

OGUN STATE GOVERNMENT, NIGERIA

STATUTORY REPORT

AND

DOMESTIC REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

ON THE ACCOUNTS

OF

OGUN WATERSIDE LOCAL GOVERNMENT

FOR THE YEAR ENDED 31ST DECEMBER, 2021

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	24-26

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 Ogun Waterside 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.

A handwritten signature in blue ink, appearing to read "L.A. Mulero", is written over a horizontal line.

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
OGUN WATERSIDE LOCAL GOVERNMENT FOR THE YEAR ENDED 31ST DECEMBER,
2021**

The accounts of Ogun Waterside 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 OGUN- WATERSIDE LOCAL GOVERNMENT, ABIGI FOR THE YEAR ENDED 31ST DECEMBER, 2021

In compliance with the provisions of Section 123 of Decree Number 12 of 1989, Section 315 (1) of the 1999 Constitution of the Federal Republic of Nigeria and Sections 135-145 of Ogun State Local Government Law 2006, the account of Ogun-Waterside Local Government, Abigi for the year ended 31st December, 2021 have been audited. The General Purposes Financial Statement was prepared by the Management of the Local Government and is therefore responsible for the contents and information contained therein. The General Purpose Financial Statement was prepared under the IPSAS Accrual Basis as applicable in the public sector. The audit was conducted in accordance with the 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 assets register was not kept while revenue registers were not properly maintained.

(3) FINANCIAL REVIEW:

<u>REVENUE</u>	AMOUNT (₦)
Independent Revenue	13,314,940.00
Statutory Allocation	1,470,669,923.45
Grants	<u>20,000,000.00</u>
Total Fund Available	<u>1,503,984,863.45</u>
<u>EXPENDITURE</u>	
Salaries & Allowances	1,132,748,595.68
Pensions	346,259,140.92
Overhead Expenses	68,181,242.98
Long Term Assets	<u>18,291,580.32</u>
Total Amount Expended	<u>1,565,480,559.90</u>

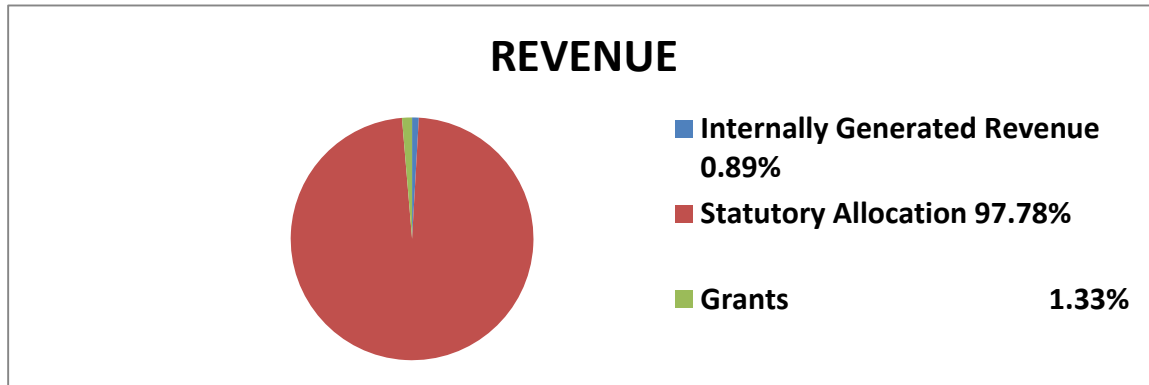
(4) REVENUE PERFORMANCE:

(I) STATEMENT OF ACTUAL REVENUE

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦25,095,000.00, a sum of ₦13,314,940.00 only was actually generated internally. This represented 53.06% of the estimated revenue for the year. This represents an increase of 12.70% in performance when compared to the sum of ₦11,814,563.89 generated internally in year 2020. This revenue performance does not represent the true revenue potential of the Local Government despite the increase.

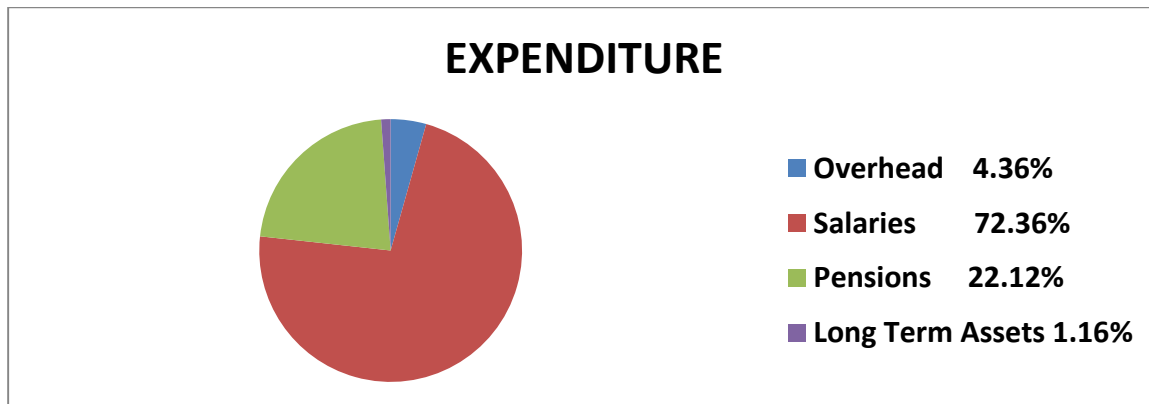
(ii) **PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE**

The Audit exercise revealed that out of the revenue of ₦1,503,984,863.45 realized by the Local Government during the year under review, a sum of ₦13,314,940.00 only was generated internally. This represented 0.89% of the total revenue while the sum of ₦1,470,669,923.45 statutory allocation received and ₦20,000,000.00 aids and grant received from the State Joint Account Allocation Committee represented 97.78% and 1.33% 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 ₦1,565,480,559.90. Out of this, a sum of ₦68,181,242.98 was expended on overhead which represented 4.36% of the total expenditure for the year. Also, a sum of ₦1,132,748,595.68 was expended on salaries and allowances representing 72.36% while the sum of ₦346,259,140.92 paid to pensioners represented 22.12% of the total expenditure for the year. The sum of ₦18,291,580.32 was expended on long term assets which represents 1.16% of the total expenditure for the year. This 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 as revealed by the Statement of Financial Position as at 31st December, 2021 was ₦236,048,685.24. The liabilities are highlighted below:

ITEMS	AMOUNT (₦)
1. PENSION FUND	92,385,112.01
2. PAYEE	96,986,692.32
3. NHF	5,583,575.92
4. NULGE	1,006,069.94
5. Payables	600,000.00
6. Cooperative	34,027,650.00
7. OTHERS	<u>5,459,585.05</u>
TOTAL	<u>236,048,685.24</u>

It was observed that the amounts highlighted above had been deducted from various contracts, salaries and allowances of workers but not remitted to appropriate agencies. This is against extant rules.

(7) REVIEW OF STATEMENT OF FINANCIAL POSITION:

(i) ADVANCE

The sum of ₦5,231,043.83 highlighted in the Statement of Financial Position as the Advances were dormant during the year. Efforts should be intensified to recover the advances from the beneficiaries.

(ii) INVESTMENTS

The investment sum of ₦583,200.00 shown in the Statement of Financial Position as at December, 2021 could not be verified because investment certificates or other evidence of beneficial ownership such as dividend were not produced for inspection.

OGUN WATERSIDE 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.


Director Finance & Supply
Ogun Waterside Local Government

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


Director Finance & Supply
Ogun Waterside Local Government


Executive Chairman
Ogun Waterside Local Government

OGUN WATER SIDE LOCAL GOVERNMENT
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2021

	NOTES	2021	2020
CURRENT ASSET		₦	₦
CASH & CASH EQUIVALENTS	8	30,690,356.95	26,071,206.05
INVENTORIES		1,441,766.00	2,901,880.00
RECEIVABLES			2,000,000.00
PREPAYMENT			
ADVANCE		5,231,043.83	5,231,043.83
TOTAL CURRENT ASSET (A)		37,363,166.78	36,204,129.88
NON CURRENT ASSET			
PROPERTY PLANT & EQUIPMENT	10	200,885,500.00	209,445,050.00
INVESTMENT PROPERTY	11	42,721,808.71	32,280,000.00
BIOLOGICAL ASSET	12		
INVESTMENT		583,200.00	583,200.00
LOAN GRANTED			
TOTAL NON CURRENT ASSET (B)		244,190,508.71	242,308,250.00
TOTAL ASSET (C=A+B)		281,553,675.49	278,512,379.88
CURRENT LIABILITY			
DEPOSIT			
LOAN & DEBT			
UNREMITTED DEDUCTIONS	9	235,448,685.24	190,953,219.75
ACCURED EXPENSES, PAYABLES		600,000.00	2,450,000.00
DEFERED INCOME		3,599,946.25	
CURRENT PORTION OF BORROWING			
TOTAL CURRENT LIABILITY (D)		239,648,631.49	193,403,219.75
NON CURRENT LIABILITY			
PUBLIC FUND		4,969,734.26	4,969,734.26
BORROWING			
TOTAL NON CURRENT LIABILITY (E)		4,969,734.26	4,969,734.26
TOTAL LIABILITY (F=D+E)		244,618,365.75	198,372,954.01
NET ASSETS (G= C-F)		36,935,309.74	80,139,425.87
NET ASSET/EQUITY			
RESERVE			
ACCUMULATED SURPLUS/ DEFICIT		36,935,309.74	80,139,425.87
TOTAL NET ASSET/EQUITY		36,935,309.74	80,139,425.87

OGUN WATER SIDE LOCAL GOVERNMENT
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2021

	NOTES	2021	2020
REVENUE		₦	₦
STATUTORY ALLOCATION	1	1,470,669,923.45	1,432,561,979.99
NON TAX REVENUE:	2	13,314,940.00	10,513,555.00
INVESTMENT INCOME			
INTEREST EARNED			
AIDS & GRANTS	3	20,000,000.00	16,100,000.00
OTHER REVENUE			1,301,008.89
TOTAL REVENUE (A)		1,503,984,863.45	1,460,476,543.88
EXPENDITURE			
SALARIES & WAGES	4	1,132,748,595.68	1,060,779,780.91
NON- REGULAR ALLOWANCE	5		-
SOCIAL BENEFIT	6	346,259,140.92	368,071,789.32
OVERHEAD COST	7	52,578,921.37	25,293,868.67
SUBVENTION TO PARASTALS		938,000.00	600,000.00
DEPRECIATION	10 & 11	11,769,321.61	11,991,350.00
GAIN/LOSS ON DISPOSAL ON ASSET		2,895,000.00	
TOTAL EXPENDITURE (B)		1,547,188,979.58	1,466,736,788.90
SURPLUS / DEFICIT (C=A-B)		-43,204,116.13	-6,260,245.02

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

	₦
Balance 1/1/2020	87,785,108.17
Prior Year Adjustment	- 1,385,437.28
Adjusted Balance	86,399,670.89
Surplus/ (deficit) for the year	-6,260,245.02
Balance 31/12/2020	80,139,425.87
Prior Year Adjustment	
Adjusted Balance	80,139,425.87
Surplus/ (deficit) for the year	-43,204,116.13
Balance at 31 December 2021	36,935,309.74

OGUN WATER SIDE LOCAL GOVERNMENT

CASH FLOWS FROM OPERATING ACTIVITIES	2021	2020
<u>INFLOWS</u>	₦	₦
STATUTORY ALLOCATION	1,472,669,923.45	1,430,561,979.99
LICENCES, FINES, ROYALTIES, FEES ETC	8,672,900.00	7,346,950.00
EARNINGS & SALES	4,632,040.00	3,166,605.00
RENT OF GOVERNMENT PROPERTIES	10,000.00	
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL		
DOMESTIC AIDS & GRANTS	18,000,000.00	16,100,000.00
OTHER REVENUE		1,301,008.89
TOTAL INFLOW FROM OPERATING ACTIVITIES A	1,503,984,863.45	1,458,476,543.88
<u>OUTFLOW</u>		
PERSONNEL EMOLUMENTS	1,132,748,595.68	1,060,779,780.90
SOCIAL BENEFIT	346,259,140.92	368,071,789.33
OVERHEADS	53,568,807.37	27,792,988.67
SUBVENTION TO PARASTATALS	938,000.00	600,000.00
INTEREST PAYMENT		
TOTAL OUTFLOW FROM OPERATING ACTIVITIES B	1,533,514,543.97	1,457,244,558.90
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B	-29,529,680.52	1,231,984.98
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
PURCHASE/ CONSTRUCTION OF ASSETS	- 17,691,580.32	- 15,230,000.00
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE		
PROCEED FROM SALE OF ASSETS	3,745,000.00	
DIVIDEND RECEIVED		
NET CASH FLOW FROM INVESTING ACTIVITIES	-13,946,580.32	-15,230,000.00
<u>CASH FLOW FROM FINANCIAL ACTIVITIES</u>		
DEPOSIT/ UNREMITTED DEDUCTIONS	44,495,465.49	49,969,214.38
DEFERRED INCOME	3,599,946.25	
PROCEEDS FROM DOMESTIC LOANS & OTHER		
NET CASH FLOW FROM FINANCIAL ACTIVITIES	48,095,411.74	49,969,214.38
NET CASH FLOW FROM ALL ACTIVITIES	4,619,150.90	35,971,199.36
CASH & ITS EQUIVALENT AS AT 1/1/2021	26,071,206.05	-9,899,993.31
CASH & ITS EQUIVALENT AS AT 31/12/2021	30,690,356.95	26,071,206.05

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>

	<ul style="list-style-type: none"> ii. Fully depreciated assets that are still in use are carried in the books at a net book value of ₦100.00 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.
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> <ul style="list-style-type: none"> 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. b) These amounts are stated as Current Liabilities in the Statement of Financial Position.
13	<p>Payable/Accrued Expenses</p> <ul style="list-style-type: none"> a) These are monies payable to third parties in respect of goods and services received 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.
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	117,916,987.92
FEBUARY	121,470,665.70
MARCH	91,836,900.48
APRIL	110,955,565.64
MAY	150,271,957.44
JUNE	53,261,584.71
JULY	193,257,770.54
AUGUST	94,554,032.49
SEPTEMBER	115,072,932.77
OCTOBER	38,209,858.92
NOVEMBER	138,389,652.12
DECEMBER	245,472,014.72
TOTAL	1,470,669,923.45

-

2 NON-TAX REVENUE

LICENCES	847,550.00
FEES	7,825,350.00
FINES	0.00
EARNINGS	2,304,000.00
RENT OF GOVERNMENT PROPERTIES	10,000.00
SALES	2,328,040.00
TOTAL	13,314,940.00

3 AIDS & GRANTS

OGUN STATE GOVERNMENT	18,000,000.00
NON GOVERNMENT ORGANISATION	2,000,000.00
TOTAL	20,000,000.00

4 SALARIES & WAGES

LOCAL GOVERNMENT STAFF	459,034,125.96
PRIMARY SCHOOL TEACHERS	549,230,055.29
TRADITIONAL COUNCIL	100,504,076.12
POLITICAL FUNCTION	23,980,338.31
TOTAL	1,132,748,595.68

5 NON- REGULAR ALLOWANCE

LEAVE BONUS	
TOTAL	

6 SOCIAL BENEFIT

	GRATUITY	-
	PENSION	346,259,140.92
	TOTAL	346,259,140.92

7 OVERHEAD COST BY DEPARTMENT

	CHAIRMAN & COUNCIL	29,205,000.00
	HOLGA	-
	INTERNAL AUDIT	280,000.00
	ADMINSTRATIVE	11,580,420.44
	FINANCE	5,827,500.00
	INFORMATION	73,000.00
	P H C	2,797,000.00
	AGRIC	180,000.00
	WORKS	1,141,000.93
	PLANNING	1,150,000.00
	WES	235,000.00
	COMMUNITY	110,000.00
	TOTAL	52,578,921.37

8 CASH & CASH EQUIVALENTS

	CASH AT HAND	6,650.00
	CASH IN BANKS	30,683,706.95
	TOTAL	30,690,356.95

9 UNREMITTED DEDUCTIONS

1	PENSION	92,385,112.01
2	NULGE	1,006,069.94
3	COOPERATIVE	34,027,650.00
4	PAYE	96,986,692.32
5	NHF	5,583,575.92
6	OTHERS	5,459,585.05
	Total	<u>235,448,685.24</u>

OGUN WATERSIDE 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	181,980,000.00	1,140,000.00	19,135,000.00	22,435,000.00	1,993,000.00	1,655,000.00	4,520,000.00	232,858,000.00	
ADDITIONAL DURING THE YEAR				2,000,000.00		2,960,000.00		8,953,000.00	
LEGACY								0.00	
DISPOSAL DURING THE YEAR			(2,500,000.00)	(7,950,000.00)				(10,450,000.00)	
BAL. C/F	181,980,000.00	1,140,000.00	16,635,000.00	16,485,000.00	1,993,000.00	4,615,000.00	8,513,000.00	231,361,000.00	
ACCUMULATED DEPRECIATION									
BAL. AS AT 01/01/2021	7,199,200.00	0	3,827,000.00	10,234,000.00	1,032,750.00	516,000.00	604,000.00	23,412,950.00	
ADDITIONAL DURING THE YEAR	3,639,600.00		1,663,500.00	3,296,900.00	498,250.00	923,000.00	851,300.00	10,872,550.00	
DISPOSAL DURING THE YEAR			(500,000.00)	(3,310,000.00)				-	
BAL. C/F	10,838,800.00	-	4,990,500.00	10,220,900.00	1,531,000.00	1,439,000.00	1,455,300.00	30,475,500.00	
AS AT 31/12/2021	171,141,200.00	1,140,000.00	11,644,500.00	6,264,100.00	462,000.00	3,176,000.00	7,057,700.00	200,885,500.00	
AS AT 31/12/2020	174,780,800.00	1,140,000.00	15,308,000.00	12,201,000.00	960,250.00	1,139,000.00	3,916,000.00	209,445,050.00	

OGUN WATERSIDE LOCAL GOVERNMENT			
INVESTMENT PROPERTY	LAND & BUILDING 2%	LAND	TOTAL
BAL AS AT 01/01/2021	33,500,000.00		33,500,000.00
ADDITIONAL DURING THE YEAR	11,338,580.32		11,338,580.32
LEGACY			0.00
DISPOSAL DURING THE YEAR			-
BAL. C/F	44,838,580.32	-	44,838,580.32
ACCUMULATED DEPRECIATION			
BAL. AS AT 01/01/2021	1,220,000.00		1,220,000.00
ADDITIONAL DURING THE YEAR	896,771.61		896,771.61
DISPOSAL DURING THE YEAR			
BAL. C/F	2,116,771.61	-	2,116,771.61
AS AT 31/12/2021	42,721,808.71	-	42,721,808.71
AS AT 31/12/2020	32,280,000.00	-	32,280,000.00

The Executive Chairman,
Ogun Waterside Local Government,
Abigi.

**AUDIT INSPECTION REPORT ON THE ACCOUNTS OF OGUN WATERSIDE
LOCAL GOVERNMENT, ABIGI 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/ABG/189/2021	Doubtful Expenditure	110,000.00
2	OGLG/AQ/OWS/190/2021	Refusal to Maintain Capital Expenditure/Fixed Assets Registers	
3	OGLG/AQ/OWS/191/2021	Nugatory Payment	700,000.00
4	OGLG/AQ/OWS/192/2021	Nugatory Payment	60,000.00
5	OGLG/AQ/OWS/193/2021	Doubtful Expenditure	350,000.00
6	OGLG/AQ/OWS/194/2021	Doubtful Expenditure	450,000.00
7	OGLG/AQ/OWS/195/2021	Refusal To Maintain Market Register	

3. **FIXED ASSETS REGISTER**

It was observed that your Local Government is yet to maintain a Fixed Assets Register as required by the provisions of Chapter 26:4 of Model Financial Memoranda for Local Governments. The absence of this important document therefore made it impossible for the Auditors to verify all the assets of your Local Government.

I therefore wish to advise once again that the Fixed Assets Register which will contain all your fixed assets be opened and maintained in line with the Provisions of Chapter 26 of the Model Financial Memoranda for Local Governments.

4. DOUBTFUL EXPENDITURE

It was observed that a sum of Three Hundred and Fifty Thousand Naira (₦350,000.00) was released to Mr. Awonubi Victor (Senior Administrative Officer) vide PV 4/July, 2021 to purchase gifts for Political Functionaries And Career Officers during the Ileya Festival. A cursory look at the payment voucher revealed that the receipts attached were computer generated receipts and the project Officer on demand could not produce the distribution list of all the beneficiaries thereby casting doubt on the genuineness and authenticity of this expenditure.

Similarly, a sum of Four Hundred and Fifty Thousand Naira (₦450,000.00) was paid to Mr. Awonubi Victor (Senior Administrative Officer) vide PV 1, 2 & 3 July, 2021 for the entertainment of members of the Transition Committee during its Finance and General Purposes Committee meetings. A cursory look at the sub receipt attached to the payment vouchers revealed that only the sum of Three Hundred and Thirty Thousand (₦330,000.00) Naira only was accounted for by Mr. Awonubi Victor leaving a sum of ₦120,000.00 not accounted for.

In the light of the above, the sum of One Hundred and Twenty Thousand Naira not accounted for should be recovered from Mr. Victor Awomubi (SAO).

The issue(s) raised above had been made the subject of Audit Queries No.OGLG/AQ/OWS/193 & 194/2021

5. NUGATORY PAYMENT

It was observed that a sum of Seven Hundred Thousand Naira (₦700,000.00) was approved and paid to Engr. Abayomi Francis (Director, Works & Housing) vide PV No.18/July, 2021 for the repair and servicing of Local Government KOMATSU grader.

Further Audit investigation however revealed that the former Vice Chairman Transition Committee Alh. Otuyiga Tajudeen requested for the use of the grader at his farm, and has also agreed to finance the repair of the grader and later convert the amount expended to hire the grader at the rate of ₦40,000.00 per day excluding fuelling and allowance for the operator.

On interrogation, Engr. Abayomi Frances confirmed that the former Vice Chairman actually funded the repair to the tune of Seven-Hundred and Fifty Thousand Naira ₦750,000.00 and that he personally monitored the repair work and that the grader worked for 20 days at the former Vice Chairman's farm before moving it back to the secretariat. The Director of Works & Housing Engr. Abayomi Francis could not give any satisfactory explanation about the sum of ₦700,000.00 paid to him vide P.V No. 18/ July, 2021 for the repair of the same grader.

In the light of the above, it would appear that the sum of ₦700,000.00 paid to Engr. Francis Abayomi is a nugatory payment and should therefore be refunded back to the coffers of the Local Government.

Similarly, sometime in September, 2021 a sum of Sixty Thousand Naira (₦60,000.00) was paid to Mr Adenoiki Adebowale (Cashier) vide PV 13/September, 2021 for the production of half year 2021 General Purposes Financial Statement (GPFS). Audit investigation however revealed that the half year General Purpose Financial Statement (GPFS) was not produce at all since there was no trace of such document at the time of the audit exercise, neither could it be produce on demand by the Audit Team.

Moreso, the recipient Mr. Adenoiki Adebowale upon interrogation explained that the payment voucher was only prepared in his name and that it was the acting Treasurer Mr. Alimi Taiwo who collected the money from him. This statement was confirmed by Mr. Alimi Taiwo but was unable to produce the GPFS on demand, thereby rendering the expenditure a nugatory payment. The issues raised above has therefore been made a subject of Audit queries No. OGLG/AQ/OWS/191 & 192/2021 respectively.

6. REFUSAL TO MAINTAIN MARKET REGISTER

Audit compliance test revealed that your Local Government has revenue sources which usually falls due at recurring intervals but no register was opened and maintained to keep track on these sources as required by Chapter 6:23 of Model Financial Memoranda for Local Governments. The Local Government has Open Shops and Lock-up shops at Abigi, Ibiade and other market across the Local Government where it collects rent annually but did not maintain a register for each of these revenue sources which normally falls due at recurring fixed interval. This has therefore been made a subject of audit queries No. OGLG/AQ/OWS/195/2021.

7. BANK RECONCILIATION STATEMENTS

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.

(i) DORMANT BANK BALANCES.

Audit examination of the Bank Reconciliation Statement for the period under review, revealed that your Local Government currently has a total of twenty one (21) bank accounts, out of which only seven (7) were active. The remaining fourteen (14) banks accounts had remained dormant for over two years.

I wish to strongly advice once again to either reactivate the dormant bank accounts or close them if there are no need to operate them.

8. DEFERED INCOME

Audit examination of revenue vouchers revealed that Oluadams Petroleum Oil and Gas resources of No. 200, Akarigbo Street, Sabo Sagamu paid a sum of Three Million, Five Hundred and Ninety-Nine Thousand, Nine Hundred and Forty Six Naira, Twenty Five Kobo (₦3,599,946.25) vide RV No. 40/December, 2021 into the coffers of your Local Government for leasing your Local Government Petrol Station at Abigi for period of (3) three years i.e part of year 2022 to year 2025.

Please ensure that the total amount paid as lease is charged in the books of accounts against the relevant year of account.

9. STATE OF RECORD

I wish to refer to paragraph 5 of the last Audit report No. OGLG/OWS/1/VOL.IV/401 of 4th March, 2022 and to observed with dismay that your Local Government has not yielded to the advice of this Office that proper records or documents should be opened. The advised was to assist you in determining the occupier of Lock-Up shops and Open stalls located within your Local Government that has defaulted in the payment of rental fees on lock-up and open stalls over the years. The non-compliance with the advice made it impossible for the Audit Team to determine the amount of receivables for the year under review. It was surprising to note during the recent audit exercise that the relevant books of account for the year 2022 financial year were yet to be opened by the Treasury department as at 16th March, 2022.

The Treasurer is advised once again to ensure that ledgers are opened and maintained for all lock-up shops and open stalls. In addition, proper books of accounts should be opened immediately for the year 2022 accounts without any delay.

10. NON ADHERENCE TO CASHLESS POLICY OF THE STATE GOVERNMENT

It was surprising to note that your Local Government has continue to engage itself in the payment and receipt of huge sum of money through cash in spite of the policies of the State Government which prohibit collection of revenue through cash payment by Agencies of Government. The recent audit exercised revealed that out of the total sum of Twenty Million, Six Hundred and Fifty Nine Thousand, Eight Hundred and Eighty Six Naira, Twenty Five Kobo (₦20,659,886.25) realized during the year as internally generated revenue (IGR), a sum of Eight Million, Two Hundred and Eighty One Thousand, Three Hundred and Forty Six Naira, Twenty

Five Kobo (₦8,281,346.25) was collected by cash. The amount collected by cash was 40.08% of the total amount collected. It was also observed that a sum of (₦2,587,500) was treated as contra entry during the year as cash withdrawn from the bank and later paid as cash to officials of your Local Government.

Please desist from further cash transaction and ensure that you comply with relevant Financial Regulations.

11. DONATED ITEMS NOT INCLUDED IN YEAR 2021 GENERAL PURPOSES FINANCIAL STATEMENT (GPFS)

Audit verification visit to the Community Development Department revealed that there were some items of inventory in the store which were not included in the list of end of the year closing inventory of your Local Government as at 31st December, 2021. The Director, Community Development (Mrs Obinus F. O) on interrogation explained that the items were donated by the Federal Government through the National Directorate of Employment, Special Public Works Department. Another items were the two (2) Tri-cycle Ambulance donated by the State Government kept at Abigi health centre which The Director Primary Health Care (Dr. Fayomi) explained that the items were yet to be valued and listed in the fixed asset register. Audit investigation revealed that the items donated included two Tri-cycle ambulances valued at Two Million Naira (₦2,000,000.00).

RECOMMENDATION: You are advised to include all assets donated to your Local Government in asset register.

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

**RE-MANAGEMENT REPORT ON AUDIT INSPECTION REPORT ON THE ACCOUNTS OF
OGUN WATERSIDE LOCAL GOVERNMENT, ABIGI FOR THE YEAR ENDED 31ST
DECEMBER, 2021**

In line with the Audit Report Ref. No. OGLG/OWS/1/VOL.IV/407 on Audit Inspection on the Account of Ogun Waterside Local Government, for the year ended 31st December, 2021, we hereby respond to all issues/observations raised as follows:

1. DESTRUCTION OF EXHAUSTED RECEIPT BOOKS:

We wish to intimate you that all the receipt books that was completely exhausted and audited prior to 31st December, 2021 had been collated and the list and time of destroying it will be communicated to you as soon possible.

2. AUDIT QUERIES

The queries no. OGLG/AQ/ABG/195/2021 has been dispatched to all concerned officer. And they were informed to try as much as possible to reply within the time frame.

3. BANK RECONCILIATION

Dormant Bank Balance.

The Local Government Treasurer has informed the Management of the Local Government to deliberate on this issue and it was stated for discussion and approval by the Finance and General Purpose Committee.

4. DEFERED INCOME

Your advice on the issue of deferred Income on the lease of Local Government Petrol Station is noted for an action. Appropriate treatment has been done as you requested.

5. STATE OF RECORD:

In reference to observation vide Audit Report No. OLLG/OWS/1/VOL. IV/401 of 4th March, 2022. All the ledgers of Lock-Up Shops and Open Stalls has been open with individual owner's name and their payment schedule. Those who default has been notified and receivable ledger will be open in respect of defaulters.

6. NON ADHERENCE TO CASHLESS POLICY OF THE STATE GOVERNMENT

The issue of cashless policy is been maintained by this Local Government. The team of External Auditor that came for Audit and Inspection this year February-March, 2022 observed it.

7. DONATED ITEMS NOT INCLUDED IN YEAR 2021 GENERAL PURPOSES FINANCIAL STATEMENT

The list of all inventories you mentioned in your observation is already officially forwarded to your offices as requested.

The tricycle ambulance to Primary Health Care department will be included in the fixed asset register as directed

8. FIXED ASSETS REGISTER

The Fixed Assets Register you mentioned in your report has been noted for proper action with immediate effect. Though during your Audit Exercise we could not laid our hand on the old list of the assets, but was later found and we are working to update the comprehensive records.

9. DOUBTFUL EXPENDITURE

- i. The Audit Query No. OGLG/AQ/OWS/193 & 194/2021 in respect of doubtful expenditure that involve Senior Administrative Officer Mr. Awonubi Victor, Admin Department was dispatched to him and he will respond within the time frame.
- ii. The Audit Query No. OGLG/AQ/ABG/189/2021 Issued to Mr. Olusanya Adebowale (Administrative Officer) on doubtful expenditure in respect of stakeholders meeting was also issued to him. He will reply the query within the limited time and forward it to your office.

10. NUGATORY PAYMENT

- i. The Director of Works and Housing Engr. Abayomi Francis who is involved would answer the queries issued to him within the time limit. He is been served as requested.
- ii. The query issued that involved Adenoiki Adebowale and Mr. Alimi Taiwo was issued to the Acting Treasurer (Mr Alimi Taiwo). He would answer within the time frame.

11. REFUSAL TO MAINTAIN MARKET REGISTER

The Market Register has been open in compliance with the query No. OGLG/AQ/OWS/195/2021. Provision is been provided in the 2022 budget to cater for the receivable during the year. More so, the ledgers in respect of the receivable and payable has been printed for appropriate records keeping.

Consequently, all the observations raised in the year 2021, statutory Audit Exercise was discussed with the Management for appropriate precautions and adherences.

Thank you for your usual co-operation.

A handwritten signature in blue ink, appearing to be 'Olaleye Rufus Alani', written over a horizontal dashed line.

Olaleye Rufus Alani
Head of Local Government Administration.