

**OGUN STATE GOVERNMENT, NIGERIA**

**STATUTORY REPORT**

**AND**

**DOMESTIC REPORT**

**OF THE**

**AUDITOR-GENERAL FOR LOCAL GOVERNMENTS**

**ON THE ACCOUNTS**

**OF**

**YEWA NORTH LOCAL GOVERNMENT**

**FOR THE YEAR ENDED 31<sup>ST</sup> 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.  
14<sup>th</sup> 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 Yewa North Local Government for the year ended 31<sup>st</sup> 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 31<sup>st</sup> December, 2020 subject to the observations in the inspection reports.

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

**STATEMENT OF OPINION OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF  
YEWA NORTH LOCAL GOVERNMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER,  
2020**

The accounts of Yewa North Local Government for the year ended 31<sup>st</sup> 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.

14<sup>th</sup> July, 2021.

**STATUTORY REPORT OF THE AUDITOR–GENERAL FOR LOCAL GOVERNMENTS ON THE ACCOUNTS OF YEWA NORTH LOCAL GOVERNMENT, AYETORO FOR THE YEAR ENDED 31<sup>ST</sup> 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 accounts of Yewa North Local Government, Ayetoro for the year ended 31<sup>st</sup> 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 activities of the Local Government for the period under review.

**(2) STATE OF THE BOOKS OF ACCOUNTS AND RECORDS**

It was observed that receivables and payable ledgers were not maintained.

**(3) FINANCIAL REVIEW:**

<b>REVENUE</b>	<b>AMOUNT (₦)</b>
Independent Revenue	26,637,380.00
Statutory Allocation	2,004,474,070.41
Aids and Grants	<u>9,900,000.00</u>
<b>Total</b>	<b><u>2,041,011,450.41</u></b>

<b>EXPENDITURE</b>	
Salaries & Allowances	1,439,385,670.36
Pension	523,200,356.35
Overhead Expenses	116,709,881.79
Long Term Assets	<u>9,180,000.00</u>
<b>Total</b>	<b><u>2,088,475,908.50</u></b>

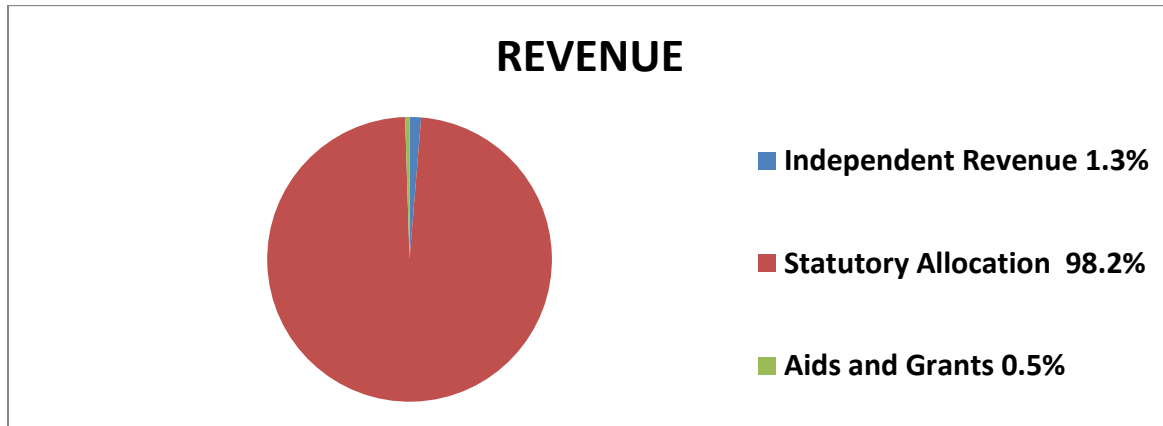
**(4) REVENUE PERFORMANCE:**

**(i) STATEMENT OF ACTUAL REVENUE**

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦40,210,000.00, a sum of ₦26,637,380.00 only was actually generated internally representing 66.2% of the budget. This represents a drop of 11% in revenue performance when compared with the sum of ₦29,917,786.40 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.

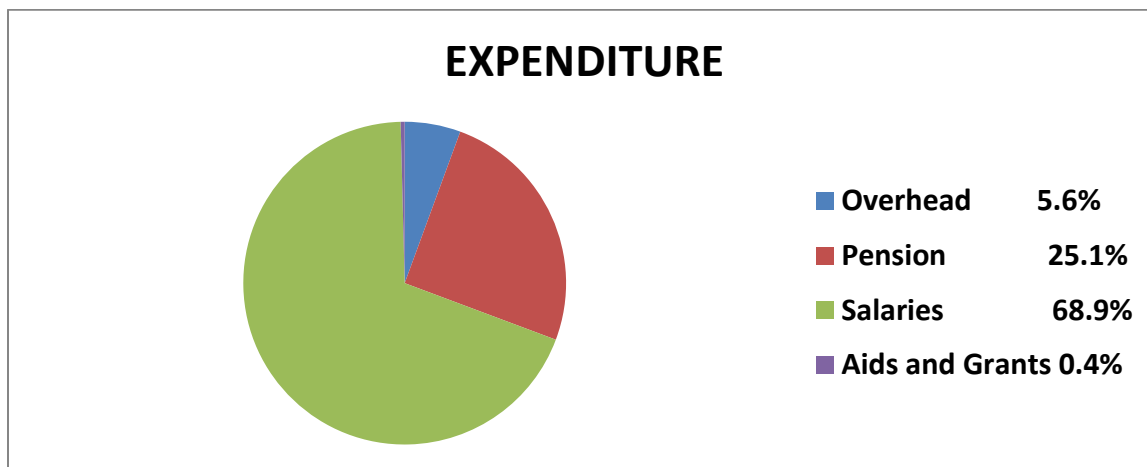
**(ii) PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE**

The Audit exercise revealed that out of the total revenue of ₦2,041,011,450.41 realized by the Local Government during the year under review, a sum of ₦26,637,380.00 only was generated internally. This represented 1.3% of the total revenue while the sum of ₦2,004,474,070.41 statutory allocation and ₦9,900,000.00 aids and grant received from the State Joint Account Allocation Committee represented 98.2% and 0.5% respectively. The implication of this is that without Revenue Allocation from the Federation Accounts, the Local Government might not be able to meet her obligations.



**(5) EXPENDITURE PATTERN**

During the period under review, examination of the expenditure profile of the Local Government revealed a total expenditure of ₦2,088,475,908.50. Out of this, a sum of ₦116,709,881.79 was expended on overhead which represented 5.6% of the total expenditure for the year. Also, a sum of ₦1,439,385,670.36 was expended on salaries and allowances representing 68.9% of the total expenditure for the year while the sum of ₦523,200,356.35 was paid to pensioners which represented 25.1% and a sum of ₦9,180,000.00 was expended on long term assets representing 0.4% of 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, 2020 was ₦246,754,503.72. The liabilities are highlighted below:

<b>ITEMS</b>	<b>AMOUNT (₦)</b>
5K TAX	4,027,261.45
5% WHT	1,159,576.22
VAT	5,302,412.36
5% DEVELOPMENT FUND	4,165,786.19
PENSION	86,550,614.90
PAYE	122,221,784.67
PAYABLES	10,622,760.00
OTHERS	<u>12,704,307.93</u>
<b>TOTAL</b>	<b><u>246,754,503.72</u></b>

It was observed that the amounts highlighted above represented Pension fund and other deductions made from various contracts, salaries and allowances of workers but not remitted to appropriate agencies. This is against the extant rules and regulations.

**(7) REVIEW OF STATEMENT OF FINANCIAL POSITION**

**(i) ADVANCE**

The sum of ₦1,163,041.73 highlighted in the Statement of Financial Position as the Advance was dormant during the year.

**(ii) INVESTMENTS**

The investment of ₦1,732,457.00 shown in the Statement of Financial Position as at December, 2019 could not be verified because the share certificate was not produced on demand for audit scrutiny, also evidence of beneficial ownership such as dividends were not seen.

## YEWA 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.



A. K. Akintola W. B.  
Treasurer

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 Yewa North Local Government as at 31<sup>st</sup> December, 2020 and its operations for the year ended on the date.



A. K. Akintola W. B.  
Treasurer



Mr. Bankole Babatunde  
Chairman

**YEWA NORTH LOCAL GOVERNMENT**

**STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2020**

	NOTES	2020	2019
<b>CURRENT ASSET</b>		₦	₦
CASH & CASH EQUIVALENTS	8	-2,796,740.16	-12,173,077.70
INVENTORIES		2,205,806.00	1,906,119.09
RECEIVABLES		4,123,700.00	1,578,700.00
PREPAYMENT			
ADVANCE		1,163,041.73	1,163,041.73
<b>TOTAL CURRENT ASSET (A)</b>		<b>4,695,807.57</b>	<b>-7,525,216.88</b>
<b>NON-CURRENT ASSET</b>	-		
PROPERTY PLANT & EQUIPMENT	10	746,668,154.00	769,279,339.50
INVESTMENT PROPERTY	11	554,162,120.00	556,065,210.00
BIOLOGICAL ASSET	12		
INVESTMENT		1,732,457.00	1,732,457.00
LOAN GRANTED			
<b>TOTAL NON CURRENT ASSET (B)</b>		<b><u>1,302,562,731.00</u></b>	<b><u>1,327,077,006.50</u></b>
<b>TOTAL ASSET (C=A+B)</b>		<b><u>1,307,258,538.57</u></b>	<b><u>1,319,551,789.62</u></b>
<b>CURRENT LIABILITY</b>	-		
DEPOSIT			
LOAN & DEBT			
UNREMITTED DEDUCTIONS	9	236,131,743.72	208,562,911.57
ACCRUED EXPENSES, PAYABLES		10,622,760.00	7,808,300.00
DEFERRED INCOME			
CURRENT PORTION OF BORROWING			
<b>TOTAL CURRENT LIABILITY (D)</b>		<b><u>246,754,503.72</u></b>	<b><u>216,371,211.57</u></b>
<b>NON-CURRENT LIABILITY</b>			
PUBLIC FUND		5,194,935.36	5,194,935.36
BORROWING			
<b>TOTAL NON CURRENT LIABILITY (E)</b>		<b><u>5,194,935.36</u></b>	<b><u>5,194,935.36</u></b>
<b>TOTAL LIABILITY (F=D+E)</b>		<b><u>251,949,439.08</u></b>	<b><u>221,566,146.93</u></b>
<b>NET ASSETS (G= C-F)</b>		<b><u>1,055,309,099.49</u></b>	<b><u>1,097,985,642.69</u></b>
<b>NET ASSET/EQUITY</b>			
RESERVE			
<b>ACCUMULATED SURPLUS/ DEFICIT</b>		1,055,309,099.49	1,097,985,642.69
<b>TOTAL NET ASSET/EQUITY</b>		<b><u>1,055,309,099.49</u></b>	<b><u>1,097,985,642.69</u></b>

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

	NOTES	2020	2019
<b>REVENUE</b>		₦	₦
STATUTORY ALLOCATION	1	2,004,474,070.41	1,215,731,832.63
NON-TAX REVENUE:	2	24,214,460.00	28,561,895.00
INVESTMENT INCOME			
INTEREST EARNED			
AIDS & GRANTS	3	9,900,000.00	
OTHER REVENUE		2,422,920.00	1,355,891.40
<b>TOTAL REVENUE (A)</b>		<b><u>2,041,011,450.41</u></b>	<b><u>1,245,649,619.03</u></b>
<b>EXPENDITURE</b>			
SALARIES & WAGES	4	1,439,385,670.36	989,759,672.65
NON- REGULAR ALLOWANCE	5	-	
SOCIAL BENEFIT	6	523,200,356.35	239,005,319.29
OVERHEAD COST	7	82,015,606.29	24,731,847.52
SUBVENTION TO PARASTALS		1,000,000.00	1,925,000.00
DEPRECIATION	10 & 11	33,694,275.50	32,774,175.50
GAIN/LOSS ON DISPOSAL ON ASSET			599,000.00
<b>TOTAL EXPENDITURE (B)</b>		<b><u>2,079,295,908.50</u></b>	<b><u>1,288,795,014.96</u></b>
<b>SURPLUS / DEFICIT (C=A-B)</b>		<b><u>-38,284,458.09</u></b>	<b><u>-43,145,395.93</u></b>

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

	₦
<b>Balance 1/1/2019</b>	<b>-207,254,773.58</b>
Prior Year Adjustment	1,348,385,812.20
Adjusted Balance	1,141,131,038.62
<b>Surplus/ (deficit) for the year</b>	<b>-43,145,395.93</b>
<b>Balance 31/12/2019</b>	<b>1,097,985,642.69</b>
Prior Year Adjustment	-4,392,085.11
<b>Adjusted Balance</b>	<b><u>1,093,593,557.58</u></b>
Surplus/ (deficit) for the year	-38,284,458.09
<b>Balance at 31 December 2020</b>	<b><u>1,055,309,099.49</u></b>

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

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2020</b>	<b>2019</b>
<b><u>INFLOWS</u></b>	<b>₦</b>	<b>₦</b>
STATUTORY ALLOCATION	2,002,474,070.41	1,215,731,832.63
LICENCES, FINES, ROYALTIES, FEES ETC	22,695,960.00	18,290,195.00
EARNINGS & SALES	615,500.00	8,404,600.00
RENT OF GOVERNMENT PROPERTIES	358,000.00	1,306,800.00
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL		
DOMESTIC AIDS & GRANTS	9,900,000.00	
OTHER REVENUE	2,422,920.00	1,355,891.40
<b>TOTAL INFLOW FROM OPERATING ACTIVITIES A</b>	<b><u>2,038,466,450.41</u></b>	<b><u>1,245,089,319.03</u></b>
<b><u>OUTFLOW</u></b>		
PERSONNEL EMOLUMENTS	1,439,385,670.36	989,759,672.65
SOCIAL BENEFIT	523,200,356.35	239,005,319.29
OVERHEADS	79,500,833.20	19,655,749.35
SUBVENTION TO PARASTATALS	1,000,000.00	425,000.00
INTEREST PAYMENT		
<b>TOTAL OUTFLOW FROM OPERATING ACTIVITIES B</b>	<b><u>2,043,086,859.91</u></b>	<b><u>1,248,845,741.29</u></b>
<b>NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B</b>	<b><u>-4,620,409.50</u></b>	<b><u>-3,756,422.26</u></b>
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
PURCHASE/ CONSTRUCTION OF ASSETS	- 9,180,000.00	
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE		
PROCEED FROM SALE OF ASSETS		201,000.00
DIVIDEND RECEIVED		
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b><u>-9,180,000.00</u></b>	<b><u>201,000.00</u></b>
<b><u>CASH FLOW FROM FINANCIAL ACTIVITIES</u></b>		
DEPOSIT/ UNREMITTED DEDUCTIONS	23,176,747.04	20,090,495.49
PUBLIC FUND		600.00
PROCEEDS FROM DOMESTIC LOANS & OTHER		
<b>NET CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b><u>23,176,747.04</u></b>	<b><u>20,091,095.49</u></b>
<b>NET CASH FLOW FROM ALL ACTIVITIES</b>	<b><u>9,376,337.54</u></b>	<b><u>16,535,673.23</u></b>
<b>CASH &amp; ITS EQUIVALENT AS AT 1/1/2020</b>	<b><u>-12,173,077.70</u></b>	<b><u>-28,708,750.93</u></b>
<b>CASH &amp; ITS EQUIVALENT AS AT 31/12/2020</b>	<b><u>-2,796,740.16</u></b>	<b><u>-12,173,077.70</u></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> <ul style="list-style-type: none"> <li>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</li> <li>ii. Fully depreciated assets that are still in use are carried in the books at a net book value of ₦100.00</li> </ul>

	<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><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, 2020**

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

	₦
JANUARY	153,365,852.64
FEBRUARY	199,362,646.13
MARCH	157,945,759.35
APRIL	154,194,302.34
MAY	151,230,487.92
JUNE	153,387,272.33
JULY	170,438,833.26
AUGUST	179,525,374.90
SEPTEMBER	158,473,458.02
OCTOBER	1,878,456.33
NOVEMBER	236,921,046.18
DECEMBER	287,750,581.01
<b>TOTAL</b>	<b><u>2,004,474,070.41</u></b>

**2. NON-TAX REVENUE**

LICENCES	3,339,350.00
FEES	12,955,450.00
FINES	6,729,160.00
EARNINGS	358,000.00
RENT OF GOVERNMENT PROPERTIES	615,500.00
SALES	217,000.00
<b>TOTAL</b>	<b><u>24,214,460.00</u></b>

**3. AIDS & GRANTS**

OGUN STATE GOVERNMENT	9,900,000.00
NON-GOVERNMENT ORGANISATION	0.00
<b>TOTAL</b>	<b><u>9,900,000.00</u></b>

**4. SALARIES & WAGES**

LOCAL GOVERNMENT STAFF	411,162,641.96
PRIMARY SCHOOL TEACHERS	940,172,670.70
TRADITIONAL COUNCIL	78,188,215.46
POLITICAL FUNCTIONARIES	9,862,142.24
<b>TOTAL</b>	<b><u>1,439,385,670.36</u></b>



**5. NON- REGULAR ALLOWANCE**

LEAVE BONUS	
<b>TOTAL</b>	

**6. SOCIAL BENEFIT**

GRATUITY	-
PENSION	523,200,356.35
<b>TOTAL</b>	<b><u>523,200,356.35</u></b>

**7. OVERHEAD COST BY DEPARTMENT**

CHAIRMAN & COUNCIL	15,755,000.00
HOLGA	320,000.00
INTERNAL AUDIT	215,000.00
ADMINISTRATIVE	12,428,874.16
FINANCE	7,967,332.90
INFORMATION	3,312,650.00
P H C	10,918,250.00
AGRIC	331,000.00
WORKS	8,989,249.23
PLANNING	3,430,250.00
WES	12,280,500.00
COMMUNITY	6,067,500.00
<b>TOTAL</b>	<b><u>82,015,606.29</u></b>

**8. CASH & CASH EQUIVALENTS**

CASH AT HAND	1,437.74
CASH IN BANKS	- 2,798,177.90
<b>TOTAL</b>	<b><u>- 2,796,740.16</u></b>

**9. UNREMITTED DEDUCTIONS**

5K TAX	4,027,261.45
5% WHT	1,159,576.22
VAT	5,302,412.36
5% DEVELOPMENT FUND	4,165,786.19
PENSION	86,550,614.90
OTHERS	12,704,307.93
<b>TOTAL</b>	<b><u>236,131,743.72</u></b>

NOTE 10 YEMA 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	
BAL AS AT 01/01/2020	736,051,775.00		35,018,000.00	21,000,000.00	1,566,000.00	2,283,650.00		795,925,425.00	
ADDITION DURING THE YEAR					880,000.00			880,000.00	
LEGACY								0.00	
DISPOSAL DURING THE YEAR								-	
BAL C/F	736,051,775.00	-	35,018,000.00	21,000,000.00	2,446,000.00	2,283,650.00	-	796,805,425.00	
ACCUMULATED DEPRECIATION									
BAL AS AT 01/01/2020	14,031,655.50		3,511,800.00	7,510,000.00	921,500.00	671,130.00		26,646,085.50	
ADDITION DURING THE YEAR	14,721,155.50		3,501,800.00	4,200,000.00	611,500.00	456,730.00		23,491,185.50	
DISPOSAL DURING THE YEAR								-	
BAL C/F	28,752,811.00	-	7,013,600.00	11,710,000.00	1,533,000.00	1,127,860.00	-	50,137,271.00	
AS AT 31/12/2020	707,304,964.00	-	28,004,400.00	9,290,000.00	913,000.00	1,155,790.00	-	746,668,154.00	
AS AT 31/12/2019	722,026,119.50	-	31,506,300.00	13,490,000.00	644,500.00	1,612,520.00	-	769,279,339.50	
NOTE 11 YEMA NORTH LOCAL GOVERNMENT INVESTMENT PROPERTY									
	LAND & BUILDING 2%	LAND	TOTAL						
BAL AS AT 01/01/2020	501,854,500.00	64,350,000.00	566,204,500.00						
ADDITIONAL DURING THE YEAR	8,300,000.00		8,300,000.00						
LEGACY			0.00						
DISPOSAL DURING THE YEAR			-						
BAL C/F	510,154,500.00	64,350,000.00	574,504,500.00						
ACCUMULATED DEPRECIATION									
BAL AS AT 01/01/2020	10,139,290.00		10,139,290.00						
ADDITIONAL DURING THE YEAR	10,203,090.00		10,203,090.00						
DISPOSAL DURING THE YEAR									
BAL C/F	20,342,380.00	-	20,342,380.00						
AS AT 31/12/2020	489,812,120.00	64,350,000.00	554,162,120.00						
AS AT 31/12/2019	491,715,210.00	64,350,000.00	556,065,210.00						

**The Chairman,**  
Transitional Committee,  
Yewa North Local Government,  
Ayetoro.

**AUDIT INSPECTION REPORT ON THE ACCOUNTS OF YEWA NORTH LOCAL  
GOVERNMENT, AYETORO FOR THE PERIOD 1ST JANUARY 2020 TO 31<sup>ST</sup>  
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 Report.

**2. AUDIT QUERY**

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

S/N	Query Number	Subject	Amount (₦)
1.	OGLG/AQ/YNLG/243/2020	Unreceipted Expenditure	190,000.00
2.	OGLG/AQ/YNLG/244/2020	Payment Contrary to Regulations	300,000.00
3.	OGLG/AQ/YNLG/245/2020	Unacknowledged Payment	120,000.00

**3. UN-RECEIPTED EXPENDITURE**

**Observation:** It was observed that most of the expenditure incurred by the Local Government during the period covered by this report were not supported by official printed receipts. An instance was the sum of One Hundred and Ninety Thousand Naira (₦190,000.00) only given to Mr. Kunle Adebawale (Senior Administration Officer) to entertain guests that were invited to the swearing-in ceremony of the transition Committees. This is a violation of the provisions of Chapter 14:17 of the Model Financial Memoranda for Local Government and this has been made subject of Audit Query No OGLG/AQ/YNLG/243/2020.

**Recommendation:** Relevant documents of execution or transactions should always be attached to the payment vouchers in line with the financial regulations.

**4. PAYMENT CONTRARY TO REGULATIONS**

**Observation:** A sum of ₦300,000.00 was paid to Mr. Kunle Adebawale (Senior Admin. Officer) for the entertainment of the Political Leaders at a meeting with the Transition Committee. Audit observed that the money was above the approving limit of the Chairman and

was not ratified by the Finance & General Purpose Committee. This has been made a subject of Audit Query NO. OGLG/AQ/YNLG/244/2020.

**Recommendation:** Expenditure above the approving limit of the Chairman should always pass through the F&GPC for approval in line with the Local Government existing guideline.

5. **UNACKNOWLEDGED PAYMENT**

**Observation:** During the examination of payment vouchers, it was observed that a sum of ₦120, 000.00 was paid to Mr David Bankole (Transitional Chairman, Yewa North L G) in respect of Association of Local Govt of Nigeria (ALGON) for some sterling greetings during the 60<sup>th</sup> birthday of the Executive Governor of the state.

The payment was not acknowledged by ALGON as evidence that the money was actually received by the association. This has been made subject of Audit Queries No OGLG/AQ/YNLG/245/2020.

**Recommendation:** Payment made to any Association or body should always be acknowledged as evidence that the money was actually received.

6. **BANK RECONCILIATION**

i. **DORMANT BANK BALANCES**

**Observation:** During the audit exercise, available accounting records revealed that the Local Government maintained a long list of bank accounts in various banks as at 31<sup>st</sup> December, 2020 financial year. It was observed that thirteen (13) out of those bank accounts appeared dormant because they were not operated several years. The bank where these accounts were maintained are still in existence and the reason(s) for not operating the accounts could not be satisfactorily explained by the Local Government. When Mr. Jinadu (Director, Finance and Supplies) was contacted, he promised to discuss the dormant bank accounts at the F&GPC meeting for possible resuscitation or closure of those bank accounts.

Details of the dormant bank accounts are highlighted below:

NO	NAME OF BANKS	ACCOUNTS NOS	AMOUNT ₦
1.	Zenith Bank Plc	1012248942	25,986.96
2	Oceanic Bank Plc	027130100959	32,644.43
3.	Zenith Bank Plc	1013927401	11,789.39
4.	First Bank Plc	2015097888	435.16
5.	Wema Bank	0120058617	299.86

6.	Wema Bank	0120058662	2,445.85
7.	Wema Bank	0120058703	2,190.71
8.	Wema Bank	0120058796	559.62
9.	Wema Bank plc	0120058916	213.15
10.	Wema Bank plc	0120058820	498.67
11.	FCMB PLC Abeokuta	0142060133316001	89,475.00
12.	Gateway Saving & loan Bank Abk	001120068401	9,254.87
13.	GTB Plc Abeokuta	34004471615	19,511.30

**Recommendation:** The Director, Finance and Supplies is hereby reminded to discuss at the F&GPC meeting the thirteen (13) bank accounts not operated for some years for possible resuscitation or closure by the Local Government. The continuous retention of these dormant banks accounts would continue to attract bank charges on monthly basis thereby depleting the meagre revenue accruing to the Local Government.

**ii. OVERDRAFT OF ₦30,114,779.93 FROM ZENITH BANK PLC ON ACCOUNT NO. 1013745814**

**Observation:** The issue of overdraft facility of ₦30,114,779.93 enjoyed by the Local Government since year 2016 from Zenith bank Plc on Account No. 1013745814 remained unresolved because the figures still features in the bank reconciliation statement as at 31<sup>st</sup> December, 2020 as dormant account.

In the audit inspection report No. OGLG/YEN/1/Vol.VI/194 of 3<sup>rd</sup> October, 2017 it was reported that the Audit Team that audited the account relied on audited figures of ₦30,114,779.93 as at 31<sup>st</sup> December, 2016 because the bank statement between January and December, 2017 or bank certificate on the account was not provided to Audit in order to determine bank charges and the correct outstanding balance figures on the overdraft facility on Account No. 1013745814. Subsequent audit inspection reports in year 2018 and 2019 accounts also highlighted this irregularity and advised the Local Government to obtained bank statement or bank certificate from Zenith bank Plc on account No. 1013745814 where it obtained overdraft for Audit use but to no avail as at the time of writing this report.

**Recommendation:** In order to know the true and fair view of financial position of the Local Government account for the next financial year, the issue of Zenith bank Plc Account No.

1013745814 should have been re-visited by providing either updated bank statement or bank certificate. This office should be kept abreast of latest development on the account.

**iii. DIRECT CREDIT**

**Observation:** It was observed that no action seems to have been taken on the advice given in the last audit inspection report No. OGLG/YEN/1/Vol.VI/227 of 10<sup>th</sup> August, 2020 in respect of the direct credit figures. In the last audit report, the Treasurer was asked to orientate the revenue collectors on prompt presentation of bank deposit slips to treasury for issuance of treasury receipts which was not yielded to. The direct credit has accumulated from ₦1,105,272.50 as at audit exercise to ₦4,432,440.00 as at 31<sup>st</sup> December, 2020 but at the instance of Audit, a sum of ₦2,422,920.00 had been written back into cashbook vide RV. 101/December, 2020 leaving outstanding balance of ₦2,009,520.00.

**Recommendation:** The treasurer is once again advised to ensure that bank tellers for payments made into the bank accounts of the Local Government by revenue collectors are promptly submitted to the cashier in order to reduce the long list of direct credit in the bank reconciliation statement. The remaining sum of ₦2,009,520.00 should be written back into the cashbook after the needful has been done.

**7. STATE OF ACCOUNT**

**Observation:** During the year under review, it was observed that only summary of salaries and allowances on departmental basis instead of detail analysis showing names, grade levels, amount, department etc were made available for Audit.

The act violates the existing financial regulations on preparation of monthly salaries and allowances in the Local Government. It took time before the acceptable details salary payment voucher between January and December, 2020 were produced and presented for Audit.

Also, it was observed that there were no receivable and payable ledgers in the Local Government which made it difficult for Audit to ascertain the amount of receivables and payables for the year 2020.

Henceforth, the Local Government should maintain the necessary ledgers to make Audit work easy and in compliance with IPSAS accrual basis.

Another observation was that the Local Government Treasury store made use of ordinary sheet of papers instead of designing forms/sheets where the type of receipts, number of receipts, authorization etc will be clearly indicated when receipts are issued to revenue collectors. This is not good for accountability which Audit condemns in totality hence should not be encouraged.

**Recommendation:** The Treasurer should step up his supervisory role on officers that keep various accounting ledgers in the finance department in order to minimize errors.

#### 8. **REVENUE COLLECTOR**

**Observation:** During Audit checking of revenue collectors, it was observed that one Mr. Taiwo Isaac (Chief Clerical Officer GL. 07) in charge of market receipts, stallages and General Revenue Receipt (GRR) at Oja Odan market area office, appeared to have absented himself from his duty post without any notice since January, 2021. All the Local Government revenue receipts and the revenue collector's cashbook in his possession were presented for Audit check by his colleague Mr. Towolawi S A. During the checking of the receipt, it was observed that a sum of Eighty Thousand Naira (₦80,000.00) only was owed by him on the 16 market receipts he (Mr. Taiwo Isaac) collected at N5000 per booklet. Details of the market receipts are stated in "Appendix B" of the report forwarded to the Local Government.

**Recommendation:** The loss should be reported to this Office in line with the provisions of Chapter 8:2(5) of the Model Financial Memoranda for Local Governments. Also, the provisions of Chapter 8:8(1) of the Model Financial Memoranda for Local Governments provides that the amount outstanding should be recovered from Mr. Taiwo Isaac bondsmen either with their consent or as a result of civil action. This is only possible if the officer has been bonded as required in line with Chapter 42:3 of the Model Financial Memoranda for Local Governments.

#### 9. **LOSS OF FUND & RECEIPTS**

**Observation:** It was observed that a revenue collector Mr. Afolabi Sobukola O. (Principal Health Environmental Technologist) from Water and Environmental Sanitation (WES) department Ijoun did not show up for checking. On enquiry, it was observed that the officer has died and all efforts to retrieve the receipts in his possession proved abortive as the family could not locate where he kept the revenue receipt. The receipts are:

Regulated Premises Nos – 39751-39800  
39801-39850.  
G RR No 77051-77100.

**Recommendation:** The loss should be reported to this Office in accordance with Chapter 8:2(5) of the Model Financial Memoranda for Local Governments. If it is impracticable to recover the loss as a result of death of person, the Executive Committee may write off the lost. This is in accordance to the provisions of Chapter 8:12 of the Model financial Memoranda for Local Governments.

#### 10. REVENUE GENERATION PERFORMANCE

**Observation:** During the period under reference, it was observed that the Local Government budgeted a sum of Forty-Two Million, Two Hundred and Ten Thousand Naira (₦40,210,000.00) only to be generated internally but at the end of the financial year 2020, the Local Government generated a sum of ₦26,637,380.00 as its independent revenue. The Local Government can still perform better because there were areas where revenues were not tapped. Such areas include: Street naming, Markets, Schools, Bakery, Food Vendor, Masts, Rent on Staff Quarters, Guest House etc.

**Recommendation:** The management of the LG is hereby advised to put necessary machineries in place, to look outside the box in order to generate more fund. Investment on poultry project for enhanced internally generated revenue should be looked into.

#### 11. LOCK-UP SHOPS AND OPEN STALLS

**Observation:** During the period under review, it was observed that the Local Government has 338 lock-up shops and 405 open stalls. The lock-up shops and open stall at Iju Local Council Development Area and Ketu Local council Development Area are inclusive.

On Audit verification, it was observed that most of these lock-up shops and open stalls were in deplorable conditions as reported in the last Audit Inspection reports for year 2019 accounts. Due to the deplorable conditions of these shops and stalls, the amount generated from the stallages was very low during the year 2020. Details of Lock-up shops and Open stalls is in Appendix “C” of the report earlier forwarded to the Local Government.

**Recommendation:** The management is advised to repair those lock-up shops and open stalls in order to enhance Local Government revenue generation in the next financial year.

#### 12. RECEIVABLES

**Observation:** Available records revealed that the total receivable on shops as at 31<sup>st</sup> December, 2019 was ₦1,578,700.00 which include ₦844,000.00 from Defunct Ketu Local Council Development Area, ₦490,000.00 from Defunct Iju Local Council Development Area and ₦244,500.00 from Yewa North main Local Government. The outstanding money was not recovered despite the advice of this Office in the last Audit Inspection Report for year 2019 accounts.

In the current year 2020, another sum of ₦545,000.00 was still owed on the shops and stalls all totalling sum of ₦2,205,806.00 owed on stallages as at 31<sup>st</sup> December, 2020. It appears that the Local Government was comfortable with this huge sum of money being owed on stallages because there was no evidence of efforts made to recover this debt.



**Recommendation:** Concerted efforts should be intensified towards recovery of the money owed on the stallages. The money can be used to effect repairs of shops and stalls that are in deplorable conditions.

13. **KOMATSU MOTOR GRADER**

**Observation:** At the time of this audit exercise, the conditions of Komatsu Grader being used by Ketu Local Council Development Area remained as it was reported in the last Audit Inspection Report No. OGLG/KLCDA/1/18 of 10<sup>th</sup> August, 2020. In the report, the management was advised to rectify the problem in the engine of the grader in order to make use of it for revenue generation and to guide against being vandalized where it was parked.

**Recommendation:** It is still the advice of this office that the Local Government should repair the engine problem developed by the Komatsu Grader. The continuous neglect of the grader might lead to vandalization of its vital parts and result into additional cost to the Local Government. To be forewarned is to be forearmed.

14. **FIXED ASSET REGISTER**

**Observation:** Capital Expenditure ledger (Asset Register) is a permanent and important document that must be kept by the Local Government. It was observed that the Fixed Asset Register was opened but not properly maintained by the Local Government. The purpose of this document is to show at a glance the total number, types, locations and the cost of the assets acquired by the Local Government. If there were pilferage, it might be easily noticed especially during this period of IPSAS accrual. The Provisions of Chapter 38 of the Model Financial Memoranda for Local Government emphasized on the need to properly keep and maintain this register.

**Recommendation:** The Local Government is therefore advised to always maintain Asset Register and monitor the Assets both those inherited from the LCDAs and the newly acquired one.

15. **HEALTH FACILITIES IN THE LOCAL GOVERNMENT**

**Observation:** During the audit exercise, verification visits were made to some health centres in the Local Government. It was observed that virtually if not all the centres did not maintain drug ledger/register to know the numbers or types of drugs purchased. Also, there was no ledger opened for the newly purchased scanning machine to know the number of scan done per day and how much was actually generated on daily basis. This is not good for the system because the action did not promote accountability of public fund.

**Recommendation:** The Treasurer should ensure that in all the Local Government Health Facilities, necessary ledgers are opened in order to monitor the activities of those centres for accountability purpose.

16. **CONSTRUCTION OF TOILET AND SHED AT AYETORO**

**Observation:** The condition of the place was still bushy and unkept as it was reported in the Audit Inspection reports for years 2018 and 2019 accounts.

**Recommendation:** The Local Government is once again advised to keep Ayetoro Motor park garage clean in order to generate revenue from the place especially in the toilet and shed.

17. **POSSESSION OF LANDED PROPERTY**

**Observation:** In item 7 of last audit inspection report No. OGLG /YEN/1/Vol.VI/227 of 10<sup>th</sup> August, 2020 the Local Government was advised to substantiate the full ownership of its purported landed property at various locations by erecting sign post and do perimeter survey of those lands. At the exit of the Auditors from the Council in May, 2021 there was no sign posts on those lands except the lands at Atokun market. Also, relevant documents relating to the ownership of these land especially the perimeter survey could not be produced on Audit demand.

**Recommendation:** The Local Government is once again advised to erect signpost on all its landed properties and do perimeter survey to protect the land from encroachment and outright loss. Detail is contained in Appendix “D” attached to the last audit inspection report forwarded to the Local Government.

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


**RE: AUDIT INSPECTION REPORT ON THE ACCOUNTS OF YEWA NORTH LOCAL GOVERNMENT, AYETORO FOR THE PERIOD OF 1<sup>ST</sup> JANUARY, 2020 TO 31<sup>ST</sup> DECEMBER, 2020**

Sequel to your report OGLG/VEN/1/VOI.1/237 dated 18<sup>th</sup> June, 2021 on the above subject matter, the Management of Yewa North Local Government has gone through the report thoroughly and have taken note of all the observations and recommendations. Below are our responses;

1. The audit queries numbered OGLG/AQ/YNLG/243-245/2000 have been dispatched to the officers concerned and it is believed that their responses would have been submitted to your office by now.
2. Issues bordering on resuscitation of dormant account balances, overdraft from Zenith Bank, and loss of fund & receipt resulting from the death of a revenue collector in WES Department shall be discussed at the Executive Committee/F&GPC meeting for appropriate decisions to be made.
3. Our states of account, Fixed Assets Register and Non-retirement of imprest have been taken care of by the Finance and Supplies Department.
4. The Works Department shall be charged to take possession of all our landed properties as well as Valuation of Corper's Lodge to be included in our list of immovable (Legacy) Asset.
5. Our revenue generation performance did not meet up with the target as budgeted due to the Covid-19 pandemic during the year under review which led to the lockdown of the State and almost every part of the nation at large.
6. All issues bordering on stallages which include the deplorable condition of our lock up shops and open stalls as well as debts owed on these stallages shall be worked upon to improve our revenue profile.

In conclusion, the Local Government promises to follow all recommendations from your office work and act promptly on them for increase in revenue generation and improved accountability of public funds.

Thank you.



**MR.S.A ADEYANJU**  
HEAD OF LOCAL GOVERNMENT ADMINISTRATION  
FOR EXECUTIVE CHAIRMAN,  
YEWA NORTH LOCAL GOVERNMENT.