

**OGUN STATE GOVERNMENT, NIGERIA**

**STATUTORY REPORT**

**AND**

**DOMESTIC REPORT**

**OF THE**

**AUDITOR-GENERAL FOR LOCAL GOVERNMENTS**

**ON THE ACCOUNTS**

**OF**

**IMEKO AFON LOCAL GOVERNMENT**

**FOR THE YEAR ENDED 31<sup>ST</sup> 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 Imeko/Afon Local Government for the year ended 31<sup>st</sup> 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 31<sup>st</sup> 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 IMEKO/AFON LOCAL GOVERNMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2022**

The accounts of Imeko/Afon Local Government for the year ended 31<sup>st</sup> 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 IMEKO/AFON LOCAL GOVERNMENT, IMEKO FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2022**

In compliance with the provisions of Section 123 of Decree 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 Imeko/Afon Local Government, Imeko for the year ended 31<sup>st</sup> 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 no improvement in the accounts and record keeping. The cashbook and ledgers were not properly maintained as there were many errors. Required books like assets register, receivable and payable ledgers were not maintained.

**(3) FINANCIAL REVIEW:**

<b>REVENUE</b>	<b>AMOUNT (₦)</b>
Internally Generated Revenue	15,887,187.57
Statutory Allocation	1,831,964,945.97
Aids and Grants	<u>35,455,796.81</u>
<b>Total</b>	<b><u>1,883,307,930.35</u></b>
<b>EXPENDITURE</b>	
Salaries and Allowances	1,274,249,679.94
Overhead Expenses (including Depreciation & Loss on Disposal of Assets)	95,755,523.02
Pensions	422,225,604.80
Long Term Assets	<u>6,594,000.00</u>
<b>Total</b>	<b><u>1,798,824,807.76</u></b>

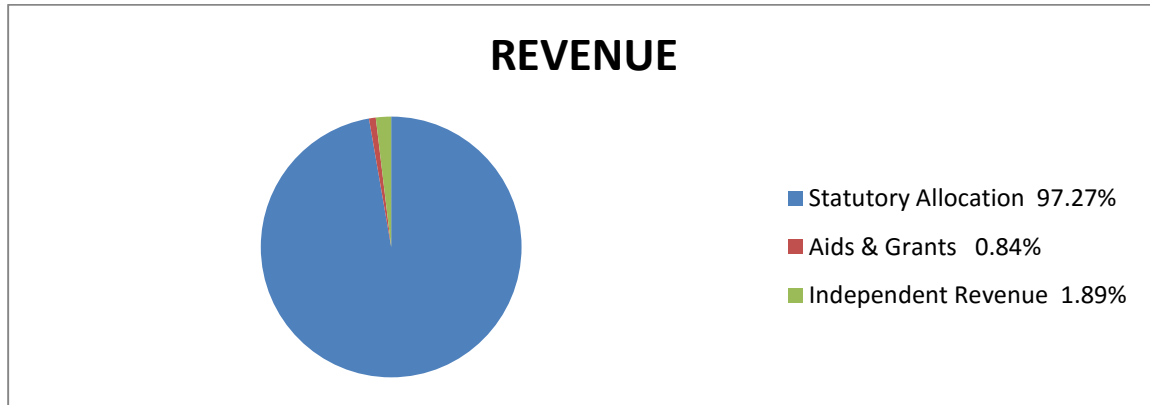
**(4) REVENUE PERFORMANCE**

**(i) STATEMENT OF ACTUAL REVENUE**

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦17,040,000.00, a sum of ₦15,887,187.57 only was actually generated internally and this represented 72.68% of the budget. This amounted to a rise of 28.28% when compared with the sum of ₦12,384,510.05 generated in year 2021. This revenue performance does not reflect the Internally Generated Revenue (IGR) potentials of the Local Government. There are still leakages which has not been identified and blocked.

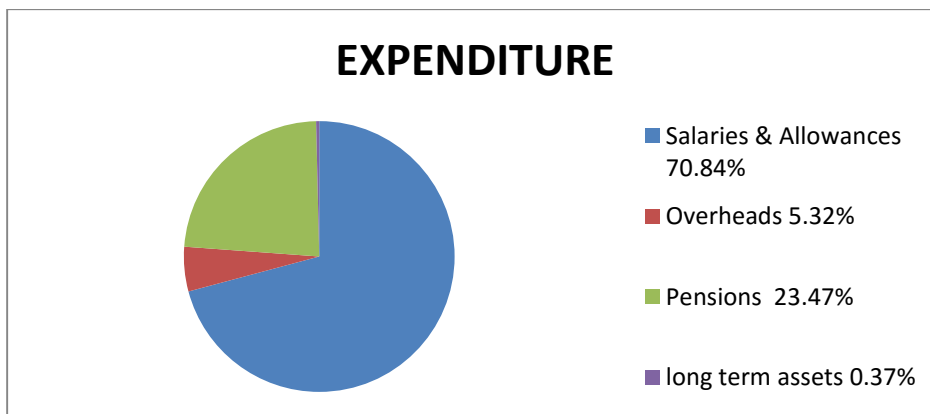
(ii) **PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE**

The Audit exercise revealed that out of the total revenue of ₦1,883,307,930.35 realized by the Local Government during the year under review, a sum of ₦15,887,187.57 only was generated internally. This represented 0.84% of the total revenue while the sum of ₦1,831,964,945.97 statutory allocation and ₦35,455,796.81 aids and grant received from Ogun State Government represented 97.27% and 1.89% 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**

Out of ₦1,798,824,807.76 total expenditure for the period, a sum of ₦95,755,523.02 was expended on overhead which represented 5.32% of the total expenditure. A sum of ₦1,274,249,679.94 was expended on Salaries and Allowances which represented 70.84% of expenditure. Also, the sum of ₦422,225,604.80 was expended on pensions and this represents 23.47% of the total expenditure. The sum of ₦6,594,000.00 was expended on long term assets which represented 0.37% of the total expenditure. The pattern of expenditure does not augur well for meaningful development in the Local Government.





(6) **DEBT PROFILE/STATE OF INDEBTEDNESS**

The total debt profile of the Local Government according to the General Purpose Financial Statement as at 31<sup>st</sup> December, 2022 was ₦133,774,063.20. The liabilities are highlighted below:

<b><u>ITEMS</u></b>	<b><u>AMOUNT ₦</u></b>
1. VAT	7,279,490.95
2. 5% WITHOLDING TAX	1,201,032.71
3. PAYE	45,038,340.59
4. PENSION	65,669.380.70
5. Payable	1,000,000.00
6. OTHERS	<u>13,585,818.25</u>
<b>TOTAL</b>	<b><u>133,774,063.20</u></b>

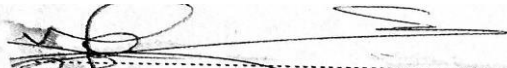
It was observed that the above amount had been deducted from various contracts, salaries and allowances of workers and had not been remitted to the appropriate agencies as required by regulations.

**IMEKO/AFON 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. Ademuyiwa Titilayo .A.  
Treasurer  
Date 11/5/23

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 Imeko/Afon Local Government as at 31<sup>st</sup> December, 2022 and its operations for the year ended on the date.



Mrs. Ademuyiwa Titilayo .A.  
Treasurer  
Date 11/5/23



Hon. Fadipe Yaya  
Chairman  
Date 11/5/2023

**IMEKO/AFON LOCAL GOVERNMENT**  
**STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2022**

	NOTES	2022	2021
<b>CURRENT ASSET</b>		₦	₦
CASH & CASH EQUIVALENTS	10	-36,300,030.98	-67,779,416.77
INVENTORIES		1,245,846.00	2,027,199.00
RECEIVABLES		3,446,650.00	3,174,650.00
PREPAYMENT			
ADVANCE			
<b>TOTAL CURRENT ASSET (A)</b>		<b>-31,607,534.98</b>	<b>-62,577,567.77</b>
<b>NON CURRENT ASSET</b>			
PROPERTY PLANT & EQUIPMENT	8	181,702,864.84	178,312,492.94
INVESTMENT PROPERTY	9	48,200,128.32	49,246,870.24
BIOLOGICAL ASSET			
INVESTMENT		50,000.00	50,000.00
LOAN GRANTED			
<b>TOTAL NON CURRENT ASSET (B)</b>		<b>229,952,993.16</b>	<b>227,609,363.18</b>
<b>TOTAL ASSET (C=A+B)</b>		<b>198,345,458.18</b>	<b>165,031,795.41</b>
<b>CURRENT LIABILITY</b>			
DEPOSIT			
LOAN & DEBT			
UNREMITTED DEDUCTIONS	11	132,774,063.20	186,909,407.74
ACCRUED EXPENSES, PAYABLES		1,000,000.00	4,736,115.28
DEFERRED INCOME		108,000.00	
CURRENT PORTION OF BORROWING			
<b>TOTAL CURRENT LIABILITY (D)</b>		<b>133,882,063.20</b>	<b>191,645,523.02</b>
<b>NON CURRENT LIABILITY</b>			
PUBLIC FUND		44,385.00	44,385.00
BORROWING			
<b>TOTAL NON CURRENT LIABILITY (E)</b>		<b>44,385.00</b>	<b>44,385.00</b>
<b>TOTAL LIABILITY (F=D+E)</b>		<b>133,926,448.20</b>	<b>191,689,908.02</b>
<b>NET ASSETS (G= C-F)</b>		<b>64,419,009.98</b>	<b>-26,658,112.61</b>
<b>NET ASSET/EQUITY</b>			
RESERVE			
<b>ACCUMULATED SURPLUS/ DEFICIT</b>		<b>64,419,009.98</b>	<b>-26,658,112.61</b>
<b>TOTAL NET ASSET/EQUITY</b>		<b>64,419,009.98</b>	<b>-26,658,112.61</b>

**IMEKO/AFON LOCAL GOVERNMENT**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2022**

	NOTES	2022	2021
<b>REVENUE</b>		₦	₦
STATUTORY ALLOCATION	1	1,831,964,945.97	1,493,286,041.68
NON TAX REVENUE:	2	14,318,900.00	11,548,650.00
INVESTMENT INCOME			
INTEREST EARNED			
GAIN/LOSS ON DISPOSAL ON ASSET			
AIDS & GRANTS	3	35,455,796.81	14,700,000.00
OTHER REVENUE		1,568,287.57	835,860.05
<b>TOTAL REVENUE (A)</b>		<b>1,883,307,930.35</b>	<b>1,520,370,551.73</b>
<b>EXPENDITURE</b>			
SALARIES & WAGES	4	1,274,249,679.94	1,105,632,715.15
NON- REGULAR ALLOWANCE	5		
SOCIAL BENEFIT	6	422,225,604.80	387,414,714.00
OVERHEAD COST	7	86,405,153.00	51,246,458.34
SUBVENTION TO PARASTALS		300,000.00	770,000.00
DEPRECIATION	8 & 9	9,050,370.02	7,605,157.52
GAIN/LOSS ON DISPOSAL ON ASSET			1,976,458.71
<b>TOTAL EXPENDITURE (B)</b>		<b>1,792,230,807.76</b>	<b>1,554,645,503.72</b>
<b>SURPLUS / DEFICIT (C=A-B)</b>		<b>91,077,122.59</b>	<b>-34,274,951.99</b>

**IMEKO/AFON LOCAL GOVERNMENT**  
**STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2022**

	₦
<b>Balance 1/1/2021</b>	5,499,274.77
Prior Year Adjustment	2,117,564.61
<b>Adjusted Balance</b>	<b>7,616,839.38</b>
Surplus/ (deficit) for the year	-34,274,951.99
<b>Balance 31/12/2021</b>	<b>-26,658,112.61</b>
Prior Year Adjustment	
<b>Adjusted Balance</b>	<b>-26,658,112.61</b>
Surplus/ (deficit) for the year	91,077,122.59
<b>Balance at 31 December 2022</b>	<b>64,419,009.98</b>

**IMEKO/AFON LOCAL GOVERNMENT**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2022**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2022</b>	<b>2021</b>
<b>INFLOWS</b>	<b>₦</b>	<b>₦</b>
STATUTORY ALLOCATION	1,831,964,945.97	1,495,286,041.68
LICENCES, FINES, ROYALTIES, FEES ETC	11,683,250.00	8,370,650.00
EARNINGS & SALES	2,344,650.00	2,045,700.00
RENT OF GOVERNMENT PROPERTIES	19,000.00	65,000.00
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL		
DOMESTIC AIDS & GRANTS	31,655,796.81	14,700,000.00
OTHER REVENUE	1,568,287.57	835,860.05
<b>TOTAL INFLOW FROM OPERATING ACTIVITIES (A)</b>	<b>1,879,235,930.35</b>	<b>1,521,303,251.73</b>
<b>OUTFLOW</b>		
PERSONNEL EMOLUMENTS	1,274,249,679.94	1,105,632,715.15
SOCIAL BENEFIT	422,225,604.80	387,414,714.00
OVERHEADS	90,659,915.28	51,317,891.34
SUBVENTION TO PARASTATALS		770,000.00
INTEREST PAYMENT		
<b>TOTAL OUTFLOW FROM OPERATING ACTIVITIES (B)</b>	<b>1,787,135,200.02</b>	<b>1,545,135,320.49</b>
<b>NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=(A)-(B)</b>	<b>92,100,730.33</b>	<b>-23,832,068.76</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
PURCHASE/ CONSTRUCTION OF ASSETS	- 6,594,000.00	- 11,200,000.00
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE		
PROCEED FROM SALE OF ASSETS		2,661,000.00
DEFERRED INCOME	108,000.00	
DIVIDEND RECEIVED		
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-6,486,000.00</b>	<b>-8,539,000.00</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
DEPOSIT/ UNREMITTED DEDUCTIONS	-54,135,344.54	29,748,624.19
PUBLIC FUND		
PROCEEDS FROM DOMESTIC LOANS & OTHER		
<b>NET CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>-54,135,344.54</b>	<b>29,748,624.19</b>
<b>NET CASH FLOW FROM ALL ACTIVITIES</b>	<b>31,479,385.79</b>	<b>-2,622,444.57</b>
<b>CASH &amp; ITS EQUIVALENT AS AT 1/1/2022</b>	<b>-67,779,416.77</b>	<b>-65,156,972.20</b>
<b>CASH &amp; ITS EQUIVALENT AS AT 31/12/2022</b>	<b>-36,300,030.98</b>	<b>-67,779,416.77</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> <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"> <li>ii. Fully depreciated assets that are still in use are carried in the books at a net book value of ₦100.00</li> <li>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.</li> </ul>
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> <ul style="list-style-type: none"> <li>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.</li> <li>b) These amounts are stated as Current Liabilities in the Statement of Financial Position.</li> </ul>
13	<p><b>Payable/Accrued Expenses</b></p> <ul style="list-style-type: none"> <li>a) These are monies payable to third parties in respect of goods and services received</li> <li>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.</li> </ul>
14	<p><b>Current Portion of Borrowings</b> This is the portion of the long-term loan/borrowing that is due for repayment within the next 12 months. This portion of the borrowings is classified under Current Liabilities in the Statement of Financial Position.</p>

**NOTES TO THE GPFS FOR THE YEAR ENDED 31ST DECEMBER, 2022**

**SHARE OF STATUTORY ALLOCATION  
FROM JAAC**

<b>1</b>		<b>₦</b>
	JANUARY	128,115,759.62
	FEBRUARY	
	MARCH	126,015,144.98
	APRIL	259,419,700.31
	MAY	563,221.60
	JUNE	126,597,958.00
	JULY	131,913,301.27
	AUGUST	157,265,000.56
	SEPTEMBER	150,359,565.91
	OCTOBER	147,380,629.72
	NOVEMBER	428,183,434.10
	DECEMBER	176,151,229.90
	<b>TOTAL</b>	<b>1,831,964,945.97</b>

**2 NON-TAX REVENUE**

	LICENCES	4,417,490.00
	FEES	7,533,760.00
	FINES	4,000.00
	EARNINGS	2,272,150.00
	RENT OF GOVERNMENT PROPERTIES	19,000.00
	SALES	72,500.00
	<b>TOTAL</b>	<b>14,318,900.00</b>

**3 AIDS & GRANTS**

	OGUN STATE GOVERNMENT	
	NON GOVERNMENT ORGANISATION	35,455,796.81
	<b>TOTAL</b>	<b>35,455,796.81</b>

**4 SALARIES & WAGES**

	LOCAL GOVERNMENT STAFF	317,022,398.28
	PRIMARY SCHOOL TEACHERS	741,270,059.11
	TRADITIONAL COUNCIL	155,306,004.50
	POLITICAL FUNCTIONARIES	60,651,218.05
	<b>TOTAL</b>	<b>1,274,249,679.94</b>

**5 NON- REGULAR ALLOWANCE**

	LEAVE BONUS	
	<b>TOTAL</b>	



**6 SOCIAL BENEFIT**

	GRATUITY	-
	PENSION	422,225,604.80
	<b>TOTAL</b>	<b>422,225,604.80</b>

**7 OVERHEAD COST BY DEPARTMENT**

	CHAIRMAN & COUNCIL	39,210,000.00
	HOLGA	393,000.00
	INTERNAL AUDIT	345,000.00
	ADMINISTRATIVE	20,669,773.91
	FINANCE	2,925,554.09
	INFORMATION	172,000.00
	P H C	1,227,315.00
	AGRIC	355,000.00
	WORKS	18,512,510.00
	PLANNING	1,409,000.00
	WES	260,000.00
	COMMUNITY	926,000.00
	<b>TOTAL</b>	<b>86,405,153.00</b>

**10 CASH & CASH EQUIVALENTS**

	CASH AT HAND	9,739.54
	CASH IN BANKS	-36,309,770.52
	<b>TOTAL</b>	<b>-36,300,030.98</b>

**11 UNREMITTED DEDUCTIONS**

1	VAT	7,279,490.95
2	5% WITHOLDING TAX	1,201,032.71
3	PENSION	65,669,380.70
4	NHF	2,325,968.23
5	PAYE	45,038,340.59
6	Cooperative	1,286,110.00
7	OTHERS	9,973,740.02
	<b>Total</b>	<b>132,774,063.20</b>

IMEKO AFON 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		173,474,086.00		17,865,887.68	2,870,938.06	1,388,350.00	2,255,350.00	500,000.00	198,354,611.74
ADDITIONAL DURING THE YEAR					8,500,000.00		394,000.00	2,500,000.00	11,394,000.00
LEGACY									0.00
DISPOSAL DURING THE YEAR									-
BAL. C/F		<b>173,474,086.00</b>	-	<b>17,865,887.68</b>	<b>11,370,938.06</b>	<b>1,388,350.00</b>	<b>2,649,350.00</b>	<b>3,000,000.00</b>	<b>209,748,611.74</b>
ACCUMULATED DEPRECIATION									
BAL. AS AT 01/01/2022		9,740,445.16	-	5,402,766.31	1,722,562.83	1,372,912.50	1,703,432.00	100,000.00	20,042,118.80
ADDITIONAL DURING THE YEAR		3,349,481.72		1,786,588.77	2,274,187.61	13,600.00	529,770.00	50,000.00	8,003,628.10
ADJUSTMENT									-
DISPOSAL DURING THE YEAR									-
BAL. C/F		13,089,926.88	-	7,189,355.08	3,996,750.44	1,386,512.50	2,233,202.00	150,000.00	28,045,746.90
AS AT 31/12/2022		<b>160,384,159.12</b>	-	<b>10,676,532.60</b>	<b>7,374,187.62</b>	<b>1,837.50</b>	<b>416,148.00</b>	<b>2,850,000.00</b>	<b>181,702,864.84</b>
AS AT 31/12/2021		<b>163,733,640.84</b>	-	<b>12,463,121.37</b>	<b>1,148,375.23</b>	<b>15,437.50</b>	<b>551,918.00</b>	<b>400,000.00</b>	<b>178,312,492.94</b>

IMEKO AFON LOCAL GOVERNMENT				
INVESTMENT PROPERTY	LAND & BUILDING 2%	LAND	TOTAL	TOTAL
BAL AS AT 01/01/2022	52,337,096.00			52,337,096.00
ADDITIONAL DURING THE YEAR				0.00
LEGACY				0.00
DISPOSAL DURING THE YEAR				-
BAL. C/F	<b>52,337,096.00</b>	-		<b>52,337,096.00</b>
ACCUMULATED DEPRECIATION				
BAL. AS AT 01/01/2022	3,090,225.76			3,090,225.76
ADDITIONAL DURING THE YEAR	1,046,741.92			1,046,741.92
ADJUSTMENT				
DISPOSAL DURING THE YEAR				
BAL. C/F	4,136,967.68	-		4,136,967.68
AS AT 31/12/2022	<b>48,200,128.32</b>	-		<b>48,200,128.32</b>
AS AT 31/12/2021	<b>49,246,870.24</b>	-		<b>49,246,870.24</b>

**The Executive Chairman,**  
Imeko Afon Local Government,  
Imeko.

**AUDIT INSPECTION REPORT ON THE ACCOUNTS OF IMEKO-AFON LOCAL  
GOVERNMENT, IMEKO FOR THE YEAR ENDED 31<sup>ST</sup> 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 queries listed below had earlier been forwarded to you for necessary action as stipulated by law.

S/N	Query Numbers	Subject	Amount (₦)
1	OGLG/AQ/IAF/164/2022	Doubtful Expenditure	20,040.00
2	OGLG/AQ/IAF/165/2022	Nugatory Payment	80,000.00
3	OGLG/AQ/IAF/166/2022	Nugatory Payment	25,000.00
4	OGLG/AQ/IAF/167/2022	Failure to maintain capital expenditure and fixed assets register	-

**3. BANK RECONCILIATION STATEMENT**

**Observation:** The bank reconciliation statements prepared for the period 1st January, to December, 2022 were examined where the following were observed:

- (a) It was observed that the officer preparing the bank reconciliation appear not to understand the principles of bank reconciliation as most of the figures in the statements were observed to be incorreced. Instance of the incorrect posting was the state allocation that was posted into the cashbook twice.

**Recommendation:** The schedule officer is advised to rise up to his responsibilities and guide against future occurrence(s).

(b) **DORMANT BANK BALANCE**

**Observation:** It was reported in the last audit report of 23<sup>rd</sup> November, 2022 that your Local Government currently has a total number of seventeen (17) bank accounts, out of which

only ten (10) were active while the remaining seven (7) bank accounts had remained dormant for over two years. It was noted that Zenith Bank account No 5086 with a negative balance of the ₦40,208,481.41 is an overdraft that had remained dormant for years.

Details of the dormant bank accounts are as listed:-

S/N	BANK	ACCOUNT NO	BALANCE (₦)
1	Wema Bank (PTF Drug)	120058880	2,652.45
2	Oceanic Bank	0271310091050	3,256.36
3	Zenith Bank (Pension A/c)	1011545089	8,923.11
4	Zenith Bank (investment A/C	1011486531	2,166.01
5	Zenith Bank	5086	(40,208,481.41)
6	Unity Bank	0014493515	192.18
7	Wema Bank		8,790.34
	<b>TOTAL</b>		<b>(40,182,500.96)</b>

The recent audit exercise revealed that no action seems to have been taken on this matter.

**Recommendation:** The Local Government is once again advised to either reactivate the dormant bank accounts or close them in order to have a true reflection of the financial position of your Local Government.

**(c) UNCREDITED LODGMET.**

**Observation:** A sum of ₦23,327,901.48 was observed to be the uncredited lodgement in the bank reconciliation statement during the period under review. Audit investigation as to why the money remained uncredited revealed that the money involved was part of the federal allocation that was wrongly posted twice in the cashbook. It was at the instance of the audit team that the sum of ₦23,327,901.48 involved was written back into the cashbook.

**Recommendation:** Please ensure that uncredited lodgements were investigated as soon as they are noticed as delay in investigating them may lead to loss of fund to your Local Government

**(d) DIRECT CREDIT.**

**Observation:** During the period under reference, a sum of ₦24,899,653.32 was the amount paid directly into the bank accounts of your Local Government by some revenue collectors, and revenue contractors but the depositors did not present deposit slips of the payment made to the bank for the issuance of Treasury Receipt. It was therefore at the instance of the audit team that the accumulated sum of ₦24,899,653.32 had been posted into the cashbook.

**Recommendation:** The treasurer is advised to invite the attention of revenue collectors and revenue contractors to the importance of prompt presentation of tellers to the cashier to obtain treasury receipts for monies paid to the banks.

(e) **BANK CHARGES.**

**Observation:** A sum of ₦124,585.37 was observed to be the accumulated bank charges in the bank reconciliation statement, the money had been written off in the cashbook at the instance of the audit team.

**Recommendation:** The Local Government is advised to always avoid accumulation of Bank Charges. Bank charges should always be written off into the cashbook on monthly basis once it has been ascertained.

**4. REVENUE COLLECTORS NOT BONDED**

**Observation:** During the checking of Revenue Collectors, a total number of twenty-eight Revenue Collectors were checked and none of them were bonded thereby contravening the provisions of Chapter 42:3 of Model Financial memoranda for Local Governments.

**Recommendation:** The Local Government is hereby advised to do the needful by ensuring that all the Revenue Collectors are bonded in line with the existing financial regulations.

**5. LOSS OF REVENUE**

**Observation:** It was discovered in the course of checking revenue collectors that Mr Bankole Joel (Head Cleaner, GL.03) refused to remit a sum of ₦29,400.00 collected for issuing market receipts leaflets and General Revenue Receipt (GRR) leaflets.

The details of the indebtedness of Mr. Joel Bankole and others are shown below:-

S/NO	NAME OF REVENUE COLLECTOR	TYPE OF THE RECEIPT	RECEIPT NUMBER	AMOUNT (₦)
1	Mr. Joel Bankole	Market	23100 – 23200	5,000.00
	: : :	Market	25072 – 25100	1,400.00
	: : :	G. R. R	007742 – 007743	23,000.00
2	Mr. Olonade Lanre	G. R. R	14301 – 14307	28,000.00
3	Mallam Usman	Cattle Receipt	02950 – 03000	10,000.00
		<b>TOTAL</b>		<b>67,400.00</b>

The officer in charge of issuance of certificate of origin to prospective applicants, one Mr. Olonade Lanre (Chief Clerical Officer) was also discovered to have failed to remit into the coffers of your Local Government the sum of ₦28,000.00 realised/ collected vide GRR No. 14301 – 14307 on behalf of your Local Government. Further Audit investigation also revealed that a private arrangement was made by your Local Government with one Mallam Usman and was issued a cattle receipt No. 02950 – 00300 for the collection of toll fee at Iwoye but was discovered to have failed to remit the sum of ₦10,000.00 realised from the sale of cattle receipt booklet in his custody.

The incidence(s) of non-remittance of revenue collected by officials of your Local Government highlighted above is a clear indication that both the former Treasurer, Mr Kunle Adesanya and the Internal Auditor Mr Akeeb Adeniyi appear not to be alive to their responsibilities and duties as contained in paragraph 1.8(2) and 7.5 of the Model Financial memoranda for Local Governments.

**Recommendation:** In the light of the above, I wish to urge the director of finance and supply to recover fully the sum of ₦29,400.00, ₦28,000.00 & ₦10,000.00 from Mr. Bankole Joel, Mr Olonade Lanre and Mallam Usman respectively into the coffers of your Local Government without any further delay.

The management should also look into the weaknesses in the internal control that had given room for a Revenue Collector to collect Government revenue and fail to pay it to Treasury without being apprehended and failure of officers responsible to ensure that all revenues are collected and promptly paid to Treasury.

#### **6. PROPERTY, PLANT AND EQUIPMENT (PPE) ITEMS DONATED BY THE OGUN STATE GOVERNMENT**

**Observation:** It was reported in paragraph 7 of the last inspection report of 23<sup>rd</sup> November, 2022 that a sum of Fifty Thousand Naira (₦50,000.00) was approved and released to Mrs Balogun O. S (Deputy Director, Nursing) to move three tri-cycles ambulances donated by Ogun State Government to the Local Government. During the physical verification of the assets, four Tri-Cycles were found within the Local Government, out of which one of the tri-cycle was donated to the Local Government in the year 2021 while the remaining three (3) tri-cycle were donated during the period under review by the State Government but none of these items were included in the asset schedule of your Local Government.

It was at the instance of the Audit team during the just concluded audit exercise that the four tri-cycle ambulances were recorded into the asset schedule of the Local Government.

**Recommendation:** The Local Government is advised to always charge items of property, plant and equipment either donated or purchased by your Local Government into Fixed Asset Register.

#### **7. FURNITURE AND FITTINGS NOT RECORDED INTO ASSET REGISTER.**

**Observation:** Audit examination of the payment vouchers revealed that a sum of One Hundred and Forty Four Thousand Naira (₦144,000.00) only was approved and released to Mrs. Onilede A.A (Administrative Officer) vide PV No. 5/ November, 2022 for purchase of two dozens of plastic chairs for the Local Government conference room. Further audit scrutiny also

revealed that a sum of Two Hundred and fifty Thousand Naira was approved and released to Mr. Alawode A. O (Principal Admin Officer) vide PV No. 4/ November, 2022 to purchase twelve office chairs and four office tables for the use of the supervisors. It was surprising to note that none of these items of furniture and fittings were recorded in the asset register as at the time of audit verification.

However, at the instance of the Audit both the plastic chairs in the conference room and the wooden tables & chairs being used by the supervisors were recorded into the asset schedule of your Local Government.

**Recommendation:** Please ensure that the asset register is kept and updated from to time in the best interest of your Local Government.

## **8. SINKING OF DEEP WELL AT OBADA**

**Observation:** It was observed that the management of your Local Government at its Finance and General Purpose Committee (F&GPC) meeting held on 10<sup>th</sup> November, 2022 approved a sum of Two Million, Five Hundred Thousand Naira (₦2,500,000.00) for the sinking of deep well at Obada Town. A sum of One Million, Five Hundred Thousand Naira (₦1,500,000.00) only had so far been released during the period under review to Messrs Otolorin Sakariyahu (Higher Executive Health Officer), Oduwole Olayemi (Environmental Health Technician) and Abiodun Bankole (Environmental Health Technician) vide P.V No. 53,54 and 55/September, 2022 respectively.

Audit verification made to the site in April, 2023 revealed that the outstanding balance of the sum of One Million Naira (₦1,000,000.00) had been released in January 2023 and the project had been completed and put into use by the resident of the area. It was also at the instance of the Audit Team that this project had been listed in the asset schedule of your Local Government.

**Recommendation:** Please ensure that subsequent project(s) of this nature were listed in the asset schedule of your Local Government upon its completion.

## **9. MATTERS ARISING FROM PREVIOUS AUDIT REPORT**

### **(i) CONSTRUCTION OF DEEP WELL AT ONIJI VILLAGE.**

**Observation:** I wish to refer to Audit Inspection Report No OGLG/IAF/1/VOL.III/230 of 22<sup>nd</sup> June, 2022 and other previous reports and to express my displeasure over the sinking of deep well at Oniji village that was initiated in year 2020 but had remained abandoned ever since. A sum of ₦1,428,000.00 was approved for this project, out of which a sum of ₦751,000.00 had

been expended thus leaving an outstanding balance of the sum of ₦677,000.00 yet to be released for the completion of this project

It was therefore disturbing to note during the verification visit by the team of Auditors in March, 2023 that the project had remained abandoned and no action was taken to remedy the situation.

**Recommendation:** I therefore wish to reiterate my earlier advise that your Local Government should take urgent action and release the outstanding balance of the sum of ₦677,000.00 meant for the completion of this project in order not to allow the huge sum of money so far expended on this project to go down the drain and to also avoid variation in cost of the project.

**(iii) OFFICIAL VEHICLES TAKEN AWAY BY FORMER POLITICAL FUNCTIONARIES.**

**Observation:** It was observed that despite my advice in previous inspection reports, no concrete action has been taken by the Management of your Local Government to recover the official vehicles taken away by the former political functionaries without following due process. This issue had remained unresolved for several years and therefore need your urgent attention. The vehicles taken away by the former political holders are detailed below;

S/N	TYPE	MODEL	COST OF PURCHASE	CUSTODIANS
1	Toyota Camry	2004 MODEL	₦1,250,000.00	Hon. (Prince) Tosin Adeluyi (Chairman)
2	Toyota Camry	2004 MODEL	₦1,350,000.00	Hon. Olusoji Taiwo (vice Chairman)
3	Honda Accord	2004 MODEL	₦2,200,000.00	Mr. Dopemu Felix (Secretary)
4	Toyota Camry		₦1,500,000.00	Hon. Ogundeji Opeyemi (Leader of the Legislative Council)

**Recommendation:** I therefore wish to reiterate once again that your Local Government should ensure that the above listed vehicles are retrieved from the formal political office holders without further delay.

**(iv) WEAKNESS IN THE INTERNAL CONTROL SYSTEM**

**Observation:** I which to refer to paragraph 10 (iv) of the last inspection report No. OGLG/IAF/1/VOL.III/267 of 23<sup>rd</sup> Nov. 2022 where it was reported that both the former Treasurer and the Internal Auditor were not alive to their responsibilities of ensuring that all revenue due are collected promptly and paid into the coffers of your Local Government. Inaction on the part of the Treasurer and the Internal Auditor as contained in chapter 1:14(6) and 31:5 of the Model Financial Memoranda for Local Governments was found to be responsible for the



refusal of one Mrs Adebias Adebimpe Chief Clerical Officer GL07 (Revenue collector) to remit the sum of ₦136,000.00 she generated as revenue from marriage certificate fees into the coffers of your Local Government. The recent exercise revealed that Mrs Adebias Adebimpe for a period of one year was only able to make a refund of ₦25,000.00 vide RV No. 18/June, 2022 and 44/March, 2023 thus leaving a balance of ₦110,000.00 yet to be refunded.

The officer, Mrs Adebimpe Adebias upon interrogation by the Audit team could not offer a satisfactory explanation and has therefore be mandated to fully pay back the money over a period of five (5) months commencing from May to September, 2023 without any further delay.

**Recommendation:** The Treasurer should note and ensure that this directive is strictly adhered to and notify this office when the refund is fully made.

#### **10. NON-KEEPING OF RECEIVABLE AND PAYABLE LEDGERS**

**Observation:** During the period under review, it was observed that the Treasury Department is yet to heed to the advice of this office on the need to keep and maintain receivable and payable ledgers as required by the International Public Sector Accounting Standard (IPSAS). The importance of keeping receivables and payable ledgers at this period cannot be over-emphasized, more so that it is a requirement of International Public Sector Accounting Standard (IPSAS) Accrual Basis Accounting that has just been introduced into public sector. These ledgers will assist in identifying the amount unpaid rents from the various Local Government shops (Lock-ups and Open Stalls) and from other sources.

**Recommendation:** You are advised to immediately open the receivables and payables ledgers and also open market registers for each market.

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

**IMEKO/AFON LOCAL GOVERNMENT**  
**REPLY TO AUDIT INSPECTION REPORT FOR YEAR ENDED 31<sup>ST</sup> DECEMBER, 2022**

**A. BANK RECONCILIATION**

The Officer in charge has noted the audit observation and has taken the necessary corrections accordingly.

**B. DORMANT BANK BALANCES**

Efforts is ongoing by the Management to reactivate or close the accounts as the case may be to each Bank.

However, upon enquiry, the overdraft as N40,208,481.41 has remained dormant for a long time as result of loan taken then but the matter will be left for Management decision.

**C. UNCREDITED LODGEMENT**

The advice is noted for proper and timely treatment as necessary.

**D. DIRECT CREDIT**

This is noted too for appropriate treatment by the Treasury Department.

**E. BANK CHARGES**

Accumulation of Bank charges will henceforth be avoided and written as at when they occur.

**F. LOSS OF REVENUE**

The three (3) officers involved. Mr. Joel Bankole, Mr. Olonade Lanre and Mallam Usman, totaling N67,400 have made concrete promised to pay the respective outstanding amount immediately with Treasury Receipts obtained presented to the Internal Auditor/Treasurer.

**J. PROPERTY PLANT AND EQUIPMENT DONATED BY THE OGUN STATE GOVERNMENT (3 TRI-CYCLES)**

The Audit team has done the needful by capturing them in the Accounts but the needful will be done in the future to prevent any omission.

**H. FURNITURE AND FITTINGS NOT RECORDED INTO ASSET REGISTER**

This is noted for proper treatment as may be applicable.

**I NON-KEEPING OF RECEIVABLE AND PAYABLE LEDGERS**

Keeping of these important ledgers is noted for appropriate action in future

**J WEAKNESS IN THE INTERNAL CONTROL SYSTEM**

The officer, Mrs. Adebimpe Adebida is an officer that has been relieved of the schedule of marriage certificate.

Meanwhile, the Treasurer and Internal Auditor have summoned the officer and mandate her to pay the outstanding amount of N80,000.00 immediately to which she agreed to liquidate within 5 months of N20,000.00 when the amount stood at N110,000.00.

However, the Internal Auditor also summoned her for the second time to fully pay up before end of September, 2023 with the Treasury receipt obtained presented to the Audit department or risked her salary being embargoed.

**K REVENUE COLLECTORS NOT BONDED**

Permit me to inform your office that the Local Government Service Commission has directed that all Revenue Collectors in Imeko/Afon Local Government should be bonded.

I want to say that action has been taken on this.

**L OFFICIAL VEHICLES TAKEN AWAY BY FORMER POLITICAL FUNCTIONARIES**

The department has notified the political functionaries and efforts are being made on the retrieval of the vehicles.

**M FURNITURE AND FITTINGS NOT RECORDED INTO ASSET REGISTER**

Permit to say that the observation/suggestions raised in the Audit report will be adhered to accordingly.

Many thanks.

  
**Ogundele John Akinwunmi,**  
*Head of Local Government Administration,  
Imeko/Afon Local Government,  
Imeko.*