDAY** is done from the source (LGSC), we monitor to ensure that the amount so deducted posted to the advance ledger on a monthly basis.

Checking of Treasury Store

Approval for the Purchase/Printing of Receipt Book Register and Market Ledger has been granted. Fund shall be release for same very soon.

The accumulated debt as at now is around **₦32Million**, in our quest to reduce the debt, when several meetings at Ijebu-Igbo Branch of Skye Bank is not yielding expected result, we had to visit

the Bank Head Office at Lagos where we pleaded that the debt should be reduced to **₦16Million** from **₦32Million**.

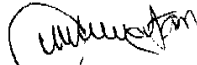
We are still awaiting the response of the management of Skye Bank Plc. on the issue.

Capital Projects Executed by the Local Government

As rightly observed, 60 Open Stall were built i.e. 30 Open Stalls at Obada Market and 30 Open Stalls at Ago-Iwoye Market.

Meanwhile, allocation form has been issued to prospective applicants with a view to issuing approval to successful applicants.

Thank you.


Mr. P. O. Ogunpitan
Head of Local Government Admin. (HOLGA)