

OGUN STATE GOVERNMENT, NIGERIA

STATUTORY REPORT

AND

DOMESTIC REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

ON THE ACCOUNTS

OF

OBAFEMI OWODE LOCAL GOVERNMENT

FOR THE YEAR ENDED 31ST DECEMBER, 2020

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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 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.
14th 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 Obafemi Owode Local Government for the year ended 31st 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 31st December, 2020 subject to the observations in the inspection reports.

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

**STATEMENT OF OPINION OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF
OBAFEMI OWODE LOCAL GOVERNMENT FOR THE YEAR ENDED 31ST DECEMBER,
2020**

The accounts of Obafemi Owode Local Government for the year ended 31st 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.

14th July, 2021.

STATUTORY REPORT OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS ON THE ACCOUNTS OF OBAFEMI OWODE LOCAL GOVERNMENT, OWODE FOR THE YEAR ENDED 31ST DECEMBER, 2020

In compliance with the provisions of Section 123 of Decree Number 12 of 1989, Section 315(1) of the 1999 Constitution of the Federal Republic of Nigeria and Sections 135-145 of Ogun State Local Government Law 2006, the accounts of Obafemi/Owode Local Government, Owode for the year ended 31st 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 contents and information contained therein. The Financial Statement was prepared under the IPSAS Cash 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 were lots of omissions, alteration of figures and misclassification of items in the cashbook and ledgers.

(3) FINANCIAL REVIEW:

REVENUE	AMOUNT (₦)
Internally Generated Revenue	65,967,116.79
Statutory Allocation	2,098,366,610.84
Aids and Grants	<u>10,000,000.00</u>
Total Revenue	<u>2,174,333,727.63</u>
EXPENDITURE	
Salaries and Allowances	1,512,703,298.31
Pensions	605,851,741.39
Overhead Expenses	101,215,283.58
Long Term Assets	<u>19,282,000.00</u>
Total	<u>2,239,052,323.28</u>

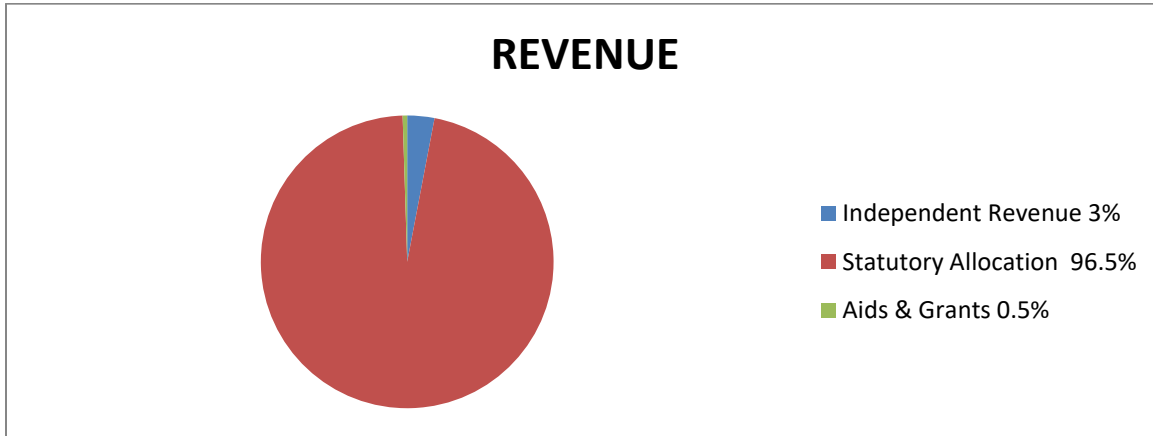
(4) REVENUE PERFORMANCE:

(i) STATEMENT OF ACTUAL REVENUE

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦77,565,000.00, a sum of ₦65,967,116.79 only was generated internally representing 85% of the budget. This represents an increase of 53.3% when compared with the sum of ₦43,038,190.00 generated in year 2019.

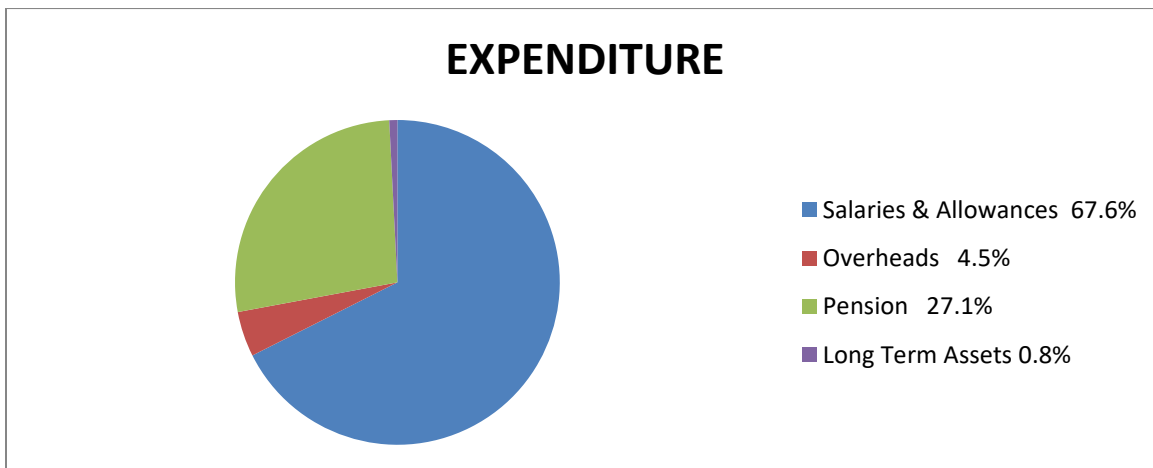
(ii) **PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE**

The Audit exercise revealed that out of the revenue of ₦2,174,333,727.63 realized by the Local Government during the year under review, a sum of ₦65,967,116.79 only was generated internally. This represented 3% of the total revenue while the sum of ₦2,098,366,610.84 statutory allocation and ₦10,000,000.00 aids and grant received from the State Joint Account Allocation Committee represented 96.5% and 0.5% 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 expenditure profile of the Local Government revealed that a total sum of ₦2,239,052,323.28 was expended. Out of this, a sum of ₦101,215,283.58 was expended on overhead which represents 4.5% of the total expenditure for the year while a sum of ₦1,512,703,298.3 was expended on Salaries and Allowances which represents 67.6% of the total expenditure. The sum of ₦605,851,741.39 was paid to pensioners which represents 27.1% while a sum of ₦19,282,000.00 was expended on long term assets represented 0.8% 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 31st December, 2020 was ₦216,606,915.13. The liabilities are highlighted here under:

NAME	AMOUNTN (₦)
1. PAYE	110,354,235.27
2. PENSION	57,454,543.57
3. 5% Development levy	1,007,533.20
4. 5% VAT	20,309,407.00
5. 5% TAX	4,119,658.85
6. Payables	7,823,210.00
7. OTHERS	<u>15,538,327.24</u>
TOTAL	<u>216,606,915.13</u>

The debt of the Local Government rose by 28.3% from ₦168,809,212.72 in year 2019 to ₦216,606,915.13 in year 2020. While debt increased by ₦47,797,702.41, the Local Government expended only ₦19,282,000.00 on long term assets, meaning that the bulk of the debt were utilised on overheads.

(7) ADVANCES

The sum of ₦617,905.23 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

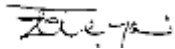
The sum of ₦284,990.20 stated as investment balance in the Statement of Financial Position could not be substantiated because the share certificate was not produced for Audit scrutiny and there was no evidence of beneficial ownership such as dividend received.

OBAFEMI/OWODE LOCAL GOVERNMENT

RESPONSIBILITY FOR FINANCIAL STATEMENT

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

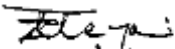
The Treasurer is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly record the use of all public financial resources by the Local Government. To the best of my knowledge,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



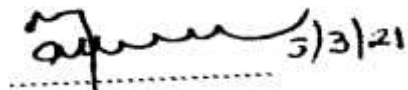
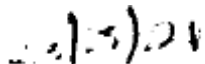
Mr Odeyemi Tunji Idowu
Treasurer

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 Obafemi/Owode Local Government as at 31st December, 2020 and its operations for the year ended on the date.



Mr Odeyemi Tunji Idowu
Treasurer



Hon. Fatai Mustapha
Chairman

OBAFEMI OWODE LOCAL GOVERNMENT
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2020

	NOTES	2020	2019
CURRENT ASSET		₦	₦
CASH & CASH EQUIVALENTS	8	16,867,400.05	15,890,008.51
INVENTORIES		2,792,973.00	3,603,091.00
RECEIVABLES		2,090,900.00	
PREPAYMENT		2,900,000.00	
ADVANCE		617,905.23	617,905.23
TOTAL CURRENT ASSET (A)		<u>25,269,178.28</u>	<u>20,111,004.74</u>
NON-CURRENT ASSET	-		
PROPERTY PLANT & EQUIPMENT	10	435,708,040.53	431,443,969.32
INVESTMENT PROPERTY	11	136,373,184.00	139,214,292.00
BIOLOGICAL ASSET	12		
INVESTMENT		284,990.20	284,990.20
LOAN GRANTED			
TOTAL NON CURRENT ASSET (B)		<u>572,366,214.73</u>	<u>570,943,251.52</u>
TOTAL ASSET (C=A+B)		<u>597,635,393.01</u>	<u>591,054,256.26</u>
CURRENT LIABILITY	-		
DEPOSIT			
LOAN & DEBT			
UNREMITTED DEDUCTIONS	9	208,783,705.13	167,198,562.72
ACCRUED EXPENSES, PAYABLES		7,823,210.00	1,610,650.00
DEFERRED INCOME		3,666,667.00	
CURRENT PORTION OF BORROWING			
TOTAL CURRENT LIABILITY (D)		<u>220,273,582.13</u>	<u>168,809,212.72</u>
NON-CURRENT LIABILITY			
PUBLIC FUND			
BORROWING			
TOTAL NON-CURRENT LIABILITY (E)		-	-
TOTAL LIABILITY (F=D+E)		<u>220,273,582.13</u>	<u>168,809,212.72</u>
NET ASSETS (G= C-F)		<u>377,361,810.88</u>	<u>422,245,043.54</u>
NET ASSET/EQUITY			
RESERVE			
ACCUMULATED SURPLUS/ DEFICIT		377,361,810.88	422,245,043.54
TOTAL NET ASSET/EQUITY		<u>377,361,810.88</u>	<u>422,245,043.54</u>

OBAFEMI OWODE LOCAL GOVERNMENT
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2020

	NOTES	2020	2019
REVENUE		₦	₦
STATUTORY ALLOCATION	1	2,098,366,610.84	1,403,104,566.51
NON-TAX REVENUE:	2	52,302,073.93	32,786,690.00
INVESTMENT INCOME			
INTEREST EARNED			
AIDS & GRANTS	3	10,000,000.00	
OTHER REVENUE		13,665,042.86	10,251,500.00
TOTAL REVENUE (A)		<u>2,174,333,727.63</u>	<u>1,446,142,756.51</u>
EXPENDITURE			
SALARIES & WAGES	4	1,512,703,298.31	1,144,477,134.43
NON- REGULAR ALLOWANCE	5	-	
SOCIAL BENEFIT	6	605,851,741.39	277,878,964.28
OVERHEAD COST	7	81,256,246.79	34,699,199.32
SUBVENTION TO PARASTALS		2,100,000.00	2,250,000.00
DEPRECIATION	10 & 11	17,859,036.79	17,095,396.79
GAIN/LOSS ON DISPOSAL ON ASSET			
TOTAL EXPENDITURE (B)		<u>2,219,770,323.28</u>	<u>1,476,400,694.82</u>
SURPLUS / DEFICIT (C=A-B)		<u>-45,436,595.65</u>	<u>-30,257,938.31</u>

OBAFEMI OWODE LOCAL GOVERNMENT
STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2020

	₦
Balance 1/1/2019	-127,348,780.46
Prior Year Adjustment	579,851,762.31
Adjusted Balance	452,502,981.85
Surplus/ (deficit) for the year	-30,257,938.31
Balance 31/12/2019	422,245,043.54
Prior Year Adjustment	553,362.99
Adjusted Balance	<u>422,798,406.53</u>
Surplus/ (deficit) for the year	-45,436,595.65
Balance at 31 December 2020	<u>377,361,810.88</u>

OBAFEMI OWODE LOCAL GOVERNMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	2020	2019
INFLOWS	₦	₦
STATUTORY ALLOCATION	2,096,366,610.84	1,403,104,566.51
LICENCES, FINES, ROYALTIES, FEES ETC	41,871,452.93	22,415,800.00
EARNINGS & SALES	10,084,375.00	9,686,890.00
RENT OF GOVERNMENT PROPERTIES	3,922,013.00	684,000.00
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL		
DOMESTIC AIDS & GRANTS	10,000,000.00	
OTHER REVENUE	13,665,042.86	10,251,500.00
TOTAL INFLOW FROM OPERATING ACTIVITIES A	<u>2,175,909,494.63</u>	<u>1,446,142,756.51</u>
OUTFLOW		
PERSONNEL EMOLUMENTS	1,512,703,298.31	1,144,477,134.43
SOCIAL BENEFIT	605,851,741.39	277,878,964.28
OVERHEADS	75,522,918.79	35,289,310.32
SUBVENTION TO PARASTATALS	2,100,000.00	2,250,000.00
INTEREST PAYMENT		
TOTAL OUTFLOW FROM OPERATING ACTIVITIES B	<u>2,196,177,958.49</u>	<u>1,459,895,409.03</u>
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B	<u>-20,268,463.86</u>	<u>-13,752,652.52</u>
CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE/ CONSTRUCTION OF ASSETS	- 19,282,000.00	-380,500.00
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE		
PROCEED FROM SALE OF ASSETS		
DIVIDEND RECEIVED		
NET CASH FLOW FROM INVESTING ACTIVITIES	<u>-19,282,000.00</u>	<u>-380,500.00</u>
CASH FLOW FROM FINANCIAL ACTIVITIES		
DEPOSIT/ UNREMITTED DEDUCTIONS	40,527,855.40	28,564,501.94
PUBLIC FUND		
PROCEEDS FROM DOMESTIC LOANS & OTHER		
NET CASH FLOW FROM FINANCIAL ACTIVITIES	<u>40,527,855.40</u>	<u>28,564,501.94</u>
NET CASH FLOW FROM ALL ACTIVITIES	<u>977,391.54</u>	<u>14,431,349.42</u>
CASH & ITS EQUIVALENT AS AT 1/1/2020	15,890,008.51	1,458,659.09
CASH & ITS EQUIVALENT AS AT 31/12/2020	<u>16,867,400.05</u>	<u>15,890,008.51</u>

ACCOUNTING POLICY

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

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

**NOTES TO THE GPFS FR THE YEAR ENDED
31ST DECEMBER, 2020**

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

	₦
JANUARY	159,929,251.70
FEBRUARY	183,150,370.10
MARCH	167,533,568.16
APRIL	161,012,189.38
MAY	164,988,778.03
JUNE	163,216,566.58
JULY	177,700,257.42
AUGUST	185,984,142.78
SEPTEMBER	172,943,113.06
OCTOBER	2,099,990.87
NOVEMBER	374,570,436.49
DECEMBER	185,237,946.27
TOTAL	<u>2,098,366,610.84</u>

2. NON-TAX REVENUE

LICENCES	13,340,350.00
FEES	22,710,835.93
FINES	2,153,600.00
EARNINGS	54,300.00
RENT OF GOVERNMENT PROPERTIES	4,012,913.00
SALES	10,030,075.00
TOTAL	<u>52,302,073.93</u>

3. AIDS & GRANTS

OGUN STATE GOVERNMENT	10,000,000.00
NON-GOVERNMENT ORGANISATION	0.00
TOTAL	<u>10,000,000.00</u>

4. SALARIES & WAGES

LOCAL GOVERNMENT STAFF	495,607,409.64
PRIMARY SCHOOL TEACHERS	931,290,393.86
TRADITIONAL COUNCIL	71,956,707.56
POLITICAL FUNCTIONARIES	13,848,787.25
TOTAL	<u>1,512,703,298.31</u>

5. NON- REGULAR ALLOWANCE

LEAVE BONUS	
TOTAL	

6. SOCIAL BENEFIT

GRATUITY	-
PENSION	605,851,741.39
TOTAL	<u>605,851,741.39</u>

7. OVERHEAD COST BY DEPARTMENT

CHAIRMAN & COUNCIL	13,099,000.00
HOLGA	331,350.00
INTERNAL AUDIT	1,705,500.00
ADMINISTRATIVE	12,946,734.02
FINANCE	16,354,394.77
INFORMATION	3,036,500.00
P H C	9,176,768.00
AGRIC	675,500.00
WORKS	6,721,000.00
PLANNING	5,032,500.00
WES	7,297,500.00
COMMUNITY	4,879,500.00
TOTAL	<u>81,256,246.79</u>

8. CASH & CASH EQUIVALENTS

CASH AT HAND	65,815.24
CASH IN BANKS	16,801,584.81
TOTAL	<u>16,867,400.05</u>

9. UNREMITTED DEDUCTIONS

PAYE	110,354,235.27
PENSION	57,454,543.57
5% Development levy	1,007,533.20
5% VAT	20,309,407.00
5% TAX	4,119,658.85
TOTAL	<u>208,783,705.13</u>

NOTE 10									
OBAFEMI OWODE 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	381,203,200.00	28,800,000.00	12,300,000.00	14,731,498.95	3,882,500.00	7,354,000.00			448,271,198.95
ADDITION DURING THE YEAR	17,432,000.00				900,000.00	950,000.00			19,282,000.00
LEGACY									0.00
DISPOSAL DURING THE YEAR									-
BAL C/F	398,635,200.00	28,800,000.00	12,300,000.00	14,731,498.95	4,782,500.00	8,304,000.00	-		467,553,198.95
ACCUMULATED DEPRECIATION									
BAL AS AT 01/01/2020	7,625,384.00		1,258,000.00	5,141,020.63	1,043,625.00	1,759,200.00			16,827,229.63
ADDITION DURING THE YEAR	7,972,704.00		1,230,000.00	2,546,299.79	1,208,125.00	1,660,800.00			15,017,928.79
DISPOSAL DURING THE YEAR									
BAL C/F	15,598,088.00	-	2,488,000.00	8,087,320.42	2,251,750.00	3,420,000.00	-		31,845,158.42
AS AT 31/12/2020	383,037,112.00	28,800,000.00	9,812,000.00	6,644,178.53	2,530,750.00	4,884,000.00	-		435,708,040.53
AS AT 31/12/2019	373,577,816.00	28,800,000.00	11,042,000.00	9,590,478.32	2,838,875.00	5,594,800.00	-		431,443,969.32
NOTE 11									
OBAFEMI OWODE LOCAL GOVERNMENT INVESTMENT PROPERTY									
	LAND & BUILDING 2%								TOTAL
BAL AS AT 01/01/2020	142,055,400.00								142,055,400.00
ADDITION DURING THE YEAR									0.00
LEGACY									0.00
DISPOSAL DURING THE YEAR									-
BAL C/F	142,055,400.00	-							142,055,400.00
ACCUMULATED DEPRECIATION									
BAL AS AT 01/01/2020	2,841,108.00								2,841,108.00
ADDITION DURING THE YEAR	2,841,108.00								2,841,108.00
DISPOSAL DURING THE YEAR									
BAL C/F	5,682,216.00	-							5,682,216.00
AS AT 31/12/2020	136,373,184.00	-							136,373,184.00
AS AT 31/12/2019	139,214,292.00	-							139,214,292.00

The Chairman,
Transition Committee,
Obafemi/Owode Local Government,
Owode.

**AUDIT INSPECTION REPORT ON THE ACCOUNTS OF OBAFEMI OWODE
LOCAL GOVERNMENT, FOR THE PERIOD 1ST JANUARY TO 31ST
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 Report.

2. BANK RECONCILIATION STATEMENT

The bank reconciliation statements prepared by the Local Government for the period 1st January to 31st December, 2020 were examined where the followings were observed:

• **DORMANT BANK BALANCES**

Observation: Audit examination of bank reconciliation statement revealed that twelve (12) bank accounts having a total balance of One Hundred and Eleven Thousand, One Hundred and Fifty-Two Naira, Seventy Eighty Kobo (₦111,152.78) were dormant and the balance had remained stagnant for a long time. Since it had been dormant for a long time, it would appear that the Local Government is no longer interested in operating the bank accounts again.

Recommendation: The Local Government had earlier been advised to re-activate or close the bank accounts because their continuous dormancy is of no economic benefit to the Local Government and it will continue to attract bank charges. Please, adhere to this advice.

• **UNCREDITED LODGEMENT**

Observation: In spite of my repeated advice as contained in year 2018 Audit Inspection Report Ref. No. OGLG/WDE/I/VOL.V/139 dated 12th February 2020 and OGLG/WDE/I/VOL.V/151 dated 9th October, 2020 that the various accumulated uncredited lodgement sum of ₦204,850.00 be investigated and credited, the recent audit exercise revealed that no action had been taken on the issue. Also, it was observed during the recently concluded year 2020 audit exercise that a total sum of ₦69,700.00 was the amount still in transit, yet to be credited into the Local Government account.

It is pertinent to note that neither the Treasurer nor the Internal Auditor had taken any step to investigate and recover the money contrary to the provisions of Chapter 1.14(7) and 40:3 of the Model Financial Memoranda for Local Governments. The Chapter placed the

responsibility on the Director, Finance and Supplies as well as the Internal Auditor that revenue to the Local Government are promptly collected and paid to the Treasury.

Recommendation: I wish to advise once again that the Director, Finance and Supplies as well as the Internal Auditor should immediately investigate and take necessary steps without any further delay to ensure that the sum involved is credited to the Local Government Account. This Office should be informed of the action taken within two (2) weeks from the date of receipt of this report.

3. **SHORTFALL IN REVENUE:**

Observation: During the period covered by this report, a sum of Seventy-Seven Million, Five Hundred and Sixty Five Thousand Naira (₦77,565,000.00) was the total revenue budgeted to generate in the year, but a sum of Sixty Five Million, Nine Hundred and Sixty Seven Thousand, One Hundred and Sixteen Naira, Seventy-Nine kobo (₦65,967,116.79) only was actually generated representing 85% of the total budget. The revenue generated was lower than the amount budgeted for the year by ₦11,597,883.21. From the above, it would appear that the Local Government was ineffective in putting necessary machinery in motion for its revenue generation. Investigation into the reasons for the low revenue revealed that there were numerous revenue sources which the Local Government could tap to realize its budgeted revenue but which have not been tapped. Examples were bake houses licenses, brickmaking licenses, cattle dealer licenses, billboard advertisement fees, burial fees, etc. are good sources of revenue. They were budgeted for but not adequately harnessed.

Recommendation: The Local Government is hereby advised to explore those sources in order to boost its revenue generation. In addition, they must ensure that there is effective internal control on the revenue generation by ensuring that the revenue generated by the Local Government did not fall below what the defunct LCDA's generated.

4. **STATE OF RECORDS**

Observation: It was observed that there were little or no positive improvements in the manner in which the accounting records were kept. The ledger clerks in the Treasury Department during the year under review appeared not to have adequate knowledge required of keeping proper accounting records and were also not supervised by a Senior Officer in the Treasury.

This was so because most of the entries posted into the ledgers were inconsistent with original records. There were unpardonable omissions, alteration of figures, misclassification, cashbook mutilation, transaction written in pencil, incorrect posting, outright omission of some figures in the cashbook, revenue ledger, advance ledger as well as from the expenditure ledger.

These lapses turned the audit assignment into accounting duties in which the Audit Team had to repost virtually all the vouchers relating to the period.

Recommendation: The Treasury Department should be alive to its responsibilities and endeavour to make adequate supervision by appropriate Senior Officer. In addition, training and re-training should be organized from time to time for the treasury staff to enhance their performances.

5. **NAMING OF STREET:**

Observation: For the street naming application, the Local Government approved various sums ranges from ₦50,000.00 to ₦100,000.00 depending on the location of the street. For instance, a sum of ₦100,000.00 was approved for Laderin and Hiltop Estate in Abeokuta while a sum of ₦50,000.00 was approved for Obafemi, Owode, Mowe and its environ. The sum is meant for paper documentations and three years renewal advance payment of ₦10,000.00 per year. The available records revealed that the data computation and the fee collection was contracted to OSMOSES KONCEPT, 11, Makinde street, Alausa, Ikeja, Lagos State.

On the street naming, though the Local Government exceeded the budgeted revenue of ₦4,000,000.00 by realizing ₦6,496,552.93 during the year but it appeared that the revenue source (Street naming) had initially been under estimated.

Recommendation: The Local Government is therefore advised to make realistic adequate provision for this revenue head (street naming) in the current estimate and embark on aggressive drive to meet the set target. In addition, the management should continue to improve on compilation of adequate data of street naming beneficiaries in the Local Government Area for renewal purposes and ensure prompt recovery of outstanding debt for improved revenue.

6. **CHECKING OF REVENUE COLLECTORS**

Observation: The previous Audit Inspection Report Reference Number OGLG/WDE/1/VOL.V/139 dated 12th February, 2020 and OGLG/WDE/1/VOL.V/151 dated 9th October, 2020 highlighted that a revenue collector, Mr. Wole Obasa did not check the revenue receipts in his custody.

During the audit exercise just concluded, the situation still remained the same because our persistent calling on Mr Obasa to produce the revenue receipts in his custody for checking was in vain.

Details of the revenue earning receipts in the custody of Mr. Wole Obasa are as stated below:

<u>Types of Receipt</u>	<u>Receipt Number</u>
Market receipt	265401-265800
GRR receipt	0024801-0024850
GRR receipt	00567051-00567100

Recommendation: The Local Government is advised as a matter of urgency to embargo the salaries and allowances of Mr. Wole Obasa until he produce the revenue earning receipts in his custody for checking.

7. DORMANT ADVANCES

Observation: The examination of financial statement revealed that a sum of Five Million, One Hundred and Sixty-Two Thousand, Four Hundred and Forty-Nine Naira, Eighty-Nine kobo (₦5,162,449.89) was the balances on advance granted to various staff of the Local Government which had remained dormant years back. Irregular remittance of advances contravened Chapter 16:12 of Model Financial Memoranda for Local Governments which requires that personal advances must be paid on regular monthly instalments deducted at source from monthly salaries of the beneficiaries. Investigation into the reasons for the dormancy revealed that most of the beneficiaries had been posted to other Local Governments while some have retired or deceased.

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

8. LOCAL GOVERNMENT SHOPS

Observation: It was observed during the year under review that the Local Government has 67 lock-up shops and 40 open stalls. Each of the occupiers were paying annual rent of ₦18,000.00, ₦12,000.00 and ₦9,600.00 respectively on the lock up shops while the open stalls occupiers were paying ₦3,600.00 and ₦2,500.00 annually.

The 67 lock-up shops and the 40 open stalls were located at different places within the Local Government. The shops are at Owode Egba Block A (10 shops), Block B(15 shops) Block C(8 shops), Old Building at Owode Egba Town (4 shops), Osoba shopping complex at Owode Egba(16 shops), Igba Otun shopping Complex Owode Egba (14 shops). Siun Town and Ogunmakin had 30 Open stallages and 10 respectively.

It was observed with dismay that during the year, a paltry sum of ₦705,200.00 only was realized as annual rent on all the Local Government shops and open stalls. Though, the budgeted amount could not be ascertained because the budgeted amount for shops was merged with the squatter fees and market fees on estimated sum of ₦4,000,000.00 thereby making it difficult to ascertain if there was any shortfall in the revenue generated amount on the shops. Many items were lumped together instead of being separated item by item, head by head.

Verification visit made to Siun market revealed that 6 open stalls at the market were in a state of disrepair and were not in use.

Recommendation: The Management is advised to separate budget code for each revenue heads, because lumping of squatter fees, stallages, market fees etc will not reveal the performance of each revenue head. The Treasurer must ensure that all government revenues are promptly collected and remitted to the Treasury as required by regulations. In addition, the Local Government should do regular maintenance and repair of the shops.

9. INVENTORY

Observation: It was observed that there were neither inventory cards nor inventory files in the Local Government that could reveal the actual items in each office. Some of the items bought as well as those brought from the defunct LCDA's were not recorded in the inventory cards or files.

Recommendation: The Internal Auditor is advised as a matter of urgency to take inventory of the Local Government Offices in accordance with the provisions of Chapter 38 of Model Financial Memoranda for Local Governments so as to prevent an unauthorized access or movements of those items.

10. AGRICULTURE AND NATURAL RESOURCES DEPARTMENT

Observation: It was observed that the Agriculture and Natural Resources department of the Local Government has not been functioning optimally due to non-release of fund by the Local Government authorities. All the farm lands and the poultry pen in the Local Government were lying fallow, the staffs in the department are just earning their salaries but not providing any service(s) to justify their pay.

Recommendation: Considering the agrarian nature of the area, the Local Government is advised to embark on massive agricultural activities, putting priority on poultry farming, oil palm seeding, snail rearing and fishery to boost its internally generated revenue and to create food for the citizen.

11. BULK RELEASED OF FUND TO PROJECT OFFICERS

Observation: I wish to refer to my Circular Letter No. OGLG/AUD/94/71 of 22nd June, 1993 on the above subject and to observe that your Local Government has not complied with the content of the circular. The circular letter states that the practice of releasing several Millions of Naira en-bloc to a Project Officer to do direct labour job is not in the best interest of the Local Government. Some of the dangers inherent in such unhealthy practice includes exposing such Project Officers to possible armed robbery attack, temptation to play pranks with such fund by delaying the progress of the work on the project in order to earn interest on the money already

paid into his bank account or diverting a substantial part of the money to personal use which may lead to substandard jobs.

Example of a bulk release of money was a sum of ₦4,000,000.00 approved and released en bloc to Builder Asade L.A for the renovation of Adedero Health Centre.

Recommendation: You are advised to comply with the content of the above circular in order to avert unpleasant havoc. Funds should be released on projects (Direct Labour) according to the progress recorded on the project.

12. INVESTMENT

Observation: Despite my advice in the Audit Inspection Report Ref No: OGLG/WDE/1/VOL.V/139 dated 12th February, 2020 and OGLG/WDE/1/VOL.V/151 dated 9th October, 2020 that the Local Government should confirm the existence of its investment, it appeared that the Treasurer had not taken any action on these issues. The Local Government continued to reflect the same ₦284,990.20 as investment in its Statement of Assets and Liabilities but there is no evidence to substantiate the claim.

For instance, there is no certificate of investment/re-investment, shown to the Audit Team neither was there evidence of interest received on the investment which therefore made the existence of the investments doubtful.

Recommendation: You are again advised to initiate actions that would help to establish the true status of the investment. In the absence of this, it should be written off so that the Local Government could have a true and fair view of its state of financial position.

13. CAPITAL EXPENDITURE REGISTER/ FIXED ASSET REGISTER

Observation: Chapter 26:4 of the Model Financial Memoranda for Local Government provides that the Treasury should maintain a capital expenditure register for recording its expenditure on capital items for which its benefits and usage for the Local Government will last beyond five years. Though, this document was available in the Local Government during the year under review but yet to be updated. This register should be updated regularly and should be a permanent record of expenditure on projects or assets. The register should contain details of each project on separate pages and folios and information like type, location and cost of contract or the assets progress payment, stages of completion etc.

This chapter further state that the capital expenditure register or assets register shall be regarded as one of the most important accounting records kept by the Local Governments.

Recommendation: In view of the importance of this register as buttressed by the International Public Sector Accounting Standard (IPSAS), the Director of Finance and Supplies should keep and update the record regularly as promised by him during the audit exercise.

14. LEASE OF LOCAL GOVERNMENT LANDED PROPERTY MEASURING ELEVEN (11) PLOTS AT LUGBOKO VILLAGE OWODE-EGBA

Observation: I wish to refer to the previous inspection report No OGLG/WDE/1/VOL.V/139 dated 12th February, 2020 and OGLG/WDE/1/VOL.V/151 dated 9th October, 2020 on the above subject. In the report, it was highlighted that recently, the Local Government entered into a lease agreement with Veba Integrated Chemical Company Limited of Kilometre 64a, Lagos-Abeokuta Express way, Ijaye, Lagos for the lease of its landed property of eleven (11) plots located at Lugboko Village, Owode-Egba. The property was leased for a sum of Three Hundred and Thirty Thousand Naira (330,000.00) covering the lease period of Ninety-Nine years (99 years) commencing from 1st April, 2018 to 31st March, 2117. By this agreement, it invariably implied that a sum of Three Hundred and Thirty Thousand Naira (330,000.00) would be the payment on eleven(11) plots of land for 99 years which was extremely too small and ridiculous.

Audit investigation however revealed that the sum of ₦330,000.00 paid by Veba Integrated Company falls below the original agreed sum of ₦550,000.00. At the instance of the Audit Team the shortfall of ₦220,000.00 and the ₦55,000.00 grant rent for 10 years was paid to the Local Government via UBA draft dated 26th March, 2021 raised in the name of Obafemi Owode Local Government.

Recommendation: The Local Government is hereby advised to review the grant rent upward after 10 years in line with current economic reality.

15. REVENUE CONTRACTORS AND THE LEVEL OF THEIR INDEBTEDNESS

Observation: The engagement of revenue contractors by the Local Government is an infraction to circular letter No. SART/72/003 of 25th October, 2013 issued from the Office of the Special Adviser to the Ogun State Government on Revenue and Taxation. The circular letter banned the use of Revenue Contractors by any Government, Ministries and Agencies of Government. Though, the Revenue Contractors engaged by the Local Government had a legally Enforceable Agreement, but the agreements were breached by some contractors by their refusal to make regular remittance of money collected to the Local Government Treasury. Available records revealed that the 47 revenue contractors engaged by Local Government during the time defaulted to the tune of ₦5,819,000.00 as at December, 2020. This had resulted in loss of fund to the Local Government.

Recommendation: You are advised to terminate all revenue contracts agreement between the Local Government and the contractors and to recover all debts that may be due from them. Any infraction of the instruction in the circulars above would henceforth attract appropriate regulatory sanction.

16. DISPARITIES IN SALARY PAYMENT

Observation: It was observed that between January and December, 2020 available accounting records revealed that a total sum of ₦642,040.05 was the difference between the amount paid by the Local Government in respect of monthly salaries and allowances as revealed by the salary vouchers and the amount actually credited to the bank accounts of individual staff. The monthly bank statements obtained from Access bank in respect of salary payment vouchers for the period revealed that the salary vouchers raised in respect of National Housing Fund(NHF) were in excess of amount released to Federal Mortgage bank to the tune of ₦642,040.05. This implies that the amount purportedly paid as to NHF contained in the Salary vouchers was more than the amount that actually got to the NHF by ₦642,040.05. The purported sum of N642,040.05 paid to the NHF did not get there and nobody knows its whereabouts. The irregularity was in respect of salaries paid through the Access bank contrary to chapter 13:9 of the Model Financial Memoranda for Local Governments.

Recommendation: This Office would work to unravel the reasons for the discrepancies in the amount released by the Local Government and the actual amount paid. The Local Government shall be notified in due course.

17. LANDED PROPERTIES

Observation: It was reported in paragraph 4 of the previous Audit Inspection Report Ref No OGLG/WDE/1/VOL.V/151 dated 26th August, 2020 that the Local Government is 12 acres of land located at Opako, Adigbe, Obada Oko Road had been encroached. Further audit scrutiny revealed that the land was encroached by Mr. Oguntoyinbo T. a surveyor engaged by the Local Government to survey the land. The surveyor Mr. Oguntoyinbo T. connived with some dubious people to encroach and sold virtually all the Local Government lands in those areas under the pretence of assisting the Local Government to survey the lands.

Though, the Audit Team could not visit the location of the lands because none of the officers on ground knows the location. However, the Audit Team deduced from the letter written by the former chairman, Hon. Abiola Quadri of the defunct Oba LCDA dated 27th September, 2017 to the Director, Ministry of Urban and Physical Planning, Oke-Mosan that

structures had been illegally erected on the encroached land and sold by Tajudeen Oguntoyinbo at Opako, Adigbe in Abeokuta.

Available records further revealed that a letter dated 20th June, 2017 Ref. No SU11/OWDLG/001 (attached) from Bureau of Lands and Survey, Office of the Governor, Oke-Mosan, Abeokuta authenticating a survey plan document delineating and registering the Obafemi Owode in the year 2000 with plan numbers OWD42, OWD43, and OWD44 respectively affirmed categorically that the three locations quoted on the survey plans are properties of Obafemi Owode Local Government.

Recommendation: The Local Government is advised to recover the Local Government assets that were encroached and to protect the asset by involving all relevant stakeholders for its protection.

18. RE-CONSTRUCTION OF MOWE MARKET LOCK-UP SHOPS AND OPEN STALLS

Observation: It was highlighted in the last Audit Inspection Report ref. No OGLG/OMLCDA/1/38 of 7th September, 2020 that in a bid to increase the revenue generation of Ofada Mokoloki LCDA and its environs, an agreement for the demolition of the old structures and re-construction of a new modern 520 lock-up shops and 360 units of open stalls was reached. The new modern shops were to be constructed on a parcel of land situated at Mowe Bus Stop, Mowe. The agreement was entered into with Ojuolape Engineering Company Limited of suite 30 Dee-Star Complex, Lasu-Igando Road, Orephthal Isheri Lagos State, in conjunction with Lukazai Nigeria Limited of No 4 Atobatele Close, Orange Estate, Mowe, Ogun State, on Build, Operate and Transfer (BOT) basis for a period of 20 years (Agreement did while at the Local Council Development Area). The parties agreed on a leasehold sum of ₦25 million and the developers had made a part payment of ₦7,750,000.00 to the defunct LCDA as grand rent. The project had reached the 25% level of completion and it consist of 70 Open stalls and 152 lock-up shops, all in the first phase.

However, at the emergence of Transitional Committee of Obafemi Owode Local Government, the Local Government terminated the initial contract between the LCDA and the Local Government and a new agreement was made between the Local Government and Ojuolape Engineering Company Limited in conjunction with Rhemabul Global Services Limited. The new agreement was to construct an Ultra-Modern Market at Mowe. The developers shall use the project for a period of 30 years within which the Developer should have recouped his capital on the construction work. The contract was on a Build, Operate and Transfer (BOT) agreement at a

leasehold rent of ₦25 million payable to the Local Government on 3 instalmental basis of ₦10 million, ₦7.5 million and ₦7.5 million respectively, out of which the Developer had paid the sum of ₦4,500,000 premium, leaving the balance of ₦20.5 million. The Local Government had secured four (4) lock –up shops on a lease term for 30 years from the already constructed shops to be used as office. Each of the shops cost ₦750,000.00 all totaling ₦3,000,000.00. The sum involved was set- off from the premium rent owed the Local Government by Engineer Ojuolape.

However, audit visitation to the construction site revealed that though the job was on-going during the visit but very slow because only 166 lock-up shops and 60 Open stalls had been constructed within two years. The Developer, Engineer Ojuolape, on interrogation as to the late redemption of the agreed premium sum of ₦20.5 million to the Local Government and as well as the slow level of work done to date explained that, despite the fact that he had secured all the necessary approval from the Ministry of Urban and Physical Planning upon the payment of approved fees for the demolition of remaining old structures, the job is still dragging because the Commissioner for Urban and Physical Planning refused to give directive for the demolition and also the representative of the Local Government that should be around to witness the demolition refused to show up and all these resulted into delay in making further payment to the Local Government.

It is important to note that out of the ₦4,500,000.00 paid by Engineer Ojuolape as grand rent, only a sum of ₦833,333.00 had been recognized as rental income in the statement of financial performance for the year 2020, while the remaining ₦3,666,667.00 would be reflected as deferred income in the financial position.

This job when completed will not only increase the revenue generation of the Local Government but also will improve the living standard of the inhabitant of the area.

Recommendation: The Management of the Local Government is advised to liaise with the Commissioner of Urban and Physical Planning on the need to attend to all likely impediment confronting the contractor so that the Developer can return back to the site for early completion of the work. If this is not done, the Local Government would continue to contravene Section 19 of the agreement which says “Owner (Local Government) shall render all necessary useful and required assistance to the Developer/Lessee in order to secure necessary approval from the State Government towards the construction of the Ultra- Modern Market.

**RE: AUDIT INSPECTION REPORT ON THE ACCOUNTS OF OBAFEMI
OWODE LOCAL GOVERNMENT FOR THE PERIOD 1ST JANUARY TO 31ST
DECEMBER, 2020**

1. MANAGEMENT REPORT

2. DESTRUCTION OF EXHAUSTED RECEIPTS BOOKS

This exercise has been carried out last year. It was supervised by the Officer of your Office.

3. CONTROL OVER CASH

The Treasurer to the Local Government, Mr Odeyemi Idowu has been directed to ensure the cashier does not keep too much cash in his vault henceforth.

4. BANK RECONCILIATION STATEMENT

(i) DORMANT BALANCES

On this, I have directed the Treasurer to cause a letter to be written to the Chairman for onward transmission to F&GPC for its approval to reduce the bank to only four and transfer funds therein to the functional banks

(ii) UNCREDITED LODGEMENT

On this, I want to confirm that the sum of #204,850.00 had been written back to the cashbook via the approval granted by the F&GPC on the 13th October, 2020.

On the total sum of #69,700 only, investigation is still on-going on the transaction and as soon as the coast is clear, approval would be sought from the F&GPC and the amount would be written back to the account.

5. SHORTFALL IN REVENUE

The Local Government has noted all the opinions expressed by the team of Auditor. I want to assure your office that in the current financial year, adequate effort would be devoted to those mentioned sources of revenue with a view to adequately harness the sources.

6. STATE OF RECORDS

All opinions expressed here are noted. Treasurer to the Local Government and all other senior members of staff especially the Accountants have been enjoined to be more alive to their responsibilities.

7. NAMING OF STREET

All the opinion of the Audit team are noted for further action However, I have directed the Treasurer, DGSA and the Director of Planning to meet and ensure all those opinions expressed are considered so that what went wrong in the current year do not repeat itself.

8. CHECKING OF REVENUE COLLECTOR

On this issue, I write to confirm that Mr. Obasa's Salary has been embargoed since June 2021 and it will remain so until he has been able to produce revenue earning receipts in his custody for checking.

9 DORMANT ADVANCES

All the opinions expressed here are noted for further necessary action

10 LOCAL GOVERNMENT SHOPS

On this, the opinions expressed here and advices offered are noted for further actions.

11 INVENTORY

I write to confirm that in quick response to the advice of the Audit team, the Internal Auditor has printed Inventory Cards with which he has taken the Inventory of the Local Investment properties

12 AGRICULTURE AND NATURAL RESOURCES DEPARTMENT

This department could not function at all due to paucity of fund

It is hoped that as soon as the Local Government is sound financially, the department would be provided with funds with which to embark on meaningful project especially farming.

13 BULK RELEASE OF FUND TO PROJECT OFF

The opinion expressed by the Audit Team is noted for future financial transaction in the Local Government.

15 INVESTMENT

There is suspicion that the Certificate of these investment are kept in the concrete safe located in the office of the Treasurer unfortunately the Treasurer or any other officer in the council could not locate keys to these safes (2no) hence the need to break the safes

The attention of the experts on this has been sought and a price of #200,000 only has been changed on the breakage of these safes. Although the request to do this has been approved but due to paucity of fund, the work is yet to be carried out.

The Treasurer has since been directed to ensure that money is paid on time so that the breaking could be done in record time and certificate recovered and used for the purpose required.

16 CAPITAL EXPENDITURE REGISTRY/FIXED ASSET. REGISTRED

The advice of the audit team is noted for further action.

17. REVENUE CONTRACTORS AND THE LEVEL OF THEIR INDEBTEDNESS

Action is on-going at ensuring that all revenue contracts are terminated. The new government in place has resolved to invite all the revenue contractors for a meeting when in some decision would be taken on how to recover all those debts owed.

18 DISPARITIES IN SALARY PAYMENT

The information given by the team of Auditors is noted.

19 LANDED PROPERTIES

On this, the General Services and Administration has been directed to take up this issue. It is hoped that soonest the department would come up with a panacea to the problem.

20 RECONSTRUCTION OF MOWE MARKET LOCK-UP SHOPS AND OPEN STALL

The advice of the Audit team in this topic is noted. It is hoped that all knotty area on this project would be resolved very soon.



Mr Ogunjobi E. O.

Head of local Government Administrator