

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, 2022

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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 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 Odogbolu 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 ODOGBOLU LOCAL GOVERNMENT FOR THE YEAR ENDED 31ST DECEMBER, 2022

The accounts of Odogbolu 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 ODOGBOLU LOCAL GOVERNMENT, ODOGBOLU FOR THE YEAR ENDED 31ST DECEMBER, 2022

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, 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 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 there were some mistakes and omission of some transactions in the books of account.

(3) **FINANCIAL REVIEW:**

REVENUE	AMOUNT (₦)
Independent Revenue	32,155,818.90
Statutory Allocation	2,174,869,564.83
Aids and Grants	<u>27,941,660.82</u>
Total	<u>2,234,967,044.55</u>
EXPENDITURE	
Salaries & Allowance	1,544,030,543.16
Pensions	549,652,888.96
Overhead Expenses (including Depreciation & Loss on Disposal of Assets)	127,474,029.50
Long Term Asset	<u>11,192,862.50</u>
Total	<u>2,232,350,324.12</u>

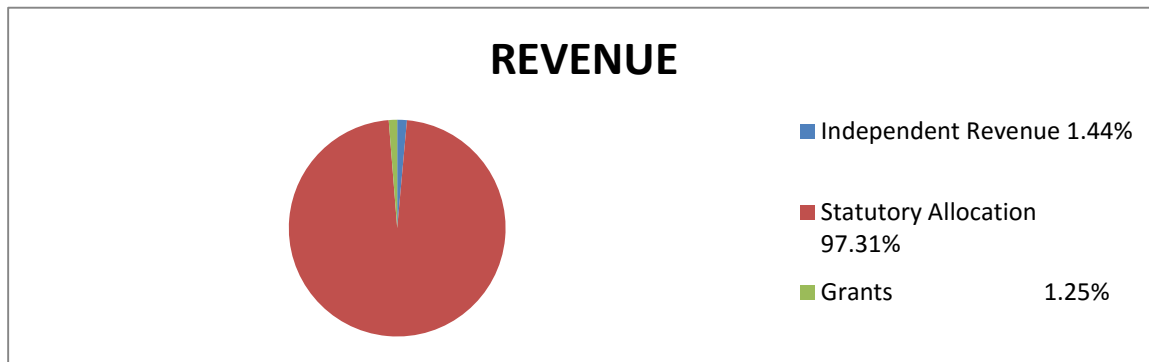
(4) **REVENUE PERFORMANCE:**

(i) **STATEMENT OF ACTUAL REVENUE**

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦49,028,000.00, a sum of ₦32,155,818.90 only was actually generated internally representing 65.59% of the budget. This represents a decrease of 12.84% when compared with the sum of ₦36,894,535.23 generated in year 2021. This does not represent the revenue potential of the Local Government and indicate that there are leakages yet to be blocked.

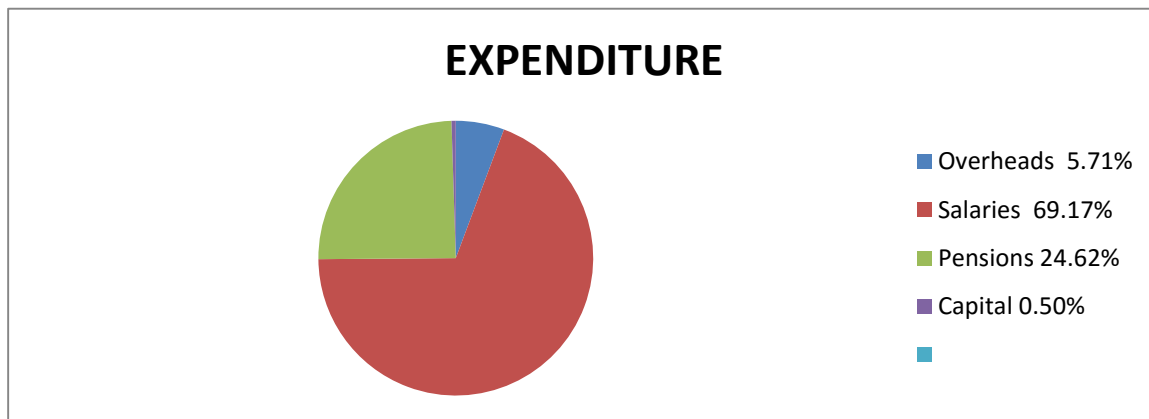
(ii) **PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE**

The Audit exercise revealed that out of the revenue of ₦2,234,967,044.55 realized by the Local Government during the year under review, a sum of ₦32,155,818.90 only was generated internally. This represented 1.44% of the total revenue while the sum of ₦2,174,869,564.83 statutory allocation and ₦27,941,660.82 aids and grant received from Ogun State Government represented 97.31% 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 ₦2,232,350,324.12. Out of this, a sum of ₦127,474,029.50 was expended on overhead which represented 5.71% of the total expenditure for the year. Also, a sum of ₦1,544,030,543.16 was expended on salaries and allowances which represented 69.17% of the expenditure for the year while ₦549,652,888.96 was paid to pensioners representing 24.62% of total expenditure. The sum of ₦11,192,862.50 was expended on long term assets and this represented 0.50% 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, 2022 was ₦142,310,756.04. The liabilities are highlighted below:

S/NO	ITEMS	AMOUNT (₦)
1	5% VAT	6,052,759.96
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	62,523,716.10
6	Cooperative	4,069,496.17
7	PAYABLES	9,618,300.00
8	OTHERS	<u>14,990,956.16</u>
Total		<u>142,310,756.04</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.

(7) REVIEW OF STATEMENT OF FINANCIAL POSITION

(i) INVESTMENTS

The sum of ₦565,375.00 shown in the Statement of Financial Position as investment as at 31st December, 2022 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
03/02/2023
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, 2022 and its operations for the year ended on the date.


Treasurer
03/02/2023
Date


Chairman
03/02/2023
Date

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

	NOTES	2022	2021
CURRENT ASSET		₦	₦
CASH & CASH EQUIVALENTS	10	15,264,112.92	15,063,975.17
INVENTORIES		3,770,250.00	4,000,567.00
RECEIVABLES		2,975,400.00	979,400.00
PREPAYMENT			
ADVANCE		1,763,057.86	1,763,057.86
TOTAL CURRENT ASSET (A)		23,772,820.78	21,807,000.03
NON CURRENT ASSET			
PROPERTY PLANT & EQUIPMENT	8	287,361,497.66	284,215,256.13
INVESTMENT PROPERTY	9	254,010,466.72	257,073,129.04
BIOLOGICAL ASSET		1,800,000.00	1,800,000.00
INVESTMENT		565,375.00	565,375.00
LOAN GRANTED			
TOTAL NON CURRENT ASSET (B)		543,737,339.38	543,653,760.18
TOTAL ASSET (C=A+B)		567,510,160.16	565,460,760.21
CURRENT LIABILITY			
DEPOSIT			
LOAN & DEBT			
UNREMITTED DEDUCTIONS	11	132,692,456.04	148,041,139.01
ACCURED EXPENSES, PAYABLES		9,618,300.00	6,029,800.00
DEFERED INCOME			
CURRENT PORTION OF BORROWING			
TOTAL CURRENT LIABILITY (D)		142,310,756.04	154,070,939.01
NON CURRENT LIABILITY			
PUBLIC FUND		2,022,562.28	2,022,562.28
BOROWING			
TOTAL NON CURRENT LIABILITY (E)		2,022,562.28	2,022,562.28
TOTAL LIABILITY (F=D+E)		144,333,318.32	156,093,501.29
NET ASSETS (G= C-F)		423,176,841.84	409,367,258.92
NET ASSET/EQUITY			
RESERVE			
ACCUMULATED SURPLUS/ DEFICIT		423,176,841.84	409,367,258.92
TOTAL NET ASSET/EQUITY		423,176,841.84	409,367,258.92

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

	NOTES	2022	2021
REVENUE		₦	₦
STATUTORY ALLOCATION	1	2,174,869,564.83	1,707,427,972.71
NON TAX REVENUE:	2	29,676,662.90	27,847,076.46
INVESTMENT INCOME			
INTEREST EARNED			52.1
GAIN/LOSS ON DISPOSAL ON ASSET			
AIDS & GRANTS	3	27,941,660.82	22,019,550.00
OTHER REVENUE		2,479,156.00	9,047,406.67
TOTAL REVENUE (A)		2,234,967,044.55	1,766,342,057.94
EXPENDITURE			
SALARIES & WAGES	4	1,544,030,543.16	1,279,090,964.63
NON- REGULAR ALLOWANCE	5		
SOCIAL BENEFIT	6	549,652,888.96	444,144,840.22
OVERHEAD COST	7	108,389,746.21	65,342,353.00
SUBVENTION TO PARASTALS		3,200,000.00	950,000.00
DEPRECIATION	8 & 9	15,884,283.29	13,864,972.66
GAIN/LOSS ON DISPOSAL ON ASSET			2,335,080.00
TOTAL EXPENDITURE (B)		2,221,157,461.62	1,805,728,210.51
SURPLUS / DEFICIT (C=A-B)		13,809,582.93	-39,386,152.57

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

	₦
Balance 1/1/2021	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 31/12/2021	409,367,258.92
Prior Year Adjustment	-0.01
Adjusted Balance	409,367,258.91
Surplus/ (deficit) for the year	13,809,582.93
Balance at 31 December 2022	423,176,841.84

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

CASH FLOWS FROM OPERATING ACTIVITIES	2022	2021
<u>INFLOWS</u>	₦	₦
STATUTORY ALLOCATION	2,174,869,564.83	1,709,427,972.71
LICENCES, FINES, ROYALTIES, FEES ETC	20,652,500.00	20,265,958.46
EARNINGS & SALES	7,892,662.90	8,597,218.00
RENT OF GOVERNMENT PROPERTIES	948,500.00	436,500.00
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL		52.10
DOMESTIC AIDS & GRANTS	23,166,660.82	18,000,000.00
OTHER REVENUE	666,156.00	8,942,406.67
TOTAL INFLOW FROM OPERATING ACTIVITIES (A)	2,228,196,044.55	1,765,670,107.94
<u>OUTFLOW</u>		
PERSONNEL EMOLUMENTS	1,544,030,543.16	1,279,090,964.63
SOCIAL BENEFIT	549,652,888.96	444,144,840.22
OVERHEADS	107,420,929.21	64,573,945.00
SUBVENTION TO PARASTATALS	350,000.00	950,000.00
INTEREST PAYMENT		
TOTAL OUTFLOW FROM OPERATING ACTIVITIES (B)	2,201,454,361.33	1,788,759,749.85
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B	26,741,683.22	-23,089,641.91
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
PURCHASE/ CONSTRUCTION OF ASSETS	-	-
	11,192,862.50	18,090,000.00
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE		
PROCEED FROM SALE OF ASSETS		105,000.00
DEFERRED INCOME		
DIVIDEND RECEIVED		
NET CASH FLOW FROM INVESTING ACTIVITIES	-11,192,862.50	-17,985,000.00
<u>CASH FLOW FROM FINANCIAL ACTIVITIES</u>		
DEPOSIT/ UNREMITTED DEDUCTIONS	-15,348,682.97	45,768,721.88
PUBLIC FUND		
PROCEEDS FROM DOMESTIC LOANS & OTHER		
NET CASH FLOW FROM FINANCIAL ACTIVITIES	-15,348,682.97	45,768,721.88
NET CASH FLOW FROM ALL ACTIVITIES	200,137.75	4,694,079.97
CASH & ITS EQUIVALENT AS AT 1/1/2022	15,063,975.17	10,369,895.20
CASH & ITS EQUIVALENT AS AT 31/12/2022	15,264,112.92	15,063,975.17

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%

	<p>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</p> <p>ii. Fully depreciated assets that are still in use are carried in the books at a net book 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, 2022

1 SHARE OF STATUTORY ALLOCATION FROM JAAC

	JANUARY	147,618,567.42
	FEBUARY	159,123,500.30
	MARCH	149,144,808.20
	APRIL	161,296,161.56
	MAY	161,324,258.91
	JUNE	164,808,901.22
	JULY	162,672,981.02
	AUGUST	213,312,465.04
	SEPTEMBER	175,869,285.89
	OCTOBER	208,644,147.33
	NOVEMBER	286,992,716.83
	DECEMBER	184,061,771.11
	TOTAL	2,174,869,564.83

2 NON-TAX REVENUE

	LICENCES	5,509,800.00
	FEES	15,038,950.00
	FINES	286,750.00
	EARNINGS	4,089,613.30
	RENT OF GOVERNMENT PROPERTIES	64,000.00
	SALES	4,687,549.60
	TOTAL	29,676,662.90

3 AIDS & GRANTS

	OGUN STATE GOVERNMENT	27,941,660.82
	NON GOVERNMENT ORGANIZATION	
	TOTAL	27,941,660.82

4 SALARIES & WAGES

	LOCAL GOVERNMENT STAFF	411,293,482.18
	PRIMARY SCHOOL TEACHERS	904,695,032.75
	TRADITIONAL COUNCIL	153,860,544.75
	POLITICAL FUNCTIONARIES	74,181,483.48
	TOTAL	1,544,030,543.16

5 NON- REGULAR ALLOWANCE

	LEAVE BONUS	
	TOTAL	

6 SOCIAL BENEFIT

	GRATUITY	-
	PENSION	549,652,888.96
	TOTAL	549,652,888.96

7 OVERHEAD COST BY DEPARTMENT

	CHAIRMAN & COUNCIL	39,528,000.00
	HOLGA	52,000.00
	INTERNAL AUDIT	255,000.00
	ADMINISTRATIVE	31,591,563.37
	FINANCE	2,551,350.95
	INFORMATION	7,291,891.89
	P H C	4,136,440.00
	AGRIC	475,000.00
	WORKS	17,528,700.00
	PLANNING	1,835,000.00
	WES	732,800.00
	COMMUNITY	2,412,000.00
	TOTAL	108,389,746.21

10 CASH & CASH EQUIVALENTS

	CASH AT HAND	28,265.06
	CASH IN BANKS	15,235,847.86
	TOTAL	15,264,112.92

11 UNREMITTED DEDUCTIONS

1	PENSION	38,380,572.33
2	PAYE	62,523,716.10
3	5% DEVELOPMENT LEVY	2,857,820.07
4	COOPERATIVE	4,069,496.17
5	5% VAT	6,052,759.96
6	5% WHT	3,817,135.25
7	OTHERS	14,990,956.16
	Total	132,692,456.04

NOTE 8 ODOGBOLU LOCAL GOVERNMENT

SCHEDULE OF EQUIPMENT	PROPERTY, PLANT & EQUIPMENT	LAND & BUILDING 2%	LAND	PLANT & MACHINERY 10%	TRANSPORTATION EQUIPMENT 20%	OFFICE EQUIPMENT 25%	FURNITURE & FITTINGS 20%	INFRASTRUSURE 10%	TOTAL
BAL AS AT 01/01/2022	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	
ADDITIONAL DURING THE YEAR	5,041,000.00			4,000,000.00	551,862.50	1,375,000.00	5,000,000.00	15,967,862.50	
LEGACY								0.00	
DISPOSAL DURING THE YEAR								-	
BAL C/F	280,851,301.00	-	14,407,958.48	16,410,713.88	2,308,412.50	3,279,200.00	13,032,882.00	330,290,467.86	
ACCUMULATED DEPRECIATION									
BAL AS AT 01/01/2022	15,618,618.06		4,240,387.54	7,046,428.33	602,762.50	496,000.00	2,103,152.80	30,107,349.23	
ADDITIONAL DURING THE YEAR	5,617,026.02		1,440,795.85	3,282,142.78	522,528.13	655,840.00	1,303,288.20	12,821,620.97	
DISPOSAL DURING THE YEAR									
BAL C/F	21,235,644.08	-	5,681,183.39	10,328,571.11	1,125,290.63	1,151,840.00	3,406,441.00	42,928,970.20	
AS AT 31/12/2022	259,615,656.92	-	8,726,775.09	6,082,142.77	1,183,121.87	2,127,360.00	9,626,441.00	287,361,497.66	
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	284,215,256.13	

NOTE 9 ODOGBOLU LOCAL GOVERNMENT

INVESTMENT PROPERTY	LAND & BUILDING 2%	LAND	TOTAL
BAL AS AT 01/01/2022	153,133,116.00	113,000,000.00	266,133,116.00
ADDITIONAL DURING THE YEAR			0.00
LEGACY			0.00
DISPOSAL DURING THE YEAR			-
BAL C/F	153,133,116.00	113,000,000.00	266,133,116.00
ACCUMULATED DEPRECIATION			
BAL AS AT 01/01/2022	9,059,986.96		9,059,986.96
ADDITIONAL DURING THE YEAR	3,062,662.32		3,062,662.32
DISPOSAL DURING THE YEAR			
BAL C/F	12,122,649.28	-	12,122,649.28
AS AT 31/12/2022	141,010,466.72	113,000,000.00	254,010,466.72
AS AT 31/12/2021	144,073,129.04	113,000,000.00	257,073,129.04

The Executive Chairman,
Odogbolu Local Government,
Odogbolu.

AUDIT INSPECTION REPORT ON THE ACCOUNTS OF ODOGBOLU LOCAL GOVERNMENT, ODOGBOLU 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 following 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 Numbers	Subject	Amount (₦)
1.	OGLG/AQ/DGB/138/2022	Doubtful Expenditure	100,000.00
2.	OGLG/AQ/DGB/139/2022	Doubtful Expenditure	100,000.00
3.	OGLG/AQ/DGB/140/2022	Irregular and Questionable Expenditure	580,000.00
4.	OGLG/AQ/DGB/141/2022	Loss of Revenue	85,000.00

3. STATE OF RECORDS

Observation: It was observed during the examination of accounting records that few mistakes were made on ledgers and treasury cashbook which have been corrected by the Audit Team. Example of such errors was a complete omission of a sum of ₦ 218,369,243.60 received and paid in the month of July 2022 on behalf of Ijebu Ode Local Government. The money was neither recorded in the cashbook nor in the ledgers. Another was the, Training Fund of a sum of ₦1,602,867.62 on PV 22/ June, 2022 which was overstated by ₦ 455,093.63.

Recommendation: The Treasurer is advised to supervise and monitor the officers saddled with the responsibilities of keeping and preparation of accounting books so as to avoid re- occurrence of such errors in the books of account.

4. BANK RECONCILIATION STATEMENTS

The bank reconciliation statements of the Local Government as at 31st December, 2022 were examined where the followings were observed.

i **DORMANT BANK BALANCE**

Observation: In the previous Audit Report No OGLG/DGB/1/VOL.II/218 dated 29th April, 2022 and Audit Report No OGLG/DGB/1/VOL.II/232 dated 7th September, 2022, Local Government was advised to activate or close all its dormant bank accounts but recent audit exercise revealed that the advice has not been adhered to. The Audit Team was presented letters written by the Treasurer to the various banks on behalf of the signatories to the account involved, but the signatories were yet to sign it. The absence of the signature of the signatories were the cause of the delay in submitting the letters to various banks for re-activation of the accounts.

A sum of ₦304,921.02 was the money trapped in the 17 dormant bank accounts as at 31st December, 2022. Further audit scrutiny revealed that all the statement of inactive bank account could not be obtained from the banks because the signatories have not been changed.

Recommendation: The Treasurer should intensify more effort to get all the signatories to the banks accounts so that they can be re-activated and necessary action taken on them.

ii. **DIRECT DEBIT**

Observation: During the examination of the bank reconciliation statements, it was observed that a sum of ₦15,090,532.70 was erroneously deducted from Access bank as Local Government staff salary in the month of September and October, 2022.

The attention of the Treasurer was drawn to this anomaly and he said, he noticed the transactions and he had lodged complaint to the bank and refund of ₦ 8,778,964.52 has been paid back to the account leaving a balance of ₦6,311,568.18 as at 31st December, 2022.

Recommendation: The Treasurer should ensure that the remaining balance is reversed back to the Local Government account within a reasonable period.

5. **REVENUE GENERATION**

i. **UN-REMITTED REVENUE**

Observation: It was revealed during the checking of revenue collectors that Mr Akintunde Abiola Yinka (Director, Agriculture and Natural Resources) refused to remit the revenue collected on certificate issued to farmers. Having checked through the records presented by Mr Akintunde A.Y, it was discovered that Seventeen (17) certificates were issued out without

evidence of payments made into Local Government coffers. Each certificate was valued at the rate of ₦5,000 which amounted to a total sum of Eighty Five Thousand Naira (₦85,000.00) only. The Nos of the Seventeen (17) certificate issued out are as follows 000112, 000113, 000115, 000116, 000117, 000126, 000127, 000128, 000129, 000130, 000131, 000132, 000133, 000134, 000136, 000137 & 000138.

Recommendation: The Treasurer should ensure the recovery of the sum of Eighty Five Thousand Naira, (₦85,000.00) from Mr Akintunde and forward the Treasury Receipt to this Office.

ii. **REVENUE CONTRACTOR'S OUTSTANDING**

Observation: Despite the circular letter No OGLG/AUD/ Vol.III /4 of 18th October, 2017 from this Office and another from the Office of Special Adviser to the Ogun State Government on Revenue and Taxation, circular letter No. SAR.T/72/003 of 25th October, 2013 instructing the Local Government to desist from engaging the services of revenue contractors in addition to the last Audit Inspection Report No OGLG/DGB/1/VOL.II/232 dated 7th September, 2022, it was observed that the Local Government did not heed to the instruction. In the last audit report it was reported that the Local Government still engaged the services of some revenue contractors and records of performance revealed that the revenue contractors were owing a sum of One Million, Seven Hundred and Seventy Five Thousand Naira (₦1,775,000.00) Only as at the month of July 2022. As at 31st December, 2022 the debt had increased to ₦1,813,000.00.

Experience has shown that the Local Governments lack the will to enforce contractual agreement between them and the contractors and this was the major reason why this Office is insisting on compliance to enforcing regulations prohibiting the use of revenue contractors.

Recommendation: The Management is advised to recover the sum of ₦1,813,000.00 owed by these contractors and desist from fragment violating the existing regulation on award of revenue collection in the state.

iii. **REVENUE DATA BASE / REVENUE RECORDS UPDATING**

Observation: In the previous Audit Report No OGLG/DGB/1/VOL.II/232 dated 7th September, 2022, it was highlighted that the Local Government could not provide a compiled revenue data base of its revenue points. Also, the various departments like Finance and Supplies, General Services & Administration, Water and Environmental Sanitation department etc did not keep

proper records of their various revenue points which serves as data base for tracking revenue within Local Government area. Examples of such revenue points are total number of new/approved named streets, total open stalls and Lock up shops in various markets, records of all bakery, millers, food canteens e.t.c. This lapses give room for loop hole on remittance of total revenue collected by revenue collectors and could lead to loss of funds. The absence of revenue data also makes it difficult to determine accurately the exact receivables at the end of accounting year. It is disheartened, to note during the recent audit exercise that the Local Government did not take any step to collate the data of the revenue points.

Recommendation: Again, the Local Government is hereby advised to collate and update records of revenue points across the length and breadth of the Local Government. This should be compiled into a single official documents for revenue planning and tracking and it will further enhance formulation, evaluation and generation of revenue in the Local Government area.

6. GRADER AT THE LOCAL GOVERNMENT SECRETARIAT

i. **Observation:** In the previous Audit Report No OGLG/DGB/1/VOL.II/232 dated 7th September, 2022 it was reported that a sum of ₦440,000.00 was released to Engr. Bankole and Mr Oyetayo Adenugba vide PV 1 &14/Feb 2022 to purchase blade and to do the repair and servicing of the grader. Detail examination of the payment voucher led to tracing the grader to Fortune Height Farm premises where the grader had been parked for over (five) 5 months because it developed engine problem.

During the just concluded audit exercise, it was discovered in the Finance and General Purpose Committee minute book that Fortune Height Farm Ltd agreed to assist the Local Government on the repair of the komatsu grader and it had released a sum of Two Million, Six Hundred and Ninety Eight Thousand Naira (₦2,698,000.00) only to Mr Morufu Yusuff (Capital Auto), the mechanic handling the repair of the grader. Further enquiry revealed that the fund for the repair did not appear in the accounting record of the Local Government.

On interrogation, the Director for Works and Housing Department Engr, Yusuf Bamidele Sefiu revealed that Fortune Height Farm Ltd insisted in paying directly to the personal account of the Mechanic handling the repair of the grader. The mechanic changed the block engine, pistons, crankshafts, e.t.c. After the repair was completed, the grader was moved from the Fortune Height Farm premise to work on Aiyepe road verges so as to test run the effectiveness of the repair. While on the way to Aiyepe the grader developed clutch plate fault as explained by

Engr. Yusuf Bamidele Sefiu. From that point, the grader could not do the job and it was managed back to the Local Government premises where the Audit Team met it dismantled.

In addition, a total sum of ₦467,000.00 was released to Mr Oyetayo Adenugba and Mr Osunlaja Olumide vide PV 5, 10 & 11/Nov, 2022 for purchase of battery, transmission pump and other expenses on the grader which was found grounded at the Local Government premises.

Recommendation: You are advised to do the needful to repair the grader as soon as possible.

ii. **LOGBOOK FOR GRADER**

Observation: In the previous Audit Report No OGLG/DGB/1/VOL.II/232 dated 7th September, 2022, it was reported that there was no existing logbook for the movement of the Local Government's Grader. Also, there was no well-defined formal authorization for the usage of the grader either for commercial purposes or social services rendered by the Local Government.

It was observed in the just concluded audit exercise that the Local Government attached no importance to opening or maintaining logbook for grader, partially due to non-functioning of the grader as at this period or non-awareness of its importance.

Recommendation: The Local Government advised to be proactive about this and put in place a well-defined authorization process of releasing of the grader and machinery should be put in place to monitor the movement of the grader when put to use.

7. **UN-MAINTAINED PLANTAIN PLANTATION**

Observation: It was reported in the previous Audit Inspection Report No OGLG/DGB/1/VOL.II/209 dated 7th February, 2022 that the Local Government has a plantain plantation worth One Million, Eight Hundred Thousand Naira (₦1,800,000.00) as highlighted in the General Purpose Financial Statement. During the Audit Team visitation to the farm, it was revealed that nothing was done to revive the plantain plantation. The farm had been overgrown with weeds and had therefore stopped producing fruits.

The visitation also revealed that the farm land has been encroached by an individual that erected newly built house on the land. On interrogation, Mr Akintunde A. A (Director for Agriculture and Natural Resources) said he does not know coverage area of the farm land.

Further investigation on the land matter proved abortive due to non-availability of related useful information in the land matters file of the Local Government.

Recommendation: The Local Government is advised to take all measures necessary to reclaim the plantain plantation from imminent loss and re-establish the land marks of the farm land by erecting visible pillars around the land, to forestall land encroachment.

8. LOCAL GOVERNMENT LANDED PROPERTY.

Observation: It was discovered from the Finance and General Purposes Committee minutes book that the service of Gabol Commercial Enterprises was engaged to do identification, recovery and collection of revenue on encroached landed properties of the Local Government. The contractor, Mr Osileye Gabriel was a retired Local Government Staff and an indigene of the council who happens to know much about landed properties of the Local Government.

On interrogation, the audit team asked Mr Osileye Gabriel on how to retrieve all the necessary land documents of the Local Government and he explained the job has already been done by late Surveyor Adebogun whose office is at Ibadan but copies of all the landed properties of the Local Government are with him and he will not release the documents to the Local Government until he is fully paid for the service, he rendered to them. He added if the Local Government is ready to pay their debt and willing to visit the surveyor's office at Ibadan, he will take them there.

Recommendation: The Local Government land committee should wake up to its duties by ensuring that the land documents are retrieved from the Surveyor's office and this could be taken to Bureau of Lands and Survey for confirmation.

9. MATERNITY CENTRE AT IKOTO

Observation: In the previous Audit Report No OGLG/DGB/1/VOL.II/218 of 29th April, 2022 and Audit Report No OGLG/DGB/1/VOL.II/232 dated 7th September, 2022, it was reported that an approval of a sum of Thirteen Million Naira (₦13,000,000.00) was granted by the Ministry of Local Government & Chieftaincy Affairs for construction of maternity centre at Ikoto. The report also revealed that all money approved for the project has been released to Engr. Afolabi Mabayoje, the former Director of Works and Housing but the project has not been completed. On interrogation, Engr Afolabi Mabayoje explained that there was variation in the initial cost of the project due to time lag between the time BOQ was prepared and the time the project

commenced. He added that he made a request for variation on the project but it did not see the light of the day.

Another sum of Five Million, Forty-One Thousand and Forty Naira (₦5,041,040.00) only was approved and released vide PV 11& PV23/Nov, 2022 to Mr Sanusi Sulaimon A. (Principal Technical Officer I) for completion of the health center at Federal Housing Estate Ikoto. A visitation to the health center revealed that the project has been completed but needs to be fully equipped for better delivery of services to the community.

Further observation revealed that the few things such as tables, chairs, beds and other equipment in the health facilities were obsolete and do not befit the standard of the newly built health center. Also, high bills charged by the Ibadan Electricity Distribution Company (IBEDC) every month is adversely affecting the function of the centre, the Local Government should make provision for prepaid meter for the centre to reduce cost of running the centre.

Recommendation: The Local Government is advised to provide basic needs such as beds, tables, chairs ceiling fan e.t.c for smooth running of the health center so as to match up with the competitors around the area, ensure good service delivery of health care and even generate more revenue to the coffers of the Local Government.

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

RE: AUDIT INSPECTION REPORT ON THE ACCOUNTS OF ODOGBOLU LOCAL GOVERNMENT, ODOGBOLU FOR THE YEAR ENDED 31ST DECEMBER, 2022

MANAEGEMENT REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2022

1. DESTRUCTION OF EXHAUSTED RECEIPTS BOOKS

All exhausted Receipt booklets prior to 31st December, 2022 are already in the process of compilations. Once fully compiled, your office will be officially informed on the date for the destruction of same.

2. AUDIT QUERIES

All Audit queries considering the urgency attached had been duly delivered to the concerned Officers/Persons. It is our believe that answers to the queries must have reached the appropriate quarter within the time limit stated in the query letters accordingly.

3. STATE OF RECORDS

Effort has been intensified towards thorough supervision and monitoring of Officers saddled with the responsibilities of financial record keeping and account preparation so as to avoid unwarranted mistakes, errors or omissions in the financial records as observed by the Audit Teams

4. BANK RECONCILIATION STATEMENTS

i. DORMANT BANK BALANCE

The Local Government had written series of letters to the Polaris Bank at Sagamu for change of signatories to the listed dormant accounts and to also re-activate them before collapsing the various account into one at the Polaris Bank (e.g) The Polaris Bank with about Ten (10) banks in numbers.

Early this year 2023, letters to remind the Banks were also written and no response was received till when the bank was burnt down on the 14th of January, 2023 during the cash crunch crisis at Sagamu.

However, I wish to state that it will be difficult to act on the Star Microfinance Bank and that of Ajose Microfinance Bank as a result of their closure by the Central Bank policy.

Nevertheless, all machineries are in motion to perfect the collapsing and re-activation.

(ii). **DIRECT DEBIT**

With reference to your observation in the reconciliation statements on the sum of N15,090,532.70 that was erroneously deducted from the Access Bank as Local Government Staff salary in the month of September and October 2022, immediately this was realized a complaint was lodged to the bank and a refund of **Eight Million, Seven Hundred & Eight Thousand, Nine Hundred and Sixty-Four Naira and Fifty Two Kobo (#8,708,964.52)** was done to the salary Account leaving the balance of Six Million, Three Hundred and Eleven Thousand, Five Hundred and Sixty-Eight Naira, Eighteen Kobo (**N6,311,568.18**) as at 31st December, 2022.

All the affected Banks (14 in numbers) were already contacted through an official letter for refund of the remaining outstanding balance of the sum of N4,978,398.30 The office of the Auditor General has also been informed that the money was deducted erroneously by the Access Bank for the various banks.

5. **REVENUE GENERATION**

(i). **UN-REMITTED REVENUE**

The Head of Agriculture and Natural Resources, Mr. Akintunde A.Y. has explained in his attached report on the situation of the 17 numbers of certificates issued to the farmers in the Local Government, without remittance of the money into the coffer of the Local Government respectively.

His responses can be traced in his submission to the Audit Query No. OGLG/AQ/ODLG/141/2022.

He also explained that the 17 certificates were erroneously written as a result of his non conscious of the payments before issuance. That 7 numbers of certificates have been paid to the Local Government Account with underlisted Treasury Receipts.

- i. Vide TR No. 041/005143

- ii. Vide TR No. 042/005144
- iii. Vide TR No. 043/005145
- iv. Vide TR No. 044/005146
- v. Vide TR No. 045/005147
- vi. Vide TR No. 046/005148
- vii. Vide TR No. 047/005149

The remaining Ten (10) certificates that are yet to be collected and paid for were photocopied and submitted with the reply of the Audit query issued to him

(ii). **UN-CHECKED REVENUE COLLECTORS**

Ref to the report of Mrs. Tiamiyu Modupe (Environmental Health Technician, Level 08, Step 2) that was not available for Audit Exercise as well as that of Mrs. Rufai Mosun Zainab (Higher Pharmacy Technician, Level 08, Step 2).

The two officers were not mentally fit to attend the Audit inspection of their Revenue Receipts; The Internal Audit is not resting on his oars for appropriate positive actions on the issues. The Management is also working on the issue as it was discussed at the meeting.

(iii) **REVENUE CONTRACTORS OUTSTANDING**

All the affected Revenue Contractors had been invited to series of meeting since the beginning of the year 2022 with a resolution and plead from them that time should be given to get over the Economic and financial hardship that engulfed our dear country during the first quarter of the year. However, some of them have started fulfilling their promises by paying their outstanding debts respectively.

The Management of the Local Government is intensifying efforts of recovering all outstanding revenue debts from her Contractors, while some of the erring Contractors appointments had been terminated.

It is worthy of note that some Revenue Generation points cannot be handled by the officers of the Local Government due to the envisaged dangers and threat to lives.

Hence the usage of Revenue Contractors to Generate such Revenue.

(iv). **REVENUE DATA BASE/REVENUE RECORDS UPDATING**

The advice given to collate and update records of revenue points across the length and breadth of the council has been adhered to. All efforts are in actualizing the dream of a robust Revenue data and records updates is at the top gear and on-going. **₦6,311,568.18** must have been fully recovered back into Access Bank where the funds were debited without any instruction.

6. GRADER AT THE LOCAL GOVERNMENT SECRETARIAT

Your observation on the council grader is noted as well as the repairs to be effected for Local Government usage and Revenue generation is noted with gratitude.

Since the time the grader was grounded due to the faulty clutch plate, the Local Government has been working assiduously to put it to a good working condition but for the paucity of funds this effort had not been visible. I am assuring the office that the grader will be functioning and put to use as expected soonest.

ii) LOG BOOK FOR GRADER

Once a grader is returned to a good working condition and for hiring necessary adjustment shall be made to keep a logbook for proper record keeping of its movement both for commercial and community use.

7. UN-MAINTAINED PLANTAIN PLANTATION

Though, it was gathered that in the year 2016 Late Mr. Akilo Oluwakemi, the Local Government Poultry Attendant posted there cultivated the surroundings and planted the plantain, in which was harvested by the Local government as at then. Unfortunately, Mr. Akilo Oluwakemi is of blessed memory since year 2020. And also the poultry has been moribund, while the plots of land surrounding the poultry has been encroached into, by said families who owned the plots of land.

The Executive Chairman had already set up a committee on Local Government Land matters to ascertain the rightful owner of the plots of land.

8. LOCAL GOVERNMENT LANDED PROPERTY

At inception of this present administration, our documentation reveals that Mr. Osileye Gabriel of Gabol commercial Enterprises had been a contractor engaged with land issue such as identifying, recovering and collection of revenue and encroached landed properties of the Local Government.

However, as observed in your audit inspection, copies of the document of landed properties of Local Government has been Surveyor Adebogun and location was at Ibadan and that the Local Government owed the late Surveyor before his demise. Thus, making it difficult have access.

The present Administration had set up land committee whose major role is to visit the late Surveyor's office and still working on the location in order to retrieve the landed property documents.

MATERNITY CENTRE AT IKOTO

The health centre has been completed as observed during your visitation to the place. The issue of equipping the facility has been reported to the Management but non availability of funds has crippled the Local Government from putting some necessary equipment in place. Nevertheless, the Local Government shall do the needful once the funds are available.

Thank you.



Mrs. Oshin N.B
Head of Local Government Administration
For: Executive chairman