

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, 2022

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ACKNOWLEDGEMENT

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

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

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

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

Thank you and God bless you all.



L. A. Mulero (CNA)
Auditor-General for Local Governments,
Ogun State.
23rd June, 2023.



OFFICE OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

Parastatals Building Block "B" Oke-Mosan. P.M.B. 2047, Abeokuta,
OGUN STATE, NIGERIA

AUDIT CERTIFICATE

I have examined the accounts of Ijebu Ode Local Government for the year ended 31st December, 2022 in accordance with the provisions of Section 123 of Decree Number 12 of 1989 and 315 (1) of the 1999 Constitution of the Federal Republic of Nigeria and Sections 135-145 of Ogun State Local Government Law 2006 and auditing standards issued by International Organisation of Supreme Audit Institution (INTOSAI). I have obtained all information and explanations that I require for my Audit.

In my opinion, the Financial Statements give a true and fair view of the state of affairs of the Local Government as at 31st December, 2022 subject to the observations in the inspection reports.

L. A. Mulero (CNA)
Auditor-General for Local Governments,
Ogun State.
23rd June, 2023.

STATEMENT OF OPINION OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF IJEBU ODE LOCAL GOVERNMENT FOR THE YEAR ENDED 31ST DECEMBER, 2022

The accounts of Ijebu Ode Local Government for the year ended 31st December, 2022 have been examined in accordance with the provisions of Section 123 of Decree Number 12 of 1989 and 315 (1) of the 1999 Constitution of the Federal Republic of Nigeria and Sections 135-145 of Ogun State Local Government Law 2006 and auditing standards issued by International Organisation of Supreme Audit Institution (INTOSAI). I have obtained all information and explanations that I require for my Audit.

RESPONSIBILITY STATEMENT

The Local Government is responsible for the preparation of the Financial Statements under IPSAS Accrual Basis of accounting as applicable in the public sector. It is our responsibility to form an independent opinion based on our Audit on the Financial Statements therein.

THE SCOPE OF THE AUDIT

We conducted our Audit in accordance with Generally Accepted Auditing Standards and auditing standards issued by International Organisation of Supreme Audit Institution (INTOSAI). I have obtained all information and explanations that I require for my Audit. An audit includes examination on test basis of evidence relevant to the accounts and disclosures in the financial statements. It also includes an assessment of significant estimates and judgement made by the Council in the preparation of the financial statements, and whether the accounting policies were appropriate in the Council circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations we considered necessary to provide sufficient evidence to give

reasonable assurances that the financial statements are free from material misstatement, whether by fraud, other irregularities or errors.

In forming our opinion, we evaluated the overall adequacy of the presentation of the information in the financial statements and assessed whether the Council's books and Accounts had been properly kept.

OPINION

In our opinion, the financial statements give a true and fair view of the financial activities of the Local Government for the period under review.



L. A. Mulero (CNA)

Auditor-General for Local Governments

Ogun State.

23rd June, 2023.

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, 2022

In compliance with the provisions of Section 123 of Decree Number 12 of 1989, Section 315(1) of the 1999 Constitution of the Federal Republic of Nigeria and Sections 135-145 of Ogun State Local Government Law 2006, the accounts of Ijebu-Ode Local Government, Ijebu-Ode for the year ended 31st December, 2022 have been audited. The General Purpose Financial Statement was prepared by the management of the Local Government and is therefore responsible for the contents and information contained therein. The Financial Statement was prepared under the International Public Sector Accounting Standards (IPSAS) Accrual Basis as applicable to the Public Sector. The audit was conducted in accordance with Generally Accepted Auditing Standards.

In our opinion, subject to our observations, the General Purpose Financial Statement presented to Audit reflects a true and fair view of the financial activities of the Local Government for the year under review.

(2) STATE OF THE BOOKS OF ACCOUNTS AND RECORDS

There was appreciable improvement in the account and record keeping. There were few errors in the subsidiary ledgers from where the accounts were prepared. Revenue register and assets register were not properly updated.

(3) FINANCIAL REVIEW:

REVENUE	AMOUNT (₦)
Internally Generated Revenue	86,918,695.00
Statutory allocation	2,905,895,603.69
Aids and grants	<u>23,866,666.67</u>
Total	<u>3,016,680,965.36</u>

EXPENDITURE	
Salaries and Allowances (including Depreciation & Loss on Disposal of Assets)	2,075,567,540.75
Pension	746,125,501.43
Overhead Expenditure	215,579,462.46
Long Term Assets	<u>4,252,140.00</u>
Total	<u>3,041,524,644.64</u>

(4) REVENUE PERFORMANCE

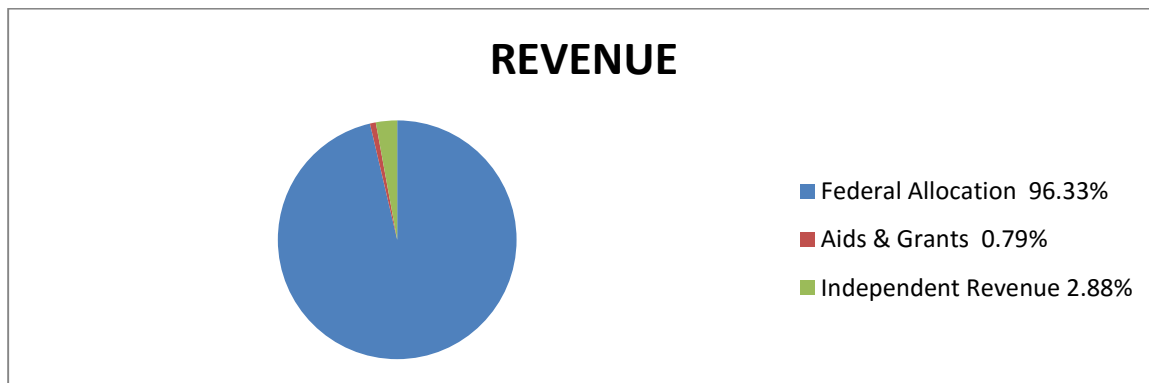
(i) STATEMENT OF ACTUAL REVENUE

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦95,507,000.00, a sum of ₦86,918,695.00 only was generated internally representing 90.01% of the budget. This represents a increase of 83.78% when compared with the sum of ₦47,294,788.15 generated internally in year 2021. This revenue performance is

impressive. Never-the-less, it does not represent the Local Government's Internally Generated Revenue (IGR) potentials. There are still leakages which has not been identified and blocked.

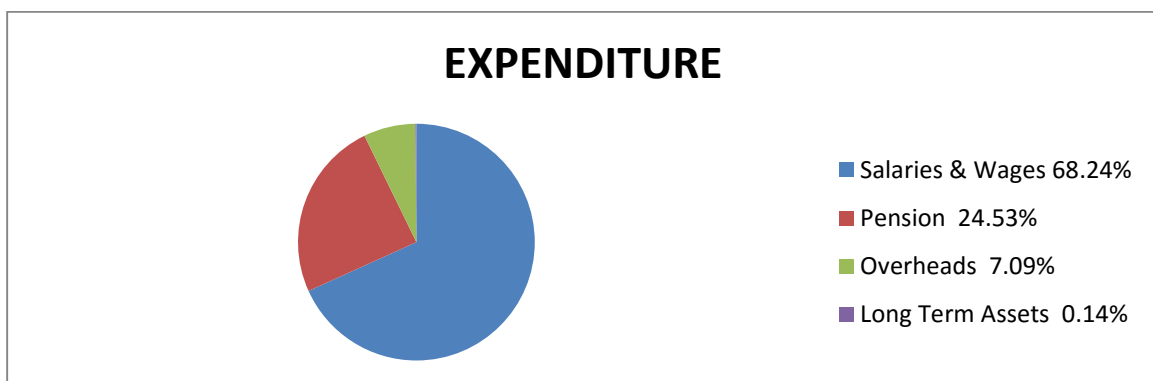
(ii) PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE

The Audit exercise revealed that out of the total revenue of ₦3,016,680,965.36 realized by the Local Government during the year under review, a sum of ₦86,918,695.00 only was generated internally. This represented 2.88% of the total revenue while the sum of ₦2,905,895,603.69 statutory allocation and ₦23,866,666.67 aids and grant received from Ogun State Government represented 96.33% and 0.79% 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 ₦3,041,524,644.64. Out of this, a sum of ₦215,579,462.46 was expended on overhead which represented 7.09% of the total expenditure for the year. Also, a sum of ₦2,075,567,540.75 was expended on salaries and allowances which represented 68.24% of the total expenditure for the year while ₦746,125,501.43 was paid to pensioners and this represents 24.53% of the total expenditure for the year. In addition, a sum of ₦4,252,140.00 was expended on long term assets which represented 0.14% 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, 2022 was ₦242,538,136.43. The liabilities are highlighted below:

NAME	BALANCE (₦)
1. 5% Development Levy	15,156,371.90
2. Contract Tax	16,057,769.89
3. Pension	88,813,868.53
4. 5% VAT	17,690,203.76
5. PAYE	70,585,768.22
6. Payables	12,425,785.00
7. OTHERS	<u>21,808,369.13</u>
TOTAL	<u>242,538,136.43</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, 2022 was stagnant throughout the year. The Local Government should intensify effort to recover the amount involved.

(8) INVESTMENT

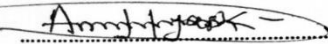
The sum of ₦580,000.00 stated as investment in the Statement of Financial Position could not be substantiated because the share certificate was not produced for Audit scrutiny and no evidence of the beneficial ownership such as dividend was presented on demand.

IJEBU-ODE LOCAL GOVERNMENT

RESPONSIBILITY FOR FINANCIAL STATEMENT

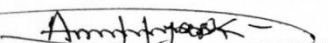
These financial statements have been prepared by me in accordance with the provisions of Finance (Control and Management) Act Cap 144 LFN 1990 as amended. The financial statements comply with Generally Accepted Accounting Practice.

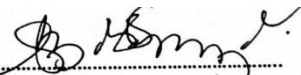
The Treasurer is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly record the use of all public financial resources by the Local Government. To the best of my knowledge,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


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ALHAJI MAJIYAGBE MORUFF OLADIPO
Treasurer
Date: 14th March, 2023

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


.....
ALHAJI MAJIYAGBE MORUFF OLADIPO
Treasurer
Date: 14th March, 2023


.....
HON. BABATUNDE EMILOLA GAZAL
Executive Chairman.
Date: 15-3-23

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

	NOTES	2022	2021
CURRENT ASSET		₦	₦
CASH & CASH EQUIVALENTS	10	102,951,230.01	80,655,604.02
INVENTORIES		1,537,525.00	2,846,345.10
RECEIVABLES		2,860,500.00	876,600.00
PREPAYMENT			
ADVANCE		1,719,361.11	1,719,361.11
TOTAL CURRENT ASSET (A)		109,068,616.12	86,097,910.23
NON CURRENT ASSET			
PROPERTY PLANT & EQUIPMENT	8	1,093,850,737.60	1,104,599,715.20
INVESTMENT PROPERTY	9	480,863,485.31	491,303,568.49
BIOLOGICAL ASSET			
INVESTMENT		580,000.00	580,000.00
LOAN GRANTED			
TOTAL NON CURRENT ASSET (B)		1,575,294,222.91	1,596,483,283.69
TOTAL ASSET (C=A+B)		1,684,362,839.03	1,682,581,193.92
CURRENT LIABILITY			
DEPOSIT			
LOAN & DEBT			
UNREMITTED DEDUCTIONS	11	230,112,351.43	213,640,184.34
ACCRUED EXPENSES, PAYABLES		12,425,785.00	6,524,767.70
DEFERRED INCOME			
CURRENT PORTION OF BORROWING			
TOTAL CURRENT LIABILITY (D)		242,538,136.43	220,164,952.04
NON CURRENT LIABILITY			
PUBLIC FUND			
BORROWING			
TOTAL NON CURRENT LIABILITY (E)		-	-
TOTAL LIABILITY (F=D+E)		242,538,136.43	220,164,952.04
NET ASSETS (G= C-F)		1,441,824,702.60	1,462,416,241.88
NET ASSET/EQUITY			
RESERVE			
ACCUMULATED SURPLUS/ DEFICIT		1,441,824,702.60	1,462,416,241.88
TOTAL NET ASSET/EQUITY		1,441,824,702.60	1,462,416,241.88

IJEBU ODE LOCAL GOVERNMENT
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2022

	NOTES	2022	2021
REVENUE		₦	₦
STATUTORY ALLOCATION	1	2,905,895,603.69	2,573,421,891.05
NON TAX REVENUE:	2	85,561,395.00	44,873,244.10
INVESTMENT INCOME			
INTEREST EARNED			
GAIN/LOSS ON DISPOSAL ON ASSET		810,000.00	
AIDS & GRANTS	3	23,866,666.67	18,000,000.00
OTHER REVENUE		547,300.00	2,421,544.05
TOTAL REVENUE (A)		3,016,680,965.36	2,638,716,679.20
EXPENDITURE			
SALARIES & WAGES	4	2,075,567,540.75	1,934,655,266.98
NON- REGULAR ALLOWANCE	5		
SOCIAL BENEFIT	6	746,125,501.43	555,118,413.91
OVERHEAD COST	7	172,662,976.68	119,048,247.69
SUBVENTION TO PARASTALS		1,650,000.00	2,000,000.00
DEPRECIATION	8 & 9	41,266,485.78	37,363,350.78
GAIN/LOSS ON DISPOSAL ON ASSET			
TOTAL EXPENDITURE (B)		3,037,272,504.64	2,648,185,279.36
SURPLUS / DEFICIT (C=A-B)		-20,591,539.28	-9,468,600.16

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

	₦
Balance 1/1/2021	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 31/12/2021	1,462,416,241.88
Prior Year Adjustment	
Adjusted Balance	1,462,416,241.88
Surplus/ (deficit) for the year	-20,591,539.28
Balance at 31 December 2022	1,441,824,702.60

IJEBU ODE LOCAL GOVERNMENT
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	2022	2021
INFLOWS	₦	₦
STATUTORY ALLOCATION	2,905,895,603.69	2,575,421,891.05
LICENCES, FINES, ROYALTIES, FEES ETC	67,616,030.00	38,789,750.00
EARNINGS & SALES	14,316,465.00	7,917,894.10
RENT OF GOVERNMENT PROPERTIES	1,645,000.00	1,657,000.00
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL		
DOMESTIC AIDS & GRANTS	8,166,666.67	18,000,000.00
OTHER REVENUE	547,300.00	2,421,544.05
TOTAL INFLOW FROM OPERATING ACTIVITIES (A)	2,998,187,065.36	2,644,208,079.20
OUTFLOW		
PERSONNEL EMOLUMENTS	2,075,567,540.75	1,934,655,266.98
SOCIAL BENEFIT	746,125,501.43	555,118,413.91
OVERHEADS	165,818,424.28	112,618,368.09
SUBVENTION TO PARASTATALS	1,650,000.00	2,000,000.00
INTEREST PAYMENT		
TOTAL OUTFLOW FROM OPERATING ACTIVITIES (B)	2,989,161,466.46	2,604,392,048.98
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=(A)-(B)	9,025,598.90	39,816,030.22
CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE/ CONSTRUCTION OF ASSETS	4,252,140.00	21,800,000.00
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE		
PROCEED FROM SALE OF ASSETS	1,050,000.00	
DEFERRED INCOME		
DIVIDEND RECEIVED		
NET CASH FLOW FROM INVESTING ACTIVITIES	-3,202,140.00	-21,800,000.00
CASH FLOW FROM FINANCIAL ACTIVITIES		
DEPOSIT/ UNREMITTED DEDUCTIONS	16,472,167.09	51,112,806.17
PUBLIC FUND		
PROCEEDS FROM DOMESTIC LOANS & OTHER		
NET CASH FLOW FROM FINANCIAL ACTIVITIES	16,472,167.09	51,112,806.17
NET CASH FLOW FROM ALL ACTIVITIES	22,295,625.99	69,128,836.39
CASH & ITS EQUIVALENT AS AT 1/1/2022	80,655,604.02	11,526,767.63
CASH & ITS EQUIVALENT AS AT 31/12/2022	102,951,230.01	80,655,604.02

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, 2022

1. SHARE OF STATUTORY ALLOCATION FROM JAAC

	JANUARY	198,165,743.38
	FEBUARY	
	MARCH	204,816,391.31
	APRIL	428,003,800.64
	MAY	314,280,832.65
	JUNE	214,821,450.19
	JULY	198,165,743.58
	AUGUST	338,275,531.72
	SEPTEMBER	205,584,004.13
	OCTOBER	387,157,666.80
	NOVEMBER	241,487,595.55
	DECEMBER	175,136,843.74
	TOTAL	2,905,895,603.69

2 NON-TAX REVENUE

	LICENCES	18,344,450.00
	FEES	50,386,480.00
	FINES	869,000.00
	EARNINGS	8,686,410.00
	RENT OF GOVERNMENT PROPERTIES	1,645,000.00
	SALES	5,630,055.00
	TOTAL	85,561,395.00

3 AIDS & GRANTS

	OGUN STATE GOVERNMENT	
	NON GOVERNMENT ORGANISATION	23,866,666.67
	TOTAL	23,866,666.67

4 SALARIES & WAGES

	LOCAL GOVERNMENT STAFF	546,785,580.46
	PRIMARY SCHOOL TEACHERS	1,367,530,897.54
	TRADITIONAL COUNCIL	132,134,991.40
	POLITICAL FUNCTIONARIES	29,116,071.35
	TOTAL	2,075,567,540.75

5 NON- REGULAR ALLOWANCE

	LEAVE BONUS	
	TOTAL	

6 SOCIAL BENEFIT

	GRATUITY	-
	PENSION	746,125,501.43
	TOTAL	746,125,501.43

7 OVERHEAD COST BY DEPARTMENT

	CHAIRMAN & COUNCIL	46,031,300.00
	HOLGA	1,778,500.00
	INTERNAL AUDIT	986,000.00
	ADMINSTRATIVE	51,753,421.68
	FINANCE	8,727,663.56
	INFORMATION	12,480,645.57
	P H C	4,937,062.50
	AGRIC	1,746,000.00
	WORKS	33,243,483.37
	PLANNING	2,618,000.00
	WES	7,043,900.00
	COMMUNITY	1,317,000.00
	TOTAL	172,662,976.68

10 CASH & CASH EQUIVALENTS

	CASH AT HAND	4,800.00
	CASH IN BANKS	102,946,430.01
	TOTAL	102,951,230.01

11 UNREMITTED DEDUCTIONS

1	PENSION	88,813,868.53
2	PAYE	70,585,768.22
3	5% VAT	17,690,203.76
4	CONTRACT TAX	16,057,769.89
5	OTHERS	21,808,369.13
	Total	230,112,351.43

NOTE 8 IJEBU ODE LOCAL GOVERNMENT

SCHEDULE OF PROPERTY, PLANT & EQUIPMENT	LAND & BUILDING 2%	LAND	PLANT & MACHINERY 10%	TRANSPORTATION EQUIPMENT 20%	OFFICE EQUIPMENT 25%	FURNITURE & FITTINGS 20%	INFRASTRUSURE 10%	TOTAL
BAL AS AT 01/01/2022	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
ADDITIONAL DURING THE YEAR			405,000.00	17,550,000.00	438,000.00	1,924,425.00		20,317,425.00
ADJUSTMENT FOR LEGACY ASSETS								-
ADJUSTMENT								-
DISPOSAL DURING THE YEAR				600,000.00				600,000.00
BAL. C/F	1,059,248,000.00	80,126,720.00	12,179,000.00	36,439,288.00	1,271,000.00	4,198,925.00	-	1,193,462,933.00
ACCUMULATED DEPRECIATION								
BAL. AS AT 01/01/2022	55,222,320.00		2,310,800.00	9,824,972.80	551,400.00	1,236,300.00		69,145,792.80
ADDITIONAL DURING THE YEAR	21,184,960.00		1,217,900.00	7,287,657.60	296,200.00	839,685.00		30,826,402.60
ADJUSTMENT								-
ADJUSTMENT								-
DISPOSAL DURING THE YEAR				360,000.00				360,000.00
BAL. C/F	76,407,280.00	-	3,528,700.00	16,752,630.40	847,600.00	2,075,985.00	-	99,612,195.40
AS AT 31/12/2022	982,840,720.00	80,126,720.00	8,650,300.00	19,686,657.60	423,400.00	2,122,940.00	-	1,093,850,737.60
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

NOTE 9 IJEBU ODE LOCAL GOVERNMENT

INVESTMENT PROPERTY	LAND & BUILDING 2%	LAND	TOTAL
BAL AS AT 01/01/2022	522,004,159.09		522,004,159.09
ADDITIONAL DURING THE YEAR			0.00
ADJUSTMENT FOR LEGACY ASSETS			0.00
ADJUSTMENT			0.00
DISPOSAL DURING THE YEAR			-
BAL. C/F	522,004,159.09	-	522,004,159.09
ACCUMULATED DEPRECIATION			
BAL. AS AT 01/01/2022	30,700,590.60		30,700,590.60
ADDITIONAL DURING THE YEAR	10,440,083.18		10,440,083.18
ADJUSTMENT			-
ADJUSTMENT			-
DISPOSAL DURING THE YEAR			-
BAL. C/F	41,140,673.78	-	41,140,673.78
AS AT 31/12/2022	480,863,485.31	-	480,863,485.31
AS AT 31/12/2021	491,303,568.49	-	491,303,568.49

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, 2022

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

2. AUDIT QUERIES

The underlisted audit queries had earlier been forwarded to you for your necessary action as required by law.

S/N	Query Numbers	Subject	Amount(₦)
1.	OGLG/AQ/JBD/248/2022	Engagement of revenue contractors in violations of regulations	825,000.00
2.	OGLG/AQ/JBD/249/2022	Failure to maintain revenue register	-
3.	OGLG/AQ/JBD/250 /2022	Doubtful Expenditure	125,000.00
4.	OGLG/AQ/JBD/251/2022	Doubtful Expenditure	612,000.00
5.	OGLG/AQ/JBD/252/2022	Doubtful Expenditure	2,200,000.00

3. BANK RECONCILIATION STATEMENT

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

(i) DORMANT BANK BALANCES

Observation: During the audit examination of the bank reconciliation statements for the period under review, it was observed that the Local Government currently has a total of twenty-one(21) bank accounts out of which thirteen (13) banks with balances of ₦540,190.89 which had remained dormant for over a period of one year. The issue was

discussed with the Treasurer (Mr. Majiyagbe M. O) and he has given assurance that actions would be taken on the matter.

Recommendation: I hereby wish to reiterate my earlier advice that your Local Government should either reactivate the dormant bank accounts or close them if there is no need to operate them so as to reflect the true financial position of your Local Government.

(ii) **DIRECT CREDIT**

Observation: It was observed that a total sum of One Million and Ninety Nine Thousand, Eight Hundred and Fifty Naira (~~₦~~1,099,850.00) only which dates back to January 2022 were credited into the bank accounts of your Local Government but had not been posted into the cashbook. Audit investigation revealed that these were monies paid by individuals, corporate organisations, revenue collectors e.t.c. who were in the habit of holding on to bank tellers for so long before presenting the tellers to the Cashier for issuance of Treasury Receipts.

Recommendation: The Treasurer should investigate all the direct credit and ensure that it is posted into the cashbook.

The Treasurer is also advised to invite the attention of such individuals/revenue collectors to the importance of prompt presentation of tellers to the cashier to obtain Treasury Receipts for money paid to the banks.

(iii) **UNCREDITED LODGEMENT**

Observation: The review of the prepared bank reconciliation statement revealed that a sum of Three Hundred and Forty Five Thousand, Five Hundred Naira (~~₦~~345,500.00) only was the amounts paid into the bank accounts of your Local Government but yet to be reflected in the bank statement as money paid into the banks .The payments were made between year 2014 to 2022. This is a clear indication

that the former Treasurers who once served in your Local Government were not alive to their responsibilities as provided in Chapter 1.8 (1) of the Model Financial Memoranda for Local Governments.

Recommendation: In the light of the above the Treasurer Mr Majiyagbe M. O is advised to investigate these transactions and ensure that the money is credited into the bank account of your Local Government.

4. INTERNALLY GENERATED REVENUE

Observation: A review of the internally generated revenue of your local government revealed that a sum of Eighty-Five Million, Five Hundred and Sixty-One Thousand, Three Hundred and Ninety –Five Naira (~~₦~~85,561,395.00) only was generated during the period under review as against the sum of Ninety-Five Million, Five Hundred and Seven Thousand Naira. (~~₦~~95,507,000.00) budgeted as revenue for the year. A cursory look at the reasons for the low revenue generated for the year revealed that only a meagre sum of Twenty Four Thousand Naira(~~₦~~24,000.00) was generated as revenue from identification and oath fees as against One Million Naira (~~₦~~1,000,000.00) proposed revenue for the year.

It was also surprising to note that a meagre sum of Seven Hundred and Ten Thousand Naira (~~₦~~710,000.00) only was realised from street naming as against the sum of Three Million Naira (~~₦~~3,000,000.00) proposed to generate in the year 2022 whereas driving through the locality especially Ijebu –Ode township and its environs, one will notice a lot of street being named after highly influential people and indigenes of your Local Government who are willing to pay their dues provided they were given the right approach

Recommendation: I wish to advise your Local Government to intensify efforts towards harnessing all its revenue sources and any leakages observed or detected should be blocked.

5. NAMING OF STREET

Observation: I wish to observe that despite my comment in paragraph 10 of the last report, your Local Government is yet to produce a comprehensive data of all the streets that existed within your locality and could therefore not determined the individual or corporate bodies that has defaulted in the renewal of such street for several years except for those who come willingly to renew their application and those that come forward with fresh application for street to be named after them within the locality. The absence of a register for all the street within your locality is responsible for a meagre sum of Seven Hundred and Ten Thousand Naira (₦710,000.00) realised from the street naming fee as against the sum of Three Million Naira (₦3,000,000.00) budgeted for the year under review.

Recommendation: I wish to reiterate once again that your Local Government being an urban area with high density population should harness the revenue potentials which is derivable from street naming within your locality and ensured that leakages are identified and blocked.

6. DOUBTFUL EXPENDITURE

Observation: During the period under review, it was observed that a sum of Two Million, Two Hundred Thousand Naira (₦2,200,000.00) was approved and released to Mr Odufogbon B. A (Principal Admin Officer) vide PV 212/December, 2022 as Christmas /end of the year gifts to all member of staff and political functionaries. Further observation revealed that the payment voucher was not supported with any documentary evidence such as distribution list or sub-receipts duly signed by the beneficiaries of the gifts in line with Provisions of Chapter 14:17 of the Model Financial Memoranda for Local Governments. The irregularities cast doubt to the authenticity of this expenditure.

Recommendation: The officials of your Local Government are advised to always attach official receipt and other relevant documents to account for funds released.

7. NON INSCRIPTION OF LOCAL GOVERNMENT NAME ON ITS PROPERTY

Observation: During the period under review, it was observed that the name of your Local Government was not inscribed on most of the newly purchased items such as printers, executive chairs and tables, lawn mown e.t.c. Failure to do this may lead to theft or pilferage of the items by unscrupulous individuals within the Local Government.

Recommendation: The Internal Auditor has been instructed to ensure that this is done without any further delay and guide against future occurrences, this advice should be adhered to.

8. LOCAL GOVERNMENT SHOPS

Observation: It was observed during the period under reference that your Local Government has 45 lock up shops and 129 Open Stalls at Itale market which were placed on annual rent of ₦12,000.00 and ₦6,000.00 respectively. All the lock-up shops had been fully occupied, while 40 opens stalls were unoccupied due to its dilapidated condition as a result of which the Local Government is recording a loss of ₦240,000 annually as revenue from this market.

Similarly, at the Ayesan market, Ijebu ode, your Local Government has 76 lock-up shops placed on annual rental fee of ₦18,000.00 out of which 72 were occupied while 4 lock up shops were not occupied . Also at the market there are 64 open stalls on annual rent of ₦12,000.00 but only 29 open stalls were presently being occupied while 20 open stalls were not occupied.

It was surprising to also note that ten (10) open stalls were being occupied by the ACCOMORAN i.e. Okada rider without paying a dime into the coffers of your Local Government thereby incurring a loss of ₦120,000.00 annually to the Local Government while five (5) open stalls were unoccupied due to its dilapidated condition.

Recommendation: In the light of the above, I wish to urge the Director of Finance and Supplies to take necessary action to ensure that all the open stalls and lock-up shops were occupied and that the ten (10) open stalls currently being used as office by the Okada riders should be reduced to two (2) .

All the lock-up shops and the open stalls that are in a dilapidated condition should be renovated to encourage patronage which will eventually boost the internally generated revenue of your Local Government.

9. PURCHASE OF OFFICE FURNITURE

Recommendation: It was observed that a sum of One Million, Eight Hundred and Twenty- Six Thousand, Four Hundred and Twenty-Five Naira (~~₦~~1,826,425.00) was approved out of which a sum of One Million, Four Hundred and Sixty-One Thousand, One Hundred and Forty Naira (~~₦~~1,461,140.00) had so far been released to Mr Toye Bisi Rodipe, the Chief Executive of Bisrod Furniture Company limited, ijebu-ode to manufacture and supply office furniture for the use of your Local Government. Audit investigation revealed that only two (2) items i.e. revolving chairs valued at One Hundred and Ninety Thousand (~~₦~~190,000.00) only was supplied before the arrival of the Audit Team in February 2023. It was at the instance of the Auditors that, Seven (7) other items valued at One Million, Two Hundred and Eighty-Five Thousand (~~₦~~1,285,000.00) was supplied by the company, thus remaining seven (7) wooden tables valued at Two Hundred and Twenty –Four Thousand (~~₦~~224,000.00) yet to be supplied.

Recommendation: In the light of the above, I wish to urge the Local Government to pay the outstanding sum of Three Hundred and Sixty-Five Thousand, Two Hundred and Eighty-Five Naira (~~₦~~365,285.00) to the company and ensure that the remaining seven (7) wooden tables were supplied without any further delay.

10. DORMANT PERSONAL ADVANCES

Observation: Audit examination of the General Purposes Financial Statement (GPFS) revealed that a sum of One Million, Seven Hundred and Nineteen Thousand, Three Hundred and Sixty One Naira, Eleven kobo (₦1,719,361.11) only was the cumulative figure of personal advances granted to various staff of your Local Government which had remained stagnant for several years. This inaction 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 staff. 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: I wish to reiterate that your Local Government should take advantage of the Central Salary Payment Platform domiciled at the Local Government Service Commission to effect deduction of these advances and also liaise with the Bureau of Local Government Pensions to recover outstanding personal advances from the retired staff.

11. NON-RETIREMENT OF IMPRESTS

Observation: I wish to refer to paragraph 8 of the last audit inspection report of 31ST October, 2022 and to observe with dismay that both political office holders and career officers were still in the habit of not retiring their office imprest before collecting another one in line with the provision of Chapter 14:27 of Model Financial Memoranda for Local Governments.

Recommendation: This flagrant disobedience to the extant laws and regulations should be stopped forthwith and ensure compliance. I also wish to urge the Internal Auditor to be alive to his responsibility to avoid being sanctioned.

12. OFFICIAL VEHICLES TAKEN AWAY WITHOUT DUE PROCESS

Observation: I wish to refer to paragraph 13 of the last audit inspection report of 31ST October, 2022 and to observe with dismay that no positive action has been taken to recover any of the vehicles taken away by the political functionaries at the expiration of their tenure.

The details of the vehicles are summarized 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 Jeep taken away by Mr Odutayo Kolawole (former Secretary, Ijebu Ode South LCDA).

This is a clear disregard of 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 which stipulate that due process must be followed before any official vehicle is taken away.

Recommendation: I therefore wish to urge your Local Government to ensure that all the vehicles were retrieved from the former political office holders without any further delay.

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

**RE-AUDIT INSPECTION ON THE ACCOUNT OF IJEBU-ODE LOCAL GOVERNMENT,
IJEBU-ODE FOR THE PERIOD OF 1ST JANUARY TO 31ST DECEMBER, 2022.**

Sequel to your report OGLG/IJE/VOL.IV/470 dated 3rd of April 2023 on the above subject, the Management of Ijebu-Ode Local Government has perused and discussed the document in details. Below are our response.

DESTRUCTION OF EXHAUSTED RECEIPT BOOKS:

In compliance with the provision of chapter 7:14 of Model Financial Memoranda for Local Government and in adherence to the notification contained in the Audit Report under consideration, the Finance store has commenced the arrangement of the affected receipt books for ease of verification for destruction and your office shall soon be invited to witness the exercise.

AUDIT QUERIES

Although, the Audit inspection report was received at Ijebu-Ode registry on 13th April, 2023, it did not get to the management staff until 4th May, 2023 from the office of the Executive Chairman.

However, the Audit queries OGLG/AG/JBD/250-252/2022 had been officially handed over to the concerned Officers for their immediate attention and responses.

CASH SURVEY

Let it be stated here that the huge cash of Nine Hundred and Fifty Nine Thousand, Two Hundred and Thirty Naira (N959,230.00K) found in the vault was occasioned by non-acceptance of cash deposit of purported old naira notes by banks except one going through the Central Bank of Nigeria for deposit.

Also, the Local Government cannot reject the collection of the said naira note from members of the public since it was at Ijebu-Ode that His Excellency, Governor, **Prince DAPO ABIODUN** *MFR* made a public pronouncement that the

purported Old Naira note remains Legal tender in compliance with the Supreme Court Judgment.

Nevertheless, the whole amount had since been deposited to Ijebu-Ode Local Government Bank Accounts through the Central Bank generated codes then.

Let it be reiterated here that the Treasurer off the Council shall always ensure that cash in the vault is kept to the bearest minimum for safety purposes.

BANK RECONCILIATION STATEMENT

* **DORMANT BANK BALANCES:** Action has commenced on these dormant banks balances and letters are being written to the affected banks for the accounts to be reactivated, and merged to other accounts or close down such bank accounts.

* **DIRECT CREDIT:** All revenue collectors, members of public (individual and corporate) are being implored and educated on the need to present promptly their payment evidences to the cash office for timely issuance of Treasury receipt.

UNCREDITED LODGMENT: The bulk of that lodgments were between 2014-2016 of which were traced to bank accounts that had been dormant and closed down. However, F& GPC approval shall be obtained to treat them as appropriate.

DOUBTFUL EXPENDITURE: These have been subject of Audit Query and the concerned officers will attend to them as appropriate.

NON-INSCRIPTION OF LOCAL GOVERNMENT NAMES ON ITS PROPERTIES: The attention of Mr Kola Ogungbe, the Internal Auditor has been directed to this for necessary action in order to prevent conversion of Government properties for personal uses and to prevent theft.

INTERNALLY GENERATED REVENUE:

The management is much more concerned about improving the revenue generation profile of the Local Government, to this end, strategies were mapped out to block the leakages as well as to ensure that the greater percentage of accruable and receivable revenue are brought to Local Government coffer. Though the Political activities of the recent pass has slowed down the Revenue Generation activities of the Government, Nevertheless, we are on course.

The management is not unaware of impediment to enhance revenue profile of this council such as dilapidated conditions of our markets such as Itale, Ayesan Market, etc and some of these markets lack functional conveniences facilities.

Also, functional Vehicle to provide mobility and enhance Revenue Generation activities is not available.

The poor conditions of some of these shops and stalls are due to past neglect, thus, the management is favourably disposed to B.O.T. arrangement to get these stallages repaired, build toilet facilities in our markets as to further encourage patronage which will boost the Internally Generated Revenue of this Local Government.

NAMING OF STREET

The attention of the Director of General Services and Administration (DGS&A) has been directed to the issue raised in respect of Naming of Street as a viable tool to increase Revenue Generation if properly harnessed.

PURCHASE OF OFFICE FURNITURE

The attention of both the Director of General Services and Administration, Mr Oluseye Soyoye and Internal Auditor, Mr Kola Ogungbe have been directed to this, to ensure that the remaining wooden tables are supplied and that the Local Government names are inscribed on them.

DORMANT PERSONAL ADVANCES:

The major issue with dormant Personal Advance is that most deductions made over the years from staff in respect of Advance were not remitted back to the appropriate Local Governments that granted the advance. However, we are going to liase with central salary payment office at the Local Government Service Commission and Bureau of Local Government Pension for possible recovery.

NON-RETIREMENT OF IMPREST

Attention of Mr. Kola Ogungbe, the Internal Auditor has been directed to do the needful on above subject.

However, efforts shall be intensified to educate both career staff and Political Functionaries that it is a must to retire previous paid imprests before being entitled to the subsequent ones.

Thank you.



Engr. Olanike Ogunbona FNSE,
Head of Local Government Administration.