

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 31ST 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.
23rd 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 Yewa North Local Government for the year ended 31st 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 31st December, 2022 subject to the observations in the inspection reports.

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

**STATEMENT OF OPINION OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF
YEWA NORTH LOCAL GOVERNMENT FOR THE YEAR ENDED 31ST DECEMBER,
2022**

The accounts of Yewa North Local Government for the year ended 31st 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.

23rd June, 2023.

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

(2) STATE OF THE BOOKS OF ACCOUNTS AND RECORDS

There was some improvement in record keeping. However, there were some errors and fixed assets register was not updated.

(3) FINANCIAL REVIEW:

REVENUE	AMOUNT (₦)
Independent Revenue	43,013,490.00
Statutory Allocation	2,595,124,183.73
Aids and Grants	<u>31,333,333.34</u>
Total	<u>2,669,471,007.07</u>

EXPENDITURE	
Salaries & Allowances	1,777,151,914.93
Pension	693,761,803.61
Overhead Expenses (including Depreciation & Loss on Disposal of Assets)	133,271,479.49
Long Term Assets	<u>26,264,946.00</u>
Total	<u>2,630,450,144.03</u>

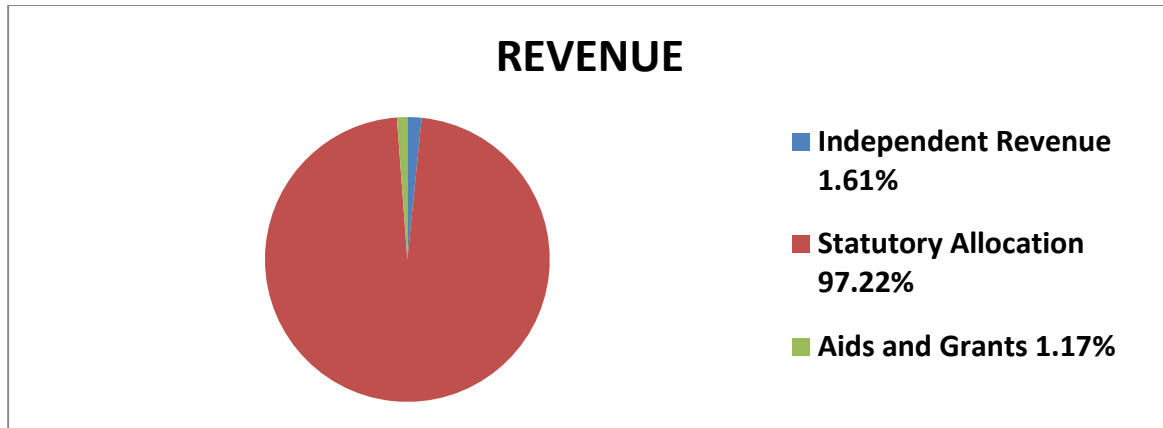
(4) REVENUE PERFORMANCE:

(i) STATEMENT OF ACTUAL REVENUE

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦38,220,000.00, a sum of ₦43,013,490.00 only was actually generated internally representing 112.54% of the budget. This represents an increase of 66.89% in revenue performance when compared with the sum of ₦25,773,153.23 generated in year 2021. While this revenue performance appears better, it does not represent the Local Government's Internally Generated Revenue (IGR) potentials. There are leakages which has not been identified and blocked.

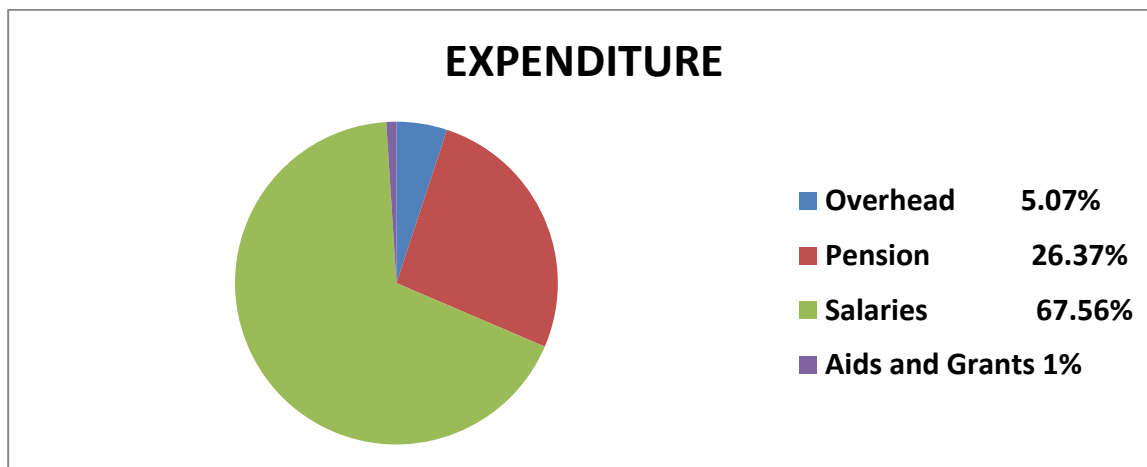
(ii) PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE

The Audit exercise revealed that out of the total revenue of ₦2,669,471,007.07 realized by the Local Government during the year under review, a sum of ₦43,013,490.00 only was generated internally. This represented 1.61% of the total revenue while the sum of ₦2,595,124,183.73 statutory allocation and ₦31,333,333.34 aids and grant received from Ogun State Government represented 97.22% and 1.17% 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 ₦2,630,450,144.03. Out of this, a sum of ₦133,271,479.49 was expended on overhead which represented 5.07% of the total expenditure for the year. Also, a sum of ₦1,777,151,914.93 was expended on salaries and allowances representing 67.56% of the total expenditure for the year while the sum of ₦693,761,803.61 was paid to pensioners which represented 26.37% and a sum of ₦26,264,946.00 was expended on long term assets representing 1% 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 31st December, 2022 was ₦217,419,606.69. The liabilities are highlighted below:

ITEMS	AMOUNT (₦)
5K TAX	4,027,261.45
VAT	5,302,412.36
5% DEVELOPMENT FUND	4,165,786.19
PENSION	102,521,714.02
PAYE	58,658,110.52
PAYABLES	18,644,249.19
OTHERS	<u>24,100,072.96</u>
TOTAL	<u>217,419,606.69</u>

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 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 Advances were dormant during the year.

(ii) INVESTMENTS

The investment of ₦1,732,457.00 shown in the Statement of Financial Position as at 31st December, 2022 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 available.

YEWA NORTH LOCAL GOVERNMENT

RESPONSIBILITY FOR FINANCIAL STATEMENT

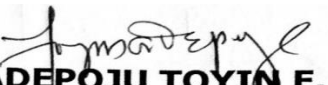
These financial statements have been prepared by me in accordance with the provisions of Finance (Control and Management) Act Cap 144 LFN 1990 as amended. The financial statements comply with Generally Accepted Accounting Practice.


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.


MR ADEPOJU TOYIN E.
DIRECTOR OF FINANCE

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 31st December, 2022 and its operations for the year ended on the date.


MR ADEPOJU TOYIN E.
DIRECTOR OF FINANCE


HON. OGUNYOMI, O.G
EXECUTIVE CHAIRMAN

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

	NOTES	2022	2021
CURRENT ASSET		₦	₦
CASH & CASH EQUIVALENTS	10	-17,068,193.14	-8,551,899.40
INVENTORIES		4,106,343.50	3,871,533.60
RECEIVABLES		1,355,800.00	1,080,000.00
PREPAYMENT			
ADVANCE		1,163,041.73	1,163,041.73
TOTAL CURRENT ASSET (A)		-10,443,007.91	-2,437,324.07
NON CURRENT ASSET			
PROPERTY PLANT & EQUIPMENT	8	700,367,971.15	701,245,848.50
INVESTMENT PROPERTY	9	557,375,940.00	561,121,030.00
BIOLOGICAL ASSET			
INVESTMENT		1,732,457.00	1,732,457.00
LOAN GRANTED			
TOTAL NON CURRENT ASSET (B)		1,259,476,368.15	1,264,099,335.50
TOTAL ASSET (C=A+B)		1,249,033,360.24	1,261,662,011.43
CURRENT LIABILITY			
DEPOSIT			
LOAN & DEBT			
UNREMITTED DEDUCTIONS	11	198,775,357.50	281,438,706.92
ACCURED EXPENSES, PAYABLES		18,644,249.19	13,895,360.00
DEFERED INCOME			
CURRENT PORTION OF BORROWING			
TOTAL CURRENT LIABILITY (D)		217,419,606.69	295,334,066.92
NON CURRENT LIABILITY			
PUBLIC FUND		5,194,935.36	5,194,935.36
BOROWING			
TOTAL NON CURRENT LIABILITY (E)		5,194,935.36	5,194,935.36
TOTAL LIABILITY (F=D+E)		222,614,542.05	300,529,002.28
NET ASSETS (G= C-F)		1,026,418,818.19	961,133,009.15
NET ASSET/EQUITY			
RESERVE			
ACCUMULATED SURPLUS/ DEFICIT		1,026,418,818.19	961,133,009.15
TOTAL NET ASSET/EQUITY		1,026,418,818.19	961,133,009.15

YEWA NORTH LOCAL GOVERNMENT

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

	NOTES	2022	2021
REVENUE		₦	₦
STATUTORY ALLOCATION	1	2,595,124,183.73	2,194,255,485.09
NON TAX REVENUE:	2	42,605,990.00	25,730,653.23
INVESTMENT INCOME			
INTEREST EARNED			
GAIN/LOSS ON DISPOSAL ON ASSET			
AIDS & GRANTS	3	31,333,333.34	18,000,000.00
OTHER REVENUE		407,500.00	42,500.00
TOTAL REVENUE (A)		2,669,471,007.07	2,238,028,638.32
EXPENDITURE			
SALARIES & WAGES	4	1,777,151,914.93	1,565,975,079.02
NON- REGULAR ALLOWANCE	5		
SOCIAL BENEFIT	6	693,761,803.61	639,289,631.24
OVERHEAD COST	7	97,694,376.95	69,995,122.90
SUBVENTION TO PARASTALS		3,000,000.00	600,000.00
DEPRECIATION	8 & 9	32,577,102.54	30,152,655.50
GAIN/LOSS ON DISPOSAL ON ASSET			25,876,440.00
TOTAL EXPENDITURE (B)		2,604,185,198.03	2,331,888,928.66
SURPLUS / DEFICIT (C=A-B)		65,285,809.04	-93,860,290.34

YEWA NORTH LOCAL GOVERNMENT

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

	₦
Balance 1/1/2021	1,055,309,099.49
Prior Year Adjustment	-315,800.00
Adjusted Balance	
Surplus/ (deficit) for the year	-93,860,290.34
Balance 31/12/2021	961,133,009.15
Adjusted Balance	961,133,009.15
Surplus/ (deficit) for the year	65,285,809.04
Balance at 31 December 2022	1,026,418,818.19

**YEWA NORTH LOCAL GOVERNMENT
CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES	2022	2021
<u>INFLOWS</u>	₦	₦
STATUTORY ALLOCATION	2,595,124,183.73	2,196,255,485.09
LICENCES, FINES, ROYALTIES, FEES ETC	32,240,950.00	18,140,303.23
EARNINGS & SALES	6,215,340.00	7,653,550.00
RENT OF GOVERNMENT PROPERTIES	3,873,900.00	980,500.00
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL		
DOMESTIC AIDS & GRANTS	31,333,333.34	18,000,000.00
OTHER REVENUE	407,500.00	42,500.00
TOTAL INFLOW FROM OPERATING ACTIVITIES (A)	2,669,195,207.07	2,241,072,338.32
<u>OUTFLOW</u>		
PERSONNEL EMOLUMENTS	1,777,151,914.93	1,565,975,079.02
SOCIAL BENEFIT	693,761,803.61	639,289,631.24
OVERHEADS	94,869,486.85	68,388,250.50
SUBVENTION TO PARASTATALS	3,000,000.00	600,000.00
INTEREST PAYMENT		
TOTAL OUTFLOW FROM OPERATING ACTIVITIES (B)	2,568,783,205.39	2,274,252,960.76
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B	100,412,001.68	-33,180,622.44
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
PURCHASE/ CONSTRUCTION OF ASSETS	26,264,946.00	21,411,000.00
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE		
PROCEED FROM SALE OF ASSETS		3,529,500.00
DEFERRED INCOME		
DIVIDEND RECEIVED		
NET CASH FLOW FROM INVESTING ACTIVITIES	-26,264,946.00	-17,881,500.00
<u>CASH FLOW FROM FINANCIAL ACTIVITIES</u>		
DEPOSIT/ UNREMITTED DEDUCTIONS	-82,663,349.42	45,306,963.20
PUBLIC FUND		
PROCEEDS FROM DOMESTIC LOANS & OTHER		
NET CASH FLOW FROM FINANCIAL ACTIVITIES	-82,663,349.42	45,306,963.20
NET CASH FLOW FROM ALL ACTIVITIES	-8,516,293.74	-5,755,159.24
CASH & ITS EQUIVALENT AS AT 1/1/2022	-8,551,899.40	-2,796,740.16
CASH & ITS EQUIVALENT AS AT 31/12/2022	-17,068,193.14	-8,551,899.40

ACCOUNTING POLICY

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

	<ul style="list-style-type: none"> ii. Fully depreciated assets that are still in use are carried in the books at a net book value of ₦100.00 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.
10	<p>Disposal Gains or losses on the disposal of fixed assets are included in the income statement as either an income or expenses respectively.</p> <p>Impairment Entities shall test for impairments of its PPE where it suspects that impairment has occurred.</p>
11	<p>Investment Property These are cash-generating property owned by the Local Government. The cost, depreciation and impairment of Investment Property are same with PPE.</p>
12	<p>Unremitted Deductions</p> <ul style="list-style-type: none"> 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. b) These amounts are stated as Current Liabilities in the Statement of Financial Position.
13	<p>Payable/Accrued Expenses</p> <ul style="list-style-type: none"> a) These are monies payable to third parties in respect of goods and services received 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.
14	<p>Current Portion of Borrowings This is the portion of the long-term loan/borrowing that is due for repayment within the next 12 months. This portion of the borrowings is classified under Current Liabilities in the Statement of Financial Position.</p>

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

	JANUARY	189,558,782.84
	FEBRUARY	
	MARCH	186,712,317.15
	APRIL	379,807,622.97
	MAY	
	JUNE	195,705,729.66
	JULY	198,050,493.54
	AUGUST	217,546,857.32
	SEPTEMBER	220,685,956.62
	OCTOBER	218,788,084.09
	NOVEMBER	570,162,708.11
	DECEMBER	218,105,631.43
	TOTAL	2,595,124,183.73

2 NON-TAX REVENUE

	LICENCES	4,899,300.00
	FEES	27,291,650.00
	FINES	50,000.00
	EARNINGS	4,537,720.00
	RENT OF GOVERNMENT PROPERTIES	4,149,700.00
	SALES	1,677,620.00
	TOTAL	42,605,990.00

3 AIDS & GRANTS

	OGUN STATE GOVERNMENT	31,333,333.34
	NON GOVERNMENT ORGANISATION	0.00
	TOTAL	31,333,333.34

4 SALARIES & WAGES

	LOCAL GOVERNMENT STAFF	420,408,637.63
	PRIMARY SCHOOL TEACHERS	1,143,214,042.16
	TRADITIONAL COUNCIL	153,860,532.44
	POLITICAL FUNCTIONARIES	59,668,702.70
	TOTAL	1,777,151,914.93

5 NON- REGULAR ALLOWANCE

	LEAVE BONUS	
	TOTAL	

6 SOCIAL BENEFIT

	GRATUITY	-
	PENSION	693,761,803.61
	TOTAL	693,761,803.61

7 OVERHEAD COST BY DEPARTMENT

	CHAIRMAN & COUNCIL	40,146,300.00
	HOLGA	223,000.00
	INTERNAL AUDIT	180,000.00
	ADMINSTRATIVE	34,561,166.40
	FINANCE	8,492,560.55
	INFORMATION	976,000.00
	P H C	1,649,000.00
	AGRIC	164,000.00
	WORKS	6,220,400.00
	PLANNING	2,595,500.00
	WES	1,111,800.00
	COMMUNITY	1,374,650.00
	TOTAL	97,694,376.95

10 CASH & CASH EQUIVALENTS

	CASH AT HAND	2,000.24
	CASH IN BANKS	- 17,070,193.38
	TOTAL	- 17,068,193.14

11 UNREMITTED DEDUCTIONS

1	5% DEVELOPMENT LEVY	4,165,786.19
2	5% TAX	4,027,261.45
3	PENSION	110,477,384.50
4	5% VAT	5,302,412.36
5	PAYE	58,658,110.52
6	NULGE	6,495,826.58
7	PTF DRUGS	1,114,088.81
8	OTHERS	8,534,487.09
	TOTAL	<u>198,775,357.50</u>

NOTE 8 YEWA 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 01/01/2022	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
ADDITIONAL DURING THE YEAR	9,500,000.00			11,135,135.19	268,000.00	301,000.00		21,204,135.19
ADJUSTMENT								0.00
DISPOSAL DURING THE YEAR								-
BAL. C/F	736,082,775.00	-	875,000.00	26,835,135.19	2,664,000.00	2,581,050.00	11,061,000.00	780,098,960.19
ACCUMULATED DEPRECIATION								
BAL. AS AT 01/01/2022	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
ADDITIONAL DURING THE YEAR	14,721,655.50		87,500.00	5,366,927.04	288,400.00	511,430.00	1,106,100.00	22,082,012.54
ADJUSTMENT								
DISPOSAL DURING THE YEAR								-
BAL. C/F	58,316,622.00	-	350,000.00	14,516,927.04	2,242,100.00	2,093,140.00	2,212,200.00	79,730,989.04
AS AT 31/12/2022	677,766,153.00	-	525,000.00	12,318,208.15	421,900.00	487,910.00	8,848,800.00	700,367,971.15
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

NOTE 9 YEWA NORTH LOCAL GOVERNMENT

INVESTMENT PROPERTY	LAND & BUILDING 2%	LAND	TOTAL
BAL AS AT 01/01/2022	518,004,500.00	73,825,000.00	591,829,500.00
ADDITIONAL DURING THE YEAR	6,750,000.00		6,750,000.00
LEGACY			0.00
DISPOSAL DURING THE YEAR			-
BAL. C/F	524,754,500.00	73,825,000.00	598,579,500.00
ACCUMULATED DEPRECIATION			
BAL. AS AT 01/01/2022	30,708,470.00		30,708,470.00
ADDITIONAL DURING THE YEAR	10,495,090.00		10,495,090.00
ADJUSTMENT			
DISPOSAL DURING THE YEAR			
BAL. C/F	41,203,560.00	-	41,203,560.00
AS AT 31/12/2022	483,550,940.00	73,825,000.00	557,375,940.00
AS AT 31/12/2021	487,296,030.00	73,825,000.00	561,121,030.00

The Executive Chairman,
Yewa North Local Government,
Ayetoro.

AUDIT INSPECTION REPORT ON THE ACCOUNTS OF YEWA NORTH LOCAL GOVERNMENT, AYETORO FOR THE YEAR ENDED 31ST 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 Report.

2. AUDIT QUERIES.

The details of audit queries are as followed:

S/N	QUERY NUMBERS	SUBJECT	₦
1	OGLG/AQ/YEN/252/2022	Doubtful Expenditure	150,000.00
2	OGLG/AQ/YEN/253/2022	Expenditure not supported by proper records of accounts	50,000.00
3	OGLG/AQ/YEN/254/2022	Doubtful Expenditure	50,000.00
4	OGLG/AQ/YEN/255/2022	Doubtful Expenditure	50,000.00
5	OGLG/AQ/YEN/256/2022	Unretired imprest	100,000.00
6	OGLG/AQ/YEN/257/2022	Doubtful Expenditure	50,000.00
7	OGLG/AQ/YEN/258/2022	Doubtful Expenditure	150,000.00
8	OGLG/AQ/YEN/259/2022	Doubtful Expenditure	80,000.00
9	OGLG/AQ/YEN/260/2022	Doubtful Expenditure	60,000.00
10	OGLG/AQ/YEN/261/2022	Engagement of revenue contractor in violation of regulation	-

3. BANK RECONCILIATION

Observation: The bank reconciliation statements for the period 1st January to 31st December, 2022 were examined where the followings were observed:

During the examination of the bank reconciliation statements it was observed that some deposit slips that were attached to the treasury receipt had faded which made the examination of the bank reconciliation statement tedious for the team.

Recommendation: It is hereby advised that photocopies of the tellers be made and attached to receipt vouchers for easy reference while reconciling.

ii) **UNCREDITED LODGEMENT**

Observation: It was observed during the examination of bank reconciliation statements that a sum of ₦384,550.00 was the accumulated amount that was paid into bank which was yet to be credited into the Local Government account as at the time of writing this report. Some of the items have remained uncredited since year 2015. This is an indication that the Treasurer has not

been reviewing the bank reconciliation statement as required by Chapter 19:29 of Model Financial Memoranda for Local Governments. I wish to reiterate that uncredited lodgement if not followed up will result to loss of revenue to the Local Government.

Recommendation: You are advised to investigate and recover all uncredited lodgement as required by regulations.

3. CHECKING OF REVENUE COLLECTORS

Observation: During the checking of revenue collectors, the following were observed:

(i) **Revenue Consultant turned Revenue Collector:** A Revenue Consultant, Mr. Ijidele Olabisi Joseph collected five booklets of market receipts in March, 2022 but failed to appear for revenue checking. It was also observed that there was no traces that Mr. Ijidele Olabisi Joseph made any payment to the Local Government Treasury on these receipts. Furthermore, examination of the consultant's file revealed that there was no contract agreement on the revenue contract. Below are the details of the receipts collected:

S/N	Receipt no	Amount (₦)
1.	274701-274800	5,000.00
2.	274801-274900	5,000.00
3.	274901-275000	5,000.00
4.	275001-275100	5,000.00
5.	275101-275200	<u>5,000.00</u>
	TOTAL	<u>25,000.00</u>

It is worthy of note that revenue contract is a violation of the State Government's directive in Circular letter No. SART/72/003 of 25th October, 2013 issued from the Office of the Special Adviser to the Ogun State Government on Revenue and Taxation. Furthermore, the revenue contract fall short of expected standards as there was no contract agreement detailing the terms of the contract. To make matters worse, the contractor refused to remit amounts collected to the Treasury contrary to the provisions of Chapter 6:3 of Model Financial Memoranda for Local Governments.

Recommendation: You are advised to revoke the revenue contract and recover the sum of Twenty-Five Thousand Naira involved to the Treasury

(ii) **Ibile Market Rate Office:** Two revenue collectors at Ibile Rate Office Mrs. Omidokun J.A and Mrs. Yusuff R.A could not present their revenue receipts books for revenue checking. The two officers claimed that the revenue receipts with them which includes Stallages, GRR and Market receipts were locked up in the safe at the rate office that could not be opened because the

keys to the safe is missing. It was reported that the key to the safe in which the receipts were kept got missing with the purse of one of them.

Interaction with the Treasurer revealed that an approval to break the safe had been sought for from the management and until this approval is given, the receipts could not be presented for audit check.

It is advised that the needful should be done to retrieve the receipts from the safe and produce them for audit check.

(iii) **Revenue Losses:** A revenue collector Mr. Towolawi Sunday, Chief Executive Officer (GL. 13) was reported to have collected a sum of One Hundred and Twenty-Eight Thousand Seven Hundred Naira (₦128,700.00) only as revenue from shops and market but did not remit it to the Treasury. It was also reported that he failed to produce a stallage receipt for audit check. The report highlighted weaknesses in internal control system caused by the ineptitude of some Officer and requested that investigation be made on the anomalies identified.

During the end of year audit just concluded, Mr. Towolawi produced the receipt with him which was not available during the previous audit and this had the sum of ₦383,400.00 collected but not remitted to the Treasury. This brings the total amount expected to be paid to the Treasury to ₦512,100.00 (₦128,700.00 + ₦383,400.00). However, the sum of ₦347,800.00 only was paid to the Treasury vide RVs No. 28 & 51/Dec 2022 and 07/Jan. and 26 April 2023 leaving a sum of ₦164,300.00 yet to be paid.

It is sad to note that the External Auditor is now taking on the role of revenue recovery from defaulting revenue collectors, filling the void left by Local Government officials. The failure of officials to prevent revenue remittance default and recovery of identified defaulters is contrary to the provisions of Chapter 1:4 (9) (11) (12) (a)&(f), 1:14 (6), 40:6(a)&(d) of Model Financial Memoranda for Local Governments. Also, there was no evidence that you investigated the observed weaknesses in internal control with a view to correcting them and blocking leakages.

Recommendation: You are hereby advised again to investigate the issues in this report and recover the amounts due.

4. RETIREMENT OF IMPREST

Observation: During the just concluded audit assignment, it was observed that most imprest paid to both career officers and political office holders were not retired before other imprests were paid. This is contrary to Chapter 14:27 of Model Financial Memoranda for Local

Governments. Also, it is an indication that there is weakness in the internal control system which requires that the Treasurer and or Internal Auditor check weekly, the register of outstanding items and to ensure that prompt action is taken to obtain all outstanding receipts for payments made in line with Chapter 14:33 of MFM. Though, some had been retired at the instance of the External Auditors, others that refused to yield the call by the External Auditors have been made the subject of Audit Queries.

Recommendation: I wish to advise that the Local Government should ensure that all imprest are retired before releasing another. The Treasurer and the Internal Auditor should be alive to their duty of ensuring that all payment vouchers are receipted as provided by regulations.

5. CONSTRUCTION OF HEALTH CENTER AT IMOTO YEWA IN EGGUA

Observation: During the Examination of vouchers, it was observed that a sum of Nine Million Five Hundred Thousand Naira (₦9,500,000.00) only was approved and released to Engr. Adeleke M. A. vide PVs 5, 6, 9, 13/May and 21/Aug 2022 for the construction of health centre at Imoto Yewa in Eggua. Audit verification exercise to the site revealed that the job has been completed and ready for use though the Engineer revealed that the job attracted variations because of the lateness in securing approval for its construction.

It was further observed that the health facility was yet to be put to use due to shortage of health workers.

Recommendation: It is my advice that the management should speed up action on the recruitment of health workers so as to achieve the aim of building the health centre and allow our grassroots people enjoy the dividend of democracy.

6. MATTERS ARISING FROM LAST AUDIT REPORT

Obsevation: From the last half year audit inspection report, No. OGLG//YEN/1/VOL.VI/282 of 6th February, 2023, the following issues were raised in respect of your Local Government but are yet to be adequately attended to:

i) **Dormant Overdraft:** It was observed that the Local Government was yet to obtain the statement of bank overdraft facility of ₦30,114,779.93 at Zenith bank Plc, account No. 1013745814.

ii) **Official Vehicle taken away by the Former Chairman:** The official vehicle (Toyota Tundra LG 43 AYE) reported to be taken away by the former chairman is yet to be recovered.

iii) **Renovation of Local Government Hall:** It was reported that there was need for maintenance of the halls that is, OGD/ASUJE Modern Hall and Omidokun Hall. Audit

verification visit revealed that nothing has been done so far. You are hereby advised to expedite action on it so as to improve the internally generated revenue of the council.

iv) **Komatsu Grader:** The Komatsu grader reported to be parked at Odo Rori in Ayetoro for lack of tyre still remain unattended to despite the amount spent on it. I wish to reiterate that when the grader becomes functional, it will serve the dual purpose of revenue generation and grading of roads for the community.

Recommendation: The management is advised to expedite action on all the issues raised above.

14th June, 2023

The Auditor General,
Office of the Author general for Local government,
Parastatals building, block B,
Oke – mosan,
Abeokuta.

**RE: AUDIT INSPECTION REPORT ON THE ACCOUNTS OF YEWA NORTH LOCAL GOVERNMENT,
AYETORO AS AT 31ST DECEMBER, 2022**

Sequel to your report OGLG/YEN/VOL.VI/293 dated 25th April, 2023 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 OGLO/AQ/YEN/256-261/2022 have been dispatched to the officers concerned.
However, it is believed that the concerned officers' report would have been submitted to your office by now.
2. BANK RECONCILIATION STATEMENT;
Revenue collectors have been instructed to make photocopies of their deposit slip and present same to the cash office to obtain their treasury receipts.
Some of the uncredited lodgments as stated in your report have been retrieved.
However, investigation is ongoing to retrieve the remaining.
3. (i) REVENUE COLLECTION;
Efforts made to recover the market revenue receipt and/ or money from Mr. Ijidele Olabisi Joseph have proven abortive as we could not reach him on his mobile number.
We shall continue and not relent to recover fully the money and /or revenue receipts to the coffers of the Local Government.

(ii) As at the time of writing this report, the Executive Committee is yet to give approval to break the safe at Ibile Market, Ayetoro in order to retrieve the revenue receipts books for checking by the revenue collectors.

(iii) Mr Towolawi has been invited by the Internal Auditor and has been charged to pay his debt of #164,300.00 as stated in your report and we promise to strengthen the internal control system to correct erring officers and block leakages.

4. RETIREMENT OF IMPREST

The Treasurer and Internal Auditor will henceforth ensure that all imprests are retired before releasing another

5. IMOTO YEWA HEALTH CENTRE;

The local government service commission just appointed health workers who have being posted to Yewa North Local Government.

The management would ensure that some of these officers are posted to the newly constructed health Centre at Imoto Yewa.

6. All matters arising from the last Audit report have been earlier discussed by the management and shall be revisited at the executive committee meeting for appropriate decision and implementation.

In conclusion Local Government shall follow all recommendations from your office and act promptly on them for increase in revenue generation, blocking of leakages to avoid loss of fund and improved accountability of public funds.

Thank you.



Mr. Ayo Lemose
Head of Local Government Administration.