

**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, 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.  
17<sup>th</sup> 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 Yewa North Local Government for the year ended 31<sup>st</sup> 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 31<sup>st</sup> December, 2021 subject to the observations in the inspection reports.

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

**STATEMENT OF OPINION OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF  
YEWA NORTH LOCAL GOVERNMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER,  
2021**

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

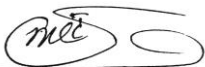
We conducted our Audit in accordance with Generally Accepted Auditing Standards and auditing standards issued by International Organisation of Supreme Audit Institution (INTOSAI). I have obtained all information and explanations that I require for my Audit. An audit includes examination on test basis 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.

17<sup>th</sup> June, 2022.

**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, 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 accounts of Yewa North Local Government, Ayetoro for the year ended 31<sup>st</sup> 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 activities of the Local Government for the period under review.

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

It was observed that receivable ledger was not well maintained.

**(3) FINANCIAL REVIEW:**

<b>REVENUE</b>	<b>AMOUNT (₦)</b>
Independent Revenue	25,773,153.23
Statutory Allocation	2,194,255,485.09
Aids and Grants	<u>18,000,000.00</u>
<b>Total</b>	<b><u>2,238,028,638.32</u></b>

<b>EXPENDITURE</b>	
Salaries & Allowances	1,565,975,079.02
Pension	639,289,631.24
Overhead Expenses	122,515,941.89
Long Term Assets	<u>21,411,000.00</u>
<b>Total</b>	<b><u>2,349,191,652.15</u></b>

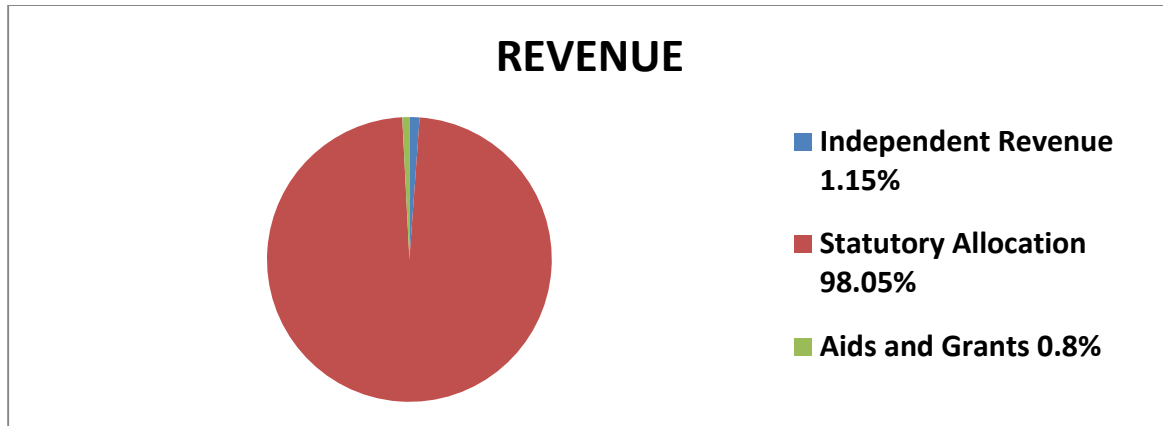
**(4) REVENUE PERFORMANCE:**

**(i) STATEMENT OF ACTUAL REVENUE**

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦61,830,000.00, a sum of ₦25,773,153.23 only was actually generated internally representing 41.68% of the budget. This represents a drop of 3.24% in revenue performance when compared with the sum of ₦26,637,380.00 generated in year 2020. 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.

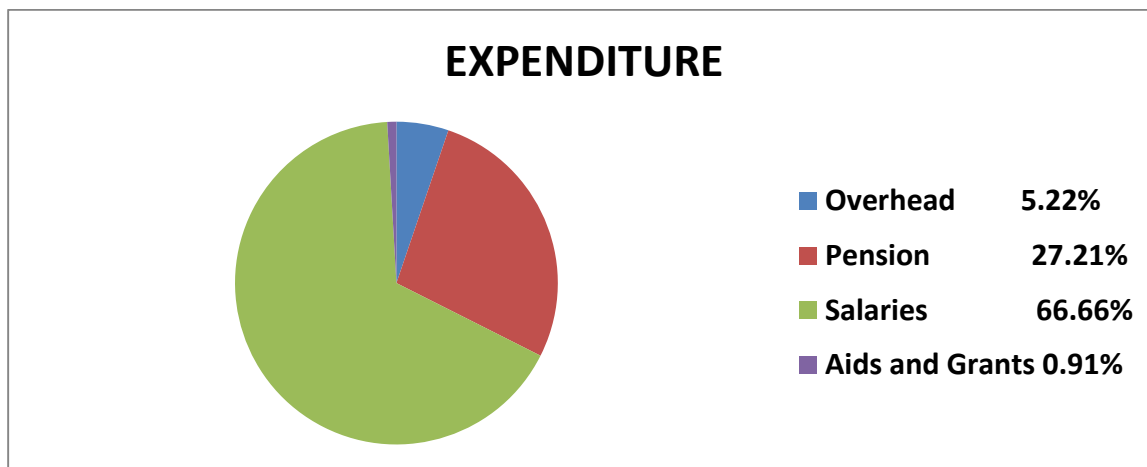
**(ii) PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE**

The Audit exercise revealed that out of the total revenue of ₦2,238,028,638.32 realized by the Local Government during the year under review, a sum of ₦25,773,153.23 only was generated internally. This represented 1.15% of the total revenue while the sum of ₦2,194,255,485.09 statutory allocation and ₦18,000,000.00 aids and grant received from the State Joint Account Allocation Committee represented 98.05% and 0.8% 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 ₦2,349,191,652.15. Out of this, a sum of ₦122,515,941.89 was expended on overhead which represented 5.22% of the total expenditure for the year. Also, a sum of ₦1,565,975,079.02 was expended on salaries and allowances representing 66.66% of the total expenditure for the year while the sum of ₦639,289,631.24 was paid to pensioners which represented 27.21% and a sum of ₦21,411,000.00 was expended on long term assets representing 0.91% 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, 2021 was ₦295,334,066.92. 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	102,521,714.02
PAYE	147,277,130.42
PAYABLES	13,895,360.00
NHF	4,499,435.25
OTHERS	<u>10,485,391.01</u>
<b>TOTAL</b>	<b><u>295,334,066.92</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**

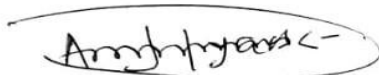
The investment of ₦1,732,457.00 shown in the Statement of Financial Position as at December, 2021 could not be verified because the share certificate was not produced on demand for audit scrutiny, also evidence of beneficial ownership such as dividends were not seen.

**YEWA NORTH LOCAL GOVERNMENT**

**RESPONSIBILITY FOR FINANCIAL STATEMENT**

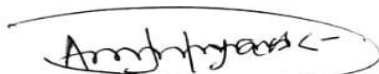
These financial statements have been prepared by me in accordance with the provisions of Finance (Control and Management) Act Cap 144 LFN 1990 as amended. The financial statements comply with Generally Accepted Accounting Practice.

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.

  
**ALH MAJIYAGBE, M.O.**  
**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, 2021 and its operations for the year ended on the date.

  
**ALH MAJIYAGBE, M.O.**  
**TREASURER**

  
**HON. OGUNYOMI, O.G**  
**EXECUTIVE CHAIRMAN**

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

	NOTES	2021	2020
<b>CURRENT ASSET</b>		₦	₦
CASH & CASH EQUIVALENTS	8	-8,551,899.40	-2,796,740.16
INVENTORIES		3,871,533.60	2,205,806.00
RECEIVABLES		1,080,000.00	4,123,700.00
PREPAYMENT			
ADVANCE		1,163,041.73	1,163,041.73
<b>TOTAL CURRENT ASSET (A)</b>		<b>-2,437,324.07</b>	<b>4,695,807.57</b>
<b>NON CURRENT ASSET</b>			
PROPERTY PLANT & EQUIPMENT	10	701,245,848.50	737,193,154.00
INVESTMENT PROPERTY	11	561,121,030.00	563,637,120.00
BIOLOGICAL ASSET	12		
INVESTMENT		1,732,457.00	1,732,457.00
LOAN GRANTED			
<b>TOTAL NON CURRENT ASSET (B)</b>		<b>1,264,099,335.50</b>	<b>1,302,562,731.00</b>
<b>TOTAL ASSET (C=A+B)</b>		<b>1,261,662,011.43</b>	<b>1,307,258,538.57</b>
<b>CURRENT LIABILITY</b>			
DEPOSIT			
LOAN & DEBT			
UNREMITTED DEDUCTIONS	9	281,438,706.92	236,131,743.72
ACCURED EXPENSES, PAYABLES		13,895,360.00	10,622,760.00
DEFERED INCOME			
CURRENT PORTION OF BORROWING			
<b>TOTAL CURRENT LIABILITY (D)</b>		<b>295,334,066.92</b>	<b>246,754,503.72</b>
<b>NON CURRENT LIABILITY</b>			
PUBLIC FUND		5,194,935.36	5,194,935.36
BOROWING			
<b>TOTAL NON CURRENT LIABILITY (E)</b>		<b>5,194,935.36</b>	<b>5,194,935.36</b>
<b>TOTAL LIABILITY (F=D+E)</b>		<b>300,529,002.28</b>	<b>251,949,439.08</b>
<b>NET ASSETS (G= C-F)</b>		<b>961,133,009.15</b>	<b>1,055,309,099.49</b>
<b>NET ASSET/EQUITY</b>			
RESERVE			
<b>ACCUMULATED SURPLUS/ DEFICIT</b>		<b>961,133,009.15</b>	<b>1,055,309,099.49</b>
<b>TOTAL NET ASSET/EQUITY</b>		<b>961,133,009.15</b>	<b>1,055,309,099.49</b>

**YEWA NORTH LOCAL GOVERNMENT**

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

	NOTES	2021	2020
<b>REVENUE</b>		₦	₦
STATUTORY ALLOCATION	1	2,194,255,485.09	2,004,474,070.41
NON TAX REVENUE:	2	25,730,653.23	24,214,460.00
INVESTMENT INCOME			
INTEREST EARNED			
AIDS & GRANTS	3	18,000,000.00	9,900,000.00
OTHER REVENUE		42,500.00	2,422,920.00
<b>TOTAL REVENUE (A)</b>		<b>2,238,028,638.32</b>	<b>2,041,011,450.41</b>
<b>EXPENDITURE</b>			
SALARIES & WAGES	4	1,565,975,079.02	1,439,385,670.36
NON- REGULAR ALLOWANCE	5		-
SOCIAL BENEFIT	6	639,289,631.24	523,200,356.35
OVERHEAD COST	7	69,995,122.90	82,015,606.29
SUBVENTION TO PARASTALS		600,000.00	1,000,000.00
DEPRECIATION	10 & 11	30,152,655.50	33,694,275.50
GAIN/LOSS ON DISPOSAL ON ASSET		25,876,440.00	
<b>TOTAL EXPENDITURE (B)</b>		<b>2,331,888,928.66</b>	<b>2,079,295,908.50</b>
<b>SURPLUS / DEFICIT (C=A-B)</b>		<b>-93,860,290.34</b>	<b>-38,284,458.09</b>

**YEWA NORTH LOCAL GOVERNMENT**

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

	₦
<b>Balance 1/1/2020</b>	<b>1,097,985,642.69</b>
Prior Year Adjustment	-4,392,085.11
Adjusted Balance	
<b>Surplus/ (deficit) for the year</b>	<b>-38,284,458.09</b>
<b>Balance 31/12/2020</b>	<b>1,055,309,099.49</b>
Prior Year Adjustment	-315,800.00
<b>Adjusted Balance</b>	<b>1,054,993,299.49</b>
Surplus/ (deficit) for the year	-93,860,290.34
<b>Balance at 31 December 2021</b>	<b>961,133,009.15</b>

**YEWA NORTH LOCAL GOVERNMENT**  
**CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2021**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2021</b>	<b>2020</b>
<b><u>INFLOWS</u></b>	<b>₦</b>	<b>₦</b>
STATUTORY ALLOCATION	2,196,255,485.09	2,002,474,070.41
LICENCES, FINES, ROYALTIES, FEES ETC	18,140,303.23	22,695,960.00
EARNINGS & SALES	7,653,550.00	615,500.00
RENT OF GOVERNMENT PROPERTIES	980,500.00	358,000.00
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL		
DOMESTIC AIDS & GRANTS	18,000,000.00	9,900,000.00
OTHER REVENUE	42,500.00	2,422,920.00
<b>TOTAL INFLOW FROM OPERATING ACTIVITIES A</b>	<b>2,241,072,338.32</b>	<b>2,038,466,450.41</b>
<b><u>OUTFLOW</u></b>		
PERSONNEL EMOLUMENTS	1,565,975,079.02	1,439,385,670.36
SOCIAL BENEFIT	639,289,631.24	523,200,356.35
OVERHEADS	68,388,250.50	79,500,833.20
SUBVENTION TO PARASTATALS	600,000.00	1,000,000.00
INTEREST PAYMENT		
<b>TOTAL OUTFLOW FROM OPERATING ACTIVITIES B</b>	<b>2,274,252,960.76</b>	<b>2,043,086,859.91</b>
<b>NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B</b>	<b>-33,180,622.44</b>	<b>-4,620,409.50</b>
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
PURCHASE/ CONSTRUCTION OF ASSETS	- 21,411,000.00	- 9,180,000.00
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE		
PROCEED FROM SALE OF ASSETS	3,529,500.00	
DIVIDEND RECEIVED		
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-17,881,500.00</b>	<b>-9,180,000.00</b>
<b><u>CASH FLOW FROM FINANCIAL ACTIVITIES</u></b>		
DEPOSIT/ UNREMITTED DEDUCTIONS	45,306,963.20	23,176,747.04
PUBLIC FUND		
PROCEEDS FROM DOMESTIC LOANS & OTHER		
<b>NET CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>45,306,963.20</b>	<b>23,176,747.04</b>
<b>NET CASH FLOW FROM ALL ACTIVITIES</b>	<b>-5,755,159.24</b>	<b>9,376,337.54</b>
<b>CASH &amp; ITS EQUIVALENT AS AT 1/1/2021</b>	<b>-2,796,740.16</b>	<b>-12,173,077.70</b>
<b>CASH &amp; ITS EQUIVALENT AS AT 31/12/2021</b>	<b>-8,551,899.40</b>	<b>-2,796,740.16</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>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, 2021**

**SHARE OF STATUTORY ALLOCATION  
FROM JAAC**

**1**

**₦**

	JANUARY	123,215,559.47
	FEBRUARY	173,304,029.22
	MARCH	175,682,661.89
	APRIL	171,369,697.26
	MAY	236,858,108.29
	JUNE	88,611,663.77
	JULY	272,200,819.15
	AUGUST	130,942,864.58
	SEPTEMBER	185,070,077.50
	OCTOBER	66,701,346.65
	NOVEMBER	194,682,340.64
	DECEMBER	375,616,316.67
	<b>TOTAL</b>	<b>2,194,255,485.09</b>

**2 NON-TAX REVENUE**

	LICENCES	2,778,800.00
	FEES	15,259,503.23
	FINES	54,000.00
	EARNINGS	1,260,400.00
	RENT OF GOVERNMENT PROPERTIES	980,500.00
	SALES	5,397,450.00
	<b>TOTAL</b>	<b>25,730,653.23</b>

**3 AIDS & GRANTS**

	OGUN STATE GOVERNMENT	18,000,000.00
	NON GOVERNMENT ORGANISATION	0.00
	<b>TOTAL</b>	<b>18,000,000.00</b>

**4 SALARIES & WAGES**

	LOCAL GOVERNMENT STAFF	440,490,549.12
	PRIMARY SCHOOL TEACHERS	1,002,398,351.89
	TRADITIONAL COUNCIL	100,097,281.60
	POLITICAL FUNCTION	22,988,896.41
	<b>TOTAL</b>	<b>1,565,975,079.02</b>



**5 NON- REGULAR ALLOWANCE**

	LEAVE BONUS	
	<b>TOTAL</b>	

**6 SOCIAL BENEFIT**

	GRATUITY	-
	PENSION	639,289,631.24
	<b>TOTAL</b>	<b>639,289,631.24</b>

**7 OVERHEAD COST BY DEPARTMENT**

	CHAIRMAN & COUNCIL	33,521,000.00
	HOLGA	336,000.00
	INTERNAL AUDIT	260,000.00
	ADMINISTRATIVE	13,866,870.03
	FINANCE	10,428,877.97
	INFORMATION	771,500.00
	P H C	4,462,900.00
	AGRIC	488,500.00
	WORKS	1,976,122.40
	PLANNING	1,865,500.00
	WES	1,150,352.50
	COMMUNITY	867,500.00
	<b>TOTAL</b>	<b>69,995,122.90</b>

**8 CASH & CASH EQUIVALENTS**

	CASH AT HAND	81,230.24
	CASH IN BANKS	- 8,633,129.64
	<b>TOTAL</b>	<b>- 8,551,899.40</b>

**9 UNREMITTED DEDUCTIONS**

1	5% DEVELOPMENT LEVY	4,165,786.19
2	5% TAX	4,027,261.45
3	PENSION	102,521,714.02
4	5% VAT	5,302,412.36
5	PAYE	149,277,130.42
6	5% WHT	1,159,576.22
7	NHF	4,499,435.25
8	OTHERS	10,485,391.01
	<b>Total</b>	<b>281,438,706.92</b>

YEWA NORTH LOCAL GOVERNMENT									
SCHEDULE OF EQUIPMENT	PROPERTY, PLANT & BUILDING 2%	LAND	PLANT & MACHINERY 10%	TRANSPORTATION EQUIPMENT 20%	OFFICE EQUIPMENT 25%	FURNITURE & FITTINGS 20%	INFRASTRUCTURE 10%	TOTAL	
BAL AS AT 01/01/2021	726,582,775.00		35,018,000.00	21,000,000.00	2,446,000.00	2,283,650.00	11,061,000.00	787,330,425.00	
ADDITIONAL DURING THE YEAR				2,500,000.00				13,561,000.00	
ADJUSTMENT			-	4,300,000.00				(4,300,000.00)	
DISPOSAL DURING THE YEAR			(34,143,000.00)	(3,500,000.00)	50,000.00	3,600.00		(37,696,600.00)	
BAL. C/F	726,582,775.00	-	875,000.00	15,700,000.00	2,396,000.00	2,280,050.00	11,061,000.00	758,894,825.00	
ACCUMULATED DEPRECIATION									
BAL. AS AT 01/01/2021	28,752,811.00		7,013,600.00	11,710,000.00	1,533,000.00	1,127,860.00		50,137,271.00	
ADDITIONAL DURING THE YEAR	14,531,655.50		87,500.00	3,140,000.00	471,300.00	456,010.00	1,106,100.00	19,792,565.50	
ADJUSTMENT	310,500.00			(4,300,000.00)	(700.00)				
DISPOSAL DURING THE YEAR			(6,838,600.00)	(1,400,000.00)	49,900.00	-2160		8,290,660.00	
BAL. C/F	43,594,966.50	-	262,500.00	9,150,000.00	1,953,700.00	1,581,710.00	1,106,100.00	57,648,976.50	
AS AT 31/12/2021	682,987,808.50	-	612,500.00	6,550,000.00	442,300.00	698,340.00	9,954,900.00	701,245,848.50	
AS AT 31/12/2020	697,829,964.00	-	28,004,400.00	9,290,000.00	913,000.00	1,155,790.00	-	737,193,154.00	

YEWA NORTH LOCAL GOVERNMENT				
INVESTMENT PROPERTY	LAND & BUILDING 2%	LAND	TOTAL	
BAL AS AT 01/01/2021	510,154,500.00	73,825,000.00	583,979,500.00	
ADDITIONAL DURING THE YEAR	7,850,000.00		7,850,000.00	
LEGACY			0.00	
DISPOSAL DURING THE YEAR			-	
BAL. C/F	518,004,500.00	73,825,000.00	591,829,500.00	
ACCUMULATED DEPRECIATION				
BAL. AS AT 01/01/2021	20,342,380.00		20,342,380.00	
ADDITIONAL DURING THE YEAR	10,360,090.00		10,360,090.00	
ADJUSTMENT	6,000.00			
DISPOSAL DURING THE YEAR				
BAL. C/F	30,708,470.00	-	30,708,470.00	
AS AT 31/12/2021	487,296,030.00	73,825,000.00	561,121,030.00	
AS AT 31/12/2020	489,812,120.00	73,825,000.00	563,637,120.00	

**The Executive Chairman,**  
Yewa North Local Government,  
Ayetoro.

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

**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 Numbers	Subject	Amount (₦)
1.	OGLG/AQ/1/YN/246/2021	Doubtful Expenditure	140,000.00
2.	OGLG/AQ/1/YN/247/2021	Unremitted Imprest	120,000.00
3.	OGLG/AQ/1/YN/248/2021	Unreceipted Expenditure	125,000.00
4.	OGLG/AQ/YN/249/2021	Unremitted Imprest	300,000.00
5.	OGLG/AQ/YN/250/2021	Doubtful Expenditure	245,000.00
6.	OGLG/AQ/YN/251/2021	Doubtful Expenditure	130,000.00

**3. DOUBTFUL EXPENDITURE**

**Observation:** It was observed that some expenditure incurred by the Local Government were doubtful because expenditure were not retired. Example of such expenditure was a sum of One Hundred and Forty Thousand Naira (₦140,000.00) released to Mr. Adeogun O. A. (Acting, Director, General Services and Administration). The money was paid for the Financial and General Purpose Committee meeting held on 22<sup>nd</sup> of January, 2021. The non-attachment of those receipt is contrary to the provisions of Chapter 14:17 of the Model Financial Memoranda for Local Governments.

Another expenditure was a sum of Two Hundred and Forty-Five Thousand Naira (₦245,000.00) was released to Mrs. Tijani Bolanle. (Chief Clerical Officer) to provide

entertainment during budget appraisal (July-September, 2021) by members of the Ogun State Standing Committee held on Tuesday 9<sup>th</sup> November, 2021 through Pv. 05/November, 2021. The printed official receipt of items purchased as well as letter of visitation were not attached to payment vouchers or produced to Audit on demand thereby casting doubt on the genuineness of the expenditure.

Also, a sum of ₦130,000.00 was paid to Mrs. Tijani Bolanle. (Chief Clerical Officer) for entertainment during budget appraisal: monitoring the performance of year 2021 budget by members of the Ogun State Standing Committee on Local Government. There was no letter of visit to the Local Government as well as photograph of event attached to the payment voucher contrary to the provisions of Chapter 14:17 of the Model Financial Memoranda for Local Governments.

**Recommendation:** Evidence of expenditure should be provided or recover the money from the officer within two (2) weeks from the date on the queries.

#### **4. UNRETIRED IMPREST**

**Observation:** During the period under review, it was observed that monthly office imprest granted to some career officer of the Local Government were not retired. Example of such unretired imprest was the sum of ₦120,000.00 released to Mr. Adeogun O. A. vide payment vouchers 08/February, 2021, 16/March, 2021, 09/May, 2021, 14/April, 2021 and 15/April, 202. Non-retirement of imprest contradicts the provisions of Chapter 14:24 of the Model Financial Memoranda for Local Governments which state that “No” imprest shall be approved unless all previous imprest issued for the same purpose have been retired and imprest shall be retired when the purpose for which the imprest was granted are completed.

**Recommendation:** The Treasurer and the Internal Auditor are advised not to release any imprest without retiring the previous ones. The duo shall be held for any infraction in this regard.

#### **5. UNRECEIPTED EXPENDITURE**

**Observation:** During the half year 2021 audit exercise, it was observed that the Local Government spend thousands of naira on repair of official vehicle which were not retired with official printed receipts contrary to the provisions of Chapter 14:17 of the Model Financial Memoranda for Local Governments.

Examples of such expenditure was a sum of ₦125,000.00 used for the repair of official vehicle No. LG 01 AYE Toyota Tundra attached to the Chairman as detailed below:

- a) A sum of ₦20,000.00 released to Mr. Adebisi Joseph (Driver) vide Pv. No. 55/April, 2021.
- b) Another sum of ₦20,500 released to Mr. Adebisi Joseph (Driver) vide Pv. No. 56/April, 2021.
- c) A sum of ₦57,000.00 was given to Mr. Adebisi Joseph (Driver) vide Pv. No. 57/April, 2021.
- d) Also, a sum of ₦27,500.00 paid to Mr. Adebisi Joseph (Driver) vide Pv. No. 58/April, 2021.

**Recommendation:** Officials of the Local Government are advised to always attach relevant documents to payment vouchers as evidence of execution in line with the provisions of Chapter 14:17 of Model Financial Memoranda for Local Governments.

**Recommendation:** The Treasurer and Internal Auditor should be more alive to their responsibilities and also ensure that they do not pay any imprest without retiring the previous ones.

## **6. REVENUE GENERATION PERFORMANCE**

**Observation:** During the period under reference, it was observed that the Local Government budgeted a sum of Sixty Million, Five Hundred and Thirty Thousand Naira (₦60,530,000) only to be generated internally. However, the Local Government was able to generate a sum of ₦25,773,153.23 as its independent revenue at the end of year 2021. The revenue generation performance was below average The Local Government can still perform better because there were some areas where revenue were not yet tapped. Such areas include: Hackney permit, sales of store/scraps/unserviceable items, laboratory services, earning from use of the Government halls, rent on Government quarters, rent on Government land, earning from catering services, masts, street naming etc.

**Recommendation:** The Local Government is hereby advised to put more machinery in place in order to enhance its internally generated revenue at the end of the next financial year 2022. Also, the Management should embark on Agric projects such as arable farming, poultry, piggery etc.

## 7. **BANK RECONCILIATION STATEMENT**

The bank reconciliation statements for the period 1<sup>st</sup> January to 31<sup>st</sup> December, 2021 were examined where the followings were observed:

### (a) **Dormant Bank Balances**

**Observation:** It was observed that little or no action seems to have been taken on the advice given in the half year audit inspection report No. OGLG/YN/1/VOL.VI/254 of 9<sup>th</sup> February, 2022 that the Local Government should either reactivate or close the bank accounts that had been dormant for several years.

During the recently concluded audit exercise, fifteen bank accounts were dormant and the issue was also discussed with Mr. M. O. Majiyagbe (Director of Finance and Supplies) and he promised to discuss it with the management at the F&GPC meeting. This was the same promise made by the Treasurers (Mr. Jinadu and Majiyagbe in the past audit inspection exercise.

The continuous retention of these dormant bank accounts would do no good to the Local Government but continue to attract more bank charges on a yearly basis.

**Recommendation:** The Treasurer should ensure the possibility of either resuscitating or closing down the dormant bank accounts as promised.

### (b) **Cash in Transit/ Uncredited Lodgement**

**Observation:** During the period under review, it was observed that a sum of ₦108,050.00 only was paid into the various banks accounts of the Local Government since 2015 but yet to be credited into the Local Government accounts. The non-challant attitude of the treasurer to investigate the lodgement since then might lead to loss of fund/revenue to the Local Government.

The attention of the Treasurer Mr. Majiyagbe Morufu has been drawn to it and he promised to investigate the uncredited lodgement.

**Recommendation:** The Treasurer should keep to his promise by investigating the uncredited lodgements of ₦108,050.00 since 2015 and do the needful in the cashbook accordingly.

### (c) **Unpresented Cheque**

**Observation:** According to bank regulations, any cheque issued cannot be cashed or honoured by bank after six months. At the time of the audit exercise, a sum of ₦449,183.47 was revealed in the bank reconciliation statement as unpresented cheques. The amount ought to have been written back into the cashbook because it is over six months that the cheques were issue.

**Recommendation:** The Treasurer of the Local Government is advised to ensure that cheques issued are cashed within six months after which the cheque should be written back into the cashbook immediately.

## **8. MATTERS EMANATED FROM THE LAST AUDIT INSPECTION REPORT**

**Observation:** In the half year audit inspection report No. OGLG/YN/1/VOL.VI/254 of February, 2022, the underlisted matters were outstanding from the report.

- i) Dormant overdraft facility of ₦30,114,779.93 at Zenith bank plc, account No. 1013745814 where the management was advised to collect up-to-date bank statement or bank certificate on the account for audit inspection and also to resolve the issue of dormant bank overdraft.
- ii) Lock-up-shops and open stalls within the Local Government area. The shops and stalls were at Dangote/Ibese market, Ijoun market, Oja-Odan market, Joga/Ibora/Imassai market, Aiyetoro market and Igbogila market. The Local Government was advised to renovate the open stalls at Oja-Odan and at Dangote/Ibese markets in order to generate revenue from them.
- iii) Official vehicle Toyota Tundra, LG. 43 AYE taken away by the former transition Chairman, Hon. David Bankole. The Local Government was asked to recover the vehicle from him (Mr. Bankole).
- iv) Scanner machine at the health centre, where the Local Government was advised to open ledger/register in all its health centres for accountability purpose.
- v) Landed property across the Local Government to erect signposts, do the perimeter survey and ensure that the lands were not encroached.
- vi) Construction of toilet and shed at Ayetoro: It was reported in the half year audit inspection report that the environment was bushy, unkept and to make the toilet and shed tidy in to order attract patronage for revenue generation purpose.
- vii) Agriculture and Natural Resources Department. It was reported in the last audit inspection report that the department was a shadow of itself. There was no project that can fetch revenue embarked upon by the department.

The Management was advised to resuscitate the poultry pen, stock the place with birds and as well invest in other Agric projects such as nursing of palm-oil seedling, arable farming etc in order to generate revenue from the department.

During the recently concluded audit inspection exercise, it was observed that the management did not attend to any of the advice given in the last audit inspection report as

highlighted above because the projects remained as they were reported in the half year audit inspection.

**Recommendation:** The management should always adhere strictly to the advice of the Auditor-General in his report.



**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 YEWA NORTH LOCAL  
GOVERNMENT AYETORO FOR THE PERIOD OF 1<sup>ST</sup> JANUARY TO 1<sup>ST</sup> DECEMBER  
2021**

Sequel to your report OGLG/YN/1/VOL.IV/267 dated 12<sup>th</sup> of May, 2022 on the above subject, the Management of Yewa North Local Government has perused the document in details. Below are out response.

**AUDIT QUERIES**

Audit queries in respect of above report had been officially handed over the concern Officers for their responses.

**REVENUE GENERATION PERFORMANCE**

It has been noted that the low revenue generation of this Local Government has been attributed to some of the following.

- ❖ Lack of necessary and inadequacy of working tools, including functional vehicle for mobility.
- ❖ Uncooperative attitude of market users due to the dilapidated conditions of most shops and open stalls.
- ❖ Insecurity issues (Clashes, Kidnapping, Banditry etc.) pervading the Local Government Areas, which has adversely affected economic activities within the Local Government areas among others.

However, steps have been taking by Management to mitigate these effects and improve the revenue profile of the council. Such as:

- ❖ Provision of functional vehicle and constitution of revenue task force team to aid revenue general capacity of staff.
- ❖ Constant parley meeting with Iyaloja's Babaloja's and their committees of various markets.
- ❖ Meeting the Kabiyesi's and Baale's and soliciting their co-operations
- ❖ Using B.O.T arrangement to get some of stallages repairs Etc.

#### **BANK RECONCILIATION STATEMENT:-**

Dormant Bank Balances:- Action had been taken as some had been closed, while other ones are re-activated for use. Moreover, efforts are still ongoing to get those dormant bank accounts that belong to the defunct LCDAs close down.

Cash in transit/uncredited lodgment:- Some of these lodgment has been traced to the bank account that had dormant and closed down. However, F&GPC approval shall be obtained to treat them as appropriate.

Unpresented cheques:- The unpresented cheques of sum of N449,183.47 shall be written back to the cash book since it has been unpresented over 6 months of issuance.

Unretired imprest:- These have been the subject of query and the affected officers had been duly served to do the needful.

However, efforts shall be intensified to educate both career staff and political functionaries that it is a must to retire previous paid imprest before payment of subsequent one.

Doubtful Expenditure:- These have been subject of query and concerned officers will have to attend to them as appropriate.

#### **MATTERS EMANATED FROM AUDIT INSPECTION REPORT**

- I. Dormant overdraft facility: The facility of N30,114,779.93 at the Zenith Bank Plc. A/c No-0013745814 made up of both term loan and revolving loan outstanding since 2014. However a fresh letter of request on bank balance certificate on the account shall be forwarded to the bank.

- II. Lock-up-shops and open stalls:- The management is not unaware of the poor conditions of some of this shops and stalls due to past neglect. Thus, the management is favourably disposed to B.O.T arrangement to get these stallages repairs.
  
- III. Scanner Machine at Health Centre: Attention of HOD/PHC has been drawn to comply with this advice and internal Auditor to monitor for compliance and accountability.

  
**Ayo Lemose**  
**(HOLGA)**