

**OGUN STATE GOVERNMENT, NIGERIA**

**STATUTORY REPORT**

**AND**

**DOMESTIC REPORT**

**OF THE**

**AUDITOR-GENERAL FOR LOCAL GOVERNMENTS**

**ON THE ACCOUNTS**

**OF**

**IKENNE LOCAL GOVERNMENT**

**FOR THE YEAR ENDED 31<sup>ST</sup> 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.  
17<sup>th</sup> 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 Ikenne Local Government for the year ended 31<sup>st</sup> 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 31<sup>st</sup> December, 2021 subject to the observations in the inspection reports.

A handwritten signature in blue ink, appearing to be "L.A. Mulero", is written over a horizontal line.

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

## **STATEMENT OF OPINION OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF IKENNE LOCAL GOVERNMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2021**

The accounts of Ikenne Local Government for the year ended 31<sup>st</sup> 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.

17<sup>th</sup> June, 2022.

**STATUTORY REPORT OF THE AUDITOR-GENERAL FOR LOCAL  
GOVERNMENTS ON THE ACCOUNTS OF IKENNE LOCAL GOVERNMENT,  
IKENNE FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2021**

In compliance with the provisions of Section 123 of Decree Number 12 of 1989, Section 315(1) of the Constitution of the Federal Republic of Nigeria and Sections 135-145 of Ogun State Local Government Law 2006, the accounts of Ikenne Local Government, Ikenne for the year ended 31<sup>st</sup> December, 2021 had 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 market register and receivable ledger were not updated.

**(3) FINANCIAL REVIEW:**

<b>REVENUE</b>	<b>AMOUNT (₦)</b>
Internally Generated Revenue	62,694,883.28
Statutory Allocation	1,282,008,291.79
Aids and Grants	<u>18,000,000.00</u>
<b>Total</b>	<b><u>1,362,703,175.07</u></b>
<b>EXPENDITURE</b>	
Overhead Expenses	102,611,077.84
Salaries and Allowances	947,798,679.16
Pension	347,064,348.32
Long Term Assets	<u>18,921,871.68</u>
<b>Total</b>	<b><u>1,416,395,977.00</u></b>

**(4) REVENUE PERFORMANCE:**

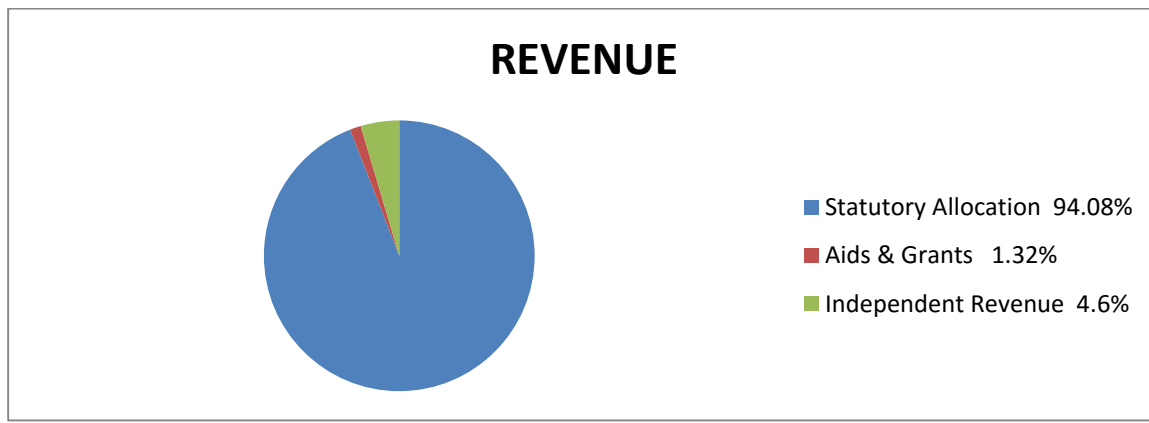
**(i) STATEMENT OF ACTUAL REVENUE**

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦57,940,000.00, a sum of ₦62,694,883.28 only was actually generated representing 108.21% of the budget. This represents an increase of 87.56% when compared with the sum of ₦33,426,754.91 generated in year 2020. 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.

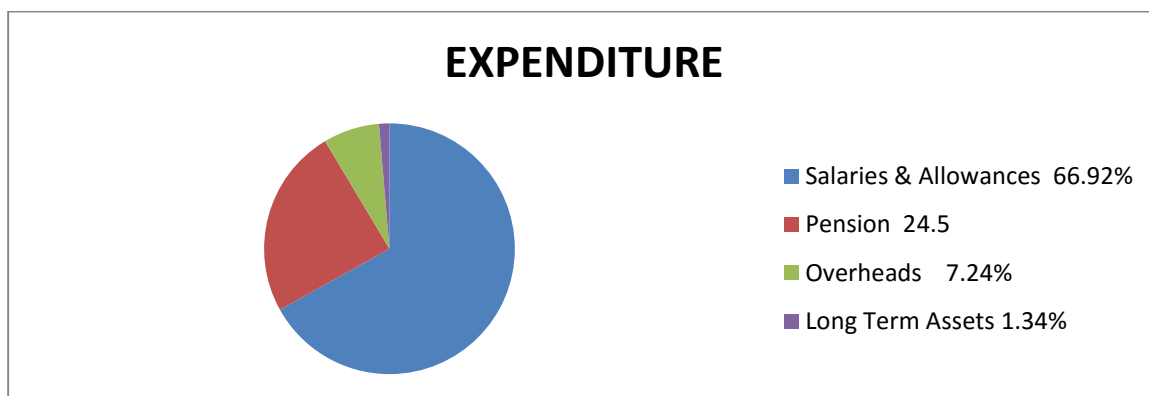
(ii) **PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE**

The Audit exercise revealed that out of the total revenue of ₦1,362,703,175.07 realized by the Local Government during the year under review, a sum of ₦62,694,883.28 only was generated internally. This represented 4.6% of the total revenue while the sum of ₦1,282,008,291.79 statutory allocation and ₦18,000,000.00 aids and grant received from the State Joint Account Allocation Committee represented 94.08% and 1.32% respectively. The implication of this is that without Revenue Allocation from the Federation Accounts, the Local Council Development Area 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 ₦1,416,395,977.00. Out of this, a sum of ₦102,611,077.84 was expended on overhead which represents 7.24% of the total expenditure for the year. Also, a sum of ₦947,798,679.16 was expended on salaries and allowances which represented 66.92% of the total expenditure for the year while the sum of ₦347,064,348.32 was paid to pensioners which represented 24.5%. The sum of ₦18,921,871.68 was expended on long term assets which represented 1.34% 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 31<sup>st</sup> December, 2021 was ₦161,120,729.77. The liabilities are highlighted below:

	<b>AMOUNT (₦)</b>
1. PAYEE	74,784,697.84
2. PENSION	49,465,172.14
3. 5% DEVELOPMENT LEVY	4,424,881.72
4. VAT	11,280,095.22
5. Payables	8,534,000.00
6. 5% WHT	1,663,624.67
7. NULGE	4,552,783.31
8. OTHERS	<u>6,415,474.87</u>
<b>TOTAL</b>	<b><u>161,120,729.77</u></b>

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

(7) **ADVANCES**

The sum of ₦2,680,298.29 highlighted in the Statement of Financial Position as the advances balance was stagnant during the year. Efforts should be intensified to recover the advances.

(8) **INVESTMENT**

The sum of ₦1,177,000.00 highlighted in the Statement of Financial Position as the investment could not be verified because evidence of existence and ownership like share certificate or circumstantial evidence like dividend or interest received were not available.

## **IKENNE LOCAL GOVERNMENT**

### **RESPONSIBILITY FOR FINANCIAL STATEMENT**

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

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

  
.....  
**Mrs. Jinadu O.F. FCNA**

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 Ikenne Local Government as at 31<sup>st</sup> December, 2021 and its operations for the year ended on the date.

  
.....  
**Mrs. Jinadu O.F. FCNA**

Treasurer

  
.....  
**Hon. Ogunleye Oluségún**

Chairman

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

	NOTES	2021	2020
<b>CURRENT ASSET</b>		₦	₦
CASH & CASH EQUIVALENTS	8	5,579,306.37	32,718,614.29
INVENTORIES		1,738,186.64	1,578,855.00
RECEIVABLES		4,452,800.00	2,142,800.00
PREPAYMENT			
ADVANCE		2,680,298.29	3,060,298.29
<b>TOTAL CURRENT ASSET (A)</b>		<b>14,450,591.30</b>	<b>39,500,567.58</b>
<b>NON CURRENT ASSET</b>			
PROPERTY PLANT & EQUIPMENT	10	237,861,253.40	243,677,322.24
INVESTMENT PROPERTY	11	305,526,571.25	298,375,008.00
BIOLOGICAL ASSET	12	1,760,000.00	1,840,000.00
INVESTMENT		1,177,000.00	1,177,000.00
LOAN GRANTED			
<b>TOTAL NON CURRENT ASSET (B)</b>		<b>546,324,824.65</b>	<b>545,069,330.24</b>
<b>TOTAL ASSET (C=A+B)</b>		<b>560,775,415.95</b>	<b>584,569,897.82</b>
<b>CURRENT LIABILITY</b>			
DEPOSIT			
LOAN & DEBT			
UNREMITTED DEDUCTIONS	9	152,586,729.77	149,952,058.39
ACCURED EXPENSES, PAYABLES		8,534,000.00	7,239,000.00
DEFERED INCOME		9,928,500.00	9,166,500.00
CURRENT PORTION OF BORROWING			
<b>TOTAL CURRENT LIABILITY (D)</b>		<b>171,049,229.77</b>	<b>166,357,558.39</b>
<b>NON CURRENT LIABILITY</b>			
PUBLIC FUND			
BORROWING			
<b>TOTAL NON CURRENT LIABILITY (E)</b>		-	-
<b>TOTAL LIABILITY (F=D+E)</b>		<b>171,049,229.77</b>	<b>166,357,558.39</b>
<b>NET ASSETS (G= C-F)</b>		<b>389,726,186.18</b>	<b>418,212,339.43</b>
<b>NET ASSET/EQUITY</b>			
RESERVE			
<b>ACCUMULATED SURPLUS/ DEFICIT</b>		<b>389,726,186.18</b>	<b>418,212,339.43</b>
<b>TOTAL NET ASSET/EQUITY</b>		<b>389,726,186.18</b>	<b>418,212,339.43</b>

**IKENNE LOCAL GOVERNMENT**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2021**

	NOTES	2021	2020
<b>REVENUE</b>		₦	₦
STATUTORY ALLOCATION	1	1,811,751,057.57	1,235,147,870.59
NON TAX REVENUE:	2	41,742,561.46	22,656,088.58
INVESTMENT INCOME			
INTEREST EARNED			
AIDS & GRANTS	3	18,000,000.00	11,300,000.00
OTHER REVENUE		20,952,321.82	770,666.33
<b>TOTAL REVENUE (A)</b>		<b>1,892,445,940.85</b>	<b>1,279,874,625.50</b>
<b>EXPENDITURE</b>			
SALARIES & WAGES	4	1,084,322,203.88	866,039,316.89
NON- REGULAR ALLOWANCE	5		-
SOCIAL BENEFIT	6	740,283,589.38	377,022,939.13
OVERHEAD COST	7	82,271,037.21	78,524,660.91
SUBVENTION TO PARASTALS		900,000.00	1,350,000.00
DEPRECIATION	10 & 11	19,440,040.63	19,086,575.28
GAIN/LOSS ON DISPOSAL ON ASSET			1,161,121.28
<b>TOTAL EXPENDITURE (B)</b>		<b>1,927,216,871.10</b>	<b>1,343,184,613.49</b>
<b>SURPLUS / DEFICIT (C=A-B)</b>		<b>-34,770,930.25</b>	<b>-63,309,987.99</b>

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

	₦
<b>Balance 1/1/2020</b>	483,398,451.07
Prior Year Adjustment	<b>- 1,876,123.65</b>
Adjusted Balance	481,522,327.42
<b>Surplus/ (deficit) for the year</b>	<b>- 63,309,987.99</b>
<b>Balance 31/12/2020</b>	<b>418,212,339.43</b>
Prior Year Adjustment	6,284,777.00
<b>Adjusted Balance</b>	<b>424,497,116.43</b>
Surplus/ (deficit) for the year	-34,770,930.25
<b>Balance at 31 December 2021</b>	<b>389,726,186.18</b>

**IKENNE LOCAL GOVERNMENT**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2021**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2021</b>	<b>2020</b>
<b><u>INFLOWS</u></b>	<b>₦</b>	<b>₦</b>
STATUTORY ALLOCATION	1,813,751,057.57	1,233,147,870.59
LICENCES, FINES, ROYALTIES, FEES ETC	30,959,306.46	26,366,142.58
EARNINGS & SALES	5,564,255.00	6,289,946.00
RENT OF GOVERNMENT PROPERTIES	375,000.00	9,166,500.00
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL		
DOMESTIC AIDS & GRANTS		
OTHER REVENUE		
<b>TOTAL INFLOW FROM OPERATING ACTIVITIES A</b>	<b>1,889,601,940.85</b>	<b>1,287,041,125.50</b>
<b><u>OUTFLOW</u></b>		
PERSONNEL EMOLUMENTS	1,477,541,444.94	866,039,316.89
SOCIAL BENEFIT	347,064,348.32	377,022,939.13
OVERHEADS	81,135,368.85	72,519,425.62
SUBVENTION TO PARASTATALS	900,000.00	1,350,000.00
INTEREST PAYMENT		
<b>TOTAL OUTFLOW FROM OPERATING ACTIVITIES B</b>	<b>1,906,641,162.11</b>	<b>1,316,931,681.64</b>
<b>NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B</b>	<b>-17,039,221.26</b>	<b>-29,890,556.14</b>
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
PURCHASE/ CONSTRUCTION OF ASSETS	18,921,871.68	- 20,236,000.00
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE	380,000.00	
PROCEED FROM SALE OF ASSETS		1,800,000.00
DIVIDEND RECEIVED		
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-18,541,871.68</b>	<b>-18,436,000.00</b>
<b><u>CASH FLOW FROM FINANCIAL ACTIVITIES</u></b>		
DEPOSIT/ UNREMITTED DEDUCTIONS	7,145,785.02	59,657,148.10
DEFERRED INCOME	1,296,000.00	
PUBLIC FUND		
PROCEEDS FROM DOMESTIC LOANS & OTHER		
LOAN REPAYMENTS		
BAILOUT REPAYMENT		
<b>NET CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>8,441,785.02</b>	<b>59,657,148.10</b>
<b>NET CASH FLOW FROM ALL ACTIVITIES</b>	<b>-27,139,307.92</b>	<b>11,330,591.96</b>
<b>CASH &amp; ITS EQUIVALENT AS AT 1/1/2021</b>	<b>32,718,614.29</b>	21,388,022.33
<b>CASH &amp; ITS EQUIVALENT AS AT 31/12/2021</b>	<b>5,579,306.37</b>	<b>32,718,614.29</b>

## ACCOUNTING POLICY

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

	<p>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><b>Disposal</b> Gains or losses on the disposal of fixed assets are included in the income statement as either an income or expenses respectively.</p> <p><b>Impairment</b> Entities shall test for impairments of its PPE where it suspects that impairment has occurred.</p>
11	<p><b>Investment Property</b> These are cash-generating property owned by the Local Government. The cost, depreciation and impairment of Investment Property are same with PPE.</p>
12	<p><b>Unremitted Deductions</b></p> <p>a) Unremitted deductions are monies owed to third parties such as tax authorities, schemes and associations and other government agencies. These include tax deductions and other deductions at source.</p> <p>b) These amounts are stated as Current Liabilities in the Statement of Financial Position.</p>
13	<p><b>Payable/Accrued Expenses</b></p> <p>a) These are monies payable to third parties in respect of goods and services received</p> <p>b) Accrued Expenses for which payment is due in the next 12 months are classified as Current Liabilities. Where the payments are due beyond the next 12 months, they are accounted for as Non-Current Liabilities.</p>
14	<p><b>Current Portion of Borrowings</b> This is the portion of the long-term loan/borrowing that is due for repayment within the next 12 months. This portion of the borrowings is classified under Current Liabilities in the Statement of Financial Position.</p>

**NOTES TO THE GPFS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2021****1. SHARE OF STATUTORY ALLOCATION FROM JAAC**

	JANUARY	112,802,339.27
	FEBUARY	112,489,932.41
	MARCH	82,593,836.44
	APRIL	77,129,717.89
	MAY	117,487,772.26
	JUNE	112,503,053.63
	JULY	110,343,202.77
	AUGUST	335,892,461.66
	SEPTEMBER	306,629,025.73
	OCTOBER	163,731,826.97
	NOVEMBER	120,109,437.43
	DECEMBER	160,038,451.12
	<b>TOTAL</b>	<b>1,811,751,057.57</b>

<b>2</b>	<b>NON-TAX REVENUE</b>	
	LICENCES	5,964,450.00
	FEES	29,756,856.46
	FINES	82,000.00
	EARNINGS	2,015,600.00
	RENT OF GOVERNMENT PROPERTIES	375,000.00
	SALES	3,548,655.00
	<b>TOTAL</b>	<b>41,742,561.46</b>

**3 AIDS & GRANTS**

	OGUN STATE GOVERNMENT	18,000,000.00
	NON GOVERNMENT ORGANISATION	0.00
	<b>TOTAL</b>	<b>18,000,000.00</b>

**4 SALARIES & WAGES**

	LOCAL GOVERNMENT STAFF	523,552,797.39
	PRIMARY SCHOOL TEACHERS	434,622,896.31
	TRADITIONAL COUNCIL	100,504,010.93
	POLITICAL FUNCTION	25,642,499.25
	<b>TOTAL</b>	<b>1,084,322,203.88</b>

**5 NON- REGULAR ALLOWANCE**

	LEAVE BONUS	
	<b>TOTAL</b>	

**6 SOCIAL BENEFIT**

	GRATUITY	-
	PENSION	740,283,589.38
	<b>TOTAL</b>	<b>740,283,589.38</b>



**7 OVERHEAD COST BY DEPARTMENT**

	CHAIRMAN & COUNCIL	29,627,500.00
	HOLGA	720,000.00
	INTERNAL AUDIT	315,000.00
	ADMINSTRATIVE	12,015,444.81
	FINANCE	12,820,861.86
	INFORMATION	1,747,500.00
	P H C	5,666,090.00
	AGRIC	328,800.00
	WORKS	9,714,340.54
	PLANNING	1,333,000.00
	WES	5,579,000.00
	COMMUNITY	2,403,500.00
	<b>TOTAL</b>	<b>82,271,037.21</b>

**8 CASH & CASH EQUIVALENTS**

	CASH AT HAND	2,155.00
	CASH IN BANKS	5,577,151.37
	<b>TOTAL</b>	<b>5,579,306.37</b>

**9 UNREMITTED DEDUCTIONS**

1	PAYEE	74,784,697.84
2	PENSION	49,465,172.14
3	NULGE	4,552,783.31
4	5% VAT	11,280,095.22
5	5% DEVELOPMENT LEVY	4,424,881.72
6	NHF	500,920.28
7	5% WITHOLDING TAX	1,663,624.67
	<b>Total</b>	<b><u>152,586,729.77</u></b>

IKENNE 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	216,528,610.00			16,563,720.80	16,402,800.00	6,144,000.00	5,456,000.00	11,100,000.00	272,195,130.80
ADDITIONAL DURING THE YEAR									0.00
WORK IN PROGRESS	5,500,000.00								5,500,000.00
ADJUSTMENT ON P&M & T EQU				2,182,579.20	46,000.00				2,228,579.20
BAL C/F	222,028,610.00		-	18,746,300.00	16,448,800.00	6,144,000.00	5,456,000.00	11,100,000.00	279,923,710.00
ACCUMULATED DEPRECIATION									
BAL AS AT 01/01/2021	8,616,944.40			3,295,744.16	9,505,520.00	3,183,000.00	2,243,600.00	1,673,000.00	28,517,808.56
ADDITIONAL DURING THE YEAR	4,330,572.20			1,874,630.00	3,208,680.00	1,474,650.00	1,091,200.00	1,110,000.00	13,089,732.20
ADJUSTMENT ON P&M & T EQU				436,515.84	18,400.00				454,915.84
BAL C/F	12,947,516.60		-	5,606,890.00	12,732,600.00	4,657,650.00	3,334,800.00	2,783,000.00	42,062,456.60
AS AT 31/12/2021	209,081,093.40		-	13,139,410.00	3,716,200.00	1,486,350.00	2,121,200.00	8,317,000.00	237,861,253.40
AS AT 31/12/2020	207,911,665.60		-	13,267,976.64	6,897,280.00	2,961,000.00	3,212,400.00	9,427,000.00	243,677,322.24

IKENNE LOCAL GOVERNMENT				
INVESTMENT PROPERTY	LAND & BUILDING 2%	LAND	BIOLOGICAL ASSET 4%	TOTAL
BAL AS AT 01/01/2021	300,093,550.00	10,000,000.00	2,000,000.00	312,093,550.00
ADDITIONAL DURING THE YEAR	13,421,871.68			13,421,871.68
LEGACY				0.00
DISPOSAL DURING THE YEAR				-
BAL C/F	313,515,421.68	10,000,000.00	2,000,000.00	325,515,421.68
ACCUMULATED DEPRECIATION				
BAL AS AT 01/01/2021	11,718,542.00		160,000.00	11,878,542.00
ADDITIONAL DURING THE YEAR	6,270,308.43		80,000.00	6,350,308.43
DISPOSAL DURING THE YEAR				
BAL C/F	17,988,850.43	-	240,000.00	18,228,850.43
AS AT 31/12/2021	295,526,571.25	10,000,000.00	1,760,000.00	307,286,571.25
AS AT 31/12/2020	288,375,008.00	10,000,000.00	1,840,000.00	300,215,008.00

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

**AUDIT INSPECTION REPORT ON THE ACCOUNTS OF IKENNE LOCAL  
GOVERNMENT FOR THE PERIOD ENDED 31<sup>ST</sup> 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. **AUDIT QUERIES**

The underlisted audit queries had earlier been forwarded to you for your necessary action as required by law. Please ensure quick response to the queries.

S/N	QUERY NUMBER	SUBJECT	AMOUNT ₦
1	OGLG/AQ/KNN/232/2021	Doubtful Expenditure	444,000.00
2	OGLG/AQ/KNN/232/2021	Doubtful Expenditure	150,000.00
3	OGLG/AQ/KNN/232/2021	Doubtful Expenditure	100,000.00

3. **DOUBTFUL EXPENDITURE**

**Observation:** Audit examination of payment vouchers for the period under review, revealed that a sum of One Hundred Thousand Naira (₦100,000.00) was released to Mr. S. A. Akan (Admin Officer) vide PV No 38/Aug, 2021 for the entertainment of members of the Finance and General Purpose Committee meeting held on 5<sup>th</sup> June, 2021.

Audit investigation revealed that the purported date of that meeting which was 5<sup>th</sup> June, 2021 was Saturday i.e. (weekend) and one would not have expected such an official meeting to be held on a Saturday.

Moreso, Mr. Akan S.A (Admin. Officer) could not produce on demand by the Audit Team, the minutes of meeting of the Finance and General Purposes Committee held on that date thereby casting doubt on the authenticity of holding such a meeting and thus rendering this expenditure doubtful.

## 5. **BANK RECONCILIATION STATEMENTS**

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

### i. **STATE OF RECORDS**

**Observation:** It was observed that the Cashier Mr. Olufemi Oloruntobi (Chief Clerical Officer GL.07) failed to heed to the advice of this Office that only the bank statement of Access bank account no 0815170448 kept by your Local Government should be used to post the monthly statutory allocation received from the Federation Account but rather he went ahead to make use of the financial instruction sent to the Local Government by the Ministry of Local Government and Chieftaincy Affairs. This action or inaction on the part of the Cashier made the examination of the bank reconciliation statements very tedious and wasted a lot of time that should have been used on other important parts of the audit exercise. This was because there was no correlation between the said instruction and that of the bank statement of Access bank.

**Recommendation:** The Director of Finance and supply is hereby advised to ensure that transactions in the Access bank statements are posted into the cashbook by the Cashier.

### ii. **DIRECT CREDIT**

**Observation:** During the period under review, it was observed that the total sum of Two Million, Fifty Six Thousand, Seven Hundred and Sixty Nine Naira, Sixty Eight kobo (₦2,056,769.68) was the total direct credit recognised by the audit in the previous audited account but a sum of One Million, Seven Hundred and Seventeen Thousand, Seven Hundred and Sixty Nine Naira, Sixty Eight kobo (₦1,717,769.68) was erroneously written back into the cashbook thus leaving a difference of Three Hundred and Thirty Nine Thousand Naira (₦339,000.00) not captured. The difference of Three Hundred and Thirty-Nine Thousand Naira (₦339,000.00) which emanated from this irregularity had been reflected back in the bank reconciliation statement as error in the month of June 2021 and has been adjusted in the cashbook.

**Recommendation:** Please educate your revenue collectors on the need to always present pay-in-slip to the Cashier as soon as any payment is made into the banks.

## 6. **LOCK-UP SHOPS**

During the audit exercise the Audit Team visited the under listed lock-up shops within the Local Government where the following was observed:

### **LOCK – UP SHOPS AT IKENNE ULTRA MODERN MARKET**

**Observation:** I wish to draw your attention to paragraph 6 (i) of the last inspection report reference number OGLG/KNN/I/Vol.III/457 of 11<sup>th</sup> February,2021 on the above subject matter and to observe that the way the shops were allocated left much to be desired as there were reports of duplication of allocation shops to the applicants. This has caused rifts in the local government that are yet to be resolved.

The attention of the Executive Chairman Honourable Olusegun Ogunleye was drawn to the irregularities by the Audit Team during the exit meeting held with him and other management staff of the Local Government. At the meeting, the Chairman gave assurance that concrete action will be taken to resolve all the issues and ensure that all the occupants of both the lock-up shops and stalls would begin to pay their rent as and when due.

**Recommendation:** I therefore wish to advice that your Local Government should do the numbering of the shops and stalls for ease of identifying the occupants and also formalize the allocation in order to recover the debts owed by the occupants since the shops were allocated.

### **SHOPS AT ILISAN AND IROLU MARKET**

**Observation:** It is disheartening to note that for several years now, your Local Government has continue to lose substantial amount of money as rent from lock-up shops at both Ilisan and Irolu market because of the Local Government refusal to carry out rehabilitation work on most of the shops which are in a terrible state of disrepair.

The condition of the market has been responsible for the refusal of the occupants of these shops to pay further rent into the Local Government coffer.

**Recommendation:** I therefore wish to reiterate that your Local Government should attend to the complaints of the occupants without any further delay by doing the rehabilitation work so as to have the moral justification to enforce payments of rent at the Ilisan and Irolu markets.

## **7. CONSTRUCTION OF MARRIAGE REGISTRY AT THE LOCAL GOVERNMENT SECRETARIAT, IKENNE.**

**Observation:** The approval of the Executive Governor Prince (Dr) Dapo Abiodun was conveyed to your Local Government through the Ministry of Local Government and Chieftaincy Affairs for the construction of a Marriage Registry within your Local Government Secretariat Ikenne at the cost of Seven Million, Eight Hundred and Seventy –Nine Thousand, Seven Hundred and Fifty Naira (₦7,879,750.00).

It was observed that a sum of Five Million, Five Hundred Thousand Naira (5,500,000.00) had so far been released to Engineer Majolagbe (Director of Works and Housing) vide PV No 18/ May, PV No 2,18,and 24/June, P.V. No 7 and 22/July 2021 respectively.

Audit verification visit to the site revealed that the project is at the roofing stage but other important aspect of the job such as fixing of windows, doors, plastering, painting and the plumbing works were yet to be done.

**Recommendation:** I wish to advise that your Local Government should release the remaining balance of the cost of this project in order to avoid rise in cost of materials which may lead to variation in the cost of the project.

## **8. AWARD OF IKENNE MOTOR PARK TO DKB –TRONET TECHNOLOGY LTD (HON. OLUSOLA SONUGA)**

**Observation:** I wish to refer to paragraph 8 of the last audit inspection report No. OGLG/KNN/1/Vol.III/457 of 11<sup>th</sup> February, 2022 and to express my dissatisfaction for the refusal of your Local Government to recover the sum of ₦1,600,000.00 Naira owed by Honourable Olusola Sonuga, Managing Director of DLK Tronet Technology for using twelve plots of land belonging to your Local Government. The debt issue had been on for over 4 years. It would appear that the management of your Local Government is non-challant and not ready to recover the amount owed by Hon Olusola and has continued to allow him to make use of the property without paying a dime into the coffers of the Local Government.

At the exit meeting held with the management of the Council, the issue was raised again and the Executive Chairman Hon. Olusegun Ogunleye and Head of Local Government Administration, Engineer Adenike Ogunbona explained that they have no knowledge of any motor park being awarded to Hon. Olushola Sonuga. The Officer in charge Mr. Sangowawa

(H.E.O) explained that several meetings held with Hon. Olushola Sonuga has not yielded any positive result, he claimed to have been paying rent to the Ogun State Government but was unable to present any documentary evidence to back it up. He explained further that all effort to recover the debt from Hon. Olusola Sonuga has proved abortive.

**Recommendation:** I wish to strongly reiterate that your Local Government should terminate the contract awarded to Hon. Olushola Sonuga and stop him from further use of the land.

### **RENAULT COMPACTOR**

**Observation:** I wish to refer to paragraph 9 of the Audit Inspection report No. OGLG/KNN/1/Vol.III/443 of 24 June 2021 and to observe with dismay that despite my comment and advise in previous audit inspection reports, little or nothing seems to have been done by successive administration to recover the sum of Two Million, Three Hundred and Twenty Five Thousand Naira (₦2,325,000.00) only trapped in the hands of the Managing Director, Olat Global Auto Company for his failure to supply the Renault Compactor he ought to have supplied since year 2012 for the use of your Local Government .

**Recommendation:** I therefore wish to advise that your Local Government should initiate legal action against the contractor to recover the money from him, failure upon which your Local Government will leave this Office with no choice than to drag both the Management of your Local Government and the Contractor to the Public Account Committee of the State House of Assembly for necessary action or further sanction.

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


**MANAGEMENT LETTER ON THE ACCOUNTS OF IKENNE LOCAL GOVERNMENT FOR THE PERIOD  
1ST JANUARY TO 30TH JUNE, 2021**

Reference to your letter dated 11<sup>th</sup> February, 2022 on the above subject, the management wishes to express its gratitude on your reports and to submit our positions on the issues raised in the reports as follows:

1. DESTRUCTION OF EXHAUSTED RECEIPT BOOKS: Management has approved the destruction having collated all the receipts in question by the Finance and Supplies department. We await further directive from your office.
2. CONTROL OVER CASH: The Cashier and the Treasurers' Cash book have been constantly monitored.
3. AUDIT QUERIES: The two queries raised have been given to the affected officer, that is queries OGLG/KNN/232 – 233/2021. The concerned officers have responded to the issue raised and your office has been duly informed.
4. BANK RECONCILIATION STATEMENT: All observations raised in the reports concerning posting of records into the cash book have been adhere to.
5. LOCK UP SHOPS: The issue of correction of allocation of Stalls/Shops at Ikenne Ultra Modern Markets are being adhered to.  
The Shops at Ilisan market and Irolu market: Management is taking necessary steps. As soon as there is fund, the market will be renovated.
6. CONSTRUCTION OF MARRIAGE REGISTRY: Management is working on the completion and awaiting approval from the Ministry of Local Government and Chieftaincy Affairs.
7. AWARD OF IKENNE MOTOR PARK TO DKB – TRONET TECHNOLOGY LTD OLUSOLA SONUGA: The Contractor had been invited for a meeting and there is progress on the subject raised.

Conclusively we assure you that all the itemized recommendations have been given necessary attention.

Thank you.

  
**Engr. Ogunbona Olanike**  
Head of Local Government Administration