

OGUN STATE GOVERNMENT, NIGERIA

STATUTORY REPORT

AND

DOMESTIC REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

ON THE ACCOUNTS

OF

OVEDA LOCAL GOVERNMENT

FOR THE YEAR ENDED 31ST DECEMBER, 2021

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ACKNOWLEDGEMENT

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

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

I cannot but appreciate the favourable disposition of the immediate past Head of Service Alhaja Selimot Olapeju Ottun and the current Head of Service Dr Nafiu Aigoro for their regular support towards keeping this Office afloat.

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

Thank you and God bless you all.



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



OFFICE OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

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

AUDIT CERTIFICATE

I have examined the accounts of Odeda Local Government for the year ended 31st December, 2021 in accordance with the provisions of Section 123 of Decree Number 12 of 1989 and 315 (1) of the 1999 Constitution of the Federal Republic of Nigeria and Sections 135-145 of Ogun State Local Government Law 2006 and auditing standards issued by International Organisation of Supreme Audit Institution (INTOSAI). I have obtained all information and explanations that I require for my Audit.

In my opinion, the Financial Statements give a true and fair view of the state of affairs of the Local Government as at 31st December, 2021 subject to the observations in the inspection reports.

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

**STATEMENT OF OPINION OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF
ODEDA LOCAL GOVERNMENT FOR THE YEAR ENDED 31ST DECEMBER, 2021**

The accounts of Odeda Local Government for the year ended 31st December, 2021 have been examined in accordance with the provisions of Section 123 of Decree Number 12 of 1989 and 315 (1) of the 1999 Constitution of the Federal Republic of Nigeria and Sections 135-145 of Ogun State Local Government Law 2006 and auditing standards issued by International Organisation of Supreme Audit Institution (INTOSAI). I have obtained all information and explanations that I require for my Audit.

RESPONSIBILITY STATEMENT

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

THE SCOPE OF THE AUDIT

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

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

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

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

OPINION

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



L. A. Mulero (CNA)

Auditor-General for Local Governments

Ogun State.

17th June, 2022.

**STATUTORY REPORT OF THE AUDITOR-GENERAL FOR LOCAL
GOVERNMENTS ON THE ACCOUNTS OF ODEDA LOCAL GOVERNMENT,
ODEDA FOR THE YEAR ENDED 31ST DECEMBER, 2021**

In compliance with the provisions of Section 123 of Decree Number 12 of 1989, Section 315(1) of the Constitution of the Federal Republic of Nigeria and Sections 135-145 of Ogun State Local Government Law 2006, the accounts of Odeda Local Government, Odeda for the year ended 31st December, 2021 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

The Treasurer's cashbook was not properly maintained as there were lots of errors, mutilation etc.

(3) FINANCIAL REVIEW:

REVENUE	AMOUNT (₦)
Internally Generated Revenue	41,153,568.77
Statutory Allocation	2,406,124,418.21
Aids and Grants	<u>18,000,000.00</u>
Total	<u>2,465,277,986.98</u>

<u>EXPENDITURE</u>	
Salaries and Allowances	1,847,276,333.55
Pension	575,389,758.65
Overhead Expenses	102,358,522.55
Long Term Assets	<u>14,810,000.00</u>
Total	<u>2,539,834,614.75</u>

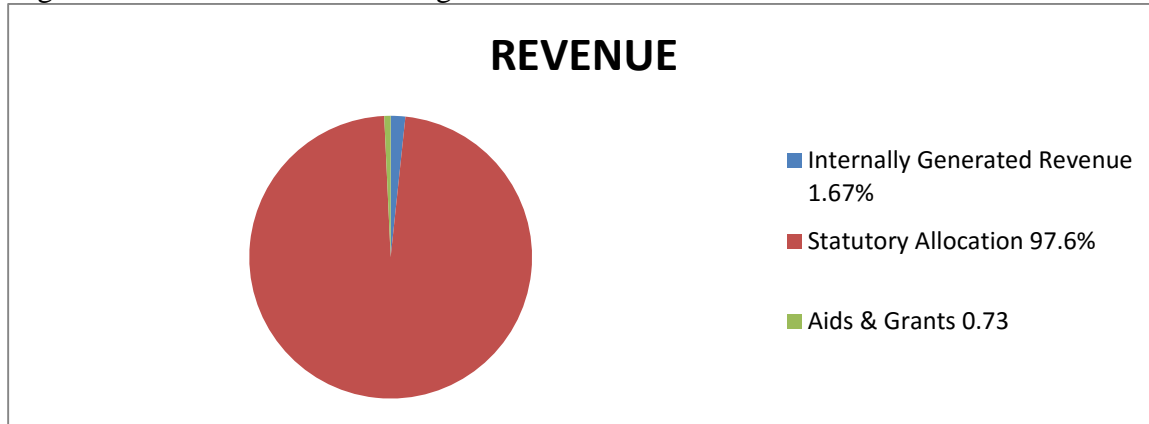
(4) REVENUE PERFORMANCE:

(i) STATEMENT OF ACTUAL REVENUE

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦70,635,000.00 a sum of ₦41,153,568.77 only was actually generated and this represent 58.26% of the budget. There is an increase of 51.62% in revenue when compared with the sum of ₦27,437,720.06 generated in year 2020. This came majorly from gain on sale of assets which is non-recurrent. This revenue performance is far from the potentials of the Local Government and it also implied that the Local Government did not harness its IGR potentials maximally or there were leakages which has not been identified and blocked.

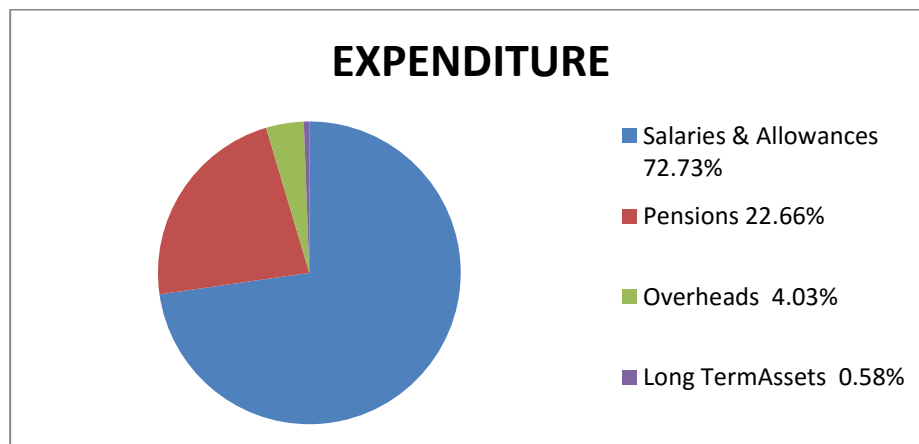
(ii) **PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE**

The Audit exercise revealed that out of the revenue of ₦2,465,277,986.98 realized by the Local Government during the year under review, a sum of ₦41,153,568.77 only was generated internally. This represented 1.67% of the total revenue while the total sum of ₦2,406,124,418.21 statutory allocation and ₦18,000,000.00 aids and grant received from the State Joint Account Allocation Committee represented 97.6% and 0.73% respectively. The implication of this is that without Revenue Allocation from the Federation Accounts, the Local Council Development Area might not be able to meet her obligations.



(5) **EXPENDITURE PATTERN-**

During the period under review, examination of the expenditure profile of the Local Government revealed a total expenditure of ₦2,539,834,614.75. Out of this, a sum of ₦102,358,522.55 was expended on overhead which represented 4.03% of the total expenditure for the year. Also, a sum of ₦1,847,276,333.55 was expended on salaries and allowances which represented 72.73% of the total expenditure for the year while ₦575,389,758.65 was expended on pensions of retirees which represented 22.66% of the total expenditure for the year while the sum of ₦14,810,000.00 expended on long term assets representing 0.58% of the total expenditure. This pattern of expenditure does not augur well for meaningful development of the Local Government.



(6) **DEBT PROFILE**

The total debt profile of the Local Government according to the General Purpose Financial Statement as at 31st December, 2021 was ₦204,887,714.52. The liabilities are highlighted below:

<u>ITEMS</u>	<u>AMOUNT ₦</u>
1. VAT	10,510,372.71
2. DEVELOPMENT LEVY	3,666,030.93
3. 5% WITHHOLDING TAX	5,838,323.76
4. PENSIONS	67,257,657.36
5. PAYABLES	954,800.00
6. PAYE	81,035,418.89
7. COOPERATIVE	26,587,423.45
8. OTHERS	<u>9,037,687.42</u>
TOTAL	<u>204,887,714.52</u>

It was observed that the above amount had been deducted from various contracts, salaries and allowances of workers and has not been remitted to the appropriate agencies/beneficiaries.

(6) **ADVANCES**

The sum of ₦1,680,585.08 advances balance in the Statement of Financial Position as at 31st December, 2021 was dormant during the year contrary to regulations.

(7) **INVESTMENT**

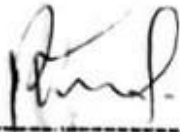
The sum of ₦730,000.00 stated as investment in the Statement of Financial Position could not be substantiated because the shares certificate was not produced for audit scrutiny and no evidence of the beneficial ownership such as dividend was presented on demand.

ODEDA 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.

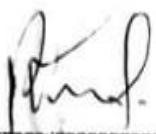
The Treasurer is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly record the use of all public financial resources by the Local Government. To the best of my knowledge,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



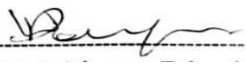
Treasurer

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 Odeda Local Government as at 31st December, 2021 and its operations for the year ended on the date.



Mr Rotimi Opeodu
Treasurer



Hon. (Mrs) Adeyemo Folasade
Chairman

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

	NOTES	2021	2020
CURRENT ASSET		₦	₦
CASH & CASH EQUIVALENTS	8	-9,626,490.61	-7,831,472.77
INVENTORIES		2,403,325.00	2,402,820.00
RECEIVABLES		1,095,000.00	2,776,500.00
PREPAYMENT			
ADVANCE		1,680,586.08	1,680,586.08
TOTAL CURRENT ASSET (A)		-4,447,579.53	-971,566.69
NON CURRENT ASSET			
PROPERTY PLANT & EQUIPMENT	10	315,463,617.40	325,312,673.27
INVESTMENT PROPERTY	11	155,883,926.30	154,449,625.10
BIOLOGICAL ASSET	12	2,850,000.00	2,850,000.00
INVESTMENT		730,000.00	730,000.00
LOAN GRANTED			
TOTAL NON CURRENT ASSET (B)		474,927,543.70	483,342,298.37
TOTAL ASSET (C=A+B)		470,479,964.17	482,370,731.68
CURRENT LIABILITY			
DEPOSIT			
LOAN & DEBT			
UNREMITTED DEDUCTIONS	9	203,932,914.52	157,033,641.52
ACCURED EXPENSES, PAYABLES		954,800.00	800,000.00
DEFERED INCOME			
CURRENT PORTION OF BORROWING			
TOTAL CURRENT LIABILITY (D)		204,887,714.52	157,833,641.52
NON CURRENT LIABILITY			
PUBLIC FUND			
BOROWING			
TOTAL NON CURRENT LIABILITY (E)		-	-
TOTAL LIABILITY (F=D+E)		204,887,714.52	157,833,641.52
NET ASSETS (G= C-F)		265,592,249.65	324,537,090.16
NET ASSET/EQUITY			
RESERVE			
ACCUMULATED SURPLUS/ DEFICIT		265,592,249.65	324,537,090.16
TOTAL NET ASSET/EQUITY		265,592,249.65	324,537,090.16

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

	NOTES	2021	2020
REVENUE		₦	₦
STATUTORY ALLOCATION	1	2,406,124,418.21	2,211,191,225.56
NON TAX REVENUE:	2	27,302,849.77	23,478,570.00
INVESTMENT INCOME			
INTEREST EARNED			
AIDS & GRANTS	3	18,000,000.00	16,700,000.00
OTHER REVENUE		13,850,719.00	3,959,150.06
TOTAL REVENUE (A)		2,465,277,986.98	2,255,328,945.62
EXPENDITURE			
SALARIES & WAGES	4	1,847,276,333.55	1,717,902,711.30
NON- REGULAR ALLOWANCE	5		-
SOCIAL BENEFIT	6	575,389,758.65	512,452,083.20
OVERHEAD COST	7	86,029,480.62	37,685,172.45
SUBVENTION TO PARASTALS		1,750,000.00	700,000.00
DEPRECIATION	10 & 11	14,579,041.93	15,052,541.93
GAIN/LOSS ON DISPOSAL ON ASSET			
TOTAL EXPENDITURE (B)		2,525,024,614.75	2,283,792,508.88
SURPLUS / DEFICIT (C=A-B)		-59,746,627.77	-28,463,563.26

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

	₦
Balance 1/1/2020	359,198,528.35
Prior Year Adjustment	- 6,197,874.93
Adjusted Balance	353,000,653.42
Surplus/ (deficit) for the year	-28,463,563.26
Balance 31/12/2020	324,537,090.16
Prior Year Adjustment	801,787.26
Adjusted Balance	325,338,877.42
Surplus/ (deficit) for the year	-59,746,627.77
Balance at 31 December 2021	265,592,249.65

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

CASH FLOWS FROM OPERATING ACTIVITIES	2021	2020
<u>INFLOWS</u>	₦	₦
STATUTORY ALLOCATION	2,408,124,418.21	2,209,191,225.56
LICENCES, FINES, ROYALTIES, FEES ETC	14,475,362.05	10,349,900.00
EARNINGS & SALES	11,719,888.00	8,142,820.00
RENT OF GOVERNMENT PROPERTIES	789,099.72	4,565,100.00
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL		
DOMESTIC AIDS & GRANTS	18,000,000.00	16,700,000.00
OTHER REVENUE	768,219.00	2,124,150.06
TOTAL INFLOW FROM OPERATING ACTIVITIES A	2,453,876,986.98	2,251,073,195.62
<u>OUTFLOW</u>		
PERSONNEL EMOLUMENTS	1,847,276,333.55	1,717,902,711.30
SOCIAL BENEFIT	575,389,758.65	512,452,083.20
OVERHEADS	85,675,185.62	37,685,172.45
SUBVENTION TO PARASTATALS	1,750,000.00	700,000.00
INTEREST PAYMENT		
TOTAL OUTFLOW FROM OPERATING ACTIVITIES B	2,510,091,277.82	2,268,739,966.95
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B	-56,214,290.84	-17,666,771.33
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
PURCHASE/ CONSTRUCTION OF ASSETS	-	-23,368,645.00
	14,810,000.00	
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE		92,000.00
PROCEED FROM SALE OF ASSETS	22,330,000.00	1,960,000.00
DIVIDEND RECEIVED		
NET CASH FLOW FROM INVESTING ACTIVITIES	7,520,000.00	-21,316,645.00
<u>CASH FLOW FROM FINANCIAL ACTIVITIES</u>		
DEPOSIT/ UNREMITTED DEDUCTIONS	46,899,273.00	33,855,370.17
PUBLIC FUND		
PROCEEDS FROM DOMESTIC LOANS & OTHER		
NET CASH FLOW FROM FINANCIAL ACTIVITIES	46,899,273.00	33,855,370.17
NET CASH FLOW FROM ALL ACTIVITIES	-1,795,017.84	-5,128,046.16
CASH & ITS EQUIVALENT AS AT 1/1/2021	-7,831,472.77	-2,703,426.61
CASH & ITS EQUIVALENT AS AT 31/12/2021	-9,626,490.61	-7,831,472.77

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

	<p>value of ₦100.00</p> <p>iii. An asset's carrying amount is written down immediately to its recoverable amount or recoverable service amount if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.</p>
10	<p>Disposal Gains or losses on the disposal of fixed assets are included in the income statement as either an income or expenses respectively.</p> <p>Impairment Entities shall test for impairments of its PPE where it suspects that impairment has occurred.</p>
11	<p>Investment Property These are cash-generating property owned by the Local Government. The cost, depreciation and impairment of Investment Property are same with PPE.</p>
12	<p>Unremitted Deductions</p> <p>a) Unremitted deductions are monies owed to third parties such as tax authorities, schemes and associations and other government agencies. These include tax deductions and other deductions at source.</p> <p>b) These amounts are stated as Current Liabilities in the Statement of Financial Position.</p>
13	<p>Payable/Accrued Expenses</p> <p>a) These are monies payable to third parties in respect of goods and services received</p> <p>b) Accrued Expenses for which payment is due in the next 12 months are classified as Current Liabilities. Where the payments are due beyond the next 12 months, they are accounted for as Non-Current Liabilities.</p>
14	<p>Current Portion of Borrowings This is the portion of the long-term loan/borrowing that is due for repayment within the next 12 months. This portion of the borrowings is classified under Current Liabilities in the Statement of Financial Position.</p>

NOTES TO THE GPFS FOR THE YEAR ENDED 31ST DECEMBER, 2021

**SHARE OF STATUTORY ALLOCATION
FROM JAAC**

1

₦

JANUARY	187,560,197.42
FEBUARY	195,856,458.30
MARCH	152,827,691.96
APRIL	232,142,879.39
MAY	195,996,374.42
JUNE	112,864,209.61
JULY	280,649,831.18
AUGUST	152,703,448.24
SEPTEMBER	196,697,775.79
OCTOBER	57,606,173.27
NOVEMBER	222,934,941.35
DECEMBER	418,284,437.28
TOTAL	2,406,124,418.21

2 NON-TAX REVENUE

LICENCES	6,159,840.00
FEES	8,256,522.05
FINES	377,500.00
EARNINGS	4,008,425.00
RENT OF GOVERNMENT PROPERTIES	789,099.72
SALES	7,711,463.00
TOTAL	27,302,849.77

3 AIDS & GRANTS

OGUN STATE GOVERNMENT	18,000,000.00
NON GOVERNMENT ORGANISATION	0.00
TOTAL	18,000,000.00

4 SALARIES & WAGES

LOCAL GOVERNMENT STAFF	422,371,646.35
PRIMARY SCHOOL TEACHERS	1,298,758,119.75
TRADITIONAL COUNCIL	100,504,068.20
POLITICAL FUNCTION	25,642,499.25
TOTAL	1,847,276,333.55

5 NON- REGULAR ALLOWANCE

LEAVE BONUS	
TOTAL	

6 SOCIAL BENEFIT

	GRATUITY	-
	PENSION	575,389,758.65
	TOTAL	575,389,758.65

7 OVERHEAD COST BY DEPARTMENT

	CHAIRMAN & COUNCIL	27,980,000.00
	HOLGA	465,000.00
	INTERNAL AUDIT	302,000.00
	ADMINSTRATIVE	19,849,619.65
	FINANCE	6,414,870.97
	INFORMATION	1,412,000.00
	P H C	3,014,800.00
	AGRIC	3,484,100.00
	WORKS	15,328,000.00
	PLANNING	1,890,500.00
	WES	2,516,000.00
	COMMUNITY	3,372,590.00
	TOTAL	86,029,480.62

8 CASH & CASH EQUIVALENTS

	CASH AT HAND	7,400.00
	CASH IN BANKS	9,619,090.61
	TOTAL	9,626,490.61

9 UNREMITTED DEDUCTIONS

1	VAT	10,510,372.71
2	DEVELOPMENT LEVY	3,666,030.93
3	5% WITHHOLDING TAX	5,838,323.76
4	PENSIONS	67,257,657.36
5	PAYE	81,035,418.89
6	COOPERATIVES	26,587,423.45
8	OTHERS	9,037,687.42
	Total	203,932,914.52

ODEDA LOCAL GOVERNMENT									
SCHEDULE OF PROPERTY, PLANT & BUILDING EQUIPMENT									
	LAND & BUILDING 2%	LAND	PLANT & MACHINERY 10%	TRANSPORTATION EQUIPMENT 20%	OFFICE EQUIPMENT 25%	FURNITURE & FITTINGS 20%	INFRASTRUCTURE 10%	TOTAL	
BAL AS AT 01/01/2021	299,713,210.00	600,000.00	25,995,000.00	11,690,000.00	1,848,383.33	930,500.00	9,808,500.00	350,585,593.33	
ADDITIONAL DURING THE YEAR			160,000.00	2,300,000.00			7,450,000.00	9,910,000.00	
LEGACY								0.00	
DISPOSAL DURING THE YEAR			(6,725,000.00)	(5,600,000.00)				(12,325,000.00)	
BAL. C/F	299,713,210.00	600,000.00	19,430,000.00	8,390,000.00	1,848,383.33	930,500.00	17,258,500.00	348,170,593.33	
ACCUMULATED DEPRECIATION									
BAL. AS AT 01/01/2021	12,137,128.40		5,265,000.00	5,296,000.00	591,691.66	401,700.00	1,581,400.00	25,272,920.06	
ADDITIONAL DURING THE YEAR	5,994,264.20		1,943,000.00	1,678,000.00	462,095.83	186,100.00	1,725,850.00	11,989,310.03	
DISPOSAL DURING THE YEAR			-	2,240,000.00				-	
ADJUSTMENT	148,600.00		(22,500.00)	(620,000.00)	-	24,800.00	58,850.00	947,754.16	
BAL. C/F	17,982,792.60	-	5,818,000.00	4,114,000.00	980,783.33	563,000.00	3,248,400.00	32,706,975.93	
AS AT 31/12/2021	281,730,417.40	600,000.00	13,612,000.00	4,276,000.00	867,600.00	367,500.00	14,010,100.00	315,463,617.40	
AS AT 31/12/2020	287,576,081.60	600,000.00	20,730,000.00	6,394,000.00	1,256,691.67	528,800.00	8,227,100.00	325,312,673.27	
ODEDA LOCAL GOVERNMENT									
INVESTMENT PROPERTY	LAND & BUILDING 2%	LAND						TOTAL	
BAL AS AT 01/01/2021	124,586,595.00	34,572,831.00						159,159,426.00	
ADDITIONAL DURING THE YEAR	4,900,000.00							4,900,000.00	
LEGACY								0.00	
DISPOSAL DURING THE YEAR	-	530,000.00						(530,000.00)	
BAL. C/F	129,486,595.00	34,042,831.00						163,529,426.00	
ACCUMULATED DEPRECIATION									
BAL. AS AT 01/01/2021	4,709,800.90							4,709,800.90	
ADDITIONAL DURING THE YEAR	2,589,731.90							2,589,731.90	
DISPOSAL DURING THE YEAR									
DIFFERENCE	345,966.90							345,966.90	
BAL. C/F	7,645,499.70	-						7,645,499.70	
AS AT 31/12/2021	121,841,095.30	34,042,831.00						155,883,926.30	
AS AT 31/12/2020	119,876,794.10	34,572,831.00						154,449,625.10	

The Executive Chairman,
Odeda Local Government,
Odeda.

AUDIT INSPECTION REPORT ON THE ACCOUNTS OF ODEDA LOCAL GOVERNMENT, ODEDA
FOR THE YEAR ENDED 31ST DECEMBER, 2021

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

2. AUDIT QUERIES

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

S/N	Query number	Subject	Amount (₦)
1.	OGLG/AQ/DED/203/2021	Non Deduction of Statutory Levy	960,000.00
2.	OGLG/AQ/DED/204/2021	Non Deduction of Statutory Levy	480,000.00

3. NON-DEDUCTION OF STATUTORY PAYMENT

Observation: It was observed that a sum of ₦960,000.00 was paid to Noble 'K Properties and Investments as commission for land sold on behalf of the Local Government in November, 2021 vide PV. No.44/November, 2021. A sum of ₦96,000.00 was expected to be paid to the Local Government coffer as 7.5% value Added Tax and 2.5% withholding tax which was not paid or deducted from the money.

Another was a sum of ₦48,000.00 not deducted from the sum of ₦480,000.00 paid to Elder Kuforiji T. O (Consultant on Land) on sale of land on behalf of the Local Government vide PV. No. 68/July, 2021 as 7.5% value Added Tax and 2.5% withholding tax.

4. BANK RECONCILIATION STATEMENTS

(i). Dormant Bank Accounts

Observation: A sum of Nine Hundred and Ninety-Four Thousand, Four Hundred and Thirty-Four Naira, Ninety-Four Kobo (₦994,434.94) only was the total balance on the twelve dormant bank accounts of the Local Government. These accounts had remained inactive overtime without being attended to. Despite the advice given to the Local Government in last Audit Inspection Report Nos. OGLG/DED/1/VOL.V/362 of 12th November, 2020, No. OGLG/DED/1/VOL.V/381 of 28th May, 2021 and No.OGLG/DED/1/VOL.V/402 of 17th November, 2021 to either close or activate her dormant bank accounts, the Local Government did not take to the advice of this Office. At the time of this audit exercise, the dormant bank accounts amounting to ₦994,434.94 still features in the bank reconciliation statement.

Also, it was observed that a sum of ₦11,342,734.85 in various bank accounts which has been dormant several years ago has not be attended to by the management of the Local Government. In the past years audit inspection reports, the Office advised the management of the Local Government to take up the issue with the Nigerian Deposit Insurance Commission (NDIC) because those dormant bank accounts in which the sum of ₦11,342,734.85 outstanding had been liquidated.

The total balance in the dormant bank accounts stands as ₦12,337,169.79 as at 31st December, 2021.

Details of the formant bank accounts are stated here below:

S/No	DETAILS	ACCOUNT NUMBER	AMOUNT (₦)
1.	POLARIS	1750015534	13,871.79
2.	WEMA	0122129696	2,693.02
3.	NEW IMAGE (MFB)	04	560,013.82
4.	BANK OF AGRIC	2128	2,329.87
5.	ECO BANK	000369990	90,719.96
6.	ECO BANK	23722215594	80,818.88
7.	FIRST BANK	2010958621	164,628.17
8.	POLARIS BANK (IGR)	4090291206	61,494.10
9	ZENITH BANK	1012977038	1,180.52
10.	WEMA	012127462	1,376.16
11.	KEYSTONE BANK	100127070	14,978.53
12.	WEMA	1018	330.12
	TOTAL		994,434.94
	DORMANT (Liquidated banks)		11,342,734.85
	GRAND TOTAL		12,337169.79

Recommendation: The Local Government is once again advised to either close or activate the dormant bank accounts in order to avoid unnecessary charges on them. Also, the issue of dormant accounts in the liquidated bank should be re-visited by approaching the Nigerian Deposit Insurance Commission (NDIC) for necessary action.

(i) Active/Inherited bank Accounts

Observation: The Local Government inherited from defunct, Ilugun LCDA a sum of ₦1,054,197.64 for Drug Revolving and General Services but the banks and accounts were not known to Auditor. Also, a sum of ₦820,245.46 was inherited from defunct Opeji LCDA on Wema bank Account No. 0122722860, 0122726947 and Access bank account No. 0094698083 as highlighted in the reconciliation statement as at 31st December, 2021. As at the time of this audit exercise, the Audit team could not verified the balances in the two bank accounts of the defunct LCDAs because the bank statements/bank certificate in respect of the accounts were not provided by the Treasurer.

Recommendation: In order to get the true position of the two bank accounts, the Treasurer should provide the bank statement/bank certificate for further necessary action within two (2) weeks from the date on this report.

(ii) Direct Credit and Overpayment

Observation: During the period under review, the direct credit of ₦102,940.00 and overpayment of ₦198,518.22 in the bank reconciliation statement had been written into the cashbook vide RV No.104/December 2021 and PV No.69/December, 2021 respectively by the External Auditor.

Recommendation: The Treasurer should always ensure that direct credit in the bank reconciliation statements are taking care in the cashbook while overpayment transactions be guided against.

5. REFUSAL OF REVENUE COLLECTORS (MR. SOBOWALE BOLAJI and MR. DOPAMU MUYIWA) TO REPORT FOR AUDIT CHECK

OBSERVATION: During the audit check, it was observed that Mr. Sobowale Bolaji (Pharmacy Technician, Happs 08) and Mr. Dopamu Muyiwa (Chief Clerical Officer GL.07) did not come for audit check exercise. They have in their possessions the following revenue receipts.

Mr. Sobowale Bolaji	Mr. Dopamu Muyiwa
GRR No. 56201-56250	GRR No. 052974-053000 Market receipt No. 091101-091500

Recommendation: The Treasurer should ensure that the duo of Messrs Mobolaji Sobowale and Dopamu Muyiwa are to appear in this Office with their revenue receipts and other documents for necessary audit check within one (1) week from the date on this report.

7. DECLINING IN THE REVENUE GENERATION

Observation:

(i). During the audit exercise, a visit was made to the Local Government Health centre, at Obantoko. The visitation revealed that the Xray machine and Scanning Machine in the health centre were no more functioning due to the death of the Xray Machine operator and because the scanning machine itself was outdated. Available accounting records revealed that in the past, the Xray machine had been a major source of revenue generation to the Local Government and since it has stopped functioning, the Council had been greatly affected.

The usefulness of the two Xray machines at the centres, Obantoko as revenue generation source and in providing health services cannot be over-emphasized.

The Local Government is advised to ensure that the two Xray machines are made to function while a good and reliable operator is employed. This will increase the internally generated revenue and also provide health services to the people.

(ii). Also on the revenue generation, it was observed that the management had taken the revenue generation at Kila and Olodo markets from the career Revenue Collector and contracted to a consultant.

Available records however revealed that the revenue generation had reduced substantially since it was taken away from the Local Government staff and given to a contractor.

When the career Revenue Collectors were in-charge, they usually generated between Twenty, Thirty to Forty Thousand but since it was taken away and given to a contractor, the revenue generation has reduced drastically to less than Twenty Thousand Naira per market days. During the Audit Team exit meeting with the management, the Executive Chairman

reiterated that the Local Government was just test running the efficacy of the consultant performance and that very soon necessary step shall be taken to correct the declining revenue performance.

Recommendation: The Local Government is advised to put necessary machinery in place in order to boost its revenue generation.

8. PERSONAL ADVANCE

Observation: I wish to refer to the last Audit Inspection Report No. OGLG/DED/I/Vol.V/381 of 28th May, 2021 where the management was instructed to recover the outstanding sum of ₦584,200.00 mismanaged by Mr Sowunmi Adegbeja Jubelo (Former Cashier) from his monthly salaries and allowances. The management was instructed to recover it through the Central Payment of Salary platform of the Local Government Service Commission.

It was observed that between January and December, 2021 the Treasurer did not deduct any amount from Mr Sowunmi's monthly salaries and allowances. It was at the instance of Audit team during the audit exercise in February, 2022 that Mr Sowunmi Jubelo was able to pay a sum of Five Thousand, Five Hundred Naira only vide RV No. 21/February, 2022 to the treasury. This implies that the Treasurer was lackadaisical to the directive of this Office in respect of the advance account. As at February, 2022 the advance ledger for Mr Sowunmi Adegboyega (former Cashier) stands at ₦578,700.00 only.

Recommendation: The Treasurer is once again advised to effect the deductions through the Central Payment Salary Section of the Local Government Service Commission on monthly basis.

9. LOCAL GOVERNMENT LANDED PROPERTY

Observation: During the period under reference, the Finance and General Purposes Committee held a meeting on the 8th July, 2021 where approval was given for sales of the Local Government's land to the Politicians, Career Officers and the Public at ₦400,000.00 and ₦800,000.00 per acre respectively.

Available records revealed that between January and December, 2021 the Local Government sold twenty acres and two (2) plots of lands at Eleweran and Gbonogun at ₦14,160,000.00 as contained in appendix "A" attached to this report.

The continuous sale of the Local Government land without informing this Office for necessary advice is against financial regulation and also not in the best interest of the Local Government.

Recommendation: The Local Government is advised to stop selling its land at Eleweran, Gbonogun and other places. The land encroached should be ascertained and to take necessary step(s) for their ratification.

The amount realized from the land sold during the year 2021 should be judiciously spent on project(s) that will generate revenue to the Local Government.

Also comprehensive details of all landed property that will reveal the initially acquired lands (plots/acres), locations, those sold and those encroached should be forwarded to this Office within two (2) weeks from the date on this report in order to keep track of them.

10. LOCAL GOVERNMENT STAFF QUARTERS

Observation: Despite repeated advice given by this Office in previous Audit Inspection Reports No. OGLG/DED/1/Vol. V/345 of 3rd July, 2020, OGLG/DED/1/Vol. V/362 of 12th November, 2020, OGLG/DED/1/Vol.V/381 of 28th May, 2021 and OGLG/DED/1/Vol.V/402 of 17th November, 2021 to rehabilitate the staff quarters, the Local Government had not made any significant efforts towards making the staff quarters attractive and habitable for staff use. At the time of audit inspection visit to the place, it was observed that the condition of the staff quarters was worst.

Recommendation: The management of the Local Government is advised to look outside the box towards the renovation of the staff quarters in order to provide accommodation for their staff and as well generate revenue on rent from the staff quarters.

11. LOCK UP SHOP AT ODEDA

Observation: Audit verification visits to Odeda market revealed that the shops were in deplorable conditions. The roofs of many of the lock up shops in the market had been blown off by storm while some of the walls were dilapidated. The notice of the management was drawn to the situation at the market during the exit meeting where the Executive Chairman told the Auditors that Hon. Daisi Elemide representing Odeda Local Government in the State House of Assembly have taken over the renovation of one of the lock up shops at the market.

Recommendation: The Local Government is advised to carry out necessary repairs of the lock up shops at Odeda markets and other places to attract rentage for revenue generation purpose.

12. OFFICIAL VEHICLES TAKEN AWAY WITHOUT PROPER DOCUMENTATION

Observation: It was observed that the Local Government vehicles attached to the Offices of former Transition Chairman and four (4) other honourable members were taken away by them without following due process. The taken away of the vehicles was against the circular letter No. OGLG/AUD/94/Vol. II/34 of 14th June, 2019 issued from this Office.

The list of the vehicles and the custodians are as follow:

S/NO	TYPE	MODEL	COST OF PURCHASE ₦	CUSTODIANS
1.	TOYOTA HIGHLANDERS	2004 MODEL	3,100,000.00	Hon. Semiu Bola Lawal (Chairman)
2.	HONDA ACCORD	2004 MODEL	300,000.00	Hon. Musiliu Akindele (Vice Chairman)
3.	TOYOTA CAMRY			Hon. Oyedina Adeboye (Secretary)
4.	NISSAN PRIMERA		100,000.00	Hon. Jamiu Adebare (Leader of the legislative)
5.	NISSAN PRIMERA		100,000.00	Hon. Sesan Somorin (Supervisor for Works)

During the exit meeting with the management, the Executive Chairman pleaded for the assistance of this Office and Ministry of the Local Governments and Chieftaincy Affairs to recover the vehicles from the politicians. Also she promised the Auditors to present the matter at the ALGON meeting for possible recovery or payment by the Politicians.

Recommendation: The Local Government is once again advice to take steps towards recovering of these vehicles from the Political Functionaries or make them pay for the vehicles so as not to lose sight of the vehicles.

13. OIL PALM PLANTATION

Observation: During the audit exercise, it was observed that the Local Government oil palm plantation at Ilugun has not been given much attention, the plantation has reached the gestation period but the fruits were not harvested and had been wasted.

Recommendation: In order to justify the amount spent on the project, the Local Government should endeavor to engage the services of those that can convert the fruits into palm oil immediately it is ripe thereby generating revenue from the venture.

14. PURCHASE OF ELECTROCARDIOGRAPH MACHINE AND ULTRA SOUND SCAN MACHINE

Observation: In the last audit inspection report No. OGLG/DED/I/Vol.V/381 of 28th May, 2021, it was highlighted that the equipment has not been put to use almost a year after purchase because the operator stopped work as a result of low wages. As at that time, the management promised to activate and ensure that the equipment are operated by a trained personnel.

At the time of this audit exercise, it was observed that the equipment were not in use, which implies that nothing was generated from the machines between October, 2021 till date after the demised of the operator.

Audit investigation, revealed that the operator of the electro cardiograph machine died last year October and since then no other person was engaged to operate the machine. The Executive Chairman said that the Commissioner of Health has removed part of the scanning machine with the intention of replacing it with modern part for effective functioning of the machine and also not to cause further injury to the patients. The part removed has not been replaced with modern one as at the time of this report.

It is disheartening to note that the Local Government committed a whopping sum of ₦1,530,000.00 to purchase the two machines in March, 2020 and have not been able to generate a substantial revenue from their operations up till now.

Recommendation: The Local Government is advised to either train some of its Health Workers or engage the services of trained Operators to handle the machines.

Also, efforts should be intensified to get the modern replacement part of the scanning machine from the Commissioner of Health. The two machines should be put to use in order to generate revenue.

15. **MISSING LEGISLATIVE TOYOTA HIACE BUS NO. LG 06 DED**

Observation: During the period under review, the missing legislative Toyota Hiace Bus remained as it was reported in the various previous audit inspection reports, Nos OGLG/DED/1/Vol. V/362 of 12th November, 2020, OGLG/DED/1/Vol. V/381 of 28th May, 2021 etc because the vehicles have not been recovered.

The advice given to the Local Government in the previous Audit Inspection Reports to recover the bus through the help of the Ministry of Justice, Ogun State was not adhered to.

Recommendation: The management is hereby advised again to seek for assistance of the Ministry of Justice, Ogun State to recover the vehicle from where it might be.

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

**RE: AUDIT INSPECTION ON THE ACCOUNTS OF ODEDA LOCAL GOVERNMENT,
ODEDA FOR THE YEAR ENDED 31ST DECEMBER, 2021**

I am directed to refer to your letter No. OGLG/DED/1/VOL./V/402 OF 6TH April, 2022 on the above subject and consequent upon the deliberations on same at the management meeting of this Local Government held on Tuesday, 24th May, 2022, the underlisted resolutions were made:

(I). DESTRUCTION OF EXHAUSTED RECEIPTS BOOKS

The Internal Auditor, Mrs Siwoku R.O. was mandated to list out the exhausted receipt books and forward same to the office of the Auditor General, as well inform the Auditor General on the agreed date for the exercise with the attendance of the representative of the Auditor General's office as witness.

(II) AUDIT QUERIES

The Audit Queries Numbers OGLG/AQ/DED/203/2021 and OGLG/AQ/DED/204/2021 were dispatched at meeting.

(III). CONTROL OVER CASH

The payments made as claimed by the two (2) former Local Council Development Area's (Ilugun and Opeji) Cashiers, the Internal Auditor could not lay hand on the records indicating those deposits into the Odeda Local Government accounts.

(IV). BANK RECONCILIATION STATEMENTS

(i). Dormant Bank Accounts:

The management resolved to approach the Nigeria Deposit Insurance Commission (NDIC). Also, the matter to be brought before the Finance and General Purposes Committee for necessary action.

(ii). Active/Inherited Bank Accounts

The management resolved to call attention of the two (2) Treasurers of the defunct Local Council Development Areas on the matter and to trace the Handing over notes submitted by the two Local council Development Areas to Odeda Local Government for fact funding's

The Treasurer Odeda Local Government Mr. Opeodu Rotimi was mandated by the management to visit the Wema Bank and Access Bank to verify the three (3) Accounts

(iii). Direct Credit and Overpayment

The observation was noted by the management.

(V). NON DEDUCTIONS OF STATUTORY PAYMENT

The Treasurer has commenced the deduction of statutory payments whenever necessary.

(VI). REFUSAL OF REVENUE COLLECTORS

(Mr. Sobowale Bolaji and Dopamu Muyiwa) to report for Audit check.

The management was reliably informed that Mr. Dopamu Muyiwa has been presented for the Audit check at the Local Government Audit

Mr. Sobowale Bolaji was invited to the meeting and was instructed to report at the Local Government Audit on Thursday, 26th May, 2022 for the Audit check.

(VII). DECLINING IN THE REVENUE GENERATION

TWO (2) X-RAY MACHINES.

(i). The observation was noted by the management.

(ii). Revenue Generation at Kila and Olodo Markets.

The observation was noted by the management.

(VIII) PERSONAL ADVANCE

The management mandated the Treasurer, Mr. Opeodu Rotimi to write the Local Government Service Commission, with the attention of the central IPPMS in respect of Mr. Sowunmi Adegboyega Jubelo (Former Cashier) for deductions from the Officer's monthly salary and Abeokuta North Local Government which is the Officer's present place of work be copied.

(IX) LOCAL GOVERNMENT LANDED PROPERTY

The management resolved to make inventory of the Local Government landed property in following order.

- (i) Existing lands
- (ii) Initially Acquired Land
- (iii) Sold Lands
- (iv) Encroached Lands.

(X). LOCAL GOVERNMENT STAFF QUARTERS

The management resolved to refer the matter to Finance and General Purpose Committee for necessary action.

(XI) LOCK UP SHOP AT ODEDA.

Hon. Elemide Oludaisi has completed the renovation of part of open stalls at Odeda.

The management resolved that the matter of the Lock up shops at Odeda be referred to Finance and General Purposes Committee.

(XII) OFFICIAL VEHICLES TAKEN AWAY WITHOUT PROPER DOCUMENTATION.

The Executive Chairman at the Exit meeting with the External Audit team sought the assistance of the Auditor General for the recovery of the official vehicles taken away without proper documentation.

(XIII) OIL PALM PLANTATION

The management resolved that the Local Government should engage the services of interested member of the public or private investor.

Also, it was resolved that the matter be referred to the Finance and General Purposes Committee.

(XIV). PURCHASE OF ELECTRO CARDIOGRAPH MACHINE AND ULTRA SOUND SCAN MACHINE.

The management resolved that the matter be referred to Finance and General Purposes Committee for necessary action

(XV). MISSING LEGISLATIVE TOYOTA HIACE BUS NO. 06 DED.

The management resolved that the matter be referred to Finance and General Purposes Committee for necessary action.

Many thanks.


O. A Adeniji (Miss)
Head of Local Government Administration.
For: Executive Chairman.