

OGUN STATE GOVERNMENT, NIGERIA

STATUTORY REPORT

AND

DOMESTIC REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

ON THE ACCOUNTS

OF

IJEBU ODE 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 Ode 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 ODE LOCAL GOVERNMENT FOR THE YEAR ENDED 31ST DECEMBER, 2021

The accounts of Ijebu Ode 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 ODE LOCAL GOVERNMENT, IJEBU ODE 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-Ode Local Government, Ijebu-Ode 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

There was appreciable improvement in the account and record keeping. There were few errors in the subsidiary ledgers from where the accounts were prepared.

(3) FINANCIAL REVIEW:

REVENUE	AMOUNT (₦)
Internally Generated Revenue	47,294,788.15
Statutory allocation	2,378,190,986.40
Aids and grants	<u>18,000,000.00</u>
Total	<u>2,443,485,774.55</u>
EXPENDITURE	
Salaries and Allowances	1,739,424,362.33
Pension	555,118,413.91
Overhead Expenditure	149,074,148.06
Long Term Assets	<u>21,800,000.00</u>
Total	<u>2,465,416,924.30</u>

(4) REVENUE PERFORMANCE

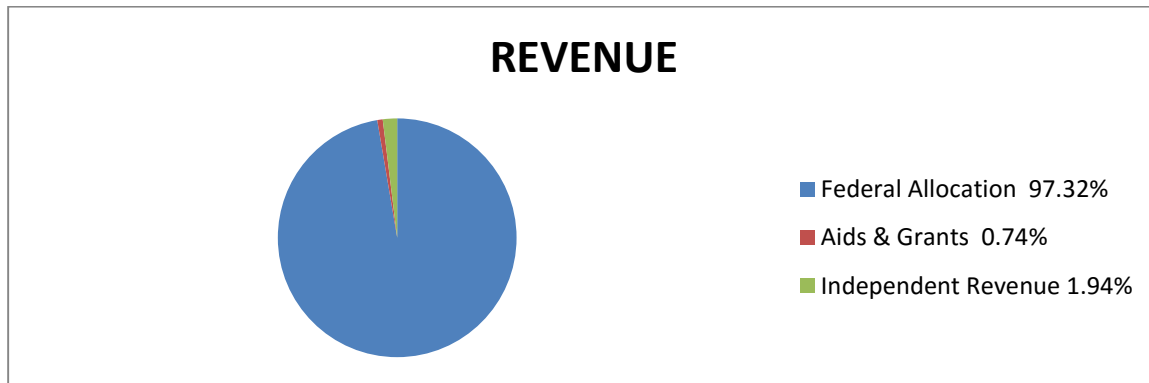
(i) STATEMENT OF ACTUAL REVENUE

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦80,881,000.00, a sum of ₦47,294,788.15 only was generated internally representing 58.47% of the budget. This represents a decrease of 11.77% when compared with the sum of ₦53,601,102.34 generated internally in year 2020. This also represents second consecutive drop in revenue generation from ₦63,406,665.67 in year 2019 to ₦47,294,788.15 in year 2021. This indicates that the Local Government did not harness its Internally Generated

Revenue (IGR) potentials maximally or there were leakages which has not been identified and blocked.

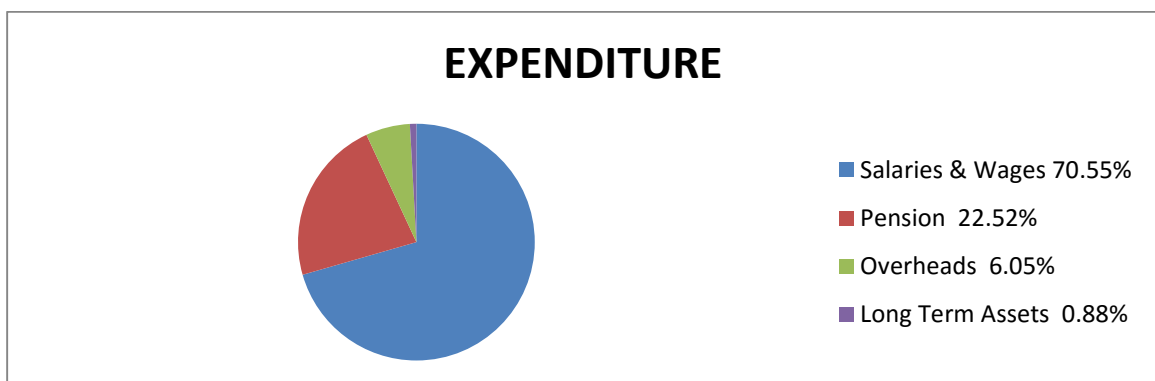
(ii) PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE

The Audit exercise revealed that out of the revenue of ₦2,443,485,774.55 realized by the Local government during the year under review, a sum of ₦47,294,788.15 only was generated internally. This represented 1.94% of the total revenue while the total sum of ₦2,378,190,986.40 statutory allocation and ₦18,000,000.00 aids and grant received from the State Joint Account Allocation Committee represented 97.32% and 0.74% 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 the expenditure profile of the Local Government revealed a total expenditure of ₦2,465,416,924.30. Out of this, a sum of ₦149,074,148.06 was expended on overhead which represented 6.05% of the total expenditure for the year. Also, a sum of ₦1,739,424,362.33 was expended on salaries and allowances which represented 70.55% of the total expenditure for the year while ₦555,118,413.91 was paid to pensioners and this represents 22.52% of the total expenditure for the year. In addition, a sum of ₦21,800,000.00 was expended on long term assets which represented 0.88% of the total expenditure for the year.



(6) DEBT PROFILE

The total debt profile of the Local Government according to the General Purpose Financial Statement as at 31st December, 2021 was ₦220,164,952.04. The liabilities are highlighted below:

NAME	BALANCE (₦)
1. 5% Development Levy	15,156,371.90
2. Contract Tax	16,057,769.89
3. Pension	87,282,109.71
4. 5% VAT	17,014,350.38
5. PAYE	64,558,976.28
6. Retention fee	5,124,699.05
7. Payables	6,524,767.70
8. OTHERS	<u>8,445,907.13</u>
TOTAL	<u>220,164,952.04</u>

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 as required by regulations.

(7) REVIEW OF STATEMENT FINANCIAL POSITION:

(i) ADVANCE

The advances balance of ₦1,719,361.11 stated in the Statement of Financial Position as at 31st December, 2021 was stagnant throughout the year. The Local Government should intensify effort to recover the amount involved.

(8) INVESTMENT ACCOUNT BALANCE


The sum of ₦580,000.00 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.

IJEBU-ODE LOCAL GOVERNMENT

RESPONSIBILITY FOR FINANCIAL STATEMENT


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

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


.....
MR. B.O. OMITOGUN
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-Ode Local Government Area as at 31st December, 2021 and its operations for the year ended on the date.


.....
MR. B.O. OMITOGUN
Treasurer


Hon. Babatunde Emilola-Gazal
Executive Chairman.
Date: 28/02/2022

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

	NOTES	2021	2020
CURRENT ASSET		₦	₦
CASH & CASH EQUIVALENTS	8	80,655,604.02	11,526,767.63
INVENTORIES		2,846,345.10	2,751,457.00
RECEIVABLES		876,600.00	6,368,000.00
PREPAYMENT			
ADVANCE		1,719,361.11	1,719,361.11
TOTAL CURRENT ASSET (A)		86,097,910.23	22,365,585.74
NON CURRENT ASSET			
PROPERTY PLANT & EQUIPMENT	10	1,104,599,715.20	1,120,453,477.04
INVESTMENT PROPERTY	11	491,303,568.49	201,189,910.79
BIOLOGICAL ASSET	12		-
INVESTMENT		580,000.00	580,000.00
LOAN GRANTED			
TOTAL NON CURRENT ASSET (B)		1,596,483,283.69	1,322,223,387.83
TOTAL ASSET (C=A+B)		1,682,581,193.92	1,344,588,973.57
CURRENT LIABILITY			
DEPOSIT			
LOAN & DEBT			
UNREMITTED DEDUCTIONS	9	213,640,184.34	207,527,378.17
ACCURED EXPENSES, PAYABLES		6,524,767.70	
DEFERED INCOME			
CURRENT PORTION OF BORROWING			
TOTAL CURRENT LIABILITY (D)		220,164,952.04	207,527,378.17
NON CURRENT LIABILITY			
PUBLIC FUND			
BORROWING			
TOTAL NON CURRENT LIABILITY (E)		-	-
TOTAL LIABILITY (F=D+E)		220,164,952.04	207,527,378.17
NET ASSETS (G= C-F)		1,462,416,241.88	1,137,061,595.40
NET ASSET/EQUITY			
RESERVE			
ACCUMULATED SURPLUS/ DEFICIT		1,462,416,241.88	1,137,061,595.40
TOTAL NET ASSET/EQUITY		1,462,416,241.88	1,137,061,595.40

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

	NOTES	2021	2020
REVENUE		₦	₦
STATUTORY ALLOCATION	1	2,573,421,891.05	2,213,850,173.19
NON TAX REVENUE:	2	44,873,244.10	51,754,460.00
INVESTMENT INCOME			
INTEREST EARNED			
AIDS & GRANTS	3	18,000,000.00	10,000,000.00
OTHER REVENUE		2,421,544.05	1,846,642.34
TOTAL REVENUE (A)		2,638,716,679.20	2,277,451,275.53
EXPENDITURE			
SALARIES & WAGES	4	1,934,655,266.98	1,692,964,706.17
NON- REGULAR ALLOWANCE	5		-
SOCIAL BENEFIT	6	555,118,413.91	528,248,173.18
OVERHEAD COST	7	119,048,247.69	77,334,559.12
SUBVENTION TO PARASTALS		2,000,000.00	1,843,362.80
DEPRECIATION	10 & 11	37,363,350.78	28,588,962.78
GAIN/LOSS ON DISPOSAL ON ASSET			
TOTAL EXPENDITURE (B)		2,648,185,279.36	2,328,979,764.05
SURPLUS / DEFICIT (C=A-B)		-9,468,600.16	-51,528,488.52

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

	₦
Balance 1/1/2020	1,188,590,083.92
Prior Year Adjustment	
Adjusted Balance	
Surplus/ (deficit) for the year	-51,528,488.52
Balance 31/12/2020	1,137,061,595.40
Prior Year Adjustment	334,823,246.64
Adjusted Balance	1,471,884,842.04
Surplus/ (deficit) for the year	-9,468,600.16
Balance at 31 December 2021	1,462,416,241.88

IJEBU ODE LOCAL GOVERNMENT
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	2021	2020
<u>INFLOWS</u>	₦	₦
STATUTORY ALLOCATION	2,575,421,891.05	2,211,850,173.19
LICENCES, FINES, ROYALTIES, FEES ETC	38,789,750.00	43,555,750.00
EARNINGS & SALES	7,917,894.10	6,641,710.00
RENT OF GOVERNMENT PROPERTIES	1,657,000.00	1,560,000.00
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL		
DOMESTIC AIDS & GRANTS	18,000,000.00	10,000,000.00
OTHER REVENUE	2,421,544.05	1,131,642.34
TOTAL INFLOW FROM OPERATING ACTIVITIES A	2,644,208,079.20	2,274,739,275.53
<u>OUTFLOW</u>		
PERSONNEL EMOLUMENTS	1,934,655,266.98	1,692,964,706.17
SOCIAL BENEFIT	555,118,413.91	528,248,173.18
OVERHEADS	112,618,368.09	76,087,581.52
SUBVENTION TO PARASTATALS	2,000,000.00	1,843,362.80
INTEREST PAYMENT		
TOTAL OUTFLOW FROM OPERATING ACTIVITIES B	2,604,392,048.98	2,299,143,823.67
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B	39,816,030.22	-24,404,548.14
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
PURCHASE/ CONSTRUCTION OF ASSETS	- 21,800,000.00	- 22,552,215.09
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE		5,000.00
PROCEED FROM SALE OF ASSETS		
DIVIDEND RECEIVED		
NET CASH FLOW FROM INVESTING ACTIVITIES	-21,800,000.00	-22,547,215.09
<u>CASH FLOW FROM FINANCIAL ACTIVITIES</u>		
DEPOSIT/ UNREMITTED DEDUCTIONS	51,112,806.17	23,074,827.63
PUBLIC FUND		
PROCEEDS FROM DOMESTIC LOANS & OTHER		
NET CASH FLOW FROM FINANCIAL ACTIVITIES	51,112,806.17	23,074,827.63
NET CASH FLOW FROM ALL ACTIVITIES	69,128,836.39	-23,876,935.60
CASH & ITS EQUIVALENT AS AT 1/1/2021	11,526,767.63	35,403,703.23
CASH & ITS EQUIVALENT AS AT 31/12/2021	80,655,604.02	11,526,767.63

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% <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"> ii. Fully depreciated assets that are still in use are carried in the books at a net book value of ₦100.00 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.
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> <ul style="list-style-type: none"> 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. b) These amounts are stated as Current Liabilities in the Statement of Financial Position.
13	<p>Payable/Accrued Expenses</p> <ul style="list-style-type: none"> a) These are monies payable to third parties in respect of goods and services received 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.
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	190,192,394.91
	FEBUARY	199,808,010.65
	MARCH	148,372,385.32
	APRIL	193,698,316.53
	MAY	204,394,955.78
	JUNE	205,381,881.14
	JULY	301,099,838.71
	AUGUST	156,789,615.25
	SEPTEMBER	192,043,714.06
	OCTOBER	167,784,770.87
	NOVEMBER	223,660,955.28
	DECEMBER	390,195,052.55
	TOTAL	2,573,421,891.05

2 NON-TAX REVENUE

	LICENCES	12,019,200.00
	FEES	22,687,650.00
	FINES	591,500.00
	EARNINGS	5,219,644.10
	RENT OF GOVERNMENT PROPERTIES	1,657,000.00
	SALES	2,698,250.00
	TOTAL	44,873,244.10

3 AIDS & GRANTS

	OGUN STATE GOVERNMENT	18,000,000.00
	NON GOVERNMENT ORGANISATION	0.00
	TOTAL	18,000,000.00

4 SALARIES & WAGES

	LOCAL GOVERNMENT STAFF	645,464,526.97
	PRIMARY SCHOOL TEACHERS	1,049,185,346.19
	TRADITIONAL COUNCIL	213,167,153.77
	POLITICAL FUNCTION	26,838,240.05
	TOTAL	1,934,655,266.98

5 NON- REGULAR ALLOWANCE

	LEAVE BONUS	
	TOTAL	

6 SOCIAL BENEFIT

	GRATUITY	-
	PENSION	555,118,413.91
	TOTAL	555,118,413.91

7 OVERHEAD COST BY DEPARTMENT

	CHAIRMAN & COUNCIL	31,561,800.00
	HOLGA	805,000.00
	INTERNAL AUDIT	826,000.00
	ADMINSTRATIVE	45,061,694.19
	FINANCE	19,599,202.01
	INFORMATION	1,354,000.00
	P H C	8,716,650.49
	AGRIC	1,035,000.00
	WORKS	3,668,900.00
	PLANNING	3,027,000.00
	WES	2,768,000.00
	COMMUNITY	625,000.00
	TOTAL	119,048,246.69

8 CASH & CASH EQUIVALENTS

	CASH AT HAND	1,400.00
	CASH IN BANKS	80,654,204.02
	TOTAL	80,655,604.02

9 UNREMITTED DEDUCTIONS

1	PENSION	87,282,109.71
2	PAYE	64,558,976.28
3	5% VAT	17,014,350.38
4	CONTRACT TAX	16,057,769.89
5	5% DEVELOPMENT LEVY	15,156,371.90
6	RETENTION FEE	5,124,699.05
7	OTHERS	8,445,907.13
	Total	<u>213,640,184.34</u>

IUEBU ODE LOCAL GOVERNMENT									
SCHEDULE OF PROPERTY, PLANT & EQUIPMENT									
	LAND & BUILDING 2%	LAND	PLANT & MACHINERY 10%	TRANSPORTATION EQUIPMENT 20%	OFFICE EQUIPMENT 25%	FURNITURE & FITTINGS 20%	INFRASTRUCTURE 10%	TOTAL	
BAL AS AT 01/01/2021	1,031,012,544.00	117,941,120.00	7,924,000.00	11,639,288.00	833,000.00	2,274,500.00	-	1,171,624,452.00	
ADDITIONAL DURING THE YEAR	12,000,000.00	- 117,814,400.00	3,000,000.00	3,800,000.00				99,014,400.00	
ADJUSTMENT FOR LEGACY ASSETS	196,160,000.00	80,000,000.00	850,000.00	4,050,000.00				281,060,000.00	
ADJUSTMENT	- 179,924,544.00							- 179,924,544.00	
DISPOSAL DURING THE YEAR									
BAL. C/F	1,059,248,000.00	80,126,720.00	11,774,000.00	19,489,288.00	833,000.00	2,274,500.00	-	1,173,745,508.00	
ACCUMULATED DEPRECIATION									
BAL. AS AT 01/01/2021	41,572,409.76		1,171,200.00	7,302,715.20	343,250.00	781,400.00		51,170,974.96	
ADDITIONAL DURING THE YEAR	21,184,960.00		1,177,400.00	3,897,857.60	208,150.00	454,900.00		26,923,267.60	
ADJUSTMENT	- 5,954,778.88		-	-	-	-		- 7,368,178.88	
ADJUSTMENT	- 1,580,270.88			1,375,600.00				- 1,580,270.88	
DISPOSAL DURING THE YEAR									
BAL. C/F	55,222,320.00	-	2,310,800.00	9,824,972.80	551,400.00	1,236,300.00	-	69,145,792.80	
AS AT 31/12/2021	1,004,025,680.00	80,126,720.00	9,463,200.00	9,664,315.20	281,600.00	1,038,200.00	-	1,104,599,715.20	
AS AT 31/12/2020	989,440,134.24	117,941,120.00	6,752,800.00	4,336,572.80	489,750.00	1,493,100.00	-	1,120,453,477.04	

IUEBU ODE LOCAL GOVERNMENT			
INVESTMENT PROPERTY			
	LAND & BUILDING 2%	LAND	TOTAL
BAL AS AT 01/01/2021	209,265,215.09		209,265,215.09
ADDITIONAL DURING THE YEAR	3,000,000.00		3,000,000.00
ADJUSTMENT FOR LEGACY ASSETS	12,000,000.00		12,000,000.00
ADJUSTMENT	297,738,944.00		297,738,944.00
DISPOSAL DURING THE YEAR			-
BAL. C/F	522,004,159.09	-	522,004,159.09
ACCUMULATED DEPRECIATION			
BAL AS AT 01/01/2021	8,075,304.30		8,075,304.30
ADDITIONAL DURING THE YEAR	10,440,083.18		10,440,083.18
ADJUSTMENT	5,954,778.88		5,954,778.88
ADJUSTMENT	6,230,424.24		6,230,424.24
DISPOSAL DURING THE YEAR			-
BAL. C/F	30,700,590.60	-	30,700,590.60
AS AT 31/12/2021	491,303,568.49	-	491,303,568.49
AS AT 31/12/2020	201,889,910.79	-	201,889,910.79

The Executive Chairman,
Ijebu Ode Local Government,
Ijebu Ode.

AUDIT INSPECTION REPORT ON THE ACCOUNT OF IJEBU ODE LOCAL GOVERNMENT, IJEBU ODE 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 Report.

2. **BANK RECONCILIATION STATEMENT**

The bank reconciliation statements of the Local Government for the period under review were examined and the followings were observed:

Dormant Bank Balances

Observation: It was disheartening that despite the advices given in the last Audit Inspection Report No OGLG/IJE/1/Vol.IV/407 of 21st April,2021 that the dormant bank balances, of 14 out of the 21 listed bank accounts which amounted to ₦543,088.14 appears to be dormant because their balances remain same for over the period of one year. The banks where these accounts were maintained are still in existences and the reason(s) for not operating the accounts could not be established.

Efforts to lay hands on their bank statements proved abortive, because some of the accounts have challenges of change of signatories while some are still active but not operated.

The Internal Auditor said series of letter have been written to the banks, but no response yet, he said further that the Executive Chairman had proposed that all the banks having more than one accounts should be merged.

Recommendation: The Local Government is advised again to activate the dormant accounts or close them if they are no longer necessary because the continuous retention of the balances may not represent a true and fair view of the accounts of the Local Government.

Retention of the accounts may also attract bank charges without any activities.

3. **DORMANT ADVANCES**

Observation: I wish to refer to paragraph 8 of the last Audited Inspection Report OGLG/IJE/1/Vol.IV/407 of 21st April, 2021 on the above subject and to observe that the Local Government has not taken positive action on the dormant advances which amounted to One Million, Seven Hundred and Nineteen Thousand, Three Hundred and Sixty One Naira, Eleven kobo (₦1,719,361.11) only as the balance on the advances granted to various staff of the Local Government had remained dormant years back.

Irregular remittance of advances contravened Chapter 16:12 of Model Financial Memoranda for Local Governments which requires that personal advances must be paid on regular monthly instalments deducted at source from monthly salaries of the beneficiaries. Investigation into the reasons for the dormancy revealed that most of the beneficiaries had been posted to other Local Governments while some have retired or deceased.

Recommendation: The Local Government should take advantage of the Central Salary Payment Platform domiciled at the Local Government Service Commission to effect deduction of these advances. In addition, the Local Government should liaise with the Bureau of Local Government Pensions for recovery of the outstanding advances from the retired staff.

4. **REVENUE CONTRACTORS**

Observation: I wish to refer to paragraph 7 of the last Audit Inspection Report OGLG/IJE/1/Vol.IV/407 of 21st April, 2021 in which the Local Government was advised not engage the services of Revenue Contractors because they usually refused to comply with the agreement between them and the Local Government. The non-compliance of the Local Government to our advice has resulted into the Revenue Contractors to owed a total sum of Two Hundred and Sixty Thousand Naira (₦260,000.00) only

Recommendation: The Local Government was advised to desist from engaging Revenue Contractors and ensure recovery of the amount owed by them. Investigation revealed that the amount involved is yet to be recovered by the Local Government but the Revenue Contractors have been disengaged. The Local Government is therefore instructed to heed to the advice of this Office not to engage Revenue Contractors again.

5. DIGITALISATION AND AUTOMATION OF INTERNALLY GENERATED REVENUE

Observation: Available records revealed that there was a contractual agreement between the Local Government and High Point Dynamics System Limited of 70 Jagunmolu Street, 2nd floor, New garage Bariga, Lagos to digitalise and automate collection and management of Internally Generated Revenue of the Council . The agreement was signed on 7th October, 2021.

It was observed by this Office that the services of Consultant (High Point Dynamics) was employed to deliver consultancy services, by creating revenue generating opportunities and to provide ICT infrastructure that will enable capturing of revenue data base of the Local Government possible.

Also, the Consultant promise, (High Points) promised to provide technology driven to enhance revenue collection to assist the Local Government in monitoring their revenue collection from time to time.

Audit scrutiny of the agreement documents revealed that Section 4.2.5 (c) of the agreement allowed the consultant to set up an Aggregator (Remita, e-Transact, Inter switch, Flutter wave, Pay stack etc.) to render splitting of Revenue generated to avoid delayed settlement of parties.

The Audit viewed this section as unreasonable because the finance department of the Council has not been able to ascertain the names of the revenue payers, the actual amount paid and the purpose of the payment. It is sad to note that the amount generated so far by the Consultants could not be classified into various Heads and Sub Heads since Treasury Receipts were not issued for the payments.

During investigation, the followings were also observed:

1. Details of the database capturing could not be presented for audit scrutiny.
2. The consultant solely generated online revenue without Earning Receipt.
3. During the 5months of operation by the consultant, a sum of ₦247,800.37 only was generated via Polaris bank account No. 0121463065.

4. The Consultant made use of the Local Government personnel together with her few staff to carry out the operations of revenue collection.

During the Exit meeting of the Auditors with the Local Government Management and Highpoints Management, the Executive Chairman of the Local Government (Mr Emilola Gazal) said that he brought the idea of digitalization in order to have data base of revenue sources to enable the Local Government to harness all its hidden revenue sources.

While reacting to the comment of the Executive Chairman, the representative of High points Dynamics System Limited (Mr Oyewole John) explained that over 8,000 revenue points have been captured in the data base. He also said demand notices had been sent to virtually all the points and made it clear that the revenue will soon be harnessed. The Executive Chairman expressed his displeasure on the un-satisfactory performance of the Consultant and vowed to terminate the contract if the consultant fails to improve on the performance latest by the 15th January 2022.

Recommendation: It is therefore advised that the Local Government should buckled up to monitor the database generated to improve the revenue generation of the Local Government.

7. **NON-RETIREMENT OF IMPREST**

Observation: During the examination of payment vouchers, it was observed that the monthly imprest paid to both political office holders and career officers were not retired before collecting another one. This practice is contrary to the provisions of Chapter 14:27 of Model Financial Memoranda for Local Governments. Refusal to retire imprest as required is an indication that the Treasurer did not ensure that a register of Un-receipted vouchers is maintained to allow him take prompt steps to obtain all outstanding receipts as required by Chapter 23:20(11) of Model Financial Memoranda for Local Governments. It also indicates that the Internal Auditor has not been carrying out post-payment audit checks on payment vouchers as required by the provisions of Chapter 40:10 of Model Financial Memoranda for Local Governments which requires the Internal Auditor to make a complete and continuous audit of accounts and records.

Recommendation: The Treasurers and Internal Auditor should ensure that all imprest paid are retired in line with regulations. The Treasurer should also ensure that relevant accounting records are maintained while the internal auditor should ensure that complete and continuous checks are carried out on the payment vouchers.

8. **LOCAL GOVERNMENT ASSET**

Observation: During audit verification of the assets, it was observed that some of assets of Property, Plants and Equipment (PPE) of the Local Government were not recognised when the Legacy Assets' Committee were compiling items of Local Government Assets. Some (Health centres) were conspicuously not recognised and were not captured in the financial statement.

However, the items that were not captured have been duly recognised and valued by the Local Government as amount Two Hundred and Ninety Three Million and Sixty Thousand Naira (₦293,060,000.00) only as listed below:

ASSETS	LOCATION	AMOUNT(₦)
Parcel of land at political functionary arena	Itooro	75,000,000.00
Landed Property at Ita-osu Health centre	Ita-osu	5,000,000.00
Itamapako Health Centre	Itamapako	20,080,000.00
Irawo Health Centre	Irawo	6,400,000.00
Isiwo Health Centre	Isiwo	86,400,000.00
Ayeteju Health Centre	Ayeteju	26,880,000.00
Odo-Asonyin Health Centre	Odo-Asonyin	6,400,000.00
Itooro Hall	Secretariat	50,000,000.00
Akintonde Hall	Arcade Ground	12,000,000.00
Europad 700 Tractor		850,000.00
Acura Jeep	IOSLCDA	3,500,000.00
Mitsubishi Bus 1995 Model		550,000.00
TOTAL		293,060,000.00

After the recognition and valuation of the assets involved, proper accounting records were done and updated. The Auditors requested for the documentary evidences of the landed properties while responding, the Chairman just explained that the lands have historical background but agreed to have them on records.

Recommendation: The Local Government is hereby advised to take action on the need to get necessary documentary evidences of all the landed properties and include them in the asset register.

9. **PURCHASE OF OFFICIAL VEHICLE ATTACHED TO THE FORMER TRANSITION CHAIRMAN'S OFFICE**

Observation: A sum of Three Million and Eight Hundred Thousand Naira (₦3,800,000.00) only was approved at the Finance and General Purposes Committee meeting of 25th February, 2021 to procure Lexus Jeep GLX470 and attached to the erstwhile Transition Chairman's Office.

Out of the Three Million and Eight Hundred Thousand Naira (₦3,800,000.00) a sum of Two Million, Seven Hundred and Eight Five Thousand (₦2,785,000.00) only was released to Alh; K.A Alatishe (P.T.O Works & Housing Dept) vide PV41/Mar, 2021 for a sum Two Million (₦2,000,000.00) and PV 34/June 2021 for a sum of Seven Hundred and Eighty, Five Thousand (₦785,000.00).

Examination of the Payment Vouchers revealed that the PVs were not supported with relevant receipts. Contrary to Chapter 14:17 of the Model Financial Memoranda of Local Governments. A receipt of the sum of Two Million (₦2,000,000.00) paid as deposit, attached to the payment vouchers was a photocopy, not original.

Other irregularities observed in the transaction were as follows:-

- (i) A board of survey that should have find out for the prevailing market price of the vehicle was not constituted.
- (ii) Quotations that should have been collected from two or three dealers to make the purchase competitive were not obtained.
- (iii) The Letter of certification of the vehicle after inspection by the Local Government Engineer was also not attached.

During Audit interrogation, Alh; K.A Alatishe, could neither produce the Vehicle for inspection nor present the official receipt of the amount collected by him.

Recommendation: It was therefore recommended that the receipt for the purchase be forwarded to this office and the vehicle be retrieved back to the secretariat of the Local Government.

10. **OFFICIAL VEHICLES TAKEN AWAY WITHOUT DUE PROCESS.**

Observation: During the audit exercise, it was observed that some Local Government vehicles were taken away by the political functionaries and former Head of Local Government Administration at the expiration of their tenure/termination at the LCDA. The vehicles were taken away without any evidence/s of payment. The vehicles involved are as listed below:

- (i) Acura Jeep taken away by Arc. Gbolagade Ola Oduwole (Former Transition Chairman, Ijebu Ode Local Government).
- (ii) Acura Jeep taken away by Alh.Olalekan Adebajo (former Chairman, Ijebu Ode South LCDA).
- (iii) Toyota Camry 1999 Model taken away by Alhaja Olabisi Alli Balogun (former Vice Chairman, Ijebu Ode South LCDA).
- (iv) Acura Legend taken away by Mr Oduwayo Kolawole (former Secretary, Ijebu Ode South LCDA).
- (v) Toyota Camry Saloon Car (LG35 JBD) taken away by Mr Bada (former HOLGA, Ijebu Ode Local Government)
- (vi) Lexus GLX 470 taken away by Mr Olugbile Samson (former Transition Committee Chairman)

This Office is not happy with the way and manner in which political office holders take away official vehicles to them especially Lexus GLX 470) purchased in march 2021 attached to the former Transition Committee Chairman's office at a cost of Three million and Eight hundred thousand naira ((~~₦~~₦3,800,000.00). The vehicle was purchased just 3 months to expiration of the tenure. The official vehicle was taken away without due process.

This flagrant disregards to the contents of letter No DG/152/T/176 of 16th February and DG/152/T/186 of 20th April 2017 issued by the Ministry of Local Government and Chieftaincy Affairs that the Local Government could only release official vehicles to political functionaries after following the due process was not followed. The official vehicles were taken away by political functionaries without following due process and the Local Government has not taken any steps in recovering it contrary to our circular letter no OGLG/AUD94/Vol.III/136 of 14th June 2019. During the exit meeting with the

management, the Chairman gave assurance that all the official vehicles taken away shall be recovered.

Recommendation: The Local Government is therefore advised to take adequate steps to recover the vehicles back to the Local Government.

11. **LOCAL GOVERNMENT CONSTITUENCY GRADER**

Observation: During the period under review, available records revealed that the Constituency Grader belonging to federal constituencies (Ijebu Ode, Ijebu North East and Odogbolu Local Governments) that was allocated to the constituencies by the Ogun-state Government could not be found in any Local Government within the constituency.

During our investigation, with Alh. K.A Alatishe (P.T.O Works & Housing Dept.), explained that he said that the grader was with Hon. Olatunde Sote before a letter was written by the Ministry of Rural Development, Oke-Mosan, requesting that the grader should be return to State .

Alh K.A Alatishe added that all efforts to recover the grader back to the Local Government secretariat proved abortive. This issue was raised at the exit meeting with the management, the Chairman put a call through to the duo Hon. Olatunde Sote and Mr Olugbile Samson (former Chairman),and the duo affirmatively said that the grader had been returned to the Ministry of Rural Development.

Recommendation: The Local Government is advised to confirm whether the grader had been returned to the State Facility and intimate this office.

12. **LOCAL GOVERNMENT STAFF QUARTERS**

Observation: During the audit exercise, it was observed that the staff quarters were dilapidated and unkept. The staff quarters need urgent renovation for proper allocation to staff so as to achieve the purpose for which the quarters were constructed. The Local Government management attributed the conditions of the buildings to lack of funds but promised to attend to it immediately there is availability of fund.

Recommendation: The Local Government is advised to renovate the staff quarter quickly for immediate allocation to staff so as to boost the internally generated revenue of the Council and to achieve the objectives of establishing the staff quarter.

13. LOCAL GOVERNMENT STORE

Observation: During the checking of the items in the store, it was observed that some Revenue Earning Receipts were printed in excess and they have been long abandoned and not useful because they are already outdated.

Examples of such are: Clearing and Refuse Removal Receipts, Market Environmental Sanitation Receipt etc.

Recommendation: The Local Government is advised not to always print in excess the revenue receipts again. The Local Government is also advised to inscribe ₦50.00 stamp on those receipts and make use of all the abandoned revenue earning receipts at the market in other not to waste all the money incurred in the printing of receipt.

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

**MANAGEMENT RESPONSE TO THE AUDIT INSPECTION REPORT ON THE
ACCOUNT OF IJEBU-ODE LOCAL GOVERNMENT FOR THE YEAR ENDED 31ST
DECEMBER, 2021.**

Sequel to the receipt of your letter **No. OGLG/IJE/VOL.IV/447** dated **11th May 2022** from Office of the Auditor-General for Local Government which dwells on the above subject matter.

A Critical examination over the whole report has been thoroughly and carefully observed and followed from point to point on which necessary and urgent actions are being taken so as to avert the unwarranted consequences that might want arise as a result of any failure to adequately address them.

Therefore, the Management of Ijebu-Ode Local Government is vehemently determined to provide response (s) to every observation raised in the report and they are as follows:

- **Destruction of Exhausted Receipt Books**
Preparation towards acting upon your instruction has commenced in earnest and official invitation to witness the exercise shall be communicated to you soon.
- **Audit Query**
The query letter with **Ref. No. OGLG/AG/JBD/247/2021**, in your report, was traced to **Alhaji K. A Alatishe** in respect of the purchase of official vehicle for the former Transition Chairman. Meanwhile, a call has been put to him about this but declined he had not received any query as regards the above.
- **Dormant Bank Balances**
Mergers with re-activation or total closure as recommended for those banks which have remained dormant all this while is in process. The change of signatories for these purposes has remained a major challenge particularly from officers who are no more in the service but the management remains resolute to ensure compliance with the advice given.
- **Dormant Advance**
Indeed, advances granted to staff are treated as revenue and this requires positive and frantic efforts to ensure such are deducted and promptly remitted to the respective Local Governments where such advances were granted. Meanwhile, an investigation conducted revealed hitherto that most deductions

made over the years from staff are found not be remitted from the Local Governments where they were transferred or posted to. This, therefore, places the challenge of double or illicit deductions which may occur if cautions and professionalism are not applied.

- **Revenue Contractor**

The recommendation and advice on the disengagement of the service of revenue contractor cannot be over-emphasized because abysmal performance and unwillingness on the part of the revenue contractors to adhere and comply with clearly defined contractual agreement have always been the order of day. But it is of interest to let you know that efforts are being geared towards recovering every amount owed to the Local Government by revenue contractors.

- **Digitalization and Automation of IGR**

Of a truth, there was a contractual agreement between the Local Government Authority and High Point Dynamics System Limited Management but due to unsatisfactory performance by the company. The contract has, therefore, been temporarily suspended and approach for sorting and classifying those revenues and the names of revenue payers is on-going between the bank (Polaris) and the Local Government Management.

- **Non Retirement of Imprest**

Based on your advice, a register of un-receipted vouchers has immediately been opened and strict compliance to post payment audit checks on payment vouchers is being statutorily followed up by the Internal Auditor Mr. K. O. Ogungbe.

- **Local Government Asset**

Based on your observation for non-recognition of asset of property, plants and Equipment (PPE) in which some assets are not captured by the Legacy Asset's Committee. The Local Government has promptly switched into action on the heed to the advice to open the much needed asset register which will capture all the landed properties with necessary documentary evidences. In addition, the management has equally charged the Internal Auditor to ensure that the asset register is printed so as to prevent the loss of these assets.

- **Purchase of official vehicle for the former Transition Chairman Office**

This is one of the main reasons why a query had to be issued to Alhaji K. O. Alatishe for collecting large sum of money for the vehicle without properly supportive documents. The reason a times for this action is not far-fetched from undue political pressure being particularly mounted on the officer and the management in general by the political office holders. Though this might sound untenable when it comes to professionalism, but the situation had exposed the predicament in which Civil Servants used to find themselves and this more importantly calls for the need for sensitization/orientation workshop involving both political office holders and other relevant stakeholders in the Local Government Service. Meanwhile, **Alhaji K. O. Alatishe** had been contacted to come for the perfection relating to the vehicle's documents and to attach relevant receipts to the payment vouchers.

- **Official Vehicle Taken away with due process**
Consequent upon your observation on the above matter, I am pleased to inform you that this administration led by **Hon. Emilola - Gazal** with the support of his Management team has started making moves in ensuring that all the vehicles taken away without due process are recovered.
- **Local Government Constituency Grader:**
This, indeed, was confirmed by the Executive Chairman, Hon. Emilola Gazal that the grader had been taken to the Ministry of Rural Development, and efforts to ensure its return to the venue originally meant for has kick started.
- **Local Government Staff Quarters**

One of the priorities of this Administration is basically the staff welfare and this was attested to immediately the Chairman assumed office. Minimal repairs of some of the Staff quarters had been carried out since the inception of this administration. However, the Executive Chairman has promised to do more whenever there is availability of fund.
- **Local Government Stores**
The store had been re-arranged and an accountant had been appointed to oversee the activities of the store keeper to put her on toes in the performance of her responsibility. And efforts towards making use of the Earning Receipts which were printed in excess and long abandoned shall be implemented to the letter.
- **Conclusion**
The Management is quite happy with the manners with which the observation were made known, positive measures had been put in place to ensure maximum reductions of anomalies for better improvement.

Thanks for your usual cooperation.



MR. DAPO BANJO

Head of Local Government Administration.