

**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 31<sup>ST</sup> DECEMBER, 2022**

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## ACKNOWLEDGEMENT

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

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

I cannot but appreciate the favourable disposition of the immediate past Head of Service Dr Nafiu Aigoro and the current Head of Service Mr Kolawole Peter Fagbohun for their regular support towards keeping this Office afloat.

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

Thank you and God bless you all.



**L. A. Mulero (CNA)**  
Auditor-General for Local Governments,  
Ogun State.  
23<sup>rd</sup> June, 2023.



## **OFFICE OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS**

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

### **AUDIT CERTIFICATE**

I have examined the accounts of Remo North Local Government for the year ended 31<sup>st</sup> December, 2022 in accordance with the provisions of Section 123 of Decree Number 12 of 1989 and 315 (1) of the 1999 Constitution of the Federal Republic of Nigeria and Sections 135-145 of Ogun State Local Government Law 2006 and auditing standards issued by International Organisation of Supreme Audit Institution (INTOSAI). I have obtained all information and explanations that I require for my Audit.

In my opinion, the Financial Statements give a true and fair view of the state of affairs of the Local Government as at 31<sup>st</sup> December, 2022 subject to the observations in the inspection reports.

L. A. Mulero (CNA)  
Auditor-General for Local Governments,  
Ogun State.  
23<sup>rd</sup> June, 2023.

**STATEMENT OF OPINION OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF  
REMO NORTH LOCAL GOVERNMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER,  
2022**

The accounts of Remo North Local Government for the year ended 31<sup>st</sup> December, 2022 have been examined in accordance with the provisions of Section 123 of Decree Number 12 of 1989 and 315 (1) of the 1999 Constitution of the Federal Republic of Nigeria and Sections 135-145 of Ogun State Local Government Law 2006 and auditing standards issued by International Organisation of Supreme Audit Institution (INTOSAI). I have obtained all information and explanations that I require for my Audit.

**RESPONSIBILITY STATEMENT**

The Local Government is responsible for the preparation of the Financial Statements under IPSAS Accrual Basis of accounting as applicable in the public sector. It is our responsibility to form an independent opinion based on our Audit on the Financial Statements therein.

**THE SCOPE OF THE AUDIT**

We conducted our Audit in accordance with Generally Accepted Auditing Standards and auditing standards issued by International Organisation of Supreme Audit Institution (INTOSAI). I have obtained all information and explanations that I require for my Audit. An audit includes examination on test basis of evidence relevant to the accounts and disclosures in the financial statements. It also includes an assessment of significant estimates and judgement made by the Council in the preparation of the financial statements, and whether the accounting policies were appropriate in the Council circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations we considered necessary to provide sufficient evidence to give reasonable assurances that the financial statements are free from material misstatement, whether by fraud, other irregularities or errors.

In forming our opinion, we evaluated the overall adequacy of the presentation of the information in the financial statements and assessed whether the Council's books and Accounts had been properly kept.

## **OPINION**

In our opinion, the financial statements give a true and fair view of the financial activities of the Local Government for the period under review.



**L. A. Mulero (CNA)**

Auditor-General for Local Governments

Ogun State.

23<sup>rd</sup> June, 2023.

**STATUTORY REPORT OF THE AUDITOR–GENERAL FOR LOCAL GOVERNMENTS ON THE ACCOUNTS OF REMO NORTH LOCAL GOVERNMENT, ISARA FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2022**

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 31<sup>st</sup> December, 2022 have been audited. The General Purpose Financial Statement was prepared by the Management of the Local Government and is therefore responsible for the contents and information contained therein. The 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**

There was some improvements in record keeping although there were few errors in the ledger. Accounting records like the receivable and payable ledgers were not maintained.

**(3) FINANCIAL REVIEW:**

<b>REVENUE</b>	<b>AMOUNT (₦)</b>
Independent Revenue	24,834,696.86
Statutory Allocation	1,337,048,430.51
Aid and Grants	<u>35,938,447.90</u>
<b>Total</b>	<b><u>1,397,821,575.27</u></b>
<b>EXPENDITURE</b>	
Salaries & Allowance	915,616,778.10
Overhead Expenses (including Depreciation & Loss on Disposal of Assets)	151,011,506.52
Pension	357,566,279.60
Long Term Assets	<u>24,085,742.05</u>
<b>Total</b>	<b><u>1,448,280,306.27</u></b>

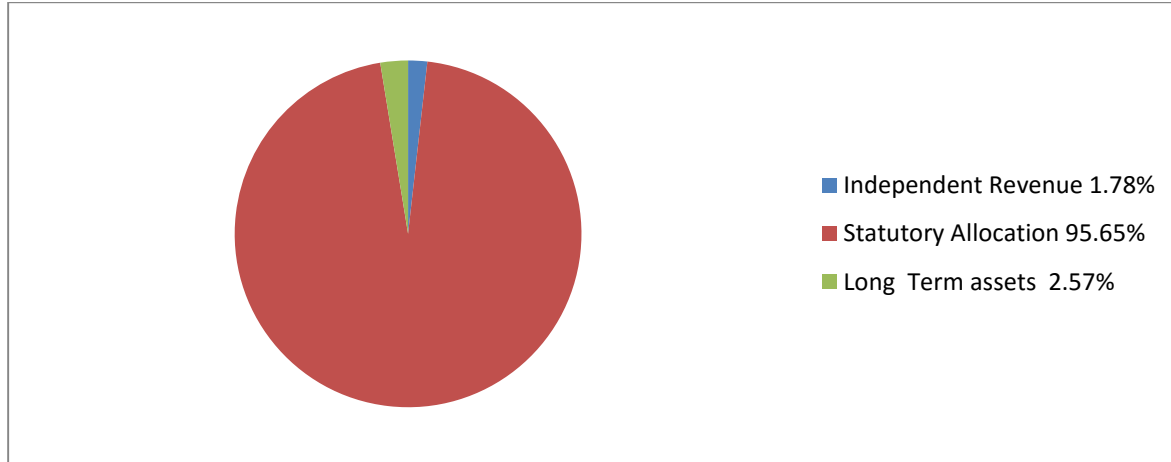
**(4) REVENUE PERFORMANCE:**

**(i) STATEMENT OF ACTUAL REVENUE**

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦24,050,000.00, a sum of ₦24,834,696.86 only was actually generated internally representing 103.2%. This represents an increase of 23.22% in internally generated revenue performance when compared with the sum of ₦20,154,181.29 generated in year 2021. This is an improved 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.

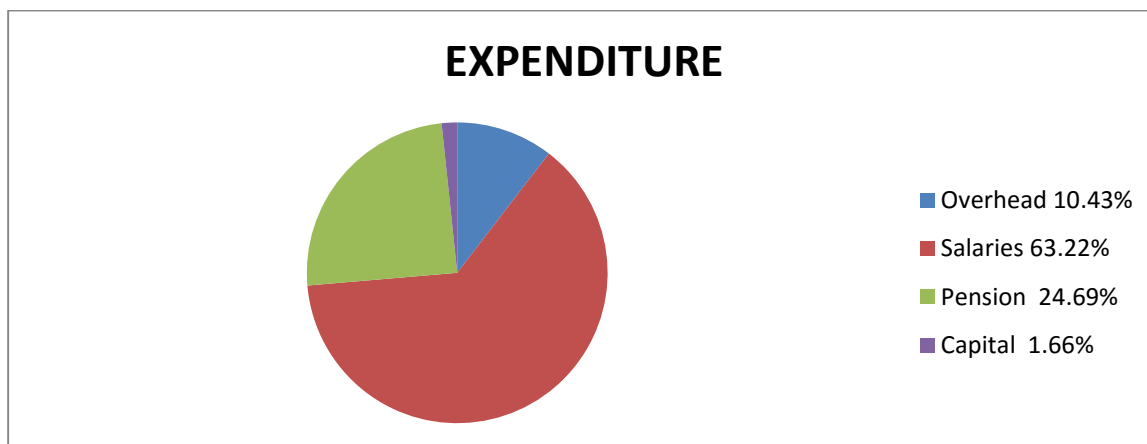
(ii) **PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE**

The Audit exercise revealed that out of the total revenue of ₦1,397,821,575.27 realized by the Local Government during the year under review, a sum of ₦24,834,696.86 only was generated internally. This represented 1.78% of the total revenue while the sum of ₦1,337,048,430.51 statutory allocation and ₦35,938,447.90 aids and grant received from Ogun State Government represented 95.65% and 2.57% 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 ₦1,448,280,306.27. Out of this, a sum of ₦151,011,506.52 was expended on overhead which represented 10.43% of the total expenditure for the year. Also, a sum of ₦915,616,778.10 was expended on salaries and allowances representing 63.22% of the total expenditure for the year and ₦357,566,279.60 was paid to pensioners which represents 24.69%. The sum of ₦24,085,742.05 was expended on long term assets and this represented 1.66% 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 31<sup>st</sup> December, 2022 was ₦141,259,109.89. The liabilities are highlighted bellow:

<b>S/NO</b>	<b>ITEMS</b>	<b>AMOUNT (₦)</b>
1	5% VAT	8,677,528.66
2	5% DEVELOPMENT LEVY	16,374,199.43
3	PENSION	37,635,436.93
3	5% WITHOLDING TAX	19,269,582.65
4	Loan	4,516,082.43
5	PAYEE	43,474,726.25
6	DRUG	1,192,530.00
7	NULGE	398,425.72
8	NHF	1,569,254.21
9	Payables	3,842,933.55
10	OTHERS	<u>258,046.37</u>
	<b>Total</b>	<b><u>141,259,109.89</u></b>

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 ₦9,718,281.71 highlighted in the Statement of Financial Position as the advances were mostly 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:

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 31<sup>st</sup> December, 2022 and its operations for the year ended on the date.



ADEBAYO J.O. (MR.)  
Director, Finance & Supplies  
Date:



HON. (PRINCE) ADEDAPO ODUNSI  
Executive Chairman

**REMO NORTH LOCAL GOVERNMENT**  
**STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2022**

	NOTES	2022	2021
<b>CURRENT ASSET</b>		₦	₦
CASH & CASH EQUIVALENTS	10	4,528,543.65	20,007,774.87
INVENTORIES		2,660,939.00	3,028,575.00
RECEIVABLES		3,977,000.00	994,200.00
PREPAYMENT			
ADVANCE		9,718,281.71	9,725,481.71
<b>TOTAL CURRENT ASSET (A)</b>		<b>20,884,764.36</b>	<b>33,756,031.58</b>
<b>NON CURRENT ASSET</b>			
PROPERTY PLANT & EQUIPMENT	8	1,010,348,451.73	1,237,302,419.04
INVESTMENT PROPERTY	9	309,861,152.80	316,587,053.90
BIOLOGICAL ASSET			
INVESTMENT			
LOAN GRANTED			
<b>TOTAL NON CURRENT ASSET (B)</b>		<b>1,320,209,604.53</b>	<b>1,553,889,472.94</b>
<b>TOTAL ASSET (C=A+B)</b>		<b>1,341,094,368.89</b>	<b>1,587,645,504.52</b>
<b>CURRENT LIABILITY</b>			
DEPOSIT			
LOAN & DEBT		4,516,082.43	4,616,082.43
UNREMITTED DEDUCTIONS	11	132,900,093.91	138,792,124.13
ACCURED EXPENSES, PAYABLES		3,842,933.55	1,940,350.00
DEFERED INCOME		1,096,000.00	1,374,000.00
CURRENT PORTION OF BORROWING			
<b>TOTAL CURRENT LIABILITY (D)</b>		<b>142,355,109.89</b>	<b>146,722,556.56</b>
<b>NON CURRENT LIABILITY</b>			
PUBLIC FUND			
BOROWING			
<b>TOTAL NON CURRENT LIABILITY (E)</b>		-	-
<b>TOTAL LIABILITY (F=D+E)</b>		<b>142,355,109.89</b>	<b>146,722,556.56</b>
<b>NET ASSETS (G= C-F)</b>		<b>1,198,739,259.00</b>	<b>1,440,922,947.96</b>
<b>NET ASSET/EQUITY</b>			
RESERVE			
ACCUMULATED SURPLUS/ DEFICIT		1,198,739,259.00	1,440,922,947.96
<b>TOTAL NET ASSET/EQUITY</b>		<b>1,198,739,259.00</b>	<b>1,440,922,947.96</b>

**REMO NORTH LOCAL GOVERNMENT**

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2022**

	NOTES	2022	2021
<b>REVENUE</b>		<b>₦</b>	<b>₦</b>
STATUTORY ALLOCATION	1	1,337,048,430.51	1,058,822,945.95
NON TAX REVENUE:	2	24,002,720.00	19,101,407.64
INVESTMENT INCOME			
INTEREST EARNED			
GAIN/LOSS ON DISPOSAL ON ASSET			
AIDS & GRANTS	3	35,938,447.90	18,000,000.00
OTHER REVENUE		831,976.86	1,052,773.65
<b>TOTAL REVENUE (A)</b>		<b>1,397,821,575.27</b>	<b>1,096,977,127.24</b>
<b>EXPENDITURE</b>			
SALARIES & WAGES	4	915,616,778.10	691,589,316.45
NON- REGULAR ALLOWANCE	5		
SOCIAL BENEFIT	6	357,566,279.60	369,706,325.87
OVERHEAD COST	7	105,356,596.07	58,514,381.72
SUBVENTION TO PARASTALS		700,000.00	750,000.00
DEPRECIATION	8 & 9	44,954,910.45	51,358,195.61
GAIN/LOSS ON DISPOSAL ON ASSET			
<b>TOTAL EXPENDITURE (B)</b>		<b>1,424,194,564.22</b>	<b>1,171,918,219.65</b>
<b>SURPLUS / DEFICIT (C=A-B)</b>		<b>-26,372,988.95</b>	<b>-74,941,092.41</b>

**REMO NORTH LOCAL GOVERNMENT**

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

	₦
<b>Balance 1/1/2021</b>	<b>1,566,260,001.69</b>
Prior Year Adjustment	-
	50,395,961.32
<b>Adjusted Balance</b>	<b>1,515,864,040.37</b>
Surplus/ (deficit) for the year	-74,941,092.41
<b>Balance 31/12/2021</b>	<b>1,440,922,947.96</b>
Prior Year Adjustment	-
	-215,810,700.01
<b>Adjusted Balance</b>	<b>1,225,112,247.95</b>
Surplus/ (deficit) for the year	-26,372,988.95
<b>Balance at 31 December 2022</b>	<b>1,198,739,259.00</b>

**REMO NORTH LOCAL GOVERNMENT**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2022**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2022</b>	<b>2021</b>
<b><u>INFLOWS</u></b>	<b>₦</b>	<b>₦</b>
STATUTORY ALLOCATION	1,337,048,430.51	1,060,822,945.95
LICENCES, FINES, ROYALTIES, FEES ETC	14,945,450.00	14,271,487.64
EARNINGS & SALES	1,666,070.00	3,328,220.00
RENT OF GOVERNMENT PROPERTIES	4,130,400.00	862,000.00
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL		
DOMESTIC AIDS & GRANTS	32,938,447.90	18,000,000.00
OTHER REVENUE	831,976.86	1,052,773.65
<b>TOTAL INFLOW FROM OPERATING ACTIVITIES (A)</b>	<b>1,391,560,775.27</b>	<b>1,098,337,427.24</b>
<b><u>OUTFLOW</u></b>		
PERSONNEL EMOLUMENTS	915,616,778.10	691,589,316.45
SOCIAL BENEFIT	357,566,279.60	369,706,325.87
OVERHEADS	103,086,376.51	59,414,931.42
SUBVENTION TO PARASTATALS	700,000.00	750,000.00
INTEREST PAYMENT		
<b>TOTAL OUTFLOW FROM OPERATING ACTIVITIES (B)</b>	<b>1,376,969,434.21</b>	<b>1,121,460,573.74</b>
<b>NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B</b>	<b>14,591,341.06</b>	<b>-23,123,146.50</b>
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
PURCHASE/ CONSTRUCTION OF ASSETS	- 24,085,742.05	- 8,987,055.00
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE	7,200.00	
PROCEED FROM SALE OF ASSETS		
DEFERRED INCOME		
DIVIDEND RECEIVED		
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-24,078,542.05</b>	<b>-8,987,055.00</b>
<b><u>CASH FLOW FROM FINANCIAL ACTIVITIES</u></b>		
DEPOSIT/ UNREMITTED DEDUCTIONS	-5,892,030.23	30,816,502.82
PUBLIC FUND		
REPAYMENTS OF LOAN	- 100,000.00	- 300,000.00
<b>NET CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>-5,992,030.23</b>	<b>30,516,502.82</b>
<b>NET CASH FLOW FROM ALL ACTIVITIES</b>	<b>-15,479,231.22</b>	<b>-1,593,698.68</b>
<b>CASH &amp; ITS EQUIVALENT AS AT 1/1/2022</b>	<b>20,007,774.87</b>	<b>21,601,473.55</b>
<b>CASH &amp; ITS EQUIVALENT AS AT 31/12/2022</b>	<b>4,528,543.65</b>	<b>20,007,774.87</b>

## ACCOUNTING POLICY

S/N	
1	<p><b>Basis of Preparation</b> 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><b>Accounting period</b> Reporting period runs from 1<sup>st</sup> January to 31<sup>st</sup> December.</p>
3	<p><b>Reporting Currency</b> The reporting currency is Naira (₦).</p>
4	<p><b>Revenue</b></p> <ul style="list-style-type: none"> <li>a) Revenues from non-exchange transactions such as fees, and fines are recognised when the event occurs and the asset recognition criteria are met.</li> <li>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.</li> </ul>
5	<p><b>Other revenue</b></p> <ul style="list-style-type: none"> <li>a) Other revenue consists of gains on disposal of property, plant and equipment.</li> <li>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.</li> </ul>
6	<p><b>Aids and Grants</b> 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><b>Expenses</b> 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><b>Property, Plant &amp; Equipment (PPE)</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
9	<p><b>Depreciation</b> 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"> <li>a) Lease properties over the term of the lease</li> <li>b) Buildings 2%</li> <li>c) Plant and Machinery 10%</li> <li>d) Motor vehicles 20%</li> <li>e) Office Equipment 25%</li> <li>f) Furniture and Fittings 20%</li> </ul> <p>i. The full depreciation charge is applied to PPE in the year of acquisition and non in</p>

	<p>the year of disposal, regardless of the day of the month the transactions were carried out</p> <p>ii. Fully depreciated assets that are still in use are carried in the books at a net book value of ₦100.00</p> <p>iii. An asset's carrying amount is written down immediately to its recoverable amount or recoverable service amount if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.</p>
10	<p><b>Disposal</b> Gains or losses on the disposal of fixed assets are included in the income statement as either an income or expenses respectively.</p> <p><b>Impairment</b> Entities shall test for impairments of its PPE where it suspects that impairment has occurred.</p>
11	<p><b>Investment Property</b> 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><b>Unremitted Deductions</b></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><b>Payable/Accrued Expenses</b></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><b>Current Portion of Borrowings</b> This is the portion of the long-term loan/borrowing that is due for repayment within the next 12 months. This portion of the borrowings is classified under Current Liabilities in the Statement of Financial Position.</p>

**NOTES TO THE GPFS FOR THE YEAR ENDED 31ST DECEMBER, 2022****1 SHARE OF STATUTORY ALLOCATION FROM JAAC**

JANUARY	87,565,869.32
FEBUARY	87,581,877.43
MARCH	87,056,826.79
APRIL	99,428,398.48
MAY	93,577,454.86
JUNE	94,993,812.38
JULY	112,008,772.82
AUGUST	
SEPTEMBER	106,972,260.40
OCTOBER	108,173,540.14
NOVEMBER	218,512,101.68
DECEMBER	241,177,516.21
<b>TOTAL</b>	<b>1,337,048,430.51</b>

**2 NON-TAX REVENUE**

LICENCES	2,373,000.00
FEES	15,278,350.00
FINES	554,900.00
EARNINGS	835,970.00
RENT OF GOVERNMENT PROPERTIES	2,817,900.00
SALES	2,142,600.00
<b>TOTAL</b>	<b>24,002,720.00</b>

**3 AIDS & GRANTS**

OGUN STATE GOVERNMENT	35,938,447.90
NON GOVERNMENT ORGANISATION	0.00
<b>TOTAL</b>	<b>35,938,447.90</b>

**4 SALARIES & WAGES**

LOCAL GOVERNMENT STAFF	270,880,859.83
PRIMARY SCHOOL TEACHERS	432,103,417.75
TRADITIONAL COUNCIL	153,860,532.42
POLITICAL FUNCTION	58,771,968.10
<b>TOTAL</b>	<b>915,616,778.10</b>

**5 NON- REGULAR ALLOWANCE**

LEAVE BONUS	
<b>TOTAL</b>	



**6 SOCIAL BENEFIT**

	GRATUITY	-
	PENSION	357,566,279.60
	<b>TOTAL</b>	<b>357,566,279.60</b>

**7 OVERHEAD COST BY DEPARTMENT**

	CHAIRMAN & COUNCIL	37,346,000.00
	HOLGA	125,000.00
	INTERNAL AUDIT	610,000.00
	ADMINISTRATIVE	26,434,125.98
	FINANCE	22,391,892.49
	INFORMATION	430,950.00
	P H C	817,500.00
	AGRIC	136,500.00
	WORKS	12,169,627.60
	PLANNING	2,214,500.00
	WES	1,844,000.00
	COMMUNITY	836,500.00
	<b>TOTAL</b>	<b>105,356,596.07</b>

**10 CASH & CASH EQUIVALENTS**

	CASH AT HAND	21,123.94
	CASH IN BANKS	4,507,419.71
	<b>TOTAL</b>	<b>4,528,543.65</b>

**11 UNREMITTED DEDUCTIONS**

1	PENSION	37,635,436.93
2	5% VAT	8,677,528.66
3	5% DEVELOPMENT LEVY	16,374,199.43
4	5% WITHOLDING TAX	19,269,582.65
5	PAYEE	43,474,726.25
6	NULGE	398,425.72
7	COOPERATIVE	4,050,363.69
8	DRUG	1,192,530.00
9	NHF	1,569,254.21
10	OTHERS	258,046.37
	<b>Total</b>	<b>132,900,093.91</b>

NOTE 8 REMO NORTH 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	TOTAL
BAL AS AT 01/01/2022	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	1,372,288,672.57
ADDITIONAL DURING THE YEAR	19,405,742.05			7,500,000.00	180,000.00			27,085,742.05	27,085,742.05
LEGACY								0.00	0.00
DISPOSAL DURING THE YEAR	(215,920,000.00)		(10,000,000.00)	(14,115,000.00)				(240,035,000.00)	(240,035,000.00)
BAL. C/F	<b>917,711,242.05</b>	<b>72,840,000.00</b>	<b>131,055,000.00</b>	<b>22,906,172.57</b>	<b>2,053,000.00</b>	<b>5,924,000.00</b>	<b>6,850,000.00</b>	<b>1,159,339,414.62</b>	<b>1,159,339,414.62</b>
ACCUMULATED DEPRECIATION									
BAL. AS AT 01/01/2022	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	134,986,253.53
ADDITIONAL DURING THE YEAR	18,354,224.84		13,105,500.00	4,534,234.51	430,550.00	1,119,500.00	685,000.00	38,229,009.35	38,229,009.35
DISPOSAL DURING THE YEAR	-		(3,000,000.00)	(8,269,099.99)				-	-
ADJUSTMENT									
BAL. C/F	72,146,224.84	-	52,422,000.00	15,451,438.05	1,477,800.00	4,753,500.00	2,740,000.00	148,990,962.89	148,990,962.89
AS AT 31/12/2022	845,565,017.21	72,840,000.00	78,633,000.00	7,454,734.52	575,200.00	1,170,500.00	4,110,000.00	1,010,348,451.73	1,010,348,451.73
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	1,237,302,419.04

NOTE 9 REMO NORTH LOCAL GOVERNMENT			
INVESTMENT PROPERTY	LAND & BUILDING 2%	LAND	TOTAL
BAL AS AT 01/01/2022	336,295,055.00		336,295,055.00
ADDITIONAL DURING THE YEAR			0.00
LEGACY			0.00
DISPOSAL DURING THE YEAR			-
BAL. C/F	<b>336,295,055.00</b>	-	<b>336,295,055.00</b>
ACCUMULATED DEPRECIATION			
BAL. AS AT 01/01/2022	19,708,001.10		19,708,001.10
ADDITIONAL DURING THE YEAR	6,725,901.10		-
DISPOSAL DURING THE YEAR			6,725,901.10
BAL. C/F	26,433,902.20	-	26,433,902.20
AS AT 31/12/2022	309,861,152.80	-	309,861,152.80
AS AT 31/12/2021	316,587,053.90	-	316,587,053.90

**The Executive Chairman,**  
Remo North Local Government,  
Isara.

**AUDIT INSPECTION REPORT ON THE ACCOUNTS OF REMO NORTH LOCAL GOVERNMENT, ISARA FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2022**

The following comments in addition to those contained in the Statutory Audit Report which will be issued from this Office are referred for your attention and comments in connection with the above Audit Inspection.

**2. AUDIT QUERIES**

The underlisted audit queries had earlier been forwarded to you for your necessary action. Please ensure quick response to them.

<b>S/N</b>	<b>Query Numbers</b>	<b>Subject</b>	<b>Amount(₦)</b>
<b>1.</b>	OGLG/AQ/SRA/211/2022	Expenditure not supported by proper records of Account	100,000.00
<b>2.</b>	OGLG/AQ/SRA/212/2022	Loss of General Revenue Receipt	500,000.00
<b>3.</b>	OGLG/AQ/SRA/213/2022	Irregular Payment	108,000.00

**3. DORMANT BANK BALANCE**

**Observation:** I wish to refer to the previous audit report No OGLG/SRA/1/VOL.III/275 of 30<sup>th</sup> August, 2022 where it was reported that your Local Government currently has a total of twenty four (24) bank accounts, out of which only six (6) were active while the remaining eighteen (18) bank accounts have remained inactive for over two years. During the just concluded audit exercise, it was also observed that the Local Government had not yielded to the advice given by this Office on these dormant bank accounts. The sum of ₦ 226,995.47 is the bank balance trapped in the dormant bank accounts as at 31<sup>st</sup> December, 2022. Furthermore, audit scrutiny revealed that all the inactive bank accounts statement could not be obtained from the bank due to failure of signatories to the accounts to effect changes.

In addition, a sum of ₦ 1,554,899.77 was the balance of Local Government money still with defunct AFOTAMODI OGUOLA Micro Finance Bank since 2012. It is disheartening to observed that all the Director of finance of the Local Government since 2013 were less concern on losing the monies due to the Local Government because they did not perform their duty in accordance with section 1:4(12) of Model Financial Memoranda, which requires that all possible steps are taken to prevent waste of the Local Government fund or other resources”

As at the time of writing this report, no single letter has been written to Nigeria Deposit Insurance Corporation (NDIC) on recovery of the Local Government fund in the defunct micro finance bank. On interrogation the present Director of finance (Mr. Adebayo J. O) claimed ignorance on the step to take to recover the money.

**Recommendation:** This office is of the opinion that the Local Government should take appropriate steps to recover the money trapped in Afotamodi Micro finance bank and activate or close all inactive bank accounts so that financial position of the Council can show true and fair view.

#### **4. IMPROPER RECORD KEEPING AND LOSS OF ONE (1) GENERAL REVENUE RECEIPT IN THE STORE.**

**Observation:** During the checking of revenue collectors, it was observed that some revenue collectors presented some receipts for checking which was not issued against their name in the store ledger, but this had been corrected by the Audit team. For instance, GRR 013251 - 01300, 013351 – 012400, 013451 – 013500 and 013551 – 013600 issued to Mrs Ajayi B. A were not recorded in the store ledger. Also, during checking of the store, it was discovered that one General Revenue No **013501- 013550** was not in the store and no revenue collector presented it for checking. On interrogation, the officer in charge of the store Mr. Amosu Oluwatobi R (Principal Accountant) could not give any reasonable explanation on how the GRR No 013501-013550 got missing from the store.

**Recommendation:** The Store officer is advised to be alive to his duty by ensuring that revenue receipts issued be written against the names of the corresponding revenue collectors in the store ledger. Also, Mr. Amosu Oluwatobi should give a quick response to query issued to him.

#### **5. TAKE-OVER OF LOCAL GOVERNMENT FEED-MILL BY SAAPADE GRAMMAR SCHOOL.**

**Observation:** In the previous audit report No **OGLG/SRA/1/VOL.III/275** of 30<sup>th</sup> August, 2022 it was reported that the Local Government Feed Mill, located at old Local Government Secretariat Saapade, valued at ₦47,000,000.00 as at 31<sup>st</sup> December, 2021, had been taken over by Saapade Grammar School. In the report, this Office advised that the Local Government should as a matter of urgency move all the feed mill equipment listed below to the new Local Government Secretariat for safe keeping and make sure that all the under listed items are included in its assets register.

1. Non functioning mixer.
2. Hammer mill / crusher.
3. Lister engine Generator.
4. Weighing scale.
5. Pelletizing machine.
6. Tree electric motor.

During the just concluded audit exercise, it was observed that the feed mill equipment listed above were still being scattered in the Old Local Government Secretariat now Saapade Grammar School in disregard to the advice of this office and this could eventually lead to loss of these valuable assets. During the Audit visit to the site of the feed mill, the principal of the school complained that the materials had been dismantled and littering the school. He explained that attempts had been made twice by scavengers to steal the materials during the holidays.

**Recommendation:** The Local Government is hereby advised again as a matter of urgency to move all the feed mill equipment to the Local Government Secretariat for safe keeping and make sure that all the items are included in its assets register.

## 6. PROPERTY, PLANT & EQUIPMENT WRITTEN OFF FROM ASSET REGISTER.

**Observation:** It was observed during the verification of the Local Government assets that four (4) items of Land & Building valued at Two-Hundred and Fifteen Million, Nine-Hundred and Twenty Naira (₦ 215,920,000.00), Eight (8) items of Transportation Equipment (Grader) valued at Fourteen Million, One Hundred and Fifteen Thousand Naira (₦ 14,115,000.00) and one (1) Plant & Equipment (Grader) valued at Ten Million Naira (₦ 10,000,000.00), making a total of Two-Hundred and Forty Million, Thirty Five Thousand Naira (₦240,035,000.00) were listed in the asset schedule but it was later revealed that those assets were not the property of the Council. such items are in the skill acquisition centre and ICT Afotamodi Hall.

In addition, two of the vehicles listed in the asset schedule had been boarded years back, while two of the vehicles were duplicated in the asset list. All these anomalies had been corrected and effected in the asset schedule list.

Below were the asset involved:

### Land & Building

S/NO	DECSCRIPTION	YEAR	COST (₦)	REMARKS
1	Skill Acquisition centre	2019	10,920,000.00	Belong to Isara Town
2	I.C.T Afotamodi Hall	2019	150,000,000.00	Belong to Isara Town
3	Feed Mill House	2019	50,000,000.00	Taking over by Saapade Grammar School
4	Fish Tank	2019	5,000,000.00	Dilapidated (lost total value)
	<b>Total</b>		<b>215,920,000.00</b>	

## Transportation Equipment

S/NO	DESCRIPTION	YEAR	COST (₦)	REMARKS
1	Lexus 350 Saloon car	2019	3,000,000.00	Duplicated
2	Toyota Camry car	2018	360,000.00	Sold in year 2021
3	Melding machine	2019	55,000.00	Disposed during LCDA
4	Lexus 350 Saloon car	2019	3,900,000.00	Duplicated
5	Peugeot Ambulance	2019	3,000,000.00	Disposed during LCDA
6	Toyota Camry	2019	1,200,000.00	Disposed during LCDA
7	Ford Pick-up van	2019	1,500,000.00	Disposed during LCDA
8	Honda Accord	2019	1,100,000.00	Disposed during LCDA
	<b>Total</b>		<b>14,115,000.00</b>	

## Plant & Equipment

S/No	Description	Year	Cost (₦)	Remarks
	Komatzu Grader	2019	10,000,000.00	Disposed during LCDA

**Recommendation:** The Local Government is hereby advised to always update its Fixed Asset Schedule and also remove any assets from the register whenever assets is being boarded to show the true position of the schedule.

### 7. EXPENDITURE NOT SUPPORTED BY PROPER RECORDS

**Observation:** It was observed during the examination of the payment vouchers that a sum of One Hundred Thousand Naira (₦100,000.00) was approved and released to Mrs. Ogunsola Bolu (Principal Community Development Inspector I) vide PV 25/October, 2022 to provide logistic for the committee set up by *His Excellency Gov. Dapo Abiodun* to shortlist five most deserving communities that would benefit from the electricity transformer intervention project. The program was held at the Local Government conference room on 11<sup>th</sup> October, 2022.

It was observed that the payment voucher was not supported with official printed receipts of the expenditure such as photograph taken during the meeting and sub receipt signed by the beneficiaries of remuneration given to the stakeholders contrary to the provisions of Chapter 14:17 of the Model Financial Memoranda for Local Governments.

**Recommendation:** Payment vouchers should always be supported with official printed receipts as stipulated by the Financial Regulations.

## **8. IRREGULAR PAYMENT.**

**Observation:** During examination of bank reconciliation statements, it was observed that a sum of ₦ 108,000.00 was paid from Wema bank account vide cheque no. 8080 in year 2018 by Mrs Toriola M. O (Director, Finance and Supply) without payment voucher. As at the time of writing this report, no ratification or payment voucher was raised for the money. This contradict section 14:29 of Model Financial Memoranda which state that any payment made without proper authorised payment voucher should be regarded as advance payment to the responsible officer and cannot be admitted as a charge on the Local Government funds.

**Recommendation:** The Treasurer should refund this money back to the account of the Local Government in line with the Model Financial Memoranda for Local Governments.

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

**AUDIT INSPECTION ON THE ACCOUNTS OF REMO NORTH LOCAL GOVERNMENT, ISARA FOR THE YEAR ENDED, 31<sup>ST</sup> DECEMBER, 2022**

I wish to refer to your letter dated 14<sup>th</sup> March, 2023 with reference No. OGLG/SRA/I/Vol.III, on the above subject matter and react to the issues raised therein as follows;

**1. DESTRUCTION OF EXHAUSTED RECEIPT BOOKS**

As advised, we shall commence collation of all exhausted and audited receipts booklets prior to December 31<sup>st</sup>, 2022 and get your Office informed as soon as we are done with it.

**2. AUDIT QUERTIES**

The 3 Audit queries have since been made available to those concerned and its our belief that they have done the needful.

**3. DORMANT BANK ACCOUNT**

The Treasurer have been working on the various accounts prior to the crises that affected all Banks in Sagamu.

However, problems encountered in some of the Banks visited so far, boarders on previous signatories to the accounts who did not sign out subsequent to their transfer out of the Local Government. Some of the Treasurers and DGSA's have retired and this is giving us problem of locating them to sign out. Nevertheless, we have been able to sort out the issue of change of Signatories for the several accounts in Polaries Bank before the crisis in Sagamu. As soon as Banks in Sagamu start operating we will continue with the process.

As regards to trapped funds in the defunct Afatamodi Oguola Microfinance Bank, the Treasurer Mr. Adebayo have gotten in torch with NDIC and work is going on. It is hoped that in the next few weeks something tangible would have been achieved on that also.

**4. IMPROPER RECORD KEEPING IN THE STORE**

The issue of not recording GRR collected by a Revenue collector occurred between the period the substantive store keeper was transferred out of the Local Government and when an Officer was asked to oversee the store before another Store Keeper would be posted there.



This have since then sorted out and all records have been straightened.

On the issue of “Missing” GRR No. -013501-013550, it was discovered that the receipt booklet was actually issued to **Mrs. Ogunlade Yetunde of Afatomodi Obalende Health Centre.**

On discovery of that, She had been called back to sign for it and the records have also been strengthened. The Auditor General’s Office have also been informed of this development.

**5. TAKE – OVER OF LOCAL GOVERNMENT FEEDING AT SAAPADE GRAMMAR SCHOOL**

Based on the advise of the last audit exercise, the Local Government set up a committee to look into the issue of the equipments at the Feedmill.

The committee, which was chaired by the Vice Chairman, observed that the equipments are not useful for the Local Government since the Local Government have no funds to put them to use. Also, it was observed that the cost of dismantling and carrying them to the Local Government may be huge for the Local to bear, hence, it (the Committee) recommended sale by auction of the equipment at the place.

The process of auctioning the equipment is on-going and it is hoped that it would be completed soon.

**6. PROPERTY, PLANT AND EQUIPMENT WRITTEN OFF FROM ASSET REGISTER**

The Local Government wish to appreciate the painstaking efforts of the last audit team in sorting out the issue of PPE which are ought to be struck out from our Asset Register.

As advised, we shall update our Fixed Asset Register by removing all the items of PPE mentioned in the report and come up with the true position of our Asset.

**7. EXPENDITURE NOT SUPPOTED BY PROPER RECORDS AND IRREGULAR PAYMENT.**

The two issues mentioned above have been subjects of audit queries numbers OGLG/AQ/SAR/211/2022 and OGLG/AQ/SRA/312/2022 respectively and they have been handed over to the Officers concerned. We belief that they have done the needful.

Many thanks.



**DR. MAYOMI OYEDELE,**  
*Head of Local Government Admin.,*