

OGUN STATE GOVERNMENT, NIGERIA

STATUTORY REPORT

AND

DOMESTIC REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

ON THE ACCOUNTS

OF

REMO NORTH LOCAL GOVERNMENT

FOR THE YEAR ENDED 31ST DECEMBER, 2020

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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 Head of Service Alhaja Selimot Olapeju Ottun for her 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.
14th July, 2021.



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 Remo North Local Government for the year ended 31st December, 2020 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, 2020 subject to the observations in the inspection reports.

L.A. Mulero (CNA)
Auditor-General for Local Governments,
Ogun State.
14th July, 2021

**STATEMENT OF OPINION OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF
REMO NORTH LOCAL GOVERNMENT FOR THE YEAR ENDED 31ST DECEMBER,
2020**

The accounts of Remo North Local Government for the year ended 31st December, 2020 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. The federal allocation received by the State Local Government Joint Account Allocation Committee (JAAC) was completely distributed to the Local Government.



L. A. Mulero (CNA)

Auditor-General for Local Governments

Ogun State.

14th July, 2021.

STATUTORY REPORT OF THE AUDITOR–GENERAL FOR LOCAL GOVERNMENTS ON THE ACCOUNTS OF REMO NORTH LOCAL GOVERNMENT, ISARA FOR THE YEAR ENDED 31ST DECEMBER, 2020

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 Remo North Local Government, Isara for the year ended 31st December, 2020 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 General Purpose Financial Statement was prepared under the IPSAS Accrual Basis as applicable in 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

Salaries and allowances paid were not properly recorded while deductions from salaries and allowances were not recorded into the deposit ledger.

(3) FINANCIAL REVIEW:

REVENUE	AMOUNT (₦)
Independent Revenue	13,178,920.53
Statutory Allocation	1,084,634,173.58
Aid and Grants	<u>10,500,000.00</u>
Total	<u>1,108,313,094.11</u>

EXPENDITURE	
Salaries & Allowance	666,386,077.87
Overhead Expenses	83,112,365.80
Pension	418,696,212.86
Long Term Assets	<u>7,525,000.00</u>
Total	<u>1,175,719,656.53</u>

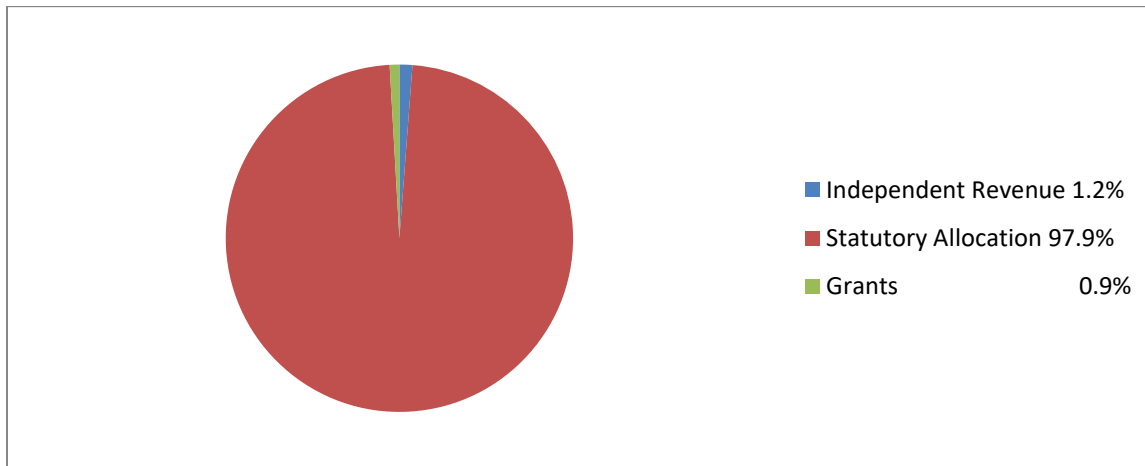
(4) REVENUE PERFORMANCE:

(i) STATEMENT OF ACTUAL REVENUE

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦19,790,000.00, a sum of ₦13,178,920.53 only was actually generated internally representing 66.6%. This represents a drop of 17.5% in internally generated revenue performance when compared with the sum of ₦15,981,450.00 generated in year 2019. This is an indication that the Local Government did not harness its Internally Generated Revenue (IGR) potentials maximally or there were leakages which has not been identified and blocked.

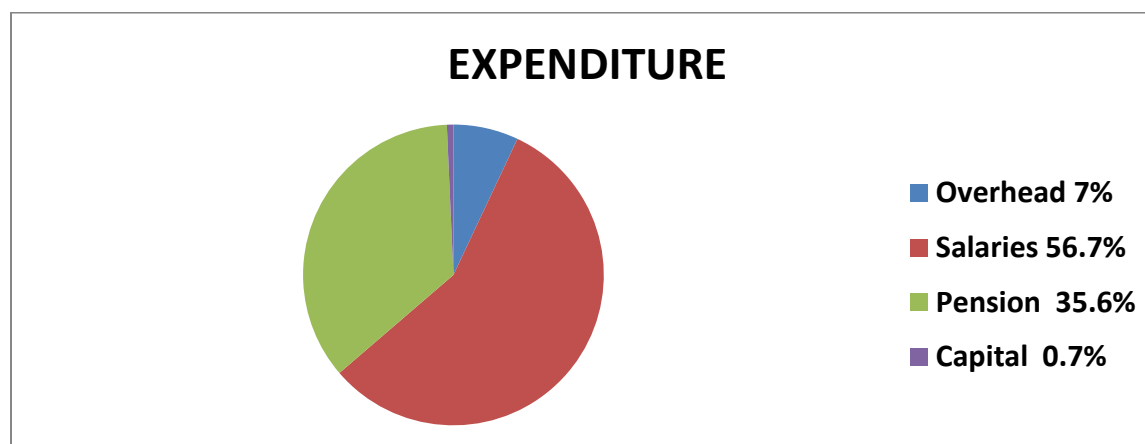
(ii) **PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE**

The Audit exercise revealed that out of the revenue of ₦1,108,313,094.11 realized by the Local Government during the year under review, a sum of ₦13,178,920.53 only was generated internally. This represented 1.2% of the total revenue while the sum of ₦1,084,634,173.58 statutory allocation and ₦10,500,000.00 aids and grant received from the State Joint Account Allocation Committee represented 97.9% and 0.9% 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**

Audit examination of the expenditure profile of the Local Government revealed a total expenditure of ₦1,175,719,656.53. Out of this, a sum of ₦83,112,365.80 was expended on overhead which represented 7% of the total expenditure for the year. Also, a sum of ₦666,386,077.87 was expended on salaries and allowances representing 56.7% of the total expenditure for the year and ₦418,696,212.86 was paid to pensioners which represent 35.6%. The sum of ₦7,525,000.00 was expended on long term assets and this represented 0.7% 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 according to the Statement of Financial Position as at 31st December, 2020 was ₦115,375,742.42. The liabilities are highlighted bellow:

S/NO	ITEMS	AMOUNT(₦)
1	5% VAT	9,331,470.46
2	5% DEVELOPMENT LEVY	16,374,199.49
3	PENSION	22,114,140.79
3	5% WITHOLDING TAX	19,269,582.65
4	Loan	4,916,082.43
5	PAYEE	33,234,674.86
6	NHF	884,560.76
5	Payables	2,880,000.00
	OTHERS	6,371,030.98
	Total	<u>115,375,742.42</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, while others relate to balance of bank loan and liabilities to suppliers.

(6) REVIEW OF STATEMENT OF FINANCIAL POSITION:

(i) ADVANCE

The sum of ₦9,725,481.71 highlighted in the Statement of Financial Position as the advance was dormant during the year.

(ii) INVESTMENTS


The sum of ₦50,000,000.00 shown in the Statement of Financial Position represents the investment as at December, 2020 but this could not be verified because the Local Government could not produce fixed deposit certificate or other evidences to confirm its existence.

REMO NORTH 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.


JINADU .O. FATIMAH (FCNA)
Treasurer
Date: 9/2/2021

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 Remo North Local Government as at 31st December, 2020 and its operations for the year ended on the date.


JINADU .O. FATIMAH (FCNA)
Treasurer
Date: 9/2/2021


HON. SAMUEL ABIODUN SOMOYE
Transition Chairman
Date: 9/2/2021

REMO NORTH LOCAL GOVERNMENT
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2020

	NOTES	2020	2019
CURRENT ASSET		₦	₦
CASH & CASH EQUIVALENTS	8	21,601,473.55	21,849,669.39
INVENTORIES		3,067,675.30	3,657,968.10
RECEIVABLES		2,727,500.00	2,308,000.00
PREPAYMENT			
ADVANCE		9,725,481.71	9,725,481.71
TOTAL CURRENT ASSET (A)		<u>37,122,130.56</u>	<u>37,541,119.20</u>
NON-CURRENT ASSET	-		
PROPERTY PLANT & EQUIPMENT	10	1,280,927,713.55	1,325,514,608.06
INVESTMENT PROPERTY	11	315,332,900.00	314,374,200.00
BIOLOGICAL ASSET	12		
INVESTMENT		50,000,000.00	50,000,000.00
LOAN GRANTED			
TOTAL NON CURRENT ASSET (B)		<u>1,646,260,613.55</u>	<u>1,689,888,808.06</u>
TOTAL ASSET (C=A+B)		<u>1,683,382,744.11</u>	<u>1,727,429,927.26</u>
CURRENT LIABILITY	-		
DEPOSIT			
LOAN & DEBT		4,916,082.43	4,916,082.43
UNREMITTED DEDUCTIONS	9	107,579,659.99	92,021,930.72
ACCRUED EXPENSES, PAYABLES		2,880,000.00	4,350,350.00
DEFERRED INCOME		1,747,000.00	
CURRENT PORTION OF BORROWING			
TOTAL CURRENT LIABILITY (D)		<u>117,122,742.42</u>	<u>101,288,363.15</u>
NON-CURRENT LIABILITY			
PUBLIC FUND			
BORROWING			
TOTAL NON CURRENT LIABILITY (E)		-	-
TOTAL LIABILITY (F=D+E)		<u>117,122,742.42</u>	<u>101,288,363.15</u>
NET ASSETS (G= C-F)		<u>1,566,260,001.69</u>	<u>1,626,141,564.11</u>
NET ASSET/EQUITY			
RESERVE			
ACCUMULATED SURPLUS/ DEFICIT		1,566,260,001.69	1,626,141,564.11
TOTAL NET ASSET/EQUITY		<u>1,566,260,001.69</u>	<u>1,626,141,564.11</u>

REMO NORTH LOCAL GOVERNMENT
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2020

	NOTES	2020	2019
REVENUE		₦	₦
STATUTORY ALLOCATION	1	1,084,634,173.58	627,006,334.20
NON-TAX REVENUE:	2	11,370,586.86	14,252,320.00
INVESTMENT INCOME			
INTEREST EARNED			
AIDS & GRANTS	3	10,500,000.00	
OTHER REVENUE		1,808,333.67	1,729,200.00
TOTAL REVENUE (A)		<u>1,108,313,094.11</u>	<u>642,987,854.20</u>
EXPENDITURE			
SALARIES & WAGES	4	666,386,077.87	448,531,530.49
NON- REGULAR ALLOWANCE	5		
SOCIAL BENEFIT	6	418,696,212.86	178,091,936.09
OVERHEAD COST	7	31,459,171.29	11,643,238.33
SUBVENTION TO PARASTALS		600,000.00	215,000.00
DEPRECIATION	10 & 11	50,953,194.51	50,746,364.51
GAIN/LOSS ON DISPOSAL ON ASSET		100,000.00	
TOTAL EXPENDITURE (B)		<u>1,168,194,656.53</u>	<u>689,228,069.42</u>
SURPLUS / DEFICIT (C=A-B)		<u>-59,881,562.42</u>	<u>-46,240,215.22</u>

REMO NORTH LOCAL GOVERNMENT
STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2020

	₦
Balance 1/1/2019	-4,138,393.24
Prior Year Adjustment	1,676,520,172.57
Adjusted Balance	1,672,381,779.33
Surplus/ (deficit) for the year	-46,240,215.22
Balance 31/12/2019	1,626,141,564.11
Prior Year Adjustment	
Adjusted Balance	<u>1,626,141,564.11</u>
Surplus/ (deficit) for the year	-59,881,562.42
Balance at 31 December 2020	<u>1,566,260,001.69</u>

REMO NORTH LOCAL GOVERNMENT
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	2020	2019
<u>INFLOWS</u>	₦	₦
STATUTORY ALLOCATION	1,082,634,173.58	627,006,334.20
LICENCES, FINES, ROYALTIES, FEES ETC	10,332,041.86	9,879,500.00
EARNINGS & SALES	3,859,045.00	3,405,820.00
RENT OF GOVERNMENT PROPERTIES	507,000.00	216,000.00
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL		
DOMESTIC AIDS & GRANTS	10,500,000.00	
OTHER REVENUE	1,808,333.67	1,729,200.00
TOTAL INFLOW FROM OPERATING ACTIVITIES A	<u>1,109,640,594.11</u>	<u>642,236,854.20</u>
<u>OUTFLOW</u>		
PERSONNEL EMOLUMENTS	666,386,077.87	448,531,530.49
SOCIAL BENEFIT	418,696,212.86	12,594,766.18
OVERHEADS	32,339,228.49	178,091,936.09
SUBVENTION TO PARASTATALS	600,000.00	215,000.00
INTEREST PAYMENT		
TOTAL OUTFLOW FROM OPERATING ACTIVITIES B	<u>1,118,021,519.22</u>	<u>639,433,232.76</u>
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B	<u>-8,380,925.11</u>	<u>2,803,621.44</u>
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
PURCHASE/ CONSTRUCTION OF ASSETS	- 7,525,000.00	-2,171,950.00
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE		85,200.00
PROCEED FROM SALE OF ASSETS	100,000.00	
DIVIDEND RECEIVED		
NET CASH FLOW FROM INVESTING ACTIVITIES	<u>-7,425,000.00</u>	<u>-2,086,750.00</u>
<u>CASH FLOW FROM FINANCIAL ACTIVITIES</u>		
DEPOSIT/ UNREMITTED DEDUCTIONS	15,557,729.27	17,598,304.24
PUBLIC FUND		
PROCEEDS FROM DOMESTIC LOANS & OTHER		
NET CASH FLOW FROM FINANCIAL ACTIVITIES	<u>15,557,729.27</u>	<u>17,598,304.24</u>
NET CASH FLOW FROM ALL ACTIVITIES	<u>-248,195.84</u>	<u>18,315,175.68</u>
CASH & ITS EQUIVALENT AS AT 1/1/2020	21,849,669.39	3,534,493.71
CASH & ITS EQUIVALENT AS AT 31/12/2020	<u>21,601,473.55</u>	<u>21,849,669.39</u>

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>ii. 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,
2020**

**1. SHARE OF STATUTORY ALLOCATION
FROM JAAC**

	₦
JANUARY	77,450,616.04
FEBRUARY	121,111,941.92
MARCH	84,608,701.57
APRIL	79,314,947.72
MAY	88,067,947.57
JUNE	71,613,371.95
JULY	98,168,185.83
AUGUST	102,542,337.62
SEPTEMBER	91,513,563.51
OCTOBER	1,989,018.90
NOVEMBER	175,206,380.47
DECEMBER	93,047,160.48
TOTAL	<u>1,084,634,173.58</u>

2. NON-TAX REVENUE

LICENCES	1,667,391.86
FEES	5,120,450.00
FINES	216,700.00
EARNINGS	1,104,665.00
RENT OF GOVERNMENT PROPERTIES	507,000.00
SALES	2,754,380.00
TOTAL	<u>11,370,586.86</u>

3. AIDS & GRANTS

OGUN STATE GOVERNMENT	10,500,000.00
NON-GOVERNMENT ORGANISATION	0.00
TOTAL	<u>10,500,000.00</u>

4. SALARIES & WAGES

LOCAL GOVERNMENT STAFF	270,713,931.28
PRIMARY SCHOOL TEACHERS	303,694,290.67
TRADITIONAL COUNCIL	78,188,215.46
POLITICAL FUNCTIONARIES	13,789,640.46
TOTAL	<u>666,386,077.87</u>

5. NON- REGULAR ALLOWANCE

LEAVE BONUS	
TOTAL	

6. SOCIAL BENEFIT

GRATUITY	-
PENSION	418,696,212.86
TOTAL	<u>418,696,212.86</u>

7. OVERHEAD COST BY DEPARTMENT

CHAIRMAN & COUNCIL	14,576,500.00
HOLGA	330,000.00
INTERNAL AUDIT	150,000.00
ADMINISTRATIVE	2,693,392.80
FINANCE	1,362,011.83
INFORMATION	3,865,383.33
P H C	1,291,883.33
AGRIC	1,039,200.00
WORKS	2,804,000.00
PLANNING	1,096,000.00
WES	1,603,000.00
COMMUNITY	647,800.00
TOTAL	<u>31,459,171.29</u>

8. CASH & CASH EQUIVALENTS

CASH AT HAND	38,387.55
CASH IN BANKS	21,563,086.00
TOTAL	<u>21,601,473.55</u>

9. UNREMITTED DEDUCTIONS

5% VAT	9,331,470.46
5% DEVELOPMENT LEVY	16,374,199.49
PENSION	22,114,140.79
5% WITHHOLDING TAX	19,269,582.65
PAYEE	33,234,674.86
OTHERS	6,371,030.98
TOTAL	<u>107,579,659.99</u>

NOTE 10	REMO NORTH LOCAL GOVERNMENT SCHEDULE OF PROPERTY PLANT & EQUIPMENT							TOTAL
	LAND & BUILDING 2%	LAND	PLANT & MACHINERY 10%	TRANSPORTATION EQUIPMENT 20%	OFFICE EQUIPMENT 25%	FURNITURE & FITTINGS 20%	INFRASTRUCTURE 10%	
BAL AS AT 01/01/2020	1,114,225,500.00	72,840,000.00	141,055,000.00	29,771,172.57	993,000.00	5,797,000.00	6,850,000.00	1,371,531,672.57
ADDITION DURING THE YEAR								0.00
LEGACY								0.00
DISPOSAL DURING THE YEAR				(250,000.00)				(250,000.00)
BAL C/F	1,114,225,500.00	72,840,000.00	141,055,000.00	29,521,172.57	993,000.00	5,797,000.00	6,850,000.00	1,371,381,672.57
ACCUMULATED DEPRECIATION								
BAL AS AT 01/01/2020	22,178,180.00		14,105,500.00	7,427,834.51	330,750.00	1,289,800.00	685,000.00	46,017,064.51
ADDITION DURING THE YEAR	22,284,510.00		14,105,500.00	5,904,134.51	248,250.00	1,159,400.00	685,000.00	44,386,894.51
DISPOSAL DURING THE YEAR				(50,000.00)				50,000.00
BAL C/F	44,462,690.00	-	28,211,000.00	13,282,069.02	579,000.00	2,449,200.00	1,370,000.00	90,353,959.02
AS AT 31/12/2020	1,069,762,810.00	72,840,000.00	112,844,000.00	16,239,103.55	414,000.00	3,347,800.00	5,480,000.00	1,280,327,713.55
AS AT 31/12/2019	1,092,047,320.00	72,840,000.00	126,949,500.00	22,343,338.06	662,250.00	4,507,200.00	6,165,000.00	1,325,514,608.06
NOTE 11	REMO NORTH LOCAL GOVERNMENT INVESTMENT PROPERTY							
	LAND & BUILDING 2%	LAND					TOTAL	
BAL AS AT 01/01/2020	320,790,000.00						320,790,000.00	
ADDITION DURING THE YEAR	7,525,000.00						7,525,000.00	
LEGACY							0.00	
DISPOSAL DURING THE YEAR							-	
BAL C/F	328,315,000.00	-					328,315,000.00	
ACCUMULATED DEPRECIATION								
BAL AS AT 01/01/2020	6,415,800.00						6,415,800.00	
ADDITION DURING THE YEAR	6,566,300.00						6,566,300.00	
DISPOSAL DURING THE YEAR								
BAL C/F	12,982,100.00	-					12,982,100.00	
AS AT 31/12/2020	315,332,900.00	-					315,332,900.00	
AS AT 31/12/2019	314,374,200.00	-					314,374,200.00	

The Chairman,
Transition Committee,
Remo North Local Government,
Isara.

**AUDIT INSPECTION REPORT ON THE ACCOUNTS OF REMO NORTH
LOCAL GOVERNMENT, ISARA FOR THE PERIOD 1ST JANUARY TO 31ST
DECEMBER, 2020**

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/SRA/206/2020	Doubtful Expenditure	215,000.00
2	OGLG/AQ/SRA/207/2020	Doubtful Expenditure	160,000.00

3. **REVENUE GENERATION**

During the period covered by this report, a sum of Nineteen Million, Seven Hundred and Ninety Thousand Naira (₦19,790,000.00) only was the total independent revenue budgeted, but a sum of Thirteen Million, One Hundred and Seventy-Eight Thousand, Nine Hundred and Twenty Naira, Fifty-Three Kobo (₦13,178,920.53) only was generated. The amount generated represented 86.37% of the budget for the year and a drop of 14.5% from the sum of ₦15,986,450.00 generated in year 2019 by the Local Government and the Local Council Development Area that now makes up the present Remo North Local Government.

Although there have been some improvements in revenue related record keeping but there is more to be done on revenue monitoring and supervision. Keeping proper revenue records will make tracking of revenue collection much easier. At the moment, the Local Government does not have a collated revenue data base which identifies revenue points. The revenue data base can be utilized to monitor collections and plan revenue collection activities of the Local Government.

A review of revenue generated from departments revealed that some departmental revenues are not well harnessed. An example was the Medical Department where a sum of ₦2,897,820.00 was generated by both Remo North and the Defunct Remo North East Local

Council Development Area in year 2019 while ₦2,663,230.00 only was generated by the Local Government in year 2020. It was particularly noted that while ₦1,097,360.00 was generated from earnings from medical services in year 2019, nothing was generated in year 2020 from this source.

The Local Government has two laboratories and a paltry sum of ₦92,600.00 was generated from the two laboratories in year 2019 and ₦125,250.00 in year 2020. This amounted to gross underutilization of the facilities.

Recommendation: The Local Government should deepen its revenue generation record keeping as required by regulations. In addition, a formally collated revenue data base should be generated for more efficient monitoring of revenue generation. Furthermore, you are enjoined to pay attention to revenue generation from other departments which at the moment is not being properly harnessed.

4. **NAMING OF STREET**

Observation: I wish to refer to paragraph 8 of last audit inspection report No. OGLG/SRA/1/Vol.III/208 of 14th January, 2020 on the above subject matter and to observe that the Local Government had yielded the advice of this Office by opening required accounting records in respect of street naming. It was also observed that a sum of ₦850,000.00 was generated from street naming in the current year which is an improvement on the sum of ₦520,000.00 generated in year 2019. However, the sum of Two Million, Five Hundred and Ninety Thousand Naira (₦2,590,000.00) outstanding in respect of arrears of renewal of streets named is not encouraging.

Recommendation: The Local Government should take necessary steps to recover the outstanding naming of street renewal fee.

5. **LOCAL GOVERNMENT SHOPS**

Observation: It was reported in the last Audit Inspection Report No OGLG/SRA/1/VOL.III/220 dated 18th November, 2020 that the Local Government either did not collect the sum of ₦3,129,000.00 detailed below from her shops or that it was collected and not remitted to the treasury.

Arrears of rent 2017	1,361,000.00
Arrears of rent 2018	542,000.00
Arrears of rent 2019	560,000.00
Arrears of rent LCDA 2019	<u>666,000.00</u>
Total arrears	<u>3,129,000.00</u>

In the year 2020 audit just concluded, it was observed that a sum of ₦2,883,050.00 was the amount generated from shops. Though this represents an improvement on collections on shops when compared with the sum of ₦1,673,000.00 generated in year 2019, it is never-the-less short of expectations from this source. It was expected that a sum of ₦4,014,000.00 should have been generated from the 287 actively occupied lock-up shops and 95 open stalls in the current year and the arrears of previous years rent of ₦3,129,000.00 both amounting to ₦7,143,000.00 (₦4,014,000.00 + ₦3,129,000.00).

Your Local Government had refused to heed the advice of this Office to investigate the cause(s) of the abysmal performance on rent of Local Government shops. Continued refusal to investigate perceived weakness which may result in loss of revenue will be concealment of misbehaviour and encouragement of such acts.

Recommendation: You are again enjoined to deepen the revenue generation efforts from your Local Government shops. You are also advised to investigate the reasons for poor performance on revenue from shops which had resulted in huge amount due but not paid to the Local Government Treasury.

6. **AGRICULTURE AND NATURAL RESOURCES DEPARTMENT**

Observation: Available records revealed that the Agriculture Department of Local Government embarked on Poultry with an opening stock of 300 birds, but unfortunately, it had to hurriedly dispose the birds as a result of the COVID 19 pandemic. The decision to dispose the entire birds was reached by the management to avoid total loss during the COVID 19 pandemic lockdown which made it difficult to give the birds' the required attention. The poultry was run at a loss of ₦335,850.00. During the period, a sum of ₦1,288,150.00 only was generated from sale of eggs and birds while the sum of ₦1,624,000.00 was expended on the project.

However, it was observed that while the Agriculture Department claimed that the sum of ₦1,288,150.00 was realized from the sale of eggs and birds, the financial statement reported a sum of ₦829,415.00 from the sale of eggs and birds resulting in a discrepancy of ₦458,735.00. We gathered that the discrepancy was brought about by the refusal of the Treasury to issue Treasury receipts without confirming that the amounts claimed to have been deposited had actually been credited to the Local Government account.

Recommendation: It is hoped that when the Local Government have access to its bank statement, it should ascertain the deposit of the sum of ₦458,735.00 on the sale of eggs and birds.

7. **GARRI PROCESSING FACTORY**

Observation: During the period of auditing, available record revealed that there was a Garri Processing factory situated at Ode Remo, which was established by Cassava Value Chain for Africa (CAVA II). The project was fully sponsored by Bill and Melinda Gate Foundation before it was handed over to the Local Government in July, 2019. The Local Government provided the land for the factory while the construction of the building and installation of all the required equipment was carried out by Cassava Value Chain for Africa (CAVAII). The registration of the project with NAFDAC is on-going.

During the year under review, a sum of One Hundred and Fifty Thousand Naira (₦150,000.00) only was released to the Agriculture Department vide PV 22 July, 2020 to test run the processing of cassava into garri. After utilizing the money released to purchase and process cassava into garri, a sum of Two Hundred and Seventeen Thousand, Three Hundred and Fifty Naira (₦217,350.00) only was realized from the sale of the product resulting to a surplus of Sixty-Seven Thousand, Three Hundred and Fifty Naira (₦67,350.00) only.

However, the sum of ₦217,350.00 realised was said to have been paid to the Local Government bank account but the Treasury was yet to issue Treasury receipts because it did not have access to its bank statement.

Recommendation: It is hoped that when the Local Government have access to its bank statement it should ascertain the deposit of the sum of ₦217,350.00 on the sale of processed garri.

8. **LANDED PROPERTY**

Observation: I wish to refer to paragraph 9 of year 2019 audit inspection report where it was noted that the landed properties of the Local Government did not have documents of title such as official receipt of purchase, deed of assignment, perimeter survey and other relevant documents. You were advised to get necessary documents of all your landed properties and to properly keep same. A follow up on this in the audit of year 2020 account just concluded revealed that nothing appeared to have been done on this because nothing tangible was available in the files or definite steps to generate the required documents.

Recommendation: The Local Government is hereby advised to expedite action on the need to get necessary documentary evidences on all her landed properties. The Local Government is admonished to erect sign post on all her landed properties to prevent encroachment.

9. **FIFTY MILLION NAIRA (₦50,000,000.00) FIXED DEPOSIT IN ZENITH BANK PLC**

Observation: It was reported in paragraph 10 of year 2019 audit inspection report that there was an investment of ₦50million in Zenith bank whose existence could not be ascertained. In the report, the Auditor-General advised the Local Government to investigate the existence of the fixed deposit. It was gathered during the just concluded audit exercise that the Local Government had set up a 5man committee to look into the matter but the committee is yet to submit its findings at the time of writing this report.

Recommendation: The Local Government is advised to conclude her findings and inform this Office accordingly.

10. **ICT RESOURCE CENTRE AT ODE-REMO**

Observation: I wish to refer to paragraph 4 of year 2019 audit inspection report No. OGLG/RNLECDA/1/18 of 20th November, 2020 (Defunct Remo North East Local Council Development Area) on the ICT Centre donated by Asiwaju Adebisi Adegbuyi, an indigene of the Local Government, which was fully equipped with ICT equipment but yet to be put to use after three (3) years of its establishment. This is inspite of repeated cry by the Office on the fact that the facility is idle and wasting away, despite the fact that all the Computer gadgets, its accessories and other necessary equipment that will enhance the effective functioning of the centre had been put in place by the donor.

Recommendation: The Local Government is advised to take steps towards ensuring that the ICT centre is put into use for the benefit of the public.

11. **LOCAL GOVERNMENT ASSET NOT IN THE SECRETARIAT**

Observation: It was revealed in the last audit inspection report that a newly acquired Lexus 350 ES SUV 2007 Model Saloon Car purchased by Defunct Remo North East Local Council Development Area in November, 2018 for the use of Executive Chairman (Hon. Idowu Segun Samuel FCA) had been taken away by him at the expiration of his tenure without due process. Also, a Lexus Car purchased in year 2018 for the use of the Executive Chairman Remo North Local Government (Hon. Sowole Awoyemi Olutayo) was not found in the Secretariat since the expiration of his tenure in October, 2019 contrary to the advice of this Office.

This flagrant disregard for the contents of Letters No. DG/152/T/176 of 16th February and DG/152/T/186 of 20th April, 2017 issued by the Ministry of Local Government and Chieftaincy Affairs continued during the audit exercise just concluded. The letter under reference instructed

that Local Government could only release official vehicles to Chairman or Vice Chairman after due process which include the payment of the professionally determined value of the vehicle. The vehicles were taken away by the Chairmen without following due process and the Local Government refused to take necessary steps to recover her properties.

Recommendation: The Local Government is advised once again to recover the vehicles from the two formal Executive Chairmen to the Secretariat in line with our circular letter no OGLG/AUD94/Vol.III/36 of 14th June, 2019 and inform this Office of the recovery.

REMO NORTH LOCAL GOVERNMENT

RNLG.126/Vol.V/252

25th August, 2021

The Auditor General for Local Government,
Office of the auditor General for Local Governments,
Parastatals Building Block “B”,
P.M.B. 2047,
Abeokuta.

RE: AUDIT INSPECTION REPORT ON THE ACCOUNTS OF REMO NORTH LOCAL GOVERNMENT, ISARA REMO FOR THE PERIOD 1ST JANUARY TO 31ST DECEMBER, 2020

I wish to refer to your letter with Ref. No. OGLG/SRA/1/Vol.III/235 dated 28th May, 2021 below are the reports accordingly:

1. **DESTRUCTION OF EXHAUSTED RECEIPTS BOOKS**

Arrangement is ongoing in the department of Finance and supplies to ensure proper handling of destruction of exhausted receipts books. The list of the exhausted receipts will be sent to the Management for onward transmission to the Auditor-General Office before destruction.

2. **AUDIT QUERIES**

Audit queries OGLG/AQ/SRA/206&207/2020 two (2) queries have been dispatched to the respected recipients. Those were dispatched through the Audit Queries Register.

3. **REVENUE GENERATION**

Fiancé and Supplies Department in conjunction with the Revenue Task Force have moved to identify more revenue points which will be the basis of our revenue database. In additional, revenue generated by other departments is been monitored to ensure proper recording.

4. **NAMING OF STREET**

The Local Government has inaugurated Street Naming Renewal Committee who are to whole worked assiduously to generate revenue from Renewal of Street Naming. The committee has generated a sum of Two Hundred and Ninety-Five Thousand Naira (₦295,000.00) only within the period of five (5) weeks they went out.

The Director, General Services & Administration has began to liaise with the newly elected Chairman, so that the committee can go back to the field to generate more revenue for the Local Government.

5. **LOCAL GOVERNMENT SHOPS**

Observation on this is being given to reconciled records to all identify defaulters and to correct records where need be.

6. **AGRICULTURE AND NATURAL RESOURCES DEPARTMENT**

In year 2019, Three Hundred (300) pullets were purchased as day old and reared for six (6) months before they started laying eggs. The money for purchase was released instalmentally i.e. monthly during the period. The money realized was used to purchase feeds and drugs for the birds vide the approval given by the then Chairman. The total money released during the whole period of reasoning and laying was One Million, Five Hundred and Seventy-Two Naira (₦1,572,000.00).

The dispose of the birds was affected by the COVID-19 pandemic lockdown. The decision to sell-off the birds was reached by the management, the dispose brought a sum of One Million, Two Hundred and Thirty-Seven Thousand, Four Hundred and Fifty Naira (₦1,237,450.00) to the cover of the Local Government both from the sales of eggs and birds. This amount has been deposited into Agric Account of the Local Government.

Also, Garnishee judgment on the Local Government account has really affected the egg production because it has affected the birds feeding.

7. **GARRI PROCESSING FACTORY**

The Local Government would ensure the deposit of the sum of Two Hundred and Seventeen Thousand, Three Hundred and Fifty Naira (₦217,350.00) on the sales of processed garri when the Local Government shall have access to the accounts.

8. **LANDED PROPERTY**

On the landed property of the Local Government, all the related documents on title of ownership for Remo North Local Government Landed Property is in the custody of Isara Community Development Association (ICDA) because the association was the original purchaser of the landed property for the use of Remo North Local Government.

However, the Local Government management is on the process of retrieving the documents from Isara Community Development Association (ILCDA) Isara, likewise the necessary survey will be carried out soon.

9. **FIFTY MILLION NAIRA (N50,000,000.00) FIXED DEPOSIT IN ZENITH BANK PLC**

A committee was set up by the Local Government on the above and the report of the committee has been submitted to the newly elected Chairman further directives on it.

10. **ICT RESOURCE CENTRE AT ODE-REMO**

The officer in-charge of the department of Information, Education and Sports is yet to give any report on this.

11. **LOCAL GOVERNMENT ASSET NOT IN THE SECRETARIAT**

Efforts have been made by the department of the General Services and Administration to retrieve the two vehicles taken away by the Executive Chairman of Remo North Local Government and Remo North East Local Council Development area respectively proved abortive.

The Local Government has written letter to them but it was turn down. The department is proposing to inform the newly elected Chairman further necessary action to be taken.

Thank you.


Dr Mayomi-Oyedele D. M.,
Acting Head of Local Government Administration
for: Executive Chairman.