

OGUN STATE GOVERNMENT, NIGERIA

STATUTORY REPORT

AND

DOMESTIC REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

ON THE ACCOUNTS

OF

ODEDA LOCAL GOVERNMENT

FOR THE YEAR ENDED 31ST DECEMBER, 2022

TABLE OF CONTENT

(1)	Table of Content	2
(2)	Acknowledgement	3
(3)	Audit Certificate	4
(4)	Statement of Opinion of the Auditor-General	5-6
(5)	Statutory Report	7-9
(6)	Responsibility Statement	10
(7)	Statement of Financial Position	11
(8)	Statement of Financial Performance	12
(9)	Statement of Changes in Net Assets/Equity	12
(10)	Cash Flow Statement	13
(11)	Accounting Policy	14-15
(12)	Notes to the Financial Statement	16-18
(13)	Audit Inspection Report	19-23
(14)	Management Letter	24-25

ACKNOWLEDGEMENT

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

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

I cannot but appreciate the favourable disposition of the immediate past Head of Service Dr Nafiu Aigoro and the current Head of Service Mr Kolawole Peter Fagbohun for their regular support towards keeping this Office afloat.

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

Thank you and God bless you all.



L. A. Mulero (CNA)
Auditor-General for Local Governments,
Ogun State.
23rd June, 2023.



OFFICE OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

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

AUDIT CERTIFICATE

I have examined the accounts of Odeda Local Government for the year ended 31st December, 2022 in accordance with the provisions of Section 123 of Decree Number 12 of 1989 and 315 (1) of the 1999 Constitution of the Federal Republic of Nigeria and Sections 135-145 of Ogun State Local Government Law 2006 and auditing standards issued by International Organisation of Supreme Audit Institution (INTOSAI). I have obtained all information and explanations that I require for my Audit.

In my opinion, the Financial Statements give a true and fair view of the state of affairs of the Local Government as at 31st December, 2022 subject to the observations in the inspection reports.

L. A. Mulero (CNA)
Auditor-General for Local Governments,
Ogun State.
23rd June, 2023.

STATEMENT OF OPINION OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF ODEDA LOCAL GOVERNMENT FOR THE YEAR ENDED 31ST DECEMBER, 2022

The accounts of Odeda Local Government for the year ended 31st December, 2022 have been examined in accordance with the provisions of Section 123 of Decree Number 12 of 1989 and 315 (1) of the 1999 Constitution of the Federal Republic of Nigeria and Sections 135-145 of Ogun State Local Government Law 2006 and auditing standards issued by International Organisation of Supreme Audit Institution (INTOSAI). I have obtained all information and explanations that I require for my Audit.

RESPONSIBILITY STATEMENT

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

THE SCOPE OF THE AUDIT

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

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

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

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

OPINION

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



L. A. Mulero (CNA)

Auditor-General for Local Governments

Ogun State.

23rd June, 2023.

**STATUTORY REPORT OF THE AUDITOR-GENERAL FOR LOCAL
GOVERNMENTS ON THE ACCOUNTS OF ODEDA LOCAL GOVERNMENT,
ODEDA FOR THE YEAR ENDED 31ST DECEMBER, 2022**

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, 2022 have been audited. The General Purpose Financial Statement was prepared by the management of the Local Government and is therefore responsible for the contents and information contained therein. The Financial Statement was prepared under the International Public Sector Accounting Standards (IPSAS) Accrual Basis as applicable to the Public Sector. The audit was conducted in accordance with Generally Accepted Auditing Standards.

In our opinion, subject to our observations, the General Purpose Financial Statement presented to Audit reflects a true and fair view of the financial activities of the Local Government for the year under review.

(2) STATE OF THE BOOKS OF ACCOUNTS AND RECORDS

Bank reconciliation statement was not properly prepared and not reviewed. Assets register was not maintained.

(3) FINANCIAL REVIEW:

REVENUE	AMOUNT (₦)
Internally Generated Revenue	55,996,690.29
Statutory Allocation	2,905,208,678.64
Aids and Grants	<u>21,466,666.66</u>
Total	<u>2,982,672,035.59</u>
 <u>EXPENDITURE</u>	
Salaries and Allowances	2,121,807,140.02
Pension	711,778,206.54
Overhead Expenses (including Depreciation & Loss on Disposal of Assets)	125,336,619.81
Long Term Assets	<u>20,776,875.00</u>
Total	<u>2,979,698,841.37</u>

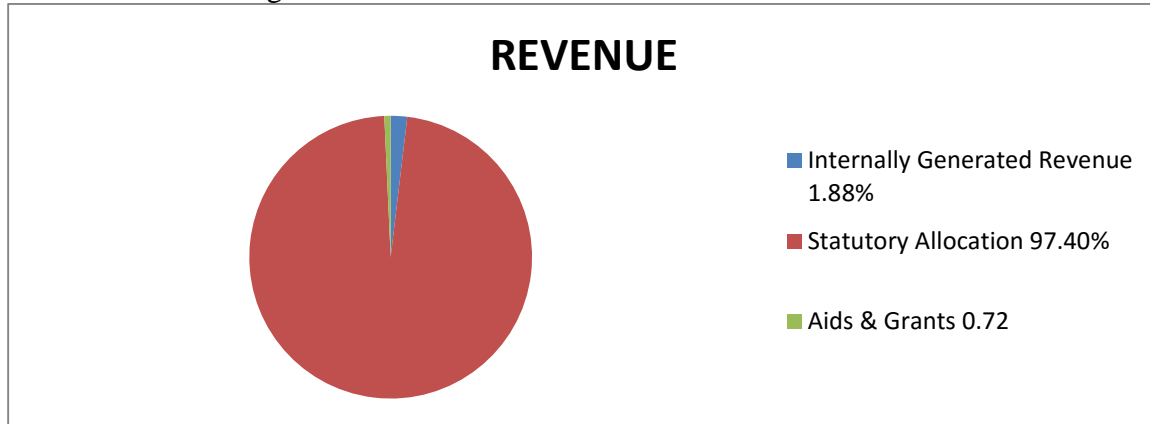
(4) REVENUE PERFORMANCE:

(i) STATEMENT OF ACTUAL REVENUE

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦135,985,000.00 a sum of ₦55,996,690.29 only was actually generated and this represent 41.18% of the budget. There is an increase of 36.07% in revenue when compared with the sum of ₦41,153,568.77 generated in year 2021. While this revenue performance is impressive, it however does not represent the revenue potentials of the Local Government. There are still leakages which has not been identified and blocked.

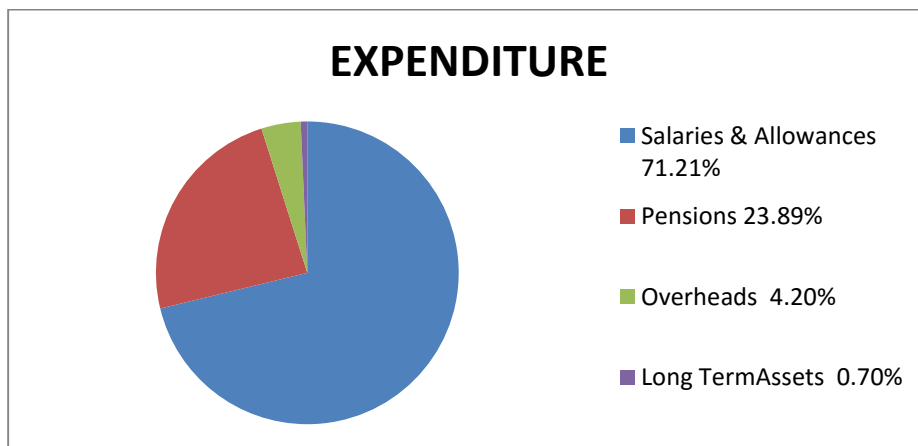
(ii) **PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE**

The Audit exercise revealed that out of the total revenue of ₦2,982,672,035.59 realized by the Local Government during the year under review, a sum of ₦55,996,690.29 only was generated internally. This represented 1.88% of the total revenue while the sum of ₦2,905,208,678.64 statutory allocation and ₦21,466,666.66 aids and grant received from Ogun State Government represented 97.40% and 0.72% respectively. The implication of this is that without Revenue Allocation from the Federation Accounts, the Local Government might not be able to meet her obligations.



(5) **EXPENDITURE PATTERN**

During the period under review, examination of the expenditure profile of the Local Government revealed a total expenditure of ₦2,979,698,841.37. Out of this, a sum of ₦125,336,619.81 was expended on overhead which represented 4.20% of the total expenditure for the year. Also, a sum of ₦2,121,807,140.02 was expended on salaries and allowances which represented 71.21% of the total expenditure for the year while ₦711,778,206.54 was expended on pensions of retirees which represented 23.89% of the total expenditure for the year while the sum of ₦20,776,875.00 expended on long term assets representing 0.70% 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, 2022 was ₦195,404,240.42. 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	74,763,385.14
5. PAYABLES	1,033,500.00
6. PAYE	62,861,943.81
7. COOPERATIVE	26,587,423.45
8. OTHERS	<u>10,143,260.62</u>
TOTAL	<u>195,404,240.42</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 ₦1,675,086.08 advances balance in the Statement of Financial Position as at 31st December, 2022 was dormant during the year contrary to regulations.

(7) **INVESTMENT**

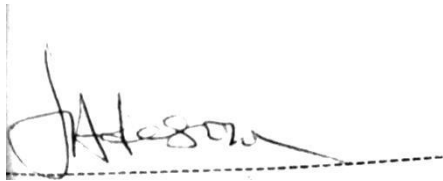
The sum of ₦730,000.00 stated as investment in the Statement of Financial Position could not be substantiated because the shares certificate was not produced for audit scrutiny and no evidence of the beneficial ownership such as dividend was presented on demand.

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.

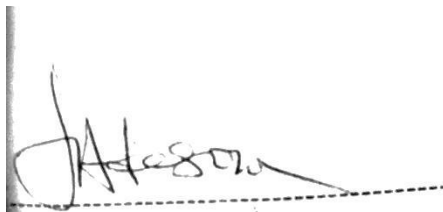
The Treasurer is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly record the use of all public financial resources by the Local Government. To the best of my knowledge,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



Treasurer

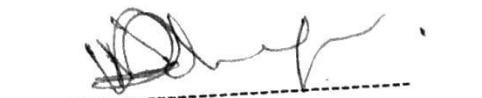
We accept responsibility for the integrity of these financial statements, the information they contain and their compliance with the Finance (Control and Management) Act Cap 144 LFN 1990 as amended.

In our opinion, these financial statements fairly reflect the financial position of Odeda Local Government as at 31st December, 2022 and its operations for the year ended on the date.



Mr Adesoye Tajudeen

Treasurer
Date 06/03/2023



Hon. (Mrs) Adeyemo Folasade
Chairman
Date 06/03/2023

ODEDA LOCAL GOVERNMENT
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2022

	NOTES	2022	2021
CURRENT ASSET		₱	₱
CASH & CASH EQUIVALENTS	10	-3,588,854.56	-9,626,490.61
INVENTORIES		1,894,036.00	2,403,325.00
RECEIVABLES		725,000.00	1,095,000.00
PREPAYMENT			
ADVANCE		1,675,086.08	1,680,586.08
TOTAL CURRENT ASSET (A)		705,267.52	-4,447,579.53
NON CURRENT ASSET			
PROPERTY PLANT & EQUIPMENT	8	312,124,097.37	315,463,617.40
INVESTMENT PROPERTY	9	168,337,194.40	155,883,926.30
BIOLOGICAL ASSET		2,850,000.00	2,850,000.00
INVESTMENT		730,000.00	730,000.00
LOAN GRANTED			
TOTAL NON CURRENT ASSET (B)		484,041,291.77	474,927,543.70
TOTAL ASSET (C=A+B)		484,746,559.29	470,479,964.17
CURRENT LIABILITY			
DEPOSIT			
LOAN & DEBT			
UNREMITTED DEDUCTIONS	11	194,370,740.42	203,932,914.52
ACCURED EXPENSES, PAYABLES		1,033,500.00	954,800.00
DEFERED INCOME			
CURRENT PORTION OF BORROWING			
TOTAL CURRENT LIABILITY (D)		195,404,240.42	204,887,714.52
NON CURRENT LIABILITY			
PUBLIC FUND			
BOROWING			
TOTAL NON CURRENT LIABILITY (E)		-	-
TOTAL LIABILITY (F=(D+E))		195,404,240.42	204,887,714.52
NET ASSETS (G= C-F)		289,342,318.87	265,592,249.65
NET ASSET/EQUITY			
RESERVE			
ACCUMULATED SURPLUS/ DEFICIT		289,342,318.87	265,592,249.65
TOTAL NET ASSET/EQUITY		289,342,318.87	265,592,249.65

ODEDA LOCAL GOVERNMENT
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2022

	NOTES	2022	2021
REVENUE		₦	₦
STATUTORY ALLOCATION	1	2,905,208,678.64	2,406,124,418.21
NON TAX REVENUE:	2	36,203,006.50	27,302,849.77
INVESTMENT INCOME			
INTEREST EARNED			
GAIN/LOSS ON DISPOSAL ON ASSET		1,193,000.00	
AIDS & GRANTS	3	21,466,666.66	18,000,000.00
OTHER REVENUE		18,600,683.79	13,850,719.00
TOTAL REVENUE (A)		2,982,672,035.59	2,465,277,986.98
EXPENDITURE			
SALARIES & WAGES	4	2,121,807,140.02	1,847,276,333.55
NON- REGULAR ALLOWANCE	5		
SOCIAL BENEFIT	6	711,778,206.54	575,389,758.65
OVERHEAD COST	7	105,736,815.88	86,029,480.62
SUBVENTION TO PARASTALS		3,268,677.00	1,750,000.00
DEPRECIATION	8 & 9	16,331,126.93	14,579,041.93
GAIN/LOSS ON DISPOSAL ON ASSET			
TOTAL EXPENDITURE (B)		2,958,921,966.37	2,525,024,614.75
SURPLUS / DEFICIT (C=A-B)		23,750,069.22	-59,746,627.77

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

	₦
Balance 1/1/2021	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 31/12/2021	265,592,249.65
Prior Year Adjustment	
Adjusted Balance	265,592,249.65
Surplus/ (deficit) for the year	23,750,069.22
Balance at 31 December 2022	289,342,318.87

ODEDA LOCAL GOVERNMENT
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	2022	2021
INFLOWS	₦	₦
STATUTORY ALLOCATION	2,905,208,678.64	2,408,124,418.21
LICENCES, FINES, ROYALTIES, FEES ETC	25,956,950.00	14,475,362.05
EARNINGS & SALES	9,795,056.50	11,719,888.00
RENT OF GOVERNMENT PROPERTIES	821,000.00	789,099.72
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL		
DOMESTIC AIDS & GRANTS	16,466,666.66	18,000,000.00
OTHER REVENUE	18,600,683.79	768,219.00
TOTAL INFLOW FROM OPERATING ACTIVITIES (A)	2,976,849,035.59	2,453,876,986.98
OUTFLOW		
PERSONNEL EMOLUMENTS	2,121,807,140.02	1,847,276,333.55
SOCIAL BENEFIT	711,778,206.54	575,389,758.65
OVERHEADS	105,148,826.88	85,675,185.62
SUBVENTION TO PARASTATALS	3,268,677.00	1,750,000.00
INTEREST PAYMENT		
TOTAL OUTFLOW FROM OPERATING ACTIVITIES (B)	2,942,002,850.44	2,510,091,277.82
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B	34,846,185.15	-56,214,290.84
CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE/ CONSTRUCTION OF ASSETS	-	-
	20,776,875.00	14,810,000.00
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE	5,500.00	
PROCEED FROM SALE OF ASSETS	1,525,000.00	22,330,000.00
DEFERRED INCOME		
DIVIDEND RECEIVED		
NET CASH FLOW FROM INVESTING ACTIVITIES	-19,246,375.00	7,520,000.00
CASH FLOW FROM FINANCIAL ACTIVITIES		
DEPOSIT/ UNREMITTED DEDUCTIONS	-9,562,174.10	46,899,273.00
PUBLIC FUND		
PROCEEDS FROM DOMESTIC LOANS & OTHER		
NET CASH FLOW FROM FINANCIAL ACTIVITIES	-9,562,174.10	46,899,273.00
NET CASH FLOW FROM ALL ACTIVITIES	6,037,636.05	-1,795,017.84
CASH & ITS EQUIVALENT AS AT 1/1/2022	-9,626,490.61	-7,831,472.77
CASH & ITS EQUIVALENT AS AT 31/12/2022	-3,588,854.56	-9,626,490.61

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>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, 2022**

**SHARE OF STATUTORY ALLOCATION
FROM JAAC**

1		₦
	JANUARY	203,819,080.18
	FEBUARY	218,914,368.95
	MARCH	212,339,513.36
	APRIL	224,536,785.68
	MAY	219,635,890.80
	JUNE	220,306,401.29
	JULY	226,005,253.99
	AUGUST	250,774,326.67
	SEPTEMBER	244,695,069.36
	OCTOBER	395,634,941.51
	NOVEMBER	245,265,814.30
	DECEMBER	243,281,232.55
	TOTAL	2,905,208,678.64

2 NON-TAX REVENUE

	LICENCES	11,121,500.00
	FEES	14,022,950.00
	FINES	442,500.00
	EARNINGS	6,351,940.00
	RENT OF GOVERNMENT PROPERTIES	821,000.00
	SALES	3,443,116.50
	TOTAL	36,203,006.50

3 AIDS & GRANTS

	OGUN STATE GOVERNMENT	21,466,666.66
	NON GOVERNMENT ORGANISATION	0.00
	TOTAL	21,466,666.66

4 SALARIES & WAGES

	LOCAL GOVERNMENT STAFF	413,455,301.46
	PRIMARY SCHOOL TEACHERS	1,490,671,713.27
	TRADITIONAL COUNCIL	154,215,408.78
	POLITICAL FUNCTIONARIES	63,464,716.51
	TOTAL	2,121,807,140.02

5 NON- REGULAR ALLOWANCE

	LEAVE BONUS	
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	TOTAL	
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6 SOCIAL BENEFIT

	GRATUITY	
	PENSION	711,778,206.54
	TOTAL	711,778,206.54

7 OVERHEAD COST BY DEPARTMENT

	CHAIRMAN & COUNCIL	39,051,000.00
	HOLGA	320,000.00
	INTERNAL AUDIT	394,000.00
	ADMINISTRATIVE	30,564,407.32
	FINANCE	5,626,538.53
	INFORMATION	999,000.00
	P H C	5,325,820.03
	AGRIC	1,168,000.00
	WORKS	13,884,000.00
	PLANNING	2,866,200.00
	WES	937,500.00
	COMMUNITY	4,600,350.00
	TOTAL	105,736,815.88

10 CASH & CASH EQUIVALENTS

	CASH AT HAND	80,875.00
	CASH IN BANKS	3,669,729.56
	TOTAL	3,588,854.56

11 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	74,763,385.14
5	PAYE	62,861,943.81
6	COOPERATIVES	26,587,423.45
7	OTHERS	10,143,260.62
	Total	194,370,740.42

NOTE 8 ODEDA 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 01/01/2022	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
ADDITIONAL DURING THE YEAR	1,290,500.00			5,000,000.00	520,000.00	606,375.00	3,010,000.00	10,426,875.00
LEGACY								0.00
DISPOSAL DURING THE YEAR			(150,000.00)	(590,000.00)				(740,000.00)
BAL. C/F	301,003,710.00	600,000.00	19,280,000.00	12,800,000.00	2,368,383.33	1,536,875.00	20,268,500.00	357,857,468.33
ACCUMULATED DEPRECIATION								
BAL. AS AT 01/01/2022	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
ADDITIONAL DURING THE YEAR	6,020,074.20		1,928,000.00	2,560,000.00	592,095.83	307,375.00	2,026,850.00	13,434,395.03
DISPOSAL DURING THE YEAR			-	354,000.00				-
ADJUSTMENT								-
BAL. C/F	24,002,866.80	-	7,692,000.00	6,320,000.00	1,572,879.16	870,375.00	5,275,250.00	45,733,370.96
AS AT 31/12/2022	277,000,843.20	600,000.00	11,588,000.00	6,480,000.00	795,504.17	666,500.00	14,993,250.00	312,124,097.37
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

NOTE 9 ODEDA LOCAL GOVERNMENT

INVESTMENT PROPERTY	LAND & BUILDING 2%	LAND	TOTAL
BAL AS AT 01/01/2022	129,486,595.00	34,042,831.00	163,529,426.00
ADDITIONAL DURING THE YEAR	15,350,000.00		15,350,000.00
LEGACY			0.00
DISPOSAL DURING THE YEAR			-
BAL. C/F	144,836,595.00	34,042,831.00	178,879,426.00
ACCUMULATED DEPRECIATION			
BAL. AS AT 01/01/2022	7,645,499.70		7,645,499.70
ADDITIONAL DURING THE YEAR	2,896,731.90		2,896,731.90
DISPOSAL DURING THE YEAR			
DIFFERENCE			-
BAL. C/F	10,542,231.60	-	10,542,231.60
AS AT 31/12/2022	134,294,363.40	34,042,831.00	168,337,194.40
AS AT 31/12/2021	121,841,095.30	34,042,831.00	155,883,926.30

The Executive Chairman,
Odeda Local Government,
Odeda.

AUDIT INSPECTION REPORT ON THE ACCOUNTS OF ODEDA LOCAL GOVERNMENT, ODEDA FOR THE YEAR ENDED 31ST DECEMBER 2022.

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

2. AUDIT QUERIES

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

S/N	Query Number	Subject	Amount ₦
1.	OGLG/AQ/DED/205/2022	Unreceipted Expenditure	50,000.00
2.	OGLG/AQ/DED/206/2022	Doubtful Expenditure	100,000.00
3.	OGLG/AQ/DED/207/2022	Unreceipted Expenditure	62,500.00
4.	OGLG/AQ/DED/208/2022	Payment without Voucher	35,761,399.26
5.	OGLG/AQ/DED/209/2022	Non-Recovery of Advances	578,700.00
6.	OGLG/AQ/DED/210/2022	Failure to recover Uncredited lodgment.	1,495,137.23

3. BANK RECONCILIATION STATEMENT

I wish to refer again to paragraph 5 of audit inspection reports No. OGLG/DED/1/VOL.V/402 of 6th April, 2022 and paragraph 3 OGLG/DED/1/VOL.V/427 of 8th September, 2022. It was observed that your Council did not attend to the under listed issues raised in those reports.

i. DORMANT BANK ACCOUNT

Observation: I wish to refer to the previous audit inspection reports No. OGLG/DED/1/VOL.V/02 of 6th April, 2022 and OGLG/DED/1/VOL.V/427 of 8th September, 2022 in which the management of the Local Government was advised to either close or activate its dormant bank accounts in order to avoid unnecessary charges on them. Again, at the time of this audit exercise, it was disheartening to observe that the Local Government did not take any step in this regard. The dormant accounts of a sum of ₦994,434.94 and a sum of ₦11,343,734.85 in various liquidated banks several years ago are still in the statement and not attended to by the Local

Government as advised by this Office. The total amount of ₦12,337,169.79 involved in the dormant bank accounts is a huge amount which the Local Government should not overlook.

Recommendation: The Local Government is once again advised to either close or re-activate these dormant bank accounts to avoid unnecessary charges on them.

ii. **INHERITED BANK ACCOUNTS**

Observation: Also, in the last audit inspection report, the former treasurer, Mr. Rotimi Opeodu was advised to provide the bank statement/bank certificate for drug revolving and general service accounts of defunct Ilugun and Opeji LCDAs. It was also highlighted in the report that a sum of ₦1,054,197.64 was in the Drug Revolving Accounts No 0122722860 of the defunct Ilugun LCDA and a sum of ₦820,245.46 in defunct Opeji LCDA account No 0122726947 of Wema bank and Access bank account No. 0094698083. At the time of this audit exercise, the bank statement/bank certificate in respect of the accounts has not yet been collected and provided for audit inspection. On asking the present treasurer, Mr. Adesoye T about his efforts to implement the advice of the Auditor-General in the last audit inspection report, he said that he was just resuming duty and not yet lay his hand on the report. He promised to carry out investigation on the accounts and do the needful on them.

Recommendation: The present treasurer, Mr. Adesoye Tajudeen is hereby advised to ensure that the bank statement/bank certificate quoted above are forwarded to this office as soon as possible for audit scrutiny.

iii. **DIRECT DEBIT**

Observation: During the period under review, it was observed that a sum of ₦35,761,399.26 was reflected as payment made without payment vouchers. This is contrary to the provisions of Chapter 14:3 of Model Financial Memoranda for Local Governments which requires that each payment must be supported by a properly authorized payment voucher. The excuse of the Treasurer that these was caused by transactions in the Access Bank account is untenable. It only reflects the failure of both the Treasurer and the Internal Auditor to review the bank reconciliation statement prepared and investigate issues from them as required by regulations. For example, Chapter 19:29 of MFM states that the Treasurer shall be personally responsible for checking the monthly bank reconciliation statement and must ensure that no bank reconciliation statement is submitted which has unexplained balance or words. Chapter 19:30 requires that the treasurer shall report to the Executive Committee where any item from a previous bank reconciliation statement has still not been cleared at the time of preparation of the latest bank reconciliation statement. The Treasurer's report shall clearly indicate the action which has been taken to clear the outstanding item. It appears from our review of the bank reconciliation statements that the Treasurer did not check the statements as

required because there were lots of wrong figures and balances in addition to so many unexplained items.

Recommendation: The Treasurer and the Internal Auditor are required to pay attention to regulations relating to the performance of their job.

iv. **UNCREDITED LODGEMENT**

Observation: During the period under review, it was observed that a sum of ₦1,495,137.23 was carried as lodgments to the Local Government bank accounts that were not credited over many months. This is an indication that the treasurer and Internal Auditor are not performing their duties on safeguarding funds in the bank as required by Chapter 19:30 of MFM that the treasurer shall report to the Executive Committee where any item from a previous bank reconciliation statement has still not been cleared at the time of preparation of the latest bank reconciliation statement. The Treasurer's report shall clearly indicate the action which has been taken to clear the outstanding item. There was no report by the Treasurer on this imminent loss of Government fund as required.

Recommendation: The Treasurer and the Internal Auditor are required to pay attention to regulations relating to the performance of their job.

4. **PERSONAL ADVANCE**

Observation: I wish to refer to paragraph 9 of audit inspection No OGLG/DED/1/VOL.V/402 of 6th April, 2022 and paragraph 4 of the last audit inspection report No OGLG/DED/1/VOL.V/427 of 8th September, 2022 on the personal advance opened for Mr. Sowunmi Adegboyega Jubelo (Former Cashier) for cash misappropriated. The reports noted that the former Treasurers of the Local Government Mr. Olurotimi Opeodu and Mr. Majiyagbe M. both refused to effect deduction of the advance from the salaries of Mr. Sowunmi Adegboyega Jubelo despite the advice of the Auditor-General. It is sad to note that the advance balance of ₦578,700.00 remained the same during the current audit from the last audit exercise. This is a violation of the provisions of Chapter 16:12 of Model Financial Memoranda for Local Governments which requires that personal advances must be repaid in regular monthly instalment deducted at source from monthly salary payment. Chapter 39:3(c)(1) also spells out the sanction for non-recovery of advances which includes recovery or surcharge against defaulting officer.

Recommendation: The Local Government is advised to ensure that the treasurer starts the monthly deduction from the salaries and allowances of Mr. Sowunmi A. J. on regular monthly basis through Central Salary Platform.

5. **OPEN STALL AT ODEDA MARKET**

Observation: I wish to refer to paragraph 6 of last Audit Inspection Report No OGLG/DED/1/VOL.V/427 of 8th September, 2022 where it was reported that the open-stalls in

Odeda market 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.

During the audit exercise just concluded, it was observed that the Local Government had rehabilitated 20 Lock-up shops as advised by the Auditor-General. This is commendable but there are still a number of shops still needing attention.

Recommendation: The Local Government is once again advised to carry out necessary repairs on the remaining open stalls at Odeda market and other places for revenue generation purpose while boosting economic activities.

6. OFFICIAL VEHICLES TAKEN AWAY WITHOUT PROPER DOCUMENTATION

Observation: I wish to refer to last Audit Inspection Report of paragraph 7, OGLG/DED/1/VOL.V/427 dated 8th September 2022, where it was observed that the Local Government vehicles attached to the Offices of former Transition Chairman and four (4) other honorable members were taken away by them without following due process. It is sad to note during the recently concluded audit exercise that your Local Government has not done anything to recover the vehicles taken away without due process and thereby stripping the Local Government of operational vehicles.

The list of the vehicles and those that took them away are as follow:

S/N	TYPE	MODEL	COST OF PURCHASE	CUSTODIAN
1	TOYOTA HIGHLANDER	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 Adebore (Leader of the Legislative)
5	NISSAN PRIMERA		100,000.00	Hon. Sesan Somorin (Supervisor for Works)

Recommendation: The Local Government management is once again advised to take steps toward recovering these vehicles from the Political functionaries.

7. COSTRUCTION OF LOCK-UP SHOPS AT KILA MARKET

Observation: During the examination of payment vouchers, it was observed that a sum of Eleven Million Four Hundred and Fifty Thousand Naira (₦11,450,000.00) only was approved to construct twenty (20) lock-up shops at Kila Market in Odeda Local Government while a sum of ₦11,000,000.00 was released vide PV No 33 and 34/Dec. 2022. The sum of ₦450,000.00 only is yet to be

released for the project however, the job is about ninety percent completion. It was observed during the audit visit to the project site that;

- (i) floor slab was not done and the floor screened bed was also yet to be done
- (ii) the painting of the shops was yet to be done and
- (iii) the electrical work was yet to be done

It would appear from the foregoing that the sum of ₦450,000.00 yet to be released from the amount approved cannot complete the job yet to be done on the project.

Recommendation: The management of the Local Government is hereby advised to ensure that all that is required to be done as approved should be done on time to improve on the economic activities of that area while also improving on the internally generated revenue of the Local Government.

8. INTERNAL CONTROL/STATE OF RECORD

Observation: During the current audit exercise, it was observed that there were breaches of internal control procedure spelt out in the regulations. Some of the weaknesses observed are:

- (i) Failure to properly maintain required accounting records such as the asset register
- (ii) Failure of the Treasurer and the Internal Auditor to check the cashbook as required by Chapter 19:34, 3:1:10 & 31:10(1) of MFM
- (iii) There was inadequate supervision/monitoring of work done by the staff

Recommendation: The treasurer and Internal Auditor are enjoined to live up to expectations as far as maintenance of sound internal control is concerned.

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

**RE: AUDIT INSPECTION REPORT ON THE ACCOUNTS OF ODEDA LOCAL GOVERNMENT,
ODEDA FOR THE PERIOD 1ST JANUARY TO 31ST DECEMBER, 2022**

At the Management meeting held on Thursday, 9th March, 2023, the External Auditors from the Local Government Audit were invited for an Exit Meeting with the Principal Career Officers of this Local Government. All the issues raised by the Audit Team were addressed and noted for action.

Reference to letter No. OGLG/DED/1/Vol.V/434 of 7th June, 2023 from Auditor-General's office, I wish to comment on the action(s) already taken by the Management of this Local Government as indicated below:

1. **AUDIT QUERIES:**

The Audit Queries received had been dispatched to affected officers for their prompt action(s). Two (2) Audit Queries issued to Mr. Isiaq Yusuf has been replied and submitted to the Treasurer while advance copies have been forwarded to the Local Government Audit on Friday, 16th June, 2023.

2. **BANK RECONCILIATION:**

i) **DORMANT BANK ACCOUNT:**

Effort is being made to activate all dormant account as observed by your office.

ii) **INHERITED BANK ACCOUNTS:**

Appropriate action has been taken by writing concerned Banks for necessary action to be taken.

iii) **DIRECT DEBIT:**

It was observed that most of the Direct Debit was from Access Bank. The Accountant has been directed to investigate and put up appropriate Payment Voucher to clear all the Direct Debit.

iv) **UNCREDITED LODGEMENT:**

All concerned officers have been reported to the Head of Local Government Administration to submit all Uncredited Lodgement Tellers to the Finance and Supply Department for further necessary investigation.

3. **PERSONAL ADVANCE:**

The Head of Local Government Administration has been informed to give directive to write the Local Government Service Commission IPPMS office for direct deduction from the salary of Mr. Sowunmi Adegboyega Jubelo (Former Cashier) on monthly basis, as he has been transferred to Abeokuta South Local Government.

4. **OPEN STALL AT ODEDA MARKET:**

The Management has been informed on your observations for necessary action.

5. **OFFICIAL VEHICLES TAKEN AWAY WITHOUT PROPER DOCUMENTATION:**


Letters had been written to the office of the Auditor-General for Local Governments and Ministry of Local Government and Chieftaincy Affairs to assist in the recovery of the official vehicles but no response from their end.

6. **CONSTRUCTION OF LOCK-UP SHOPS AT KILA MARKET:**

The balance money has been released to the Engineer and the Lock-Up Shops has been completed and commissioned.

7. **INTERNAL CONTROL/STATE OF RECORD:**

All observations on the Internal Control and State of Record has been duly noted for improvement.


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