

OGUN STATE GOVERNMENT, NIGERIA

STATUTORY REPORT

AND

DOMESTIC REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

ON THE ACCOUNTS

OF

ODOGBOLU 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 Odogbolu 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 ODOGBOLU LOCAL GOVERNMENT FOR THE YEAR ENDED 31ST DECEMBER, 2021

The accounts of Odogbolu 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 ODOGBOLU LOCAL GOVERNMENT, ODOGBOLU FOR THE YEAR ENDED 31ST DECEMBER, 2021

In compliance 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, the accounts of Odogbolu Local Government, Odogbolu 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 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**

It was observed that asset register was not kept.

(3) **FINANCIAL REVIEW:**

REVENUE	AMOUNT (₦)
Independent Revenue	36,894,535.23
Statutory Allocation	1,707,427,972.71
Aids and Grants	<u>22,019,550.00</u>
Total	<u>1,766,342,057.94</u>
EXPENDITURE	
Salaries & Allowance	1,279,090,964.63
Pensions	444,144,840.22
Overhead Expenses	82,492,405.66
Long Term Asset	<u>18,090,000.00</u>
Total	<u>1,823,818,210.51</u>

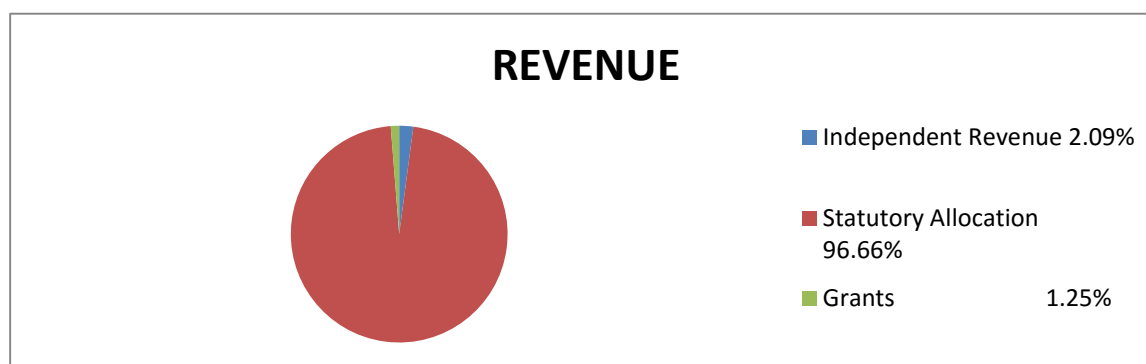
(4) **REVENUE PERFORMANCE:**

(i) **STATEMENT OF ACTUAL REVENUE**

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦30,047,000.00, a sum of ₦36,894,535.23 only was actually generated internally representing 122.73% of the budget. This represents an increase of 61.09% when compared with the sum of ₦22,903,241.65 generated in year 2020. Nevertheless, this does not represent the revenue potential of the Local Government.

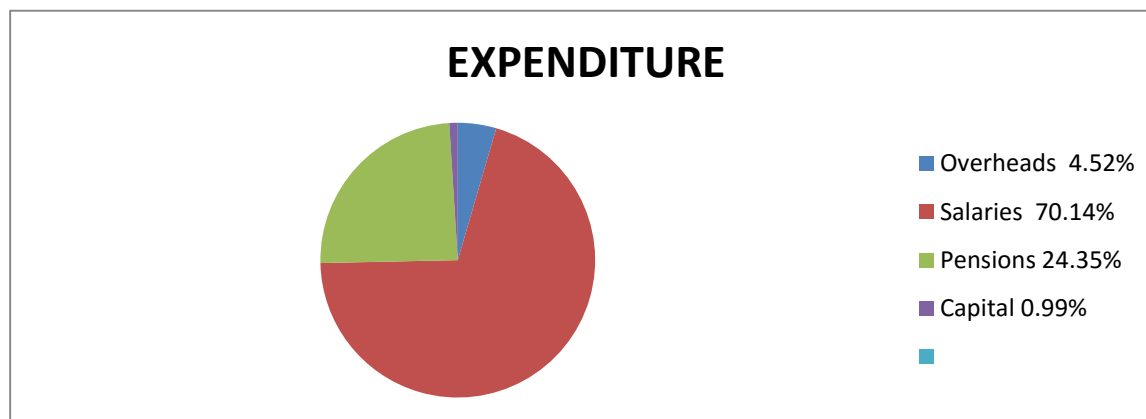
(ii) **PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE**

The Audit exercise revealed that out of the revenue of ₦1,766,342,057.94 realized by the Local Government during the year under review, a sum of ₦36,894,535.23 only was generated internally. This represented 2.09% of the total revenue while the sum of ₦1,707,427,972.71 statutory allocation and ₦22,019,550.00 aids and grant received from the State Joint Account Allocation Committee represented 96.66% and 1.25% 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 a total expenditure of ₦1,823,818,210.51. Out of this, a sum of ₦82,492,405.66 was expended on overhead which represented 4.52% of the total expenditure for the year. Also, a sum of ₦1,279,090,964.63 was expended on salaries and allowances which represented 70.14% of the expenditure for the year while ₦444,144,840.22 was paid to pensioners representing 24.35% of total expenditure. The sum of ₦18,090,000.00 was expended on long term assets and this represented 0.99% of the expenditure for the year. The pattern of expenditure does not augur well for meaningful development in the Local Government.



(6) DEBT PROFILE

The total debt profile of the Local Government according to the Statement of Financial Position as at 31st December, 2021 was ₦154,070,939.01. The liabilities are highlighted below:

S/NO	ITEMS	AMOUNT (₦)
1	5% VAT	5,981,368.07
2	5% WITHOLDING TAX	3,817,135.25
3	5% DEVELOPMENT LEVY	2,857,820.07
4	PENSION FUND	38,380,572.33
5	PAYE	82,934,306.01
6	Cooperative	4,158,963.59
7	NHF	2,821,445.82
6	PAYABLES	6,029,800.00
7	OTHERS	<u>7,089,727.87</u>
Total		<u>154,070,939.01</u>

(7) REVIEW OF STATEMENT OF FINANCIAL POSITION

(i) INVESTMENTS

The sum of ₦565,375.00 shown in the Statement of Financial Position as at 31st December, 2021 could not be verified because the share certificate was not produced on demand for audit scrutiny, also evidence of beneficial ownership such as dividends were not seen.

(ii) ADVANCES


The sum of ₦1,763,057.86 highlighted in the Statement of Financial Position as the Advances figure was dormant during the year contrary to regulations.

ODOGBOLU 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.

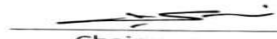
The Treasurer is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly record the use of all public financial resources by the Local Government. To the best of my knowledge,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


Treasurer
16-02-2022
Date

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


Treasurer
16-02-2022
Date


Chairman
16-02-2022
Date

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

	NOTES	2021	2020
CURRENT ASSET		₦	₦
CASH & CASH EQUIVALENTS	8	15,063,975.17	10,369,895.20
INVENTORIES		4,000,567.00	1,084,175.00
RECEIVABLES		979,400.00	4,327,000.00
PREPAYMENT			
ADVANCE		1,763,057.86	1,763,057.86
TOTAL CURRENT ASSET (A)		21,807,000.03	17,544,128.06
NON CURRENT ASSET			
PROPERTY PLANT & EQUIPMENT	10	284,215,256.14	278,546,186.48
INVESTMENT PROPERTY	11	257,073,129.04	256,935,791.36
BIOLOGICAL ASSET		1,800,000.00	1,800,000.00
INVESTMENT		565,375.00	565,375.00
LOAN GRANTED			
TOTAL NON CURRENT ASSET (B)		543,653,760.18	537,847,352.84
TOTAL ASSET (C=A+B)		565,460,760.21	555,391,480.90
CURRENT LIABILITY			
DEPOSIT			
LOAN & DEBT			
UNREMITTED DEDUCTIONS	9	148,041,139.01	102,272,417.13
ACCURED EXPENSES, PAYABLES		6,029,800.00	2,300,000.00
DEFERED INCOME			
CURRENT PORTION OF BORROWING			
TOTAL CURRENT LIABILITY (D)		154,070,939.01	104,572,417.13
NON CURRENT LIABILITY			
PUBLIC FUND		2,022,562.28	2,022,562.28
BORROWING			
TOTAL NON CURRENT LIABILITY (E)		2,022,562.28	2,022,562.28
TOTAL LIABILITY (F=D+E)		156,093,501.29	106,594,979.41
NET ASSETS (G= C-F)		409,367,258.92	448,796,501.49
NET ASSET/EQUITY			
RESERVE			
ACCUMULATED SURPLUS/ DEFICIT		409,367,258.92	448,796,501.49
TOTAL NET ASSET/EQUITY		409,367,258.92	448,796,501.49

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

	NOTES	2021	2020
REVENUE		₦	₦
STATUTORY ALLOCATION	1	1,707,427,972.71	1,589,017,714.61
NON TAX REVENUE:	2	27,847,076.46	20,794,941.13
INVESTMENT INCOME			
INTEREST EARNED		52.1	
AIDS & GRANTS	3	22,019,550.00	10,800,000.00
OTHER REVENUE		9,047,406.67	2,108,300.52
TOTAL REVENUE (A)		1,766,342,057.94	1,622,720,956.26
EXPENDITURE			
SALARIES & WAGES	4	1,279,090,964.63	1,175,660,035.36
NON- REGULAR ALLOWANCE	5		-
SOCIAL BENEFIT	6	444,144,840.22	420,878,818.00
OVERHEAD COST	7	65,342,353.00	38,395,825.01
SUBVENTION TO PARASTALS		950,000.00	1,000,000.00
DEPRECIATION	10 & 11	13,864,972.66	13,526,610.16
GAIN/LOSS ON DISPOSAL ON ASSET		2,335,080.00	
TOTAL EXPENDITURE (B)		1,805,728,210.51	1,649,461,288.53
SURPLUS / DEFICIT (C=A-B)		-39,386,152.57	-26,740,332.27

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

	₦
Balance 1/1/2020	476,789,131.84
Prior Year Adjustment	- 1,252,298.08
Adjusted Balance	475,536,833.76
Surplus/ (deficit) for the year	-26,740,332.27
Balance 31/12/2020	448,796,501.49
Prior Year Adjustment	-43,090.00
Adjusted Balance	448,753,411.49
Surplus/ (deficit) for the year	-39,386,152.57
Balance at 31 December 2021	409,367,258.92

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

CASH FLOWS FROM OPERATING ACTIVITIES	2021	2020
<u>INFLOWS</u>	₦	₦
STATUTORY ALLOCATION	1,709,427,972.71	1,587,017,714.61
LICENCES, FINES, ROYALTIES, FEES ETC	20,265,958.46	15,554,350.00
EARNINGS & SALES	8,597,218.00	2,962,791.13
RENT OF GOVERNMENT PROPERTIES	436,500.00	385,800.00
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL	52.10	
DOMESTIC AIDS & GRANTS	18,000,000.00	10,800,000.00
OTHER REVENUE	8,942,406.67	2,108,300.52
TOTAL INFLOW FROM OPERATING ACTIVITIES A	1,765,670,107.94	1,618,828,956.26
<u>OUTFLOW</u>		
PERSONNEL EMOLUMENTS	1,279,090,964.63	1,175,660,035.36
SOCIAL BENEFIT	444,144,840.22	420,878,818.00
OVERHEADS	64,573,945.00	34,851,634.01
SUBVENTION TO PARASTATALS	950,000.00	1,000,000.00
INTEREST PAYMENT		
TOTAL OUTFLOW FROM OPERATING ACTIVITIES B	1,788,759,749.85	1,632,390,487.37
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B	-23,089,641.91	-13,561,531.11
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
PURCHASE/ CONSTRUCTION OF ASSETS	- 18,090,000.00	- 11,020,000.00
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE		- 126,150.00
PROCEED FROM SALE OF ASSETS	105,000.00	
DIVIDEND RECEIVED		
NET CASH FLOW FROM INVESTING ACTIVITIES	-17,985,000.00	-11,146,150.00
<u>CASH FLOW FROM FINANCIAL ACTIVITIES</u>		
DEPOSIT/ UNREMITTED DEDUCTIONS	45,768,721.88	25,626,005.95
PUBLIC FUND		
PROCEEDS FROM DOMESTIC LOANS & OTHER		
NET CASH FLOW FROM FINANCIAL ACTIVITIES	45,768,721.88	25,626,005.95
NET CASH FLOW FROM ALL ACTIVITIES	4,694,079.97	918,324.84
CASH & ITS EQUIVALENT AS AT 1/1/2021	10,369,895.20	9,451,570.36
CASH & ITS EQUIVALENT AS AT 31/12/2021	15,063,975.17	10,369,895.20

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, 2021

1	SHARE OF STATUTORY ALLOCATION FROM JAAC	₦
	JANUARY	133,545,219.12
	FEBRUARY	139,920,439.73
	MARCH	102,274,075.92
	APRIL	96,952,420.24
	MAY	185,638,611.42
	JUNE	66,817,900.53
	JULY	219,425,939.15
	AUGUST	105,238,507.45
	SEPTEMBER	140,924,369.04
	OCTOBER	55,094,578.67
	NOVEMBER	166,913,085.03
	DECEMBER	294,682,826.41
	TOTAL	1,707,427,972.71

2 NON-TAX REVENUE

	LICENCES	4,262,500.00
	FEES	14,550,858.46
	EARNINGS	5,236,715.00
	RENT OF GOVERNMENT PROPERTIES	436,500.00
	SALES	3,360,503.00
	TOTAL	27,847,076.46

3 AIDS & GRANTS

	OGUN STATE GOVERNMENT	18,000,000.00
	NON GOVERNMENT ORGANISATION	4,019,550.00
	TOTAL	22,019,550.00

4 SALARIES & WAGES

	LOCAL GOVERNMENT STAFF	406,876,340.30
	PRIMARY SCHOOL TEACHERS	735,392,342.85
	TRADITIONAL COUNCIL	100,504,010.95
	POLITICAL FUNCTION	36,318,270.53
	TOTAL	1,279,090,964.63

5 NON- REGULAR ALLOWANCE

	LEAVE BONUS	
	TOTAL	

6 SOCIAL BENEFIT

	GRATUITY	-
	PENSION	444,144,840.22
	TOTAL	444,144,840.22

7 OVERHEAD COST BY DEPARTMENT

	CHAIRMAN & COUNCIL	29,400,000.00
	HOLGA	847,000.00
	INTERNAL AUDIT	956,000.00
	ADMINISTRATIVE	14,845,778.79
	FINANCE	6,195,874.21
	INFORMATION	1,032,000.00
	P H C	4,883,000.00
	AGRIC	366,000.00
	WORKS	2,829,700.00
	PLANNING	1,379,000.00
	WES	1,773,000.00
	COMMUNITY	835,000.00
	TOTAL	65,342,353.00

8 CASH & CASH EQUIVALENTS

	CASH AT HAND	8,565.06
	CASH IN BANKS	15,055,410.11
	TOTAL	15,063,975.17

9 UNREMITTED DEDUCTIONS

1	PENSION	38,380,572.33
2	NULGE	1,666,097.27
3	PAYE	82,934,306.01
4	5% DEVELOPMENT LEVY	2,857,820.67
5	COOPERATIVE	4,158,763.59
6	5% VAT	5,981,368.07
7	NHF	2,821,445.82
8	5% WHT	3,817,135.25
9	OTHERS	5,423,630.00
	Total	148,041,139.01

ODOGBOLU 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 01/01/2021	262,810,301.00	-	14,107,958.48	13,877,513.88	218,300.00	1,887,900.00	6,532,882.00	299,434,855.36
ADDITIONAL DURING THE YEAR	13,000,000.00		300,000.00	1,000,000.00	1,538,250.00	1,616,300.00	1,500,000.00	18,954,550.00
LEGACY								0.00
DISPOSAL DURING THE YEAR				(2,456,800.00)		1,600,000.00		(4,066,800.00)
BAL. C/F	275,810,301.00	-	14,407,958.48	12,410,713.88	1,756,550.00	1,904,200.00	8,032,882.00	314,322,605.36
ACCUMULATED DEPREGATION								
BAL. AS AT 01/01/2021	10,362,412.04		2,799,591.69	5,551,005.55	163,725.00	712,070.00	1,299,864.60	20,888,668.88
ADDITIONAL DURING THE YEAR	5,256,206.02		1,440,795.85	2,482,142.78	439,037.50	380,840.00	803,288.20	10,802,310.34
DISPOSAL DURING THE YEAR				(986,720.00)		596,910.00		-
BAL. C/F	15,618,618.06	-	4,240,387.54	7,046,428.33	602,762.50	496,000.00	2,103,152.80	30,107,349.22
AS AT 31/12/2021	260,191,682.94	-	10,167,570.94	5,364,285.55	1,153,787.50	1,408,200.00	5,929,729.20	284,215,256.14
AS AT 31/12/2020	252,447,888.96	-	11,308,366.79	8,326,508.33	54,575.00	1,175,830.00	5,233,017.40	278,546,186.48

ODOGBOLU LOCAL GOVERNMENT

INVESTMENT PROPERTY	LAND & BUILDING 2%	LAND	TOTAL
BAL AS AT 01/01/2021	149,933,116.00	113,000,000.00	262,933,116.00
ADDITIONAL DURING THE YEAR	3,200,000.00		3,200,000.00
LEGACY			0.00
DISPOSAL DURING THE YEAR			-
BAL. C/F	153,133,116.00	113,000,000.00	266,133,116.00
ACCUMULATED DEPREGATION			
BAL. AS AT 01/01/2021	5,997,324.64		5,997,324.64
ADDITIONAL DURING THE YEAR	3,062,662.32		3,062,662.32
DISPOSAL DURING THE YEAR			
BAL. C/F	9,059,986.96	-	9,059,986.96
AS AT 31/12/2021	144,073,129.04	113,000,000.00	257,073,129.04
AS AT 31/12/2020	143,935,791.36	113,000,000.00	256,935,791.36

The Executive Chairman,
Odogbolu Local Government,
Odogbolu.

**AUDIT INSPECTION REPORT ON THE ACCOUNTS OF ODOGBOLU LOCAL
GOVERNMENT, ODOGBOLU FOR THE PERIOD 1ST JANUARY TO 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 law. Please ensure quick response to the queries.

S/N	QUERY NUMBER	SUBJECT	AMOUNT ₦
1	OGLG/AQ/DGB/135/2021	Unreasonable Expenditure	100,000.00
2	OGLG/AQ/ DGB/136/2021	Nugatory Payment	350,000.00
3	OGLG/AQ/ DGB/137/2021	Refusal to Appoint a Board Of Enquiry on the Theft of Local Government Automated Poultry Cages.	

3. **BANK RECONCILIATION STATEMENTS**

OBSERVATION: The bank reconciliation statements of the Local Government for the period of 1st January, 2021 to 31st December, 2021 were examined where the followings were observed.

DORMANT BANK BALANCE

Audit examination of the Bank Reconciliation Statement for the period under review, revealed that your Local Government currently has a total of Twenty-Three (23) Bank accounts, out of which only Six (6) were active while the remaining Seventeen (17) bank accounts had remained dormant for over two years. It is worrisome to observe that in this dispensation of single treasury account, your Local Government still maintain twenty-three bank accounts out of which 75% are inactive. Managing these accounts will be tasking and the supposedly dormant account can be put to wrong uses.

RECOMMENDATION: From the foregoing and in line with current best practice, your Local Government is strongly advised to close all dormant accounts without delay.

4. ABANDONED PROJECT.

OBSERVATION: It was observed during the examination of F&GPC minutes book that an approval of a sum of Thirteen Million Naira (₦13,000,000.00) VAT inclusive was granted by the Ministry of Local Government and Chieftaincy Affairs for the construction of a maternity centre at Ikoto, while available records revealed that all the approved money for the construction has been released to Engr. Afolabi Mabayoje the Director Works & Housing.

Audit Team verification visit to the project site in September, 2021 during the first half year audit exercise revealed that the project was about 75% completed. During the recent audit visit to the project site, it was observed that the project was not attended to since the last audit visit in September, 2021. On interrogation, Engineer Afolabi Mabayoje (former Director Works & Housing) Odogbolu Local Government explained that the project commenced in June, 2021 with an existing structure at window level. He further explained that the rate at which cost of building materials increased between the time of preparing the B.O.Q in March, 2021 and the time of commencement of the project in June, 2021 was the main reason why the money approved for the completion of the project was not sufficient.

He added that he made a request for variation on the project which was referred to Finance and General Purpose Committee (F&GPC) for consideration but this did not see the light of the day. At the moment, the hospital building cannot be put to use unless it is completed.

RECOMMENDATION: The Local Government is hereby advice to seek for approval of the variation for the completion of the Maternity Centre from the Ogun State Government so that the resources already invested would not be wasted.

5. UN-MAINTAINED PLANTAIN PLANTATION

OBSERVATION: It was reported in the last half year report No. OGLG/DGB/1/VOL.II/209 dated 7th February, 2022 that your Local Government has a plantain plantation worth One Million, Eight Hundred Thousand Naira (₦ 1,800,000.00) as highlighted in the GPFS. It was also raised in the report that the farm had been overgrown with weeds and had therefore stopped producing fruits

During the recent Audit verification visit to the Plantain Plantation, nothing appears to have been done to revive the plantain plantation to save Governments investment in it. As things stands, the Local Government is likely to lose the plantain plantation to ineptitude and care free attitude of officials. It is pertinent to note that a plantain plantation is successfully maintained by an individual beside the Local Government's ill-maintained farm. It is worrisome to note that the Local Government can afford to pay salaries and allowances of Agricultural Department but

could not maintain a plantain plantation of less than an acre which would require about a month's salary of the Agriculture Department staff.

RECOMMENDATION: You are advised to take all measures necessary to reclaim your plantain plantation from eminent loss and inform this Office of actions taken.

6. DONATED ITEMS OF PROPERTY PLANT AND EQUIPMENT (PPE) BY HON. KOLAPO KOREDE NOT INCLUDED IN YEAR 2021 GENERAL PURPOSE FINANCIAL STATEMENT(GPFS)

OBSERVATION: It was observed during the audit visit to some health centres within the Local Government that some items of property plant and equipment amounting to ₦4,019,550.00 released by Hon. Kolapo Korede member, House of Representatives' constituency project were not recorded in the asset register. Also, a Tri-cycle Ambulance donated by Ogun State Government was found at Ososa Health Centre but not recorded in the asset register. We gathered from officials of the Local Government that they did not record these assets in the asset register because they felt that it was not their property. Consequent on this, the assets were not included in year 2021 financial statement of the Local Government.

It should be noted that items donated to the Local Government automatically becomes her property immediately it is handed over to her and should be treated as such. However, at the instance of the Audit Team, all the items donated were recorded in the asset register and included in year 2021 General Purpose Financial Statement (GPFS) to reflect the true position of the Local Government's assets.

RECOMMENDATION: The Local Government is advised to always regard all assets donated to her as her assets and record such items in appropriate accounting records like fixed asset register. In addition, such donated assets should be included in the assets reported in the financial statement.

7. TOYOTA HILLUX PICK-UP VAN DONATED TO ODOGBOLU LOCAL GOVERNMENT

OBSERVATION: It was gathered during the statutory audit of year 2021 account of your local government that a Toyota Hillux Pick-up van was donated to you. The vehicle is being used by the Executive Chairman of the local Government. It was observed that the Toyota Hillux Van was not recorded to the asset register neither was it properly documented in the files.

RECOMMENDATION: You are required to properly document the donated Toyota Hillux Van and to also include it in the accounting records.

8. **THEFT OF LOCAL GOVERNMENT AUTOMATED POULTRY CAGES NOT REPORTED TO THE POLICE.**

OBSERVATION: It was reported in the last half year report No OGLG/DGB/1/VOL.II/209 dated 7th February, 2022 that your poultry was burgled in the month of August, 2021 and that the two Poultry pens with Automated Cages capable of rearing 2,500-3,000 birds were carted. Further Audit investigation however revealed that no report was made to the Nigeria Police by the Local Government contrary to the provisions of Chapter 8:2 of Model Financial Memoranda (MFM). In addition, the Internal Auditor failed to report the theft in the Internal Audit Report and the Local Government did not set up a panel of enquiry to investigate the theft as required by Chapter 8:3 and 8:6 of MFM. This Office advised your Local Government to put all machinery in motion to unravel the disappearance of the automated poultry cages.

RECOMMENDATION: During the just concluded audit assignment it was sad to observe that the Local Government has done nothing about the theft of the of Local Government Poultry Cages and also failed to follow the laid down procedure in the Model Financial Memoranda for Local Government (MFM) Chapter 8:2, 8:3 and 8:6.

9. **OIL PALM PLANTATION**

OBSERVATION: It was reported in the last Audit report that the Oil Palm Plantation at Ala which was given out to Lenient Company to manage and harvest its fruit for an annual payment of ₦70,000.00 to the Local Government Treasury and that the annual payment is in arrears for two (2) years. It was stressed in the report that the plantation needed serious pruning to be fully productive.

During the recent audit visit to the plantation, the situation of the plantation is still the same, available record also shows that Lenient Company is now owing a total sum of Two Hundred and Ten Thousand Naira (₦210,000.00) three years arrears.

RECOMMENDATION: You are advised to terminate the contract on the management of the Local Government oil plantation but recover the arrears of ₦210,000.00 involved and inform this Office accordingly.

10. **REVENUE ON OKADA UNIFORM NOT REMMITTED TO THE TREASURY**

OBSERVATION: This appears to be the fifth successive Audit Inspection Report to your Local Government on Okada Union representative that collected Okada uniforms from the Local Government for sale to their members but refused to remit the sum of Two Hundred and Fifty Thousand (₦250,000.00) being proceed from the sale of the uniforms to the treasury).

It was observed that nothing has been done to this issue as there was no evidence of any remittance in the Local Government cashbook. The details are analyzed below.

S/N	NAMES OF COLLECTORS	NUMBER OF THE UNIFORMS COLLECTED	AMOUNT PER UNIFORM ₦	AMOUNT PAID ₦	OUTSTANDING ₦
1	Ojisope Adetola	50	1,000.00		50,000.00
2	Jimoh Ibrahim	50	1,000.00	10,000.00	40,000.00
3	Oluwole Akinbode	50	1,000.00		50,000.00
4	Tanimowo Sesan	50	1,000.00		50,000.00
5	Tanimowo Sesan	50	1,000.00		50,000.00
	TOTAL				250,000.00

RECOMMENDATION: You are enjoined to investigate this imminent loss and inform this office appropriately.

You are to please note that your response to this report as well as the half years report earlier sent to you should reach this Office not later than two weeks from the date on this report.

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

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

Please refer to your letter OGLG/DGB/1/VOL,II/218, dated 29th April, 2022 in respect of the mentioned items, kindly see below, the comments of the management with reference to your earlier directives (OGLG/AUD/94/VOL. III/76 dated 2nd August 2021.

2. DESTRUCTION OF EXHAUSTED RECEIPT BOOKS:

The Local Government will inform the office of the Auditor General about all Audited receipts booklets prior to 31st December, 2021 for destruction, except those relating to losses that have not been granted.

3 AUDIT QUERIES:

Queries OGLG/AQ/DGB/135-137/2021 (2 in nos) believed to have been received by those addressed while (1) No OGLG/AQ/DGB/137/2021 dated 29th April, 2022 has also been dispatched for further actions to your office.

4. CONTROL OVER CASH:

The Officer in charge (Cashier) has always complied with the stated rules and guidelines.

5 BANK RECONCILIATION STATEMENTS:

As previously observed, the management had directed the Director of Finance to write the affected banks, in which he already complied with, however the banks are yet to produced the bank balances. The management has directed that the Finance Committee Members of the Local Government should pay an official visits to the respective banks in order to effect the directives.

6. ABANDONED PROJECT:

This Administration has set full machinery in motion to complete the Maternity Health Centre at Ikoto by seeking for approval of the Variation quoted by the Engineer of the Local Government from the Ministry of Local Government and Chieftaincy Affairs so that the resources already invested would not be wasted.

7. **UNMAINTAINED PLANTAIN PLANTATION**

From the available reports from the department of Agricultural and Natural Resources Department, the Plantain farm had been moribund since year 2012, i.e. about ten (10) years ago, which has turned the place full with overgrown weeds, coupled with the death of the Late Poultry Attendant, Mr. Akilo Olusegun, who was reported to have cleared some part for domestic usage in his life time.

The Management is already planning on how to fully put the land into usage in the interest of the Local Government.

8. **DONATED ITEMS OF PROPERTY PLANT AND EQUIPMENT (PPE) BY HON. KOLAPO KOREDE (NOT INCLUDED IN YEAR 2021 GENERAL PURPOSE FINANCIAL STATEMENT (GPF))**

The present Management wishes to express its appreciation of this laudable step taken by the Audit Team Inspection to assist the Local Government to include all the mentioned items donated into the Asset Register in the year 2021 General Purpose Financial Statement (GPF) in order to reflect the true position of the Local Government Assets. The observation is noted for further compliance.

9. **TOYOTA HILLUX PICKUP VAN DONATED TO ODOGBOLU LOCAL GOVERNMENT**

No official information at our disposal.

10. **THEFT OF LOCAL GOVERNMENT AUTOMATED POULTRY CAGES NOT REPORTED TO THE POLICE**

The theft of the cages occurred prior to the assumption of the present administration, who already set up panel of enquiry to investigate the theft as required by chapter 8.3 and 8.6 of MFM, the case was also reported at the Police Station of Odogbolu Local Government according to the then Acting Head of Department of Agric, Mr. Kuye

The former Agricultural Officer in charge of the Department, Mr. Kuye discovered very late about the theft and maintained that no security personnel was attached to the moribund poultry, since about ten (10) years ago, thus no suspect could be imagined as to the theft which could have been on going in the years to become noticeable when visited to show those interested in the lease as directed by the Chairman, Transition Committee lately in the month of July to early August, 2021.

11. **OIL PLANTATION**

The said arrears sum of ₦210,000.00 owed by Lenient Company on the oil palm plantation was discovered to have been paid and wrongly input in the General Services

account of the Local Government. (Kindly see the photocopies of the receipts of the payment.)

12 **REVENUE ON OKADA UNIFORM NOT REMITTED TO THE TREASURY**

Please refer to the earlier Management report of ODLG 1277/T/74, the previous administration, dated 26th August 2021, received by your office on the 2nd September, 2021, the situation is still the same as it has been discovered that the proceeds from the sales of the uniforms expected was at the discretion of the political office holders since ten (10) years ago, thus all efforts to even trace the said names of Debtors was been abortive.

Thank you.



Mrs. Oshin N. Bolanle,
Head of Local Govt. Administration
25th May, 2022