

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, 2021

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ACKNOWLEDGEMENT

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

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

I cannot but appreciate the favourable disposition of the immediate past Head of Service Alhaja Selimot Olapeju Ottun and the current Head of Service Dr Nafiu Aigoro for their regular support towards keeping this Office afloat.

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

Thank you and God bless you all.



L.A. Mulero (CNA)
Auditor-General for Local Governments,
Ogun State.
17th June, 2022.



OFFICE OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

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

AUDIT CERTIFICATE

I have examined the accounts of Remo North 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
REMO NORTH LOCAL GOVERNMENT FOR THE YEAR ENDED 31ST DECEMBER,
2021**

The accounts of Remo North 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

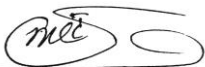
We conducted our Audit in accordance with Generally Accepted Auditing Standards and auditing standards issued by International Organisation of Supreme Audit Institution (INTOSAI). I have obtained all information and explanations that I require for my Audit. An audit includes examination on test basis 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 REMO NORTH LOCAL GOVERNMENT, ISARA 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 Remo North Local Government, Isara for the year ended 31st December, 2021 have been audited. The General Purpose Financial Statement was prepared by the Management of the Local Government and is therefore responsible for the contents and information contained therein. The 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

Some accounting records like the asset register were not properly kept

(3) FINANCIAL REVIEW:

REVENUE	AMOUNT (₦)
Independent Revenue	20,154,181.29
Statutory Allocation	1,058,822,945.95
Aid and Grants	<u>18,000,000.00</u>
Total	<u>1,096,977,127.24</u>
EXPENDITURE	
Salaries & Allowance	691,589,316.45
Overhead Expenses	110,622,577.33
Pension	369,706,325.87
Long Term Assets	<u>8,987,055.00</u>
Total	<u>1,180,905,274.65</u>

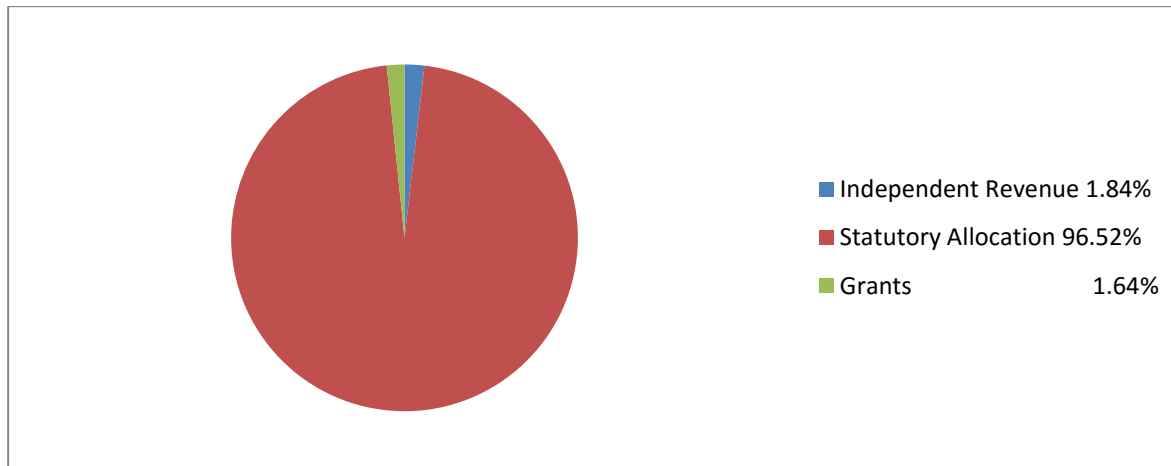
(4) REVENUE PERFORMANCE:

(i) STATEMENT OF ACTUAL REVENUE

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦30,200,000.00, a sum of ₦20,154,181.29 only was actually generated internally representing 66.74%. This represents increase of 52.93% in internally generated revenue performance when compared with the sum of ₦13,178,920.53 generated in year 2020. This an impressive performance when compared with the previous year’s result, never-the-less it is not a true reflection of the revenue potentials of the Local Government.

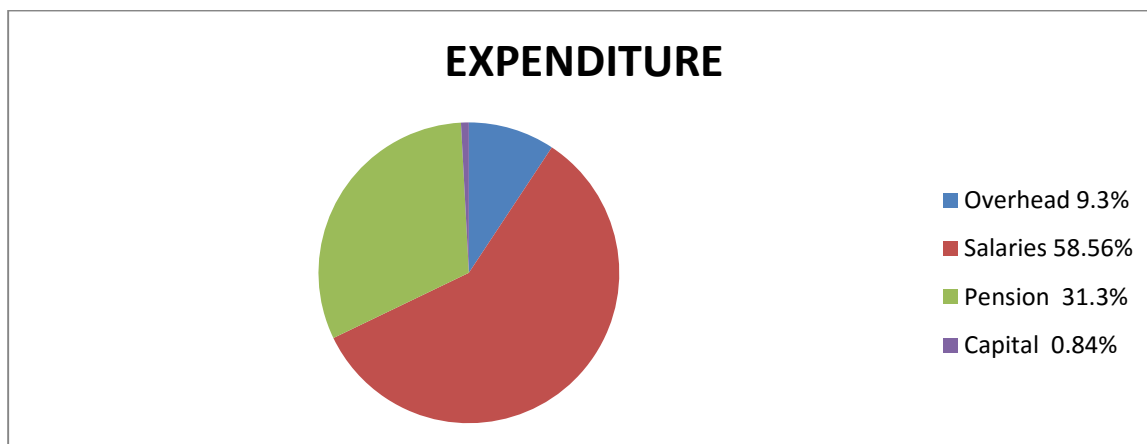
(ii) **PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE**

The Audit exercise revealed that out of the revenue of ₦1,096,977,127.24 realized by the Local Government during the year under review, a sum of ₦20,154,181.29 only was generated internally. This represented 1.84% of the total revenue while the sum of ₦1,058,822,945.95 statutory allocation and ₦18,000,000.00 aids and grant received from the State Joint Account Allocation Committee represented 96.52% and 1.64% 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 ₦1,180,905,274.65. Out of this, a sum of ₦110,622,577.33 was expended on overhead which represented 9.3% of the total expenditure for the year. Also, a sum of ₦691,589,316.45 was expended on salaries and allowances representing 58.56% of the total expenditure for the year and ₦369,706,325.87 was paid to pensioners which represent 31.3%. The sum of ₦8,987,055.00 was expended on long term assets and this represented 0.84% 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, 2021 was ₦145,348,556.56. 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	32,250,423.37
3	5% WITHOLDING TAX	19,269,582.65
4	Loan	4,616,082.43
5	PAYEE	54,782,521.73
6	NHF	884,560.76
5	Payables	1,940,350.00
	OTHERS	<u>6,387,965.11</u>
	Total	<u>145,348,556.56</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.

REMO NORTH LOCAL GOVERNMENT

RESPONSIBILITY FOR FINANCIAL STATEMENT

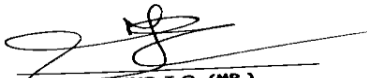
These financial statements have been prepared by me in accordance with the provisions of Finance (Control and Management) Act Cap 144 LFN 1990 as amended. The financial statements comply with Generally Accepted Accounting Practice.

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.


ADEBAYO J.O. (MR.)
Director, Finance & Supplies
Date: 07-02-2022

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, 2021 and its operations for the year ended on the date.


ADEBAYO J.O. (MR.)
Director, Finance & Supplies
Date: 07-02-2022


HON. (PRINCE) ADEBAYO ODUNSI
Executive Chairman
Date: 07/02/2022

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

	NOTES	2021	2020
CURRENT ASSET		₦	₦
CASH & CASH EQUIVALENTS	8	20,007,774.87	21,601,473.55
INVENTORIES		3,028,575.00	3,067,675.30
RECEIVABLES		994,200.00	2,727,500.00
PREPAYMENT			
ADVANCE		9,725,481.71	9,725,481.71
TOTAL CURRENT ASSET (A)		33,756,031.58	37,122,130.56
NON CURRENT ASSET			
PROPERTY PLANT & EQUIPMENT	10	1,237,302,419.04	1,280,927,713.55
INVESTMENT PROPERTY	11	316,587,053.90	315,332,900.00
BIOLOGICAL ASSET	12		
INVESTMENT			50,000,000.00
LOAN GRANTED			
TOTAL NON CURRENT ASSET (B)		1,553,889,472.94	1,646,260,613.55
TOTAL ASSET (C=A+B)		1,587,645,504.52	1,683,382,744.11
CURRENT LIABILITY			
DEPOSIT			
LOAN & DEBT		4,616,082.43	4,916,082.43
UNREMITTED DEDUCTIONS	9	138,792,124.13	107,579,659.99
ACCRUED EXPENSES, PAYABLES		1,940,350.00	2,880,000.00
DEFERRED INCOME		1,374,000.00	1,747,000.00
CURRENT PORTION OF BORROWING			
TOTAL CURRENT LIABILITY (D)		146,722,556.56	117,122,742.42
NON CURRENT LIABILITY			
PUBLIC FUND			
BORROWING			
TOTAL NON CURRENT LIABILITY (E)		-	-
TOTAL LIABILITY (F=D+E)		146,722,556.56	117,122,742.42
NET ASSETS (G= C-F)		1,440,922,947.96	1,566,260,001.69
NET ASSET/EQUITY			
RESERVE			
ACCUMULATED SURPLUS/ DEFICIT		1,440,922,947.96	1,566,260,001.69
TOTAL NET ASSET/EQUITY		1,440,922,947.96	1,566,260,001.69

REMO NORTH LOCAL GOVERNMENT

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

	NOTES	2021	2020
REVENUE		₦	₦
STATUTORY ALLOCATION	1	1,058,822,945.95	1,084,634,173.58
NON TAX REVENUE:	2	19,101,407.64	11,370,586.86
INVESTMENT INCOME			
INTEREST EARNED			
AIDS & GRANTS	3	18,000,000.00	10,500,000.00
OTHER REVENUE		1,052,773.65	1,808,333.67
TOTAL REVENUE (A)		1,096,977,127.24	1,108,313,094.11
EXPENDITURE			
SALARIES & WAGES	4	691,589,316.45	666,386,077.87
NON- REGULAR ALLOWANCE	5		
SOCIAL BENEFIT	6	369,706,325.87	418,696,212.86
OVERHEAD COST	7	58,514,381.72	31,459,171.29
SUBVENTION TO PARASTALS		750,000.00	600,000.00
DEPRECIATION	10 & 11	51,358,195.61	50,953,194.51
GAIN/LOSS ON DISPOSAL ON ASSET			100,000.00
TOTAL EXPENDITURE (B)		1,171,918,219.65	1,168,194,656.53
SURPLUS / DEFICIT (C=A-B)		-74,941,092.41	-59,881,562.42

REMO NORTH LOCAL GOVERNMENT

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

	₦
Balance 1/1/2020	1,626,141,564.11
Prior Year Adjustment	
Adjusted Balance	1,626,141,564.11
Surplus/ (deficit) for the year	-59,881,562.42
Balance 31/12/2020	1,566,260,001.69
Prior Year Adjustment	-50,395,961.32
Adjusted Balance	1,515,864,040.37
Surplus/ (deficit) for the year	-74,941,092.41
Balance at 31 December 2021	1,440,922,947.96

REMO NORTH LOCAL GOVERNMENT

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

CASH FLOWS FROM OPERATING ACTIVITIES	2021	2020
<u>INFLOWS</u>	₦	₦
STATUTORY ALLOCATION	1,060,822,945.95	1,082,634,173.58
LICENCES, FINES, ROYALTIES, FEES ETC	14,271,487.64	10,332,041.86
EARNINGS & SALES	3,328,220.00	3,859,045.00
RENT OF GOVERNMENT PROPERTIES	862,000.00	507,000.00
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL		
DOMESTIC AIDS & GRANTS	18,000,000.00	10,500,000.00
OTHER REVENUE	1,052,773.65	1,808,333.67
TOTAL INFLOW FROM OPERATING ACTIVITIES A	1,098,337,427.24	1,109,640,594.11
<u>OUTFLOW</u>		
PERSONNEL EMOLUMENTS	691,589,316.45	666,386,077.87
SOCIAL BENEFIT	369,706,325.87	418,696,212.86
OVERHEADS	59,414,931.42	32,339,228.49
SUBVENTION TO PARASTATALS	750,000.00	600,000.00
INTEREST PAYMENT		
TOTAL OUTFLOW FROM OPERATING ACTIVITIES B	1,121,460,573.74	1,118,021,519.22
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B	-23,123,146.50	-8,380,925.11
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
PURCHASE/ CONSTRUCTION OF ASSETS	- 8,987,055.00	- 7,525,000.00
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE		
PROCEED FROM SALE OF ASSETS		100,000.00
DIVIDEND RECEIVED		
NET CASH FLOW FROM INVESTING ACTIVITIES	-8,987,055.00	-7,425,000.00
<u>CASH FLOW FROM FINANCIAL ACTIVITIES</u>		
DEPOSIT/ UNREMITTED DEDUCTIONS	30,816,502.82	15,557,729.27
PUBLIC FUND		
REPAYMENTS OF LOAN	- 300,000.00	
NET CASH FLOW FROM FINANCIAL ACTIVITIES	30,516,502.82	15,557,729.27
NET CASH FLOW FROM ALL ACTIVITIES	-1,593,698.68	-248,195.84
CASH & ITS EQUIVALENT AS AT 1/1/2021	21,601,473.55	21,849,669.39
CASH & ITS EQUIVALENT AS AT 31/12/2021	20,007,774.87	21,601,473.55

ACCOUNTING POLICY

S/N	
1	<p>Basis of Preparation The General Purpose Financial Statements are prepared under the historical cost convention and in accordance with IPSAS and other applicable standards and laws.</p>
2	<p>Accounting period Reporting period runs from 1st January to 31st December.</p>
3	<p>Reporting Currency The reporting currency is Naira (₦).</p>
4	<p>Revenue</p> <ul style="list-style-type: none"> a) Revenues from non-exchange transactions such as fees, and fines are recognised when the event occurs and the asset recognition criteria are met. b) Other non-exchange revenues are recognised when it is probable that the future economic benefits or service potential associated with the asset will flow to the Local Government and the fair value of the assets can be measured reliably.
5	<p>Other revenue</p> <ul style="list-style-type: none"> a) Other revenue consists of gains on disposal of property, plant and equipment. b) Any gain on disposal is recognized at the date control of the assets is passed to the buyer and is determined after deducting from the proceeds the carrying value of the assets at that time.
6	<p>Aids and Grants Aid and grants to a Local Government is recognised as income on entitlement, while aid and grants to other governments/agencies are recognised as expenditure on commitment.</p>
7	<p>Expenses All expenses are recognised in the period they are incurred or when the related services are enjoyed, irrespective of when the payment is made.</p>
8	<p>Property, Plant & Equipment (PPE)</p> <ul style="list-style-type: none"> a) All property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. b) Where an asset (Other than land) is acquired in a non-exchange transaction for nil or normal consideration the asset is initially recognised at fair value, where fair value can be reliably determined and as income in the statement of financial performance.
9	<p>Depreciation The cost of PPE are written off, from the time they are brought into use on a straight line basis over their expected useful lives less any estimated residual value as follows:</p> <ul style="list-style-type: none"> a) Lease properties over the term of the lease b) Buildings 2% c) Plant and Machinery 10% d) Motor vehicles 20% e) Office Equipment 25% f) Furniture and Fittings 20% <ul style="list-style-type: none"> i. The full depreciation charge is applied to PPE in the year of acquisition and non in the year of disposal, regardless of the day of the month the transactions were carried out ii. Fully depreciated assets that are still in use are carried in the books at a net book value of ₦100.00

	<p>iii. An asset's carrying amount is written down immediately to its recoverable amount or recoverable service amount if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.</p>
10	<p>Disposal Gains or losses on the disposal of fixed assets are included in the income statement as either an income or expenses respectively.</p> <p>Impairment Entities shall test for impairments of its PPE where it suspects that impairment has occurred.</p>
11	<p>Investment Property These are cash-generating property owned by the Local Government. The cost, depreciation and impairment of Investment Property are same with PPE.</p>
12	<p>Unremitted Deductions</p> <p>a) Unremitted deductions are monies owed to third parties such as tax authorities, schemes and associations and other government agencies. These include tax deductions and other deductions at source.</p> <p>b) These amounts are stated as Current Liabilities in the Statement of Financial Position.</p>
13	<p>Payable/Accrued Expenses</p> <p>a) These are monies payable to third parties in respect of goods and services received</p> <p>b) Accrued Expenses for which payment is due in the next 12 months are classified as Current Liabilities. Where the payments are due beyond the next 12 months, they are accounted for as Non-Current Liabilities.</p>
14	<p>Current Portion of Borrowings This is the portion of the long-term loan/borrowing that is due for repayment within the next 12 months. This portion of the borrowings is classified under Current Liabilities in the Statement of Financial Position.</p>

NOTES TO THE GPFS FOR THE YEAR ENDED 31ST DECEMBER, 2021

1. SHARE OF STATUTORY ALLOCATION FROM JAAC

₦

JANUARY	82,772,053.04
FEBRUARY	78,632,663.23
MARCH	76,746,683.55
APRIL	79,495,484.44
MAY	83,274,319.75
JUNE	76,420,349.39
JULY	81,957,080.49
AUGUST	84,421,338.12
SEPTEMBER	91,785,040.41
OCTOBER	98,549,990.06
NOVEMBER	133,250,897.01
DECEMBER	91,517,046.46
TOTAL	1,058,822,945.95

2 NON-TAX REVENUE

LICENCES	3,136,350.00
FEES	11,259,337.64
FINES	248,800.00
EARNINGS	150,900.00
RENT OF GOVERNMENT PROPERTIES	1,128,700.00
SALES	3,177,320.00
TOTAL	19,101,407.64

3 AIDS & GRANTS

OGUN STATE GOVERNMENT	18,000,000.00
NON GOVERNMENT ORGANISATION	0.00
TOTAL	18,000,000.00

4 SALARIES & WAGES

LOCAL GOVERNMENT STAFF	275,970,196.56
PRIMARY SCHOOL TEACHERS	289,972,609.72
TRADITIONAL COUNCIL	100,004,010.92
POLITICAL FUNCTION	25,642,499.25
TOTAL	691,589,316.45

5 NON-REGULAR ALLOWANCE

LEAVE BONUS	
TOTAL	

6 SOCIAL BENEFIT

	GRATUITY	-
	PENSION	369,706,325.87
	TOTAL	369,706,325.87

7 OVERHEAD COST BY DEPARTMENT

	CHAIRMAN & COUNCIL	26,329,000.00
	HOLGA	325,000.00
	INTERNAL AUDIT	1,019,050.00
	ADMINISTRATIVE	7,226,756.75
	FINANCE	5,905,599.97
	INFORMATION	475,500.00
	P H C	2,948,075.00
	AGRIC	168,300.00
	WORKS	10,776,100.00
	PLANNING	2,018,000.00
	WES	781,000.00
	COMMUNITY	542,000.00
	TOTAL	58,514,381.72

8 CASH & CASH EQUIVALENTS

	CASH AT HAND	9,373.96
	CASH IN BANKS	19,998,400.91
	TOTAL	20,007,774.87

9 UNREMITTED DEDUCTIONS

1	PENSION	32,250,423.37
2	5% VAT	9,331,470.46
3	5% DEVELOPMENT LEVY	16,374,199.49
4	5% WITHHOLDING TAX	19,269,582.65
5	PAYEE	54,782,521.73
6	COOPERATIVE	4,050,363.69
7	OTHERS	2,733,562.74
	Total	138,792,124.13

REMO NORTH 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 01/01/2021	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	1,371,281,672.57		
ADDITIONAL DURING THE YEAR										
LEGACY						880,000.00	127,000.00		1,007,000.00	0.00
DISPOSAL DURING THE YEAR										
BAL C/F	1,114,225,500.00	72,840,000.00	141,055,000.00	29,521,172.57	1,873,000.00	5,924,000.00	6,850,000.00	1,372,288,672.57		
ACCUMULATED DEPRECIATION										
BAL AS AT 01/01/2021	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		
ADDITIONAL DURING THE YEAR	22,284,510.00		14,105,500.00	5,904,234.51	468,250.00	1,184,800.00	685,000.00	44,632,294.51		
DISPOSAL DURING THE YEAR										
ADJUSTMENT										
BAL C/F	66,747,200.00	-	42,316,500.00	19,186,303.53	1,047,250.00	3,634,000.00	2,055,000.00	134,986,253.53		
AS AT 31/12/2021	1,047,478,300.00	72,840,000.00	98,738,500.00	10,334,869.04	825,750.00	2,290,000.00	4,795,000.00	1,237,302,419.04		
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	1,280,927,713.55		
REMO NORTH LOCAL GOVERNMENT										
INVESTMENT PROPERTY	LAND & BUILDING 2%	LAND	TOTAL							
BAL AS AT 01/01/2021	328,315,000.00		328,315,000.00							
ADDITIONAL DURING THE YEAR	7,980,055.00		7,980,055.00							
LEGACY			0.00							
DISPOSAL DURING THE YEAR			-							
BAL C/F	336,295,055.00	-	336,295,055.00							
ACCUMULATED DEPRECIATION										
BAL AS AT 01/01/2021	12,982,100.00		12,982,100.00							
ADDITIONAL DURING THE YEAR	6,725,901.10		6,725,901.10							
DISPOSAL DURING THE YEAR										
BAL C/F	19,708,001.10	-	19,708,001.10							
AS AT 31/12/2021	316,587,053.90	-	316,587,053.90							
AS AT 31/12/2020	315,332,900.00	-	315,332,900.00							

The Executive 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, 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/SRA/208/2021	Doubtful Expenditure	42,000.00
2	OGLG/AQ/SRA/209/2021	Doubtful Expenditure	20,000.00
	OGLG/AQ/SRA/210/2021	Doubtful Expenditure	10,000.00

3. **CONSTRUCTION OF AN OPEN STALL MARKET**

OBSERVATION: I wish to refer to paragraph 10 of the half-year 2021 Audit Inspection Report where it was reported that thirty-six (36) open stalls were constructed at Orile-Oko, Akaka and Ilara markets within the Local Government but yet to be commissioned and allocated to the public. It was also observed in the report that some of the open stalls had been occupied by some traders without allocation.

During audit interaction with the Treasurer, Mr. J. O. Adebayo (Director, Finance and Supplies), he explained that steps has been taken to ensure that the open stalls are allocated to interested traders and notification has been sent to the traders to tender their application.

RECOMMENDATION: The Local Government is once again advised to ensure that necessary steps are taken to allocate the completed shops without further delay. Revenues from the shops should be duly accounted for.

4. **LOCAL GOVERNMENT SHOPS**

OBSERVATION: Paragraph 6 of audit inspection report No. OGLG/SRA/1/VOL.III/235 dated 28th May, 2021 and the last half-year audit inspection report No. OGLG/SRA/1/VOL.III/249

dated 23rd December, 2021 reported that the Local Government either did not collect the sum of ₦3,129,000.00 generated from her shops between 2017 and 2019 or that it was collected and not remitted to the treasury. It was observed during the just concluded audit that no action was taken to investigate and recover the sum of ₦3,129,000.00 involved.

It was observed during the audit exercise just concluded that a sum of ₦2,403,800.00 was generated from rent on Government shops representing an increase of 13% when compared with the sum of ₦2,131,700.00 generated in year 2020. The sum of ₦2,403,800.00 generated was made up of arrears of rent of ₦373,000.00 while the remaining sum of ₦2,030,800.00 was for the current year's rent. Meanwhile, it was expected that the Local Government would generate a sum of ₦3,024,200.00 from rent on shop in year 2021 only aside from the arrears of ₦3,129,000.00.

The total rent expected to be generated was ₦6,153,200.00 out of which a sum of ₦2,403,800.00 was generated leaving arrears of rent of ₦3,749,400.00 as detailed below:

	₦
Arrears of rent brought forward	3,129,000.00
Expected rent for year 2021 only	<u>3,024,200.00</u>
Total expected rent	6,153,200.00
Total rent collected for the year	<u>2,403,800.00</u>
Arrears of rent at the end of the year	<u>3,749,400.00</u>

RECOMMENDATION: The Local Government is advised to intensify effort to collect the remaining rent in the year 2022 revenue generation.

5. **LOCAL GOVERNMENT ASSETS NOT IN THE SECRETARIAT**

OBSERVATION: I wish to refer once again to previous audit inspection report No. OGLG/SRA/1/VOL.III/249 of 23rd December, 2021 and OGLG/SRA/1/VOL.III/235 dated 28th May, 2021 that a newly acquired lexus 350ES. SUV 2007 Model Saloon car purchased by defunct Remo North East Local Council Development Area in November, 2018 for the use of the Executive Chairman (Hon. Idowu Segun Samuel _{FCA}) was taken away by him at the expiration of his tenure without due process. Also, a lexus car purchased in year 2018 for use of the Executive Chairman Remo North Local Government (Hon. Sowole Awoyemi Olutayo) was not found within the Secretariat since the expiration of his tenure in October, 2019 contrary to the advice of this Office.

During the period of audit just concluded, nothing appears to have been done to recover the vehicles in question despite repeated cry by this Office. The Director General, Services and

Administration (DGSA) Mrs. O. O. Shoberu revealed that letters to that effect have been written to the persons concern, but no response has been received.

RECOMMENDATION: The Local Government is advised once again to take all measures possible to recover the vehicles from the two former Executive Chairmen to the Secretariat without further delay and inform this Office of the recovery.

6. **NAMING OF STREET**

OBSERVATION: I wish to refer to paragraph 6 of last mid-year audit inspection report No. OGLG/SRA/VOL.III/249 of 23rd December, 2021 on the above subject matter where the Auditor-General noted that the Local Government has a sum of ₦2,590,000.00 arrears on renewal fee to collect, it was further reported that a sum of ₦295,000.00 renewal fee was collected with ₦195,000.00 representing arrears while ₦100,000.00 represent advance renewal fees.

During the audit of the last six month of the year, nothing was generated from renewal fee. With this, the arrears of renewal fees as at 31st December, 2021 was 2,845,000.00 (See Appendix A)

Arrears of renewal fees brought forward	₦2,590,000.00
Arrears of renewal fees collected	<u>₦195,000.00</u>
Renewal fees for the year	2,395,000.00
Renewal fees for the year	<u>450,000.00</u>
Arrears of renewal fees as at 31 st December, 2021	<u>2,845,000.00</u>

It appears that the local Government is not doing enough to collect arrears of renewal fee.

RECOMMENDATION: The Local Government is advised to intensify effort to ensure that the outstanding street name renewal fee is collected to boost her internally generated revenue.

7. **LANDED PROPERTY**

OBSERVATION: I wish to refer to paragraph 7 of mid-year audit inspection report where it was noted that the landed properties of the Local Government had no document of title such as official receipt of purchase, deed of assignment, perimeter survey and other relevant documents. The issue of encroachment and possible unapproved disposal of Local Government landed property were raised in previous report. In the report, you were advised to get necessary documents of all your landed properties and to properly keep same. You were also encouraged to erect sign post on your landed properties and to take other measures to ascertain and protect them

During the end of year audit exercise, it was observed that some of the issues raised in the previous report have been attended to. Land agreements for many of the properties have now been gotten, while few have survey drawings (see Appendix B). This is commendable. However, more needs to be done. The land agreement for the remaining land that are yet to be gotten should be obtained without delay. It is also very important to have at least the perimeter survey of all the land in question. Sign posts and other indicators that the property belong to the Local Government should be erected.

Furthermore, the Administrative and General Services and the Works Departments should jointly visit the landed properties of the Local Government as required by Chapter 26:6 of Model Financial Memoranda for Local Governments at least twice each year to ascertain the state of the properties and forestall encroachment.

RECOMMENDATION: The Local Government is once again advised to expedite action to get all the remaining ownership evidences on her landed properties and erect sign post to prevent further encroachment.

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

**RE-AUDIT INSPECTION REPORT ON THE ACCOUNTS OF REMO NORTH LOCAL GOVERNMENT,
ISARA FOR THE YEAR ENDED, 31ST DECEMBER, 2021**

I wish to refer to your letter with Reference No. **OGLG/SRA/I/VOL. III/259 dated 29th April 2022** on the above subject matter and to comment as follows:

1. UNMAINTAINED CASHLES POLICY:

As observed by the Audit Team, most of the revenue remittances were being done on cash basis and this was as a result of garnishee order placed on the various Bank Accounts of the Local Government.

However, with the coming on board of the present Administration and the management team, the Local Government has taken steps to stem the tide of Cash transactions by opening another Account to which payments and withdrawals are being made. The Treasurer has always maintained a high level of internal control mechanisms to avoid leakages.

As we speak, the efforts of the current management has yielded result as the garnishee order placed on the Local Government's Accounts have been removed and a letter of non-indebtedness written to the Local Government. All our Bankers have been duly informed of this development.

2. LOAN ACCOUNT:

As directed by the Audit Team, we have written the Bank to always reflect the loan repayments in their statement issued to the Local Government and show the actual balance of the account as at when due.

As a follow up, I personally visited the Bank (Wema) at Ijebu-Igbo on the matter. It was there and then that we realised that the past signatories to the Account did not sign out. This was dated as far back as when Mr. Asipa Basiru Adisa and Mrs. Odeniyi Adebolanle A. were signatories to the Account. Also, the garnishee order placed on the Account did not allow, the Bank officials to treat our letters on the reflection of repayments so far on the statement. However, with the lifting of garnishee order, we are left with the issue of signing out by the former signatories to the Account. We have already started action on locating the signatories who have retired from the Local Government Service.

3. CONSTRUCTION OF OPEN STALLS:

All the open stalls just completed by the Local Government at Orile-Oko, Akaka and Ilara Markets are yet to be officially allocated to members of the Public as at the time the Audit team went for verification.

Though not yet commissioned, the Finance and Supplies Department had gone to the towns and told marketers that those who are interested in occupying the shops should come forward, obtain allocation forms and make appropriate payments.

However, as at the time of writing this report, people have not been coming forward. The apathy on the part of marketers in these towns may be as a result of the areas in which the stalls were built or located.

But it is hoped that in the coming months, people will come forward and apply for allocation of the Shops. We are still intensifying efforts to convince people to come forward for them.

4. LOCAL GOVERNMENT SHOPS:

As at the time of writing this report, a good number of occupiers of the Shops have paid for year 2021, which was what the record show that they are owing.

Those who refused to pay have got their shops locked up by our officers and notices of vacancies have been placed on the recalcitrant ones to force them to pay. This singular step taken had yielded results as most of the shops occupied have been paid for. It should be noted, however that only about one third of the Lock-up shops at Isara were occupied because most of the shops are bad. Some have no roofs while some have no doors, thus becoming dumping ground. No sane trader would pay for such.

Also, as mentioned in paragraph 3 above, all the shops at Akaka, Orile-Oko and Ilara are yet to be taken up by traders in those town hence could not bring revenue.

As per the arrears of revenue of years 2017 to 2019. We are constrained to say much on that. When we came here in 2021, there were no records of arrears being owned for such years and no ledgers to investigate such. However, the Treasurer took proactive measures on the payment for the Shops and thus yielded results as observed by the audit team.

The Local Government have procured ledgers for the shops in this New Year and proper records of payments for the shops are now being kept.

5. RE: GARRI PROCESSING FACTORY:

On the issue of Garri Processing factory situated at Ode-Remo and in view of the advice given that the Local Government should ensure proper use and operation of the factory so as to boost the internally generated revenue of the Local Government, the Agric. Department wishes to put the underlisted forward.

That:

1. New inspection has to be carried out by NAFDAC before the registration will be granted because the initial inspection/Processes was not validated due to time lag between the date of inspection and the execution of the partitioning of the dressing room as required.
2. Additional cost will be required to make new inspection in preparedness for the registration by NAFDAC.
3. No staffers of the Department was trained on the technical knowhow of the factory except for the two (2) Adhoc Staff that had left due to back log of unpaid salaries owing to them. Hence, the need to organise training for the Local Government/Department staffers on the mode of operation and technicality of the factory.
4. Aside the production made only the sum of **₦150,000.00** said to be released that generated a profit of **₦67,350.00** into the Local Government Coffers, no other fund is released for operation and this led to the dearth of running materials like cassava, water etc.

5. Since there is paucity of fund in the Local Government, the Department is of the opinion of having a public private partnership approach maintenance and utilization of the factory to prevent the factory from getting moribund.
6. Proposals of interest had been received from some would be partners and discussion on the modus operandi to generate revenue to the Coffers of the Local Government are underway.

6. NAMING OF STREET:

On the matter of collection of arrears of renewal fee for naming of Street, frantic efforts were been made by the Local Government to ensure the recovery of these arrears. Aside personal contact and padding of notices; text messages were also forwarded to those concerned These have yielded positive results as some street owners have responded by paying their renewals fees while others still promised to do same as soon as possible. Attached herewith is the receipt of the payment of a renewal fee arrears.

7. LOCAL GOVERNMENT ASSETS NOT IN THE SECRETARIAT:

Several efforts both verbal and written had been made to reach out to the affected political Functionaries, but all to no avail. Efforts to deliver the letter to the duo often proved abortive as mail runner was pursued with charm. Attached are copies of the letters for your perusal.

8. LANDED PROPERTY:

The present Management is very concerned about its landed properties and is doing its best to safeguard same. The Auditor General's advice on getting land agreements, perimeter survey and erection of sign posts in respect of its landed properties have been noted and is working on them.

9. AUDIT QUERIES:

All the three (3) queries issued have since been despatched to Officers concerned and it is our belief that they have done the needful.

10. Thank you.



Dr. Mayomi Oyedele,
Head of Local Government Admin.,
For: Executive Chairman.