

**OGUN STATE GOVERNMENT, NIGERIA**

**STATUTORY REPORT**

**AND**

**DOMESTIC REPORT**

**OF THE**

**AUDITOR-GENERAL FOR LOCAL GOVERNMENTS**

**ON THE ACCOUNTS**

**OF**

**IPOKIA LOCAL GOVERNMENT**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2020**

## TABLE OF CONTENT

(1)	Table of Content	2
(2)	Acknowledgement	3
(3)	Audit Certificate	4
(4)	Statement of Opinion of the Auditor-General	5-6
(5)	Statutory Report	7-9
(6)	Responsibility Statement	10
(7)	Statement of Financial Position	11
(8)	Statement of Financial Performance	12
(9)	Statement of Changes in Net Assets/Equity	12
(10)	Cash Flow Statement	13
(11)	Accounting Policy	14-15
(12)	Notes to the Financial Statement	16-18
(13)	Audit Inspection Report	19-22
(14)	Management Letter	23-24

## 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 Head of Service Alhaja Selimot Olapeju Ottun for her 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.  
14<sup>th</sup> July, 2021.



## **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 Ipokia Local Government for the year ended 31<sup>st</sup> December, 2020 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, 2020 subject to the observations in the inspection reports.

L.A. Mulero (CNA)  
Auditor-General for Local Governments,  
Ogun State.  
14<sup>th</sup> July, 2021

## **STATEMENT OF OPINION OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF IPOKIA LOCAL GOVERNMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2020**

The accounts of Ipokia Local Government for the year ended 31<sup>st</sup> December, 2020 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. The federal allocation received by the State Local Government Joint Account Allocation Committee (JAAC) was completely distributed to the Local Government.



**L. A. Mulero (CNA)**

Auditor-General for Local Governments

Ogun State.

14<sup>th</sup> July, 2021.

**STATUTORY REPORT OF THE AUDITOR-GENERAL FOR LOCAL  
GOVERNMENTS ON THE ACCOUNTS OF IPOKIA LOCAL GOVERNMENT,  
IPOKIA FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2020**

In compliance with the provisions of Section 123 of Decree Number 12 of 1989 and 315(1) of 1999 Constitution of Federal Republic of Nigeria and Sections 135-145 of Ogun State Local Government Law 2006, the accounts of Ipokia Local Government, Ipokia for the year ended 31<sup>st</sup> December, 2020 have been audited. The General Purpose Financial Statement was prepared by the management of the Local Government and is therefore responsible for the content and information contained therein. The Financial Statement was prepared under the IPSAS Accrual Basis as applicable in the Public Sector and the audit was conducted in accordance with Generally Accepted Auditing Standards.

In our opinion, subject to our observations, the Financial Statement presented for Audit reflect 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**

Asset register was not properly kept. Bank reconciliation statement was also not properly prepared.

**(3) FINANCIAL REVIEW:**

<b>REVENUE</b>	<b>AMOUNT (₦)</b>
Internally Generated Revenue	16,654,134.50
Statutory Allocation	1,585,898,274.86
Aids & Grants	<u>10,500,000.00</u>
<b>Total</b>	<b><u>1,613,052,409.36</u></b>
<b>EXPENDITURE</b>	
Overhead Expenses	51,863,828.80
Salaries and Allowances	1,173,856,311.83
Pension	416,669,655.07
Long Term Assets	<u>4,405,000.00</u>
<b>Total Fund Expended</b>	<b><u>1,646,794,795.70</u></b>

**(4) REVENUE PERFORMANCE:**

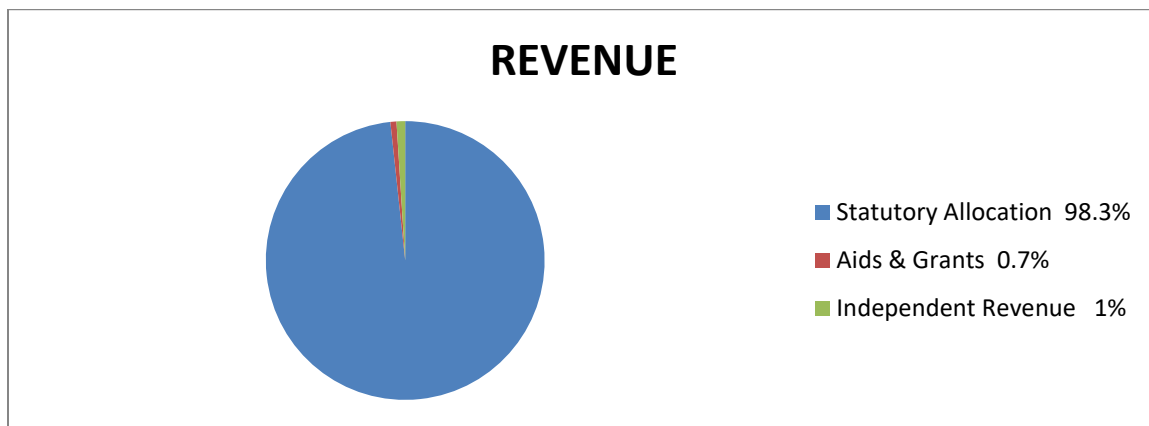
**(i) STATEMENT OF ACTUAL REVENUE**

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦38,600,000.00, a sum of ₦16,654,134.50 only was actually generated internally representing 43.14% of the budget. This represents a drop of 21.4% in revenue performance when compared with the sum of ₦21,190,697.91 generated internally in year 2019. This revenue performance is unimpressive and this indicates that the Local Government did not

harness its Internally Generated Revenue potentials maximally or there were leakages which has not been identified and blocked.

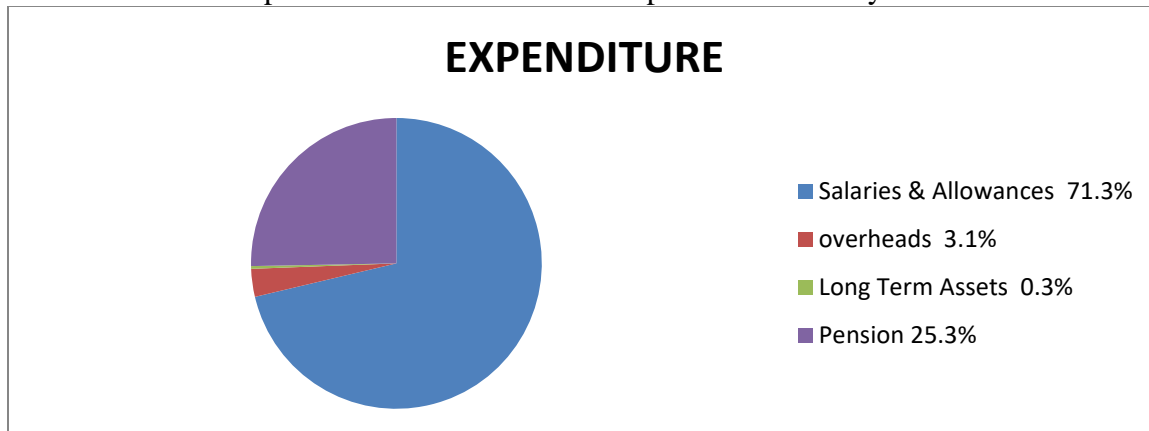
(ii) **PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORT TO TOTAL REVENUE**

The Audit exercise revealed that out of the revenue of ₦1,613,052,409.36 realized by the Local Government during the year under review, a sum of ₦16,654,134.50 only was generated internally. This represented 1% of the total revenue while the sum of ₦1,585,898,274.86 statutory allocation and ₦10,500,000.00 aids and grant received from the State Joint Account Allocation Committee represented 98.3% and 0.7% 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 ₦1,646,794,795.70. Out of this, a sum of ₦51,863,828.80 was expended on overheads which represented 3.1% of the total expenditure for the year. Also, a sum of ₦1,173,856,311.83 was expended on salaries and allowances which represented 71.3% of the total expenditure for the year while the sum of ₦416,669,655.07 was paid to pensioners which represented 25.3%. The sum of ₦4,405,000.00 was expended on long term assets which represented 0.3% of the total expenditure for the year.





**(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, 2020 was ₦162,661,423.28. The liabilities are highlighted here under:

<b>ITEMS</b>	<b>AMOUNT (₦)</b>
1. 5% VAT	3,564,884.34
2. 5% WITHHOLDING TAX	2,039,216.52
3. PENSION SCHEME	55,771,590.03
4. 5% DEVELOPMENT TAX	1,919,072.09
5. 5K Tax	1,200,459.41
6. PAYEE	83,376,034.77
7. Loan	5,527,569.23
8. NULGE	4,845,373.76
OTHERS	<u>4,417,223.13</u>
<b>TOTAL</b>	<b><u>162,661,423.28</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. The Local Government should always remit deductions to beneficiaries as required by regulations and also settle loan facilities and creditors.

**(7) ADVANCES**

The sum of ₦3,266,133.77 highlighted in the Statement of Financial Position as the advances balance was stagnant during the year. Efforts should be intensified to recover the advances.

**IPOKIA 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.



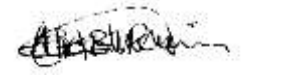
MIC ADEBAYO JACOB O.  
Treasurer

We accept responsibility for the integrity of these financial statements, the information they contain and their compliance with the Finance (Control and Management) Act Cap 144 LFN 1990 as amended.

In our opinion, these financial statements fairly reflect the financial position of Ipokia Local Government as at 31<sup>st</sup> December, 2020 and its operations for the year ended on the date.



MIC ADEBAYO JACOB O.  
Abolurin Kabiru Abiola  
Treasurer  
Date 02-02-2021



Abolurin Kabiru Abiola  
Chairman  
Date 02-02-2021

**IPOKIA LOCAL GOVERNMENT**  
**STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2020**

	NOTES	2020	2019
<b>CURRENT ASSET</b>		₦	₦
CASH & CASH EQUIVALENTS	8	3,462,772.30	6,154,285.08
INVENTORIES		6,068,325.00	6,618,361.00
RECEIVABLES		2,590,000.00	390,400.00
PREPAYMENT			
ADVANCE		3,266,133.77	2,109,753.77
<b>TOTAL CURRENT ASSET (A)</b>		<b><u>15,387,231.07</u></b>	<b><u>15,272,799.85</u></b>
<b>NON-CURRENT ASSET</b>	-		
PROPERTY PLANT & EQUIPMENT	10	505,420,656.26	516,468,394.22
INVESTMENT PROPERTY	11	155,863,385.52	159,102,101.88
BIOLOGICAL ASSET	12		
INVESTMENT		650,000.00	650,000.00
LOAN GRANTED			
<b>TOTAL NON CURRENT ASSET (B)</b>		<b><u>661,934,041.78</u></b>	<b><u>676,220,496.10</u></b>
<b>TOTAL ASSET (C=A+B)</b>		<b><u>677,321,272.85</u></b>	<b><u>691,493,295.95</u></b>
<b>CURRENT LIABILITY</b>	-		
DEPOSIT			
LOAN & DEBT		5,527,569.23	5,527,569.23
UNREMITTED DEDUCTIONS	9	156,993,854.05	137,762,817.12
ACCRUED EXPENSES, PAYABLES		140,000.00	2,889,800.00
DEFERRED INCOME			
CURRENT PORTION OF BORROWING			
<b>TOTAL CURRENT LIABILITY (D)</b>		<b><u>162,661,423.28</u></b>	<b><u>146,180,186.35</u></b>
<b>NON-CURRENT LIABILITY</b>			
PUBLIC FUND			
BORROWING			
<b>TOTAL NON CURRENT LIABILITY (E)</b>		-	-
<b>TOTAL LIABILITY (F=D+E)</b>		<b><u>162,661,423.28</u></b>	<b><u>146,180,186.35</u></b>
<b>NET ASSETS (G= C-F)</b>		<b><u>514,659,849.57</u></b>	<b><u>545,313,109.60</u></b>
<b>NET ASSET/EQUITY</b>			
RESERVE			
ACCUMULATED SURPLUS/ DEFICIT		514,659,849.57	545,313,109.60
<b>TOTAL NET ASSET/EQUITY</b>		<b><u>514,659,849.57</u></b>	<b><u>545,313,109.60</u></b>

**IPOKIA LOCAL GOVERNMENT**

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2020**

	NOTES	2020	2019
<b>REVENUE</b>		₦	₦
STATUTORY ALLOCATION	<b>1</b>	1,585,898,274.86	1,043,472,080.73
NON-TAX REVENUE:	<b>2</b>	15,138,254.50	20,776,695.00
INVESTMENT INCOME			
INTEREST EARNED			
AIDS & GRANTS	<b>3</b>	10,500,000.00	
OTHER REVENUE		1,515,880.00	414,002.91
<b>TOTAL REVENUE (A)</b>		<b><u>1,613,052,409.36</u></b>	<b><u>1,064,662,778.64</u></b>
<b>EXPENDITURE</b>			
SALARIES & WAGES	<b>4</b>	1,173,856,311.83	827,526,542.76
NON- REGULAR ALLOWANCE	<b>5</b>	-	
SOCIAL BENEFIT	<b>6</b>	416,669,655.07	229,622,008.46
OVERHEAD COST	<b>7</b>	32,672,374.48	20,144,565.10
SUBVENTION TO PARASTALS		500,000.00	900,000.00
DEPRECIATION	<b>10 &amp; 11</b>	18,691,454.32	18,743,161.16
GAIN/LOSS ON DISPOSAL ON ASSET			
<b>TOTAL EXPENDITURE (B)</b>		<b><u>1,642,389,795.70</u></b>	<b><u>1,096,936,277.48</u></b>
<b>SURPLUS / DEFICIT (C=A-B)</b>		<b><u>-29,337,386.34</u></b>	<b><u>-32,273,498.84</u></b>

**IPOKIA LOCAL GOVERNMENT**

**STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2020**

	₦
<b>Balance 1/1/2019</b>	<b>-109,315,950.19</b>
Prior Year Adjustment	686,902,558.63
Adjusted Balance	577,586,608.44
<b>Surplus/ (deficit) for the year</b>	<b>-32,273,498.84</b>
<b>Balance 31/12/2019</b>	<b>545,313,109.60</b>
Prior Year Adjustment	-1,315,873.69
<b>Adjusted Balance</b>	<b><u>543,997,235.91</u></b>
Surplus/ (deficit) for the year	-29,337,386.34
<b>Balance at 31 December 2020</b>	<b><u>514,659,849.57</u></b>

**IPOKIA LOCAL GOVERNMENT**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2020**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2020</b>	<b>2019</b>
<b><u>INFLOWS</u></b>	<b>₦</b>	<b>₦</b>
STATUTORY ALLOCATION	1,583,898,274.86	1,043,472,080.73
LICENCES, FINES, ROYALTIES, FEES ETC	6,703,609.50	9,970,520.00
EARNINGS & SALES	7,897,545.00	10,379,775.00
RENT OF GOVERNMENT PROPERTIES	337,500.00	236,000.00
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL		
DOMESTIC AIDS & GRANTS	10,500,000.00	
OTHER REVENUE	169,000.00	174,030.28
<b>TOTAL INFLOW FROM OPERATING ACTIVITIES A</b>	<b><u>1,609,505,929.36</u></b>	<b><u>1,064,232,406.01</u></b>
<b><u>OUTFLOW</u></b>		
PERSONNEL EMOLUMENTS	1,173,856,311.83	827,526,542.76
SOCIAL BENEFIT	416,669,655.07	229,622,008.46
OVERHEADS	34,872,138.48	17,930,568.10
SUBVENTION TO PARASTATALS	500,000.00	900,000.00
INTEREST PAYMENT		
<b>TOTAL OUTFLOW FROM OPERATING ACTIVITIES B</b>	<b><u>1,625,898,105.38</u></b>	<b><u>1,075,979,119.32</u></b>
<b>NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B</b>	<b><u>-16,392,176.02</u></b>	<b><u>-11,746,713.31</u></b>
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
PURCHASE/ CONSTRUCTION OF ASSETS	- 4,405,000.00	-452,500.00
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE	190,500.00	14,000.00
PROCEED FROM SALE OF ASSETS		550,000.00
DIVIDEND RECEIVED		
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b><u>-4,214,500.00</u></b>	<b><u>111,500.00</u></b>
<b><u>CASH FLOW FROM FINANCIAL ACTIVITIES</u></b>		
DEPOSIT/ UNREMITTED DEDUCTIONS	17,915,163.24	16,478,649.32
PUBLIC FUND		
PROCEEDS FROM DOMESTIC LOANS & OTHER		
<b>NET CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b><u>17,915,163.24</u></b>	<b><u>16,478,649.32</u></b>
<b>NET CASH FLOW FROM ALL ACTIVITIES</b>	<b><u>-2,691,512.78</u></b>	<b><u>4,843,436.01</u></b>
<b>CASH &amp; ITS EQUIVALENT AS AT 1/1/2020</b>	<b>6,154,285.08</b>	<b>1,310,849.07</b>
<b>CASH &amp; ITS EQUIVALENT AS AT 31/12/2020</b>	<b><u>3,462,772.30</u></b>	<b><u>6,154,285.08</u></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>ii. 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 31ST DECEMBER,  
2020**

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

	₦
JANUARY	122,296,643.89
FEBRUARY	166,300,721.87
MARCH	121,268,416.63
APRIL	119,870,590.27
MAY	115,986,575.08
JUNE	153,861,737.13
JULY	131,211,853.86
AUGUST	140,169,459.87
SEPTEMBER	133,498,235.24
OCTOBER	1,022,456.87
NOVEMBER	239,340,763.15
DECEMBER	141,070,821.00
<b>TOTAL</b>	<b><u>1,585,898,274.86</u></b>

**2. NON-TAX REVENUE**

LICENCES	3,100,950.00
FEES	5,328,809.50
FINES	473,450.00
EARNINGS	4,757,910.00
RENT OF GOVERNMENT PROPERTIES	337,500.00
SALES	1,139,635.00
<b>TOTAL</b>	<b><u>15,138,254.50</u></b>

**3. AIDS & GRANTS**

OGUN STATE GOVERNMENT	10,500,000.00
NON-GOVERNMENT ORGANISATION	0.00
<b>TOTAL</b>	<b><u>10,500,000.00</u></b>

**4. SALARIES & WAGES**

LOCAL GOVERNMENT STAFF	382,181,387.76
PRIMARY SCHOOL TEACHERS	700,408,661.77
TRADITIONAL COUNCIL	78,861,619.97
POLITICAL FUNCTIONARIES	12,404,642.33
<b>TOTAL</b>	<b><u>1,173,856,311.83</u></b>



**5. NON- REGULAR ALLOWANCE**

LEAVE BONUS	
<b>TOTAL</b>	

**6. SOCIAL BENEFIT**

GRATUITY	-
PENSION	416,669,655.07
<b>TOTAL</b>	<b><u>416,669,655.07</u></b>

**7. OVERHEAD COST BY DEPARTMENT**

CHAIRMAN & COUNCIL	12,375,000.00
HOLGA	90,000.00
INTERNAL AUDIT	212,500.00
ADMINISTRATIVE	5,687,017.53
FINANCE	2,464,836.95
INFORMATION	4,532,520.00
P H C	2,480,000.00
AGRIC	155,000.00
WORKS	1,481,000.00
PLANNING	1,739,500.00
WES	1,160,000.00
COMMUNITY	295,000.00
<b>TOTAL</b>	<b><u>32,672,374.48</u></b>

**8. CASH & CASH EQUIVALENTS**

CASH AT HAND	36,115.69
CASH IN BANKS	3,426,656.61
<b>TOTAL</b>	<b><u>3,462,772.30</u></b>

**9. UNREMITTED DEDUCTIONS**

5% VAT	3,564,884.34
5% WITHHOLDING TAX	2,039,216.52
PENSION SCHEME	55,771,590.03
5% DEVELOPMENT TAX	1,919,072.09
5K Tax	1,200,459.41
NULGE	4,845,373.76
OTHERS	4,277,223.13
<b>TOTAL</b>	<b><u>156,993,854.05</u></b>

NOTE 10 IPIOMIA 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 01/01/2020	499,754,913.68		13,795,180.15	14,452,358.35	319,000.00	4,314,500.00	1,485,000.00	594,120,952.18	
ADDITION DURING THE YEAR	4,300,000.00		105,000.00					4,405,000.00	
LEGACY								0.00	
DISPOSAL DURING THE YEAR									
BAL C/F	504,054,913.68	-	13,900,180.15	14,452,358.35	319,000.00	4,314,500.00	1,485,000.00	598,525,952.18	
ACCUMULATED DEPRECIATION									
BAL AS AT 01/01/2020	10,052,718.27		1,469,218.02	4,450,471.67	299,250.00	1,107,900.00	335,000.00	17,652,557.96	
ADDITION DURING THE YEAR	10,081,098.27		1,390,018.02	2,890,471.67	79,750.00	862,900.00	148,500.00	15,452,737.96	
DISPOSAL DURING THE YEAR									
BAL C/F	20,133,816.54	-	2,859,236.04	7,340,943.34	319,000.00	1,970,800.00	483,500.00	33,105,295.92	
AS AT 31/12/2020	483,921,097.14	-	11,040,944.12	7,111,415.01	-	2,343,700.00	1,003,500.00	505,420,656.26	
AS AT 31/12/2019	489,702,195.41	-	12,325,962.13	10,001,886.68	79,750.00	3,206,600.00	1,152,000.00	516,468,394.22	
NOTE 11 IPIOMIA LOCAL GOVERNMENT INVESTMENT PROPERTY									
	LAND & BUILDING 2%	LAND		TOTAL					
BAL AS AT 01/01/2020	161,935,818.24	405,000.00		162,340,818.24					
ADDITION DURING THE YEAR				0.00					
LEGACY				0.00					
DISPOSAL DURING THE YEAR				-					
BAL C/F	161,935,818.24	405,000.00		162,340,818.24					
ACCUMULATED DEPRECIATION									
BAL AS AT 01/01/2020	3,238,716.36			3,238,716.36					
ADDITION DURING THE YEAR	3,238,716.36			3,238,716.36					
DISPOSAL DURING THE YEAR									
BAL C/F	6,477,432.72	-		6,477,432.72					
AS AT 31/12/2020	155,458,385.52	405,000.00		155,863,385.52					
AS AT 31/12/2019	158,697,101.88	405,000.00		159,102,101.88					

**The Chairman,**  
Transition Committee,  
Ipokia Local Governments  
Ipokia.

**AUDIT INSPECTION REPORT ON THE ACCOUNTS OF IPOKIA LOCAL  
GOVERNMENT, IPOKIA FOR THE PERIOD 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup>  
DECEMBER, 2020**

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**

S/N	QUERY NUMBER	SUBJECT	AMOUNT ₦
1.	OGLG/AQ/IPK/116/2020	Doubtful Expenditure	462,000.00
2.	OGLG/AQ/IPK/117/2020	Doubtful Expenditure	600,000.00

3. **NON-REMITTANCE OF REVENUE COLLECTED TO THE PURSE OF THE  
LOCAL GOVERNMENT**

(i) **MR OBASA OLUWOLE**

**Observation:** In paragraph five (5) of the previous audit report No. OGLG/IPK/1/VOLIII/294 of 9<sup>th</sup> November, 2020 it was reported that some of the revenue collectors did not remit the revenue collected on behalf of the Local Government to the Local Government coffers One of the officers was Mr. Obasa Oluwole (Accountant) who refused to remit a sum of ₦339,300.00 which was the revenue collected by him to the coffers of the Local Government since year 2015. Although, available records revealed that an advance ledger was opened for him but unfortunately, he did not stay long at Ipokia before he was transferred to Obafemi Owode Local Government which made the deductions of the money owed by him difficult. The Audit Team contacted Mr. Obasa on phone to come and explain why he did not pay the money but refused to honour the invitation of the Auditors till the time of writing this report.

**Recommendation:** This Office shall instruct the Treasurer of his present Local Government (Obafemi Owode) to stop Mr. Wole Obasa's salaries and allowances until he remit the money to Ipokia Local Government.

**(ii) MR IDRIS LAWAL**

**Observation:** Also, in the previous Audit Inspection Reports No OGLG/IPK/1/Vol.III/294 of 9<sup>th</sup> November, 2020 Mr. Idris Lawal was reported to have been surcharged to the tune of ₦756,000.00. The officer was surcharged because he was unable to account for a booklet and some leaflets of Certificate of Origin under his possession. Out of the ₦756,000.00, he refunded ₦220,000.00 shortly after, leaving a balance of ₦536,000.00. Advance ledger was opened for him through which the ₦536,000.00 would be recovered and monitor.

According to the ledger, he has also refunded ₦64,000.00 leaving a sum of ₦472,000.00 yet to be paid as at this audit exercise.

**Recommendation:** The Local Government should ensure that the remaining balance should be recovered from him without further delay and he should not be allowed to handle cash again.

**(iii) MR KAYODE OSEBUNMI**

**Observation:** It was reported in the previous Audit Inspection report No OGLG/IPK/1/Vol.III/294 of 9<sup>th</sup> Nov, 2020 that one Mr. Kayode Oseunmi [Chief Revenue Officer, GL07) did not remit a sum of ₦49,080.00 revenue collected by him to the coffers of the Local Government.

In August, year 2020 the Local Government commenced deduction of ₦10,000.00 from his monthly salaries but as at the time of this present audit exercise, he has been able to pay a sum of ₦35,000.00 only leaving ₦14,080.00 to pay.

Details of the deductions are stated below:

<b>DATE</b>	<b>RV'S</b>	<b>AMOUNT (₦)</b>
05/09/2020	05	10,000.00
30/09/2020	53	10,000.00
30/11/2020	46	5,000.00
02/2021		5,000.00
03/2021		5,000.00
<b>TOTAL</b>		<b>35,000.00</b>

It was observed that the officer should have completed the payment long ago if the deductions from his salaries had been regular.

From the above, it would appear that the Treasury has connived with the Officer not to effect the deduction regularly.

**Recommendation:** The Treasurer Mr. Adebayo Jacob O. should ensure that the deductions are effected regularly to offset the unremitted revenue otherwise the Treasurer would be charged along.

(iv) **SAKA RAFIU**

**Observation:** During the recently concluded audit exercise, records revealed that Mr Saka Rafiu owed a sum of ₦375,000.00 out of which he paid ₦155,000.00 leaving a balance of ₦220,000.00 to pay. The details of the refunds are listed below:

<b>Date</b>	<b>RV'S NO</b>	<b>Amount (₦)</b>
12/02/2020	12	60,000.00
27/05/2020	01	40,000.00
04/08/2020	30	20,000.00
31/08/2020	66	15,000.00
20/11/2020	39	<u>20,000.00</u>
<b>TOTAL</b>		<b><u>155,000.00</u></b>

Doubtful Expenditure

**OBSERVATION**

The balance of ₦220,000.00 should be recovered from Mr. Saka Rafiu and be remitted to the Local Government coffers immediately and inform this Office of the refund.

6. **ASSET /CAPITAL EXPENDITURE REGISTER**

**Observation:** During the period under review, it was observed that the Local Government did not maintain Fixed Asset Register as required by Chapter 26:4 of Model Financial Memoranda for Local Governments. As a result of this irregularity, the Auditors could not retrieve information relating to the types of assets acquired, their date of purchase, cost etc.

**Recommendation:** The Local Government is advised to always maintain an asset register that will contain the date of purchase of the assets, cost, type and method of depreciation etc. in line with the provisions of Chapter 26 of Model Financial Memoranda for Local Governments. However, the Audit Team had instructed the Local Government to create one and bring it to this Office to sight and monitor how it is being kept.

**MOVABLE ASSET NOT IN THE SECRETARIAT**

**Observation:** In paragraph six (6) of the previous Audit Inspection Report No OGLG/IPK/1/Vol.III/294 of 9<sup>th</sup> November, 2020 it was reported that the Local Government acquired a new Toyota Corolla for official use of the Executive Chairman, Hon. Josu Amos and the vehicle had been taken away by him at the expiration of his tenure in office in October, 2019.

The audit team inquired from the Director of General Services and Administration of the action taken to retrieve the official vehicle from him as instructed in the last Audit Report.

The Director of General Services and Admin (Mr. A.A. Adeniyi) explained that the Council had written a letter to the Ministry of Local Government and Chieftaincy Affairs to that effect but no response was received from them.

**Recommendation:** The Local Government is advised to write a reminder letter to the Ministry of Local Government & Chieftaincy Affairs on the need to recover the government vehicle from the former Chairman (Hon. Josu Amos) because the ownership of the vehicle had not been transferred to him formally.

#### 7. **LANDED PROPERTY OF THE LOCAL GOVERNMENT**

**Observation:** In paragraph seven (7) of audit report No GLG/IPK/1/Vol.III/294 of 9<sup>th</sup> November, 2020 the Local Government was advised to meet the Community that encroached its land to resolve the land disputes. During the recently concluded audit exercise, the Audit Team inquired from the Director of Admin and General Services if they had resolved the issue.

Audit investigation revealed that there were no concrete efforts made by the Local Government to settle the dispute and recover the property.

**Recommendation:** The Local Government should be alive to its responsibility by putting necessary actions in motion to recover the landed property of the Local Government from the unlawful land grabbers and inform this Office of the actions taken.

## IPOKIA LOCAL GOVERNMENT

IPLG.FN/114/192

17<sup>th</sup> August, 2021

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

### **RE: AUDIT INSPECTION REPORT ON THE ACCOUNTS OF IPOKIA LOCAL GOVERNMENT FOR THE PERIOD 1<sup>ST</sup> JANUARY TO DECEMBER, 2021**

Please refer to your letter with reference No. OGLG/IPK/1/VOL.III/310 dated 1<sup>st</sup> June, 2021 on the above subject matter.

Having gone through your report, our reaction to the issues raised are as follows:

1. **DESTRUCTION OF EXHAUSTED RECEIPT BOOKS**

An approval was sought and got from Auditor-General's office in March, 2021 for the destruction of completely exhausted and dully audited receipt books prior to December, 2020. The destruction took place in the Local Government premises on Wednesday, 25<sup>th</sup> March, 2021, witnessed by an officer from Auditor-General office.

2. **AUDIT QUERIES**

The two queries have been handed over to the officers concerned.

3. **NON-REMITTANCE OF REVENUE COLLECTED TO THE PURSE OF THE LOCAL GOVERNMENT**

Mr. Obasa Oluwole

Mr. Obasa Oluwole have been reported severally to his Treasurer at Obafemi Owode Local Government and his Head of Local Government Administration (HOLGA), Mr. Ogunjobi. Despite all these he had refused to show-up or call us on how he intends to pay his debt.

Consequently, the team leader of the Audit team that came for year 2020 audit exercise, Mrs. Olaleye said she would make appropriate recommendations to the Auditor-General.

**Mr. Idris Lawal**

The sum of ₦5,000.00 is been deducted on monthly basis from Mr. Lawal's salary. As at July ending, the balance outstanding against him in the ledger is ₦376,000.00. He has paid ₦5,000.00 in August, leaving a balance of ₦371,000.00.

**Mr. Saka Rafiu**

The sum of ₦20,000.00 is being deducted from Mr. Saka's monthly salary and as at July ending, his outstanding balance is ₦125,000.00.

**Mr. Kayode Oseunmi**

The balance in Mr. Oseunmi's ledger stood at ₦14,080.00 as at July ending. Hitherto, he was paying ₦5,000.00 albeit, not on monthly basis. But sometimes ago, he came begging that his wife was seriously sick and was been taken care of across the border. The wife later passed on. This was why paying that balance was delayed.

However, having paid ₦5,000.00 by July ending, he has promised to pay the balance of ₦9,080.00 by August ending.

4. **ASSET/CAPITAL REGISTER**

The Asset/Capital Register has just been opened and the work is going on it.

5. **MOVABLE ASSET NOT IN THE SECRETARIAT**


Letter of complaint has been written to the Ministry in respect of two officials cars in the custody of the former Chairman Hon. Josu Amos and Tolu respectively, Audit is also in the known.

6. **LANDED PROPERTY OF THE LOCAL GOVERNMENT**

Land owners has been met several times to no avail. Promises had been made to settle the issue amicably in due time.

7. **DOUBTFUL EXPENDITURE**

The two queries have been handed over to the officers concerned.



**AYO LEMOSE**  
Head of Local Government Administration  
For: Executive Chairman