

OGUN STATE GOVERNMENT, NIGERIA

STATUTORY REPORT

AND

DOMESTIC REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

ON THE ACCOUNTS

OF

YEWA SOUTH LOCAL GOVERNMENT

FOR THE YEAR ENDED 31ST DECEMBER, 2021

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ACKNOWLEDGEMENT

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

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

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

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

Thank you and God bless you all.



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



OFFICE OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

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

AUDIT CERTIFICATE

I have examined the accounts of Yewa South Local Government for the year ended 31st December, 2021 in accordance with the provisions of Section 123 of Decree Number 12 of 1989 and 315 (1) of the 1999 Constitution of the Federal Republic of Nigeria and Sections 135-145 of Ogun State Local Government Law 2006 and auditing standards issued by International Organisation of Supreme Audit Institution (INTOSAI). I have obtained all information and explanations that I require for my Audit.

In my opinion, the Financial Statements give a true and fair view of the state of affairs of the Local Government as at 31st December, 2021 subject to the observations in the inspection reports.

A handwritten signature in blue ink, appearing to read "L.A. Mulero", is written over a horizontal line.

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

STATEMENT OF OPINION OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF YEWA SOUTH LOCAL GOVERNMENT FOR THE YEAR ENDED 31ST DECEMBER, 2021

The accounts of Yewa South Local Government for the year ended 31st December, 2021 have been examined in accordance with the provisions of Section 123 of Decree Number 12 of 1989 and 315 (1) of the 1999 Constitution of the Federal Republic of Nigeria and Sections 135-145 of Ogun State Local Government Law 2006 and auditing standards issued by International Organisation of Supreme Audit Institution (INTOSAI). I have obtained all information and explanations that I require for my Audit.

RESPONSIBILITY STATEMENT

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

THE SCOPE OF THE AUDIT

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

We planned and performed our audit so as to obtain all information and explanations we considered necessary to provide sufficient evidence to give

reasonable assurances that the financial statements are free from material misstatement, whether by fraud, other irregularities or errors.

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

OPINION

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



L. A. Mulero (CNA)

Auditor-General for Local Governments

Ogun State.

17th June, 2022.

STATUTORY REPORT OF THE AUDITOR–GENERAL FOR LOCAL GOVERNMENTS ON THE ACCOUNTS OF YEWA SOUTH LOCAL GOVERNMENT, ILARO FOR THE YEAR ENDED 31ST DECEMBER, 2021

In compliance with the provisions of Section 123 of Decree Number 12 of 1989, Section 315 (1) of the 1999 Constitution of the Federal Republic of Nigeria and Sections 135-145 of Ogun State Local Government Law 2006, the accounts of Yewa South Local Government, Ilaro for the year ended 31st December, 2021 have been audited. The General Purpose Financial Statement was prepared by the Management of the Local Government and is therefore responsible for the contents and information contained therein. The General Purpose Financial Statement was prepared under the IPSAS Accrual Basis as applicable in the public sector. The audit was conducted in accordance with Generally Accepted Auditing Standards.

In our opinion, subject to our observations, the General Purpose Financial Statement presented to audit reflects a true and fair view of the financial activities of the Local Government for the year under review.

(2) STATE OF THE BOOKS OF ACCOUNTS AND RECORDS

There was some improvement in record keeping and accounting during the year.

(3) FINANCIAL REVIEW:

REVENUE	AMOUNT (₦)
Independent Revenue	45,717,714.91
Statutory Allocation	2,244,803,832.51
Aids and Grants	<u>18,000,000.00</u>
Total	<u>2,308,521,547.42</u>
EXPENDITURE	
Salaries & Allowances	1,587,290,744.74
Pensions	693,502,003.31
Overhead Expenses	128,191,656.93
Long Term Assets	<u>23,391,303.75</u>
Total	<u>2,432,375,708.73</u>

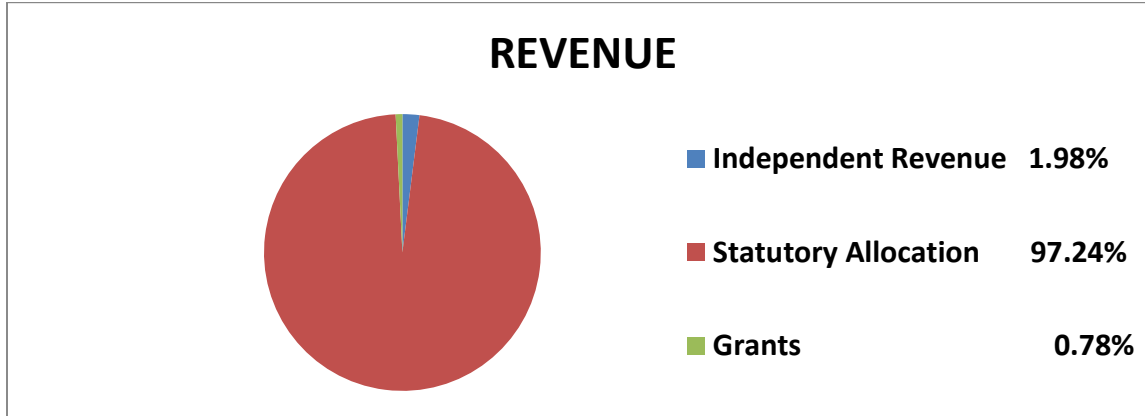
(4) BUDGET PERFORMANCE:

(i) STATEMENT OF ACTUAL REVENUE

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦109,180,600.00, a sum of ₦45,717,714.91 only was actually generated internally representing 41.87% of the budget. This represents a marginal increase of 1.17% in revenue performance when compared with the sum of ₦45,188,841.94 generated internally in year 2020. This revenue performance is not a reflection of your Local Government's revenue potentials.

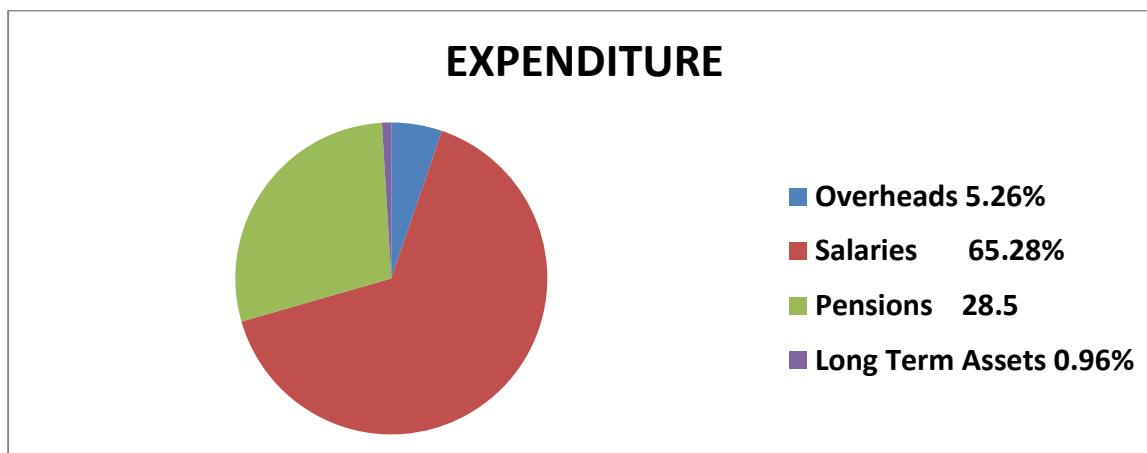
(ii) **PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE**

The Audit exercise revealed that out of the revenue of ₦2,308,521,547.42 realized by the Local Government during the year under review, a sum of ₦45,717,714.91 only was generated internally. This represented 1.98% of the total revenue while the sum of ₦2,244,803,832.51 statutory allocation and ₦18,000,000.00 aids and grant received from the State Joint Account Allocation Committee represented 97.24% and 0.78% 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**

The expenditure profile of the Local Government revealed a total expenditure of ₦2,432,375,708.73. Out of this, a sum of ₦128,191,656.93 was expended on overhead which represented 5.26% of the total expenditure for the year. Also, a sum of ₦1,587,290,744.74 was expended on salaries and allowances representing 65.28% of the total expenditure for the year while ₦693,502,003.31 was expended on pensions and this represented 28.5% of the total expenditure for the year and the sum of ₦23,391,303.75 was expended on long term assets representing 0.96% of the 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 as revealed by the Statement of Financial Position as at 31st December, 2021 was ₦253,903,697.49. The liabilities are highlighted bellow:

ITEMS	AMOUNT (₦)
2.5% WHT	1,287,664.96
VAT	5,040,465.85
5% DEVELOPMENT FUND	4,985,495.12
PAYE	94,183,061.74
PENSION	120,589,817.34
LOAN	13,240,318.86
PAYABLE	8,479,352.63
OTHERS	<u>6,097,520.99</u>
TOTAL	<u>253,903,697.49</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 the extant rules and regulations.

(7) REVIEW OF STATEMENT OF FINANCIAL POSITION:

(i) ADVANCE

The sum of ₦602,528.92 highlighted in the Statement of Financial Position as the advance balance was dormant during the year. Effort should be intensified to recover the advances.

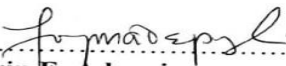
(ii) INVESTMENTS: The investment sum of ₦583,200.00 shown in the Statement of Financial Position as at December, 2021 could not be verified because the investment certificate was not produced on demand for audit scrutiny, also evidence of beneficial ownership such as dividends were not seen.

YEWA SOUTH LOCAL GOVERNMENT

RESPONSIBILITY FOR FINANCIAL STATEMENT

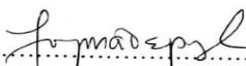
These financial statements have been prepared by me in accordance with the provisions of Finance (Control and Management) Act Cap 144 LFN 1990 as amended. The financial statements comply with Generally Accepted Accounting Practice.


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.


.....
Toyin E. Adepoju
Director, finance and Supplies
Date.....28th Jan 2022

We accept responsibility for the integrity of these financial statements, the information they contain and their compliance with the Finance (Control and Management) Act Cap 144 LFN 1990 as amended.

In our opinion, these financial statements fairly reflect the financial position of Yewa South Local Government as at 31st December, 2021 and its operations for the year ended on the date.


.....
Toyin E. Adepoju
Director, finance and Supplies
Date.....28th Jan 2022


.....
Hon. Lateef Adebayo Salami
Executive Chairman
Date.....28th Jan '22

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

	NOTES	2021	2020
CURRENT ASSET		₦	₦
CASH & CASH EQUIVALENTS	8	10,993,935.77	104,602,275.63
INVENTORIES		3,531,462.00	7,693,395.00
RECEIVABLES		1,019,600.00	2,965,200.00
PREPAYMENT			
ADVANCE		602,528.92	602,528.92
TOTAL CURRENT ASST (A)		16,147,526.69	115,863,399.55
NON CURRENT ASSET			
PROPERTY PLANT & EQUIPMENT	10	465,102,192.67	457,789,296.96
INVESTMENT PROPERTY	11	583,074,713.90	595,358,163.37
BIOLOGICAL ASSET	12		
INVESTMENT		583,200.00	583,200.00
LOAN GRANTED			
TOTAL NON CURRENT ASSET (B)		1,048,760,106.57	1,053,730,660.34
TOTAL ASSET (C=A+B)		1,064,907,633.26	1,169,594,059.89
CURRENT LIABILITY			
DEPOSIT			
LOAN & DEBT			
UNREMITTED DEDUCTIONS	9	232,184,026.00	187,432,671.47
ACCRUED EXPENSES, PAYABLES		8,479,352.63	3,122,960.41
DEFERRED INCOME			
CURRENT PORTION OF BORROWING		5,150,000.00	5,450,000.00
TOTAL CURRENT LIABILITY (D)		245,813,378.63	196,005,631.88
NON CURRENT LIABILITY			
PUBLIC FUND		5,608,476.65	5,608,476.65
BORROWING		8,090,318.86	8,090,318.86
TOTAL NON CURRENT LIABILITY (E)		13,698,795.51	13,698,795.51
TOTAL LIABILITY (F=D+E)		259,512,174.14	209,704,427.39
NET ASSETS (G= C-F)		805,395,459.12	959,889,632.50
NET ASSET/EQUITY			
RESERVE			
ACCUMULATED SURPLUS/ DEFICIT		805,395,459.12	959,889,632.50
TOTAL NET ASSET/EQUITY		805,395,459.12	959,889,632.50

YEWA SOUTH LOCAL GOVERNMENT
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2021

	NOTES	2021	2020
REVENUE		₦	₦
STATUTORY ALLOCATION	1	2,244,803,832.51	2,062,761,409.79
NON TAX REVENUE:	2	43,995,222.91	37,593,365.00
INVESTMENT INCOME			
INTEREST EARNED			
AIDS & GRANTS	3	18,000,000.00	9,800,000.00
OTHER REVENUE		1,722,492.00	7,595,476.94
TOTAL REVENUE (A)		2,308,521,547.42	2,117,750,251.73
EXPENDITURE			
SALARIES & WAGES	4	1,587,290,744.74	1,557,688,492.40
NON- REGULAR ALLOWANCE	5		-
SOCIAL BENEFIT	6	693,502,003.31	466,968,243.62
OVERHEAD COST	7	100,235,676.91	63,382,218.19
SUBVENTION TO PARASTALS		1,150,000.00	1,600,000.00
DEPRECIATION	10 & 11	25,225,480.02	24,210,599.64
GAIN/LOSS ON DISPOSAL ON ASSET		1,580,500.00	
TOTAL EXPENDITURE (B)		2,408,984,404.98	2,113,849,553.85
SURPLUS / DEFICIT (C=A-B)		-100,462,857.56	3,900,697.88

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

	₦
Balance 1/1/2020	963,179,771.48
Prior Year Adjustment	- 7,190,836.86
Adjusted Balance	955,988,934.62
Surplus/ (deficit) for the year	3,900,697.88
Balance 31/12/2020	959,889,632.50
Prior Year Adjustment	-54,031,315.82
Adjusted Balance	905,858,316.68
Surplus/ (deficit) for the year	-100,462,857.56
Balance at 31 December 2021	805,395,459.12

YEWA SOUTH LOCAL GOVERNMENT
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	2021	2020
INFLOWS	₦	₦
STATUTORY ALLOCATION	2,246,803,832.51	2,060,761,409.79
LICENCES, FINES, ROYALTIES, FEES ETC	27,656,162.91	21,594,310.00
EARNINGS & SALES	8,801,760.00	11,442,055.00
RENT OF GOVERNMENT PROPERTIES	7,482,900.00	4,477,600.00
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL		
DOMESTIC AIDS & GRANTS	18,000,000.00	9,800,000.00
OTHER REVENUE	1,722,492.00	7,595,476.94
TOTAL INFLOW FROM OPERATING ACTIVITIES A	2,310,467,147.42	2,115,670,851.73
OUTFLOW		
PERSONNEL EMOLUMENTS	1,587,290,744.74	1,557,688,492.40
SOCIAL BENEFIT	693,502,003.31	466,968,243.62
OVERHEADS	90,717,351.69	62,384,990.53
SUBVENTION TO PARASTATALS	1,150,000.00	1,600,000.00
INTEREST PAYMENT		
TOTAL OUTFLOW FROM OPERATING ACTIVITIES B	2,372,660,099.74	2,088,641,726.55
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B	-62,192,952.32	27,029,125.18
CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE/ CONSTRUCTION OF ASSETS	- 23,391,303.75	- 6,384,587.65
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE		
PROCEED FROM SALE OF ASSETS	1,731,500.00	
DIVIDEND RECEIVED		
NET CASH FLOW FROM INVESTING ACTIVITIES	-21,659,803.75	-6,384,587.65
CASH FLOW FROM FINANCIAL ACTIVITIES		
DEPOSIT/ UNREMITTED DEDUCTIONS	-9,455,583.79	60,052,095.71
PUBLIC FUND		
MOVEMENT IN BORROWING	- 300,000.00	
NET CASH FLOW FROM FINANCIAL ACTIVITIES	-9,755,583.79	60,052,095.71
NET CASH FLOW FROM ALL ACTIVITIES	-93,608,339.86	80,696,633.24
CASH & ITS EQUIVALENT AS AT 1/1/2021	104,602,275.63	23,905,642.39
CASH & ITS EQUIVALENT AS AT 31/12/2021	10,993,935.77	104,602,275.63

ACCOUNTING POLICY

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

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

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

**SHARE OF STATUTORY ALLOCATION
FROM JAAC**

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₦

	JANUARY	132,238,684.23
	FEBUARY	190,425,735.16
	MARCH	184,715,875.89
	APRIL	129,567,983.78
	MAY	248,021,715.05
	JUNE	101,627,306.11
	JULY	292,008,995.65
	AUGUST	141,553,818.27
	SEPTEMBER	179,764,428.22
	OCTOBER	70,792,118.33
	NOVEMBER	201,281,443.51
	DECEMBER	372,805,728.31
	TOTAL	2,244,803,832.51

2 NON-TAX REVENUE

	LICENCES	11,308,640.00
	FEES	12,691,312.91
	FINES	279,500.00
	EARNINGS	8,801,760.00
	RENT OF GOVERNMENT PROPERTIES	7,482,900.00
	SALES	4,230,569.68
	TOTAL	43,995,222.91

3 AIDS & GRANTS

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

4 SALARIES & WAGES

	LOCAL GOVERNMENT STAFF	403,677,960.38
	PRIMARY SCHOOL TEACHERS	942,640,249.17
	TRADITIONAL COUNCIL	216,992,196.88
	POLITICAL FUNCTION	23,980,338.31
	TOTAL	1,587,290,744.74

5 NON- REGULAR ALLOWANCE

	LEAVE BONUS	
	TOTAL	

6 SOCIAL BENEFIT

	GRATUITY	-
	PENSION	693,502,003.31
	TOTAL	693,502,003.31

7 OVERHEAD COST BY DEPARTMENT

	CHAIRMAN & COUNCIL	29,266,500.00
	HOLGA	1,615,000.00
	INTERNAL AUDIT	1,200,430.00
	ADMINISTRATIVE	33,125,746.77
	FINANCE	11,841,620.14
	INFORMATION	4,312,250.00
	P H C	7,858,230.00
	AGRIC	399,000.00
	WORKS	2,328,000.00
	PLANNING	1,291,000.00
	WES	5,132,000.00
	COMMUNITY	1,865,900.00
	TOTAL	100,235,676.91

8 CASH & CASH EQUIVALENTS

	CASH AT HAND	36,716.86
	CASH IN BANKS	10,957,218.91
	TOTAL	10,993,935.77

9 UNREMITTED DEDUCTIONS

1	PAYE	94,183,061.74
2	PENSION	120,589,817.34
3	5% VAT	5,040,465.85
4	5% DEVELOPMENT FUND	4,985,495.12
5	2.5% WITHOLDING TAX	1,287,664.96
8	OTHERS	6,097,520.99
	Total	232,184,026.00

YEWA SOUTH LOCAL GOVERNMENT									
SCHEDULE OF EQUIPMENT	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 01/01/2021	468,884,233.30	-	600,000.00	8,587,000.00	402,200.00	2,745,600.00	-	481,219,033.30	
ADDITIONAL DURING THE YEAR	13,000,000.00		250,000.00	6,000,000.00	145,000.00		3,996,303.75	23,391,303.75	
LEGACY								0.00	
DISPOSAL DURING THE YEAR				(4,530,000.00)				(4,530,000.00)	
BAL C/F	481,884,233.30	-	850,000.00	10,057,000.00	547,200.00	2,745,600.00	3,996,303.75	500,080,337.05	
ACCUMULATED DEPRECIATION									
BAL AS AT 01/01/2021	18,654,596.34		143,000.00	3,434,800.00	201,100.00	996,240.00		23,429,736.34	
ADDITIONAL DURING THE YEAR	9,637,684.67		85,000.00	2,011,400.00	136,800.00	549,120.00	399,630.38	12,819,635.04	
DISPOSAL DURING THE YEAR				(1,218,000.00)				1,218,000.00	
ADJUSTMENT	100,773.00			(154,000.00)				53,227.00	
BAL C/F	28,393,054.01	-	228,000.00	4,074,200.00	337,900.00	1,545,360.00	399,630.38	34,978,144.38	
AS AT 31/12/2021	453,491,179.29	-	622,000.00	5,982,800.00	209,300.00	1,200,240.00	3,596,673.38	465,102,192.67	
AS AT 31/12/2020	450,229,636.96	-	457,000.00	5,152,200.00	201,100.00	1,749,360.00	-	457,789,296.96	

YEWA SOUTH LOCAL GOVERNMENT			
INVESTMENT PROPERTY	LAND & BUILDING 2%	LAND	TOTAL
BAL AS AT 01/01/2021	620,292,248.83		620,292,248.83
ADDITIONAL DURING THE YEAR			0.00
LEGACY			0.00
DISPOSAL DURING THE YEAR			-
BAL C/F	620,292,248.83	-	620,292,248.83
ACCUMULATED DEPRECIATION			
BAL AS AT 01/01/2021	24,934,085.46		24,934,085.46
ADDITIONAL DURING THE YEAR	12,405,844.98		12,405,844.98
DISPOSAL DURING THE YEAR			
ADJUSTMENT	122,395.51		122,395.51
BAL C/F	37,217,534.93	-	37,217,534.93
AS AT 31/12/2021	583,074,713.90	-	583,074,713.90
AS AT 31/12/2020	595,358,163.37	-	595,358,163.37

The Executive Chairman,
Yewa South Local Government,
Ilaro.

**AUDIT INSPECTION REPORT ON THE ACCOUNTS OF YEWA SOUTH
LOCAL GOVERNMENT, ILARO FOR THE PERIOD ENDED 31ST DECEMBER,
2021**

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

2. BANK RECONCILIATION STATEMENT

Dormant Bank Accounts

Observation: I wish to refer to paragraph 4 of the last Audit Inspection report dated 13th January, 2022 and to express my displeasure that no positive action has been taken by your Local Government to close down the dormant bank account that had remained stagnant for several years and merged them with the active ones so as to tidy up the bank account of your Local Government.

The detailed of the dormant bank accounts are summarized below

S/N	NAME OF BANK	ACCOUNT NO	AMOUNT ₦
1	Zenith bank	601402235	70,043.69
2	Zenith bank	1012809047	4,517.78
3	First bank	009	63,000.71
4	Oceanic bank	5304	5,527.51
5	Wema bank Plc, Owode	033115550413	1,624.49
6	Wema bank Plc, Ilaro	14410400017	51,527.59
7	Wema bank Owode	0331000068318	17,230.69
8	Union bank PlcIlaro	0012392110	12,770.72
9	Polaris bank	1790171209	249,942.50
	Total		476,185.68

Recommendation: I wish to advise once again that your Local Government should initiate action on the re-activation or eventual closure of the dormant bank accounts without any further delay in order to tidy up your bank accounts highlighted in the bank reconciliation statement.

3. OVERDRAFT FACILITIES OF TWELVE MILLION (₦10M)

Observation: I wish to draw your attention to paragraph 6 of the last inspection report Reference No OGLG/LAR/1/VOL.VI/386 dated 13th January, 2022 and to observe with dismay that your

Local Government has consistently failed to honoured the agreement reached with the Management of Wema bank Plc to pay a loan re-payment of ₦100,000.00 monthly to offset the outstanding balance of the sum ₦12,590,318.88 you owed the Wema bank Plc. It appears that your Local Government has refused to keep faith with the monthly agreed sum of ₦100,000.00 as only a sum of ₦300,000.00 was paid during the period under review. Audit viewed this flagrant disregard by your Local Government as an invitation to litigation which may not be in the best interest of your Local Government.

Recommendation: In view of the above, I wish to reiterate once again that your Local Government should be committed to prompt and gradual defrayment of the loan by paying ₦100,000.00 monthly as agreed, payable into the loan account kept with the Wema bank Plc. Please ensure that you obtain the bank statement regularly from the bank for proper monitoring of the repayment.

4. INVESTMENT

Observation: It was observed that despite my advice in paragraph 8 of the last audit inspection report that you should establish the true status of your investment, your Local Government has continued to reflect the sum ₦583,200.00 as investment in its Statement of Assets and Liabilities whereas there was no evidence to substantiate the claim because none of the officers in the Treasury department could produce on demand to Audit Team for sighting, either the share certificate nor any other document to confirm the existence of such investment.

Recommendation: You are hereby requested once again to take steps that would help to establish the true status of the investment, in the absence of this, they should be written off so that the true financial Position of your Local Government could be determined.

5. LOCAL GOVERNMENT SHOPS

Observation: It was observed during the period under reference that your Local Government had 158 lock-up shops and 390 open stalls which were placed on annual rent of ₦14,400.00 and ₦6,000.00 respectively but has now been increased to ₦24,000.00 per lock-up shops and ₦12,000.00 per stall respectively effectively from 1st January, 2022. Audit visitation to the markets revealed as following:

i. **OWODE MARKET, OWODE**

Observation: The Local Government has 30 lock up shops and 50 open stalls. Out of the 30 lock up shops, 29 shops were presently being occupied while one (1) is being used as office accommodation for the Local Government Staff. Out of the 50 open stalls, 45 were presently being occupied while six (6) were yet to be occupied.

Recommendation: Please, ensure that the vacant stalls were allocated without any further delay.

ii. **OSOBA SHOPPING COMPLEX, OWODE**

Observation: The Osoba Shopping complex has a total number of 44 lock up shops, out of which 4 were unoccupied. All the shops were in good conditions and they are on an annual rentage value of ₦12,000.00 up to December, 2021, but has now been reviewed upward to ₦24,000.00 per annum commencing from January, 2022.

It was however observed that at the back of the upper area of the building where the toilet is located is dilapidated and may likely affect the whole building if it collapsed.

Recommendation: Please ensure that necessary repair work is carried out on the building without any further delay.

iii. **SABO MARKET, OWODE**

Observation: Audit visitation to this market revealed that your Local Government has 10 lock-up shops and 205 open stalls but were not occupied due to their bad condition. The dumping of refuse in this market still persists and it has overtaken the market activities, therefore exposes both the sellers and buyers to unwarranted health hazards.

Recommendation: I wish to advise your Local Government to repair the dilapidated lock up shops and the open stalls for better revenue generation. You should evacuate the heaps of refuse in this market without any further delay.

iv. **SAYEDERO MARKET, ILARO**

Observation: The market has 74 lock-up shops and 135 open stalls. All the 74 lock-up shops were found to be occupied but only 86 open stalls out of the 135 open stalls were occupied, twenty (20) of the open stalls were in good condition but yet to be occupied, while twenty of the open stalls were in dilapidated condition.

Recommendation: Please ensure that the twenty (20) open stalls were allocated to interested members of the public and immediate repair work should be carried out on the twenty (20) open stalls that are in dilapidated condition.

6. **RE: CONSTRUCTION OF OWODE YEWA MARKET**

Observation: Sometimes in May, 2013, during the tenure of the Executive Chairman, Alh. Safiu Abiodun Odebiyi, your Local Government entered into a contractual agreement with Engineer Mojeed Adesegun Rufai, Managing Director Seras Engineering Limited of suite 13 Sango garage Complex, Sango Ota, Ogun State to construct 316 lock-up shops and 2,236 open stalls at Owode Yewa market. The project was on Build, Operate and Transfer (BOT) agreement basis for a period of fifteen (15) years commencing from year 2014 to year 2028. Audit investigation revealed that Seras Engineering Limited made an initial payment of the sum of ₦300,000.00 into the coffers of your Local Government as premium in year 2014 and also paid a sum of ₦1,200,000.00 in May, 2021 into the coffers of your Local Government as penalty for violating the agreement he initially signed with your Local Government because he constructed additional seventy (70) open stalls outside the initial numbers of 2,236 open stalls. A total of 316 lock-up shops and 2,306 open stalls were presently at the Owode market and a total sum of ₦1,500,000.00 was paid as premium by the developer to date. Even though the project has been completed and currently in use, this office found the amount paid by the developer as premium to be ridiculously low considering the economic value and the level of patronage by vast majority of people living around the Owode – Yewa market.

Recommendation: I wish to advise your Local Government to review upward the amount paid as premium by the developer with effect from year 2022 accounting year without any further delay. Please inform this Office of the action taken within two (2) weeks of the receipt of this report.

7. INDEBTEDNESS OF THE REVENUE CONTRACTORS AS AT 31ST DECEMBER, 2020

Observation: I wish to refer to paragraph 9 of the last Audit Report of 13th January, 2022 and paragraph 6 of the management letter earlier forwarded to this Office sometime in August, 2021 as response(s) to the issue of indebtedness of Revenue Contractors that were appointed by your Local Government in year 2020.

The acting HOLGA Mr. Omitogun Bankole Olamide in his response as contained in the management letter informed this Office that all the Revenue Contractors were unable to carry out their duties because of the uncooperative attitude of the Iyalaja at the various markets plus other circumstances beyond their control and as such could not appear as being indebted to your Local Government for jobs not done.

In the light of the above, I however wish to stress further that your Local Government should adhere strictly to the contents of previous circular earlier issued by the State Government as well as other circular that emanated from this Office which place ban on the use of Revenue Contractor by any Government Ministries and Agency of Government.

Recommendation: Please note also that appropriate sanction shall be meted out to any officer especially the Treasurer whose negligence or inaction encourage avoidable loss of Public fund in line with the provision of Chapter 39:3(a) and 12 of the Model Financial Memoranda for Local Governments.

8. AGRICULTURAL AND NATURAL RESOURCES DEPARTMENT

Observation: I wish to refer to paragraph 7 of the last Audit Report No. OGLG/LAR/1/VOL.VI/386 of 13th January, 2022 where it was highlighted that your poultry pen was idle because it was not stocked and to observe that the poultry pen at Oke-Odan is yet to be stocked. The poultry pen have remained idle for several years and the automated battery cage which was acquired with huge sums of money some years back appears to be rusting due to non-usage. This no doubt is not in the best interest of your Local Government.

You are to stock the poultry pen without delay in order to put the cage into use and to generate revenue to the Council. Audit verification visit to the oil palm plantation farm situated at the staff quarters, Gbogidi revealed that some of the palm trees have been harvested and

processed into edible palm oil. Available records revealed that a sum of ₦50,000.00 was realized from the sale of the palm oil by the Agric department.

Recommendation: I wish to advice once again that funds be made available for the department of Agriculture to embark on massive agricultural activities in the light of the agrarian nature of your area which will definitely boost the internally generated revenue of your Local Government.

9. **NAMING OF STREET:**

Observation: It was observed that your Local Government currently charge a sum of Twenty Five Thousand Naira (₦25,000.00) only as fees for street naming and allocation to interested individual and corporate bodies within the Local Government. A sum of ₦5,000.00 was also approved as fees for the renewal of street per annum.

However, it was disheartening to note that your Council did not have comprehensive data of all the street that had been named let alone those that existed within the locality. This irregularity made it difficult to determine the individual or corporate bodies that have defaulted in the renewal of such street for several years except for those who come willingly to renew their application and those that come forward with fresh application for street to be named after them within the locality. Though, it appeared that your Local Government realized a sum of ₦516,253.08 as revenue from street naming out of the budgeted sum of ₦350,000.00 for the year 2021, but investigation also revealed that out of the sum of ₦516,253.08, a sum of ₦266,253.08 was the amount remitted directly by the State Government into the account of your Local Government as its share of the total sum released by the Ogun State Joint Local Government from street naming and branding. This implied that a meagre sum of ₦250,000.00 only was generated by your Local Government during the year. Though, the Local Government exceeded the budgeted revenue of ₦350,000.00 by realizing ₦516,253.08 during the year but from all indication, it appears that there was under estimation in the revenue proposal for the year 2021.

Recommendation: I wish to reiterate once again that your Local Government should harness its revenue potentials that is derivable from street naming within the locality and ensure that leakages identified are blocked.

10. DORMANT ADVANCES

Observation: Audit examination of the personal advance ledger revealed a sum of Six Hundred and Two Thousand, Five Hundred and Twenty-Eight Naira, Ninety Two kobo (₦602,528.92) was the outstanding balances of personal advances granted to some staff of your Local Government which had remained stagnant for several years. This inaction contravenes Chapter 16:12 of Model Financial Memoranda for Local Governments which requires that personal advances must be paid on regular monthly instalments deducted at source from monthly salaries. Investigation into the reasons for the dormancy revealed that most of the beneficiaries have been posted to other Local Governments while some have retired or deceased.

Recommendation: I wish to advise your Local Government to take advantage of the Central Salary Payment Platform for Local Government Staff at the Local Government Service Commission to effect deduction of these advances and also liaise with the Bureau of Local Government Pension for the recovery of outstanding advances from retired staff.

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

RE – AUDIT INSPECTION REPORT ON THE ACCOUNTS OF YEWA SOUTH LOCAL GOVERNMENT ILARO FOR THE PERIOD ENDED 31ST DECEMBER, 2021

Sequel to your report OGLG/LAR/I/VOL.VI/392 dated 5th May, 2022 on the above subject the management of Yewa South Local Government has gone through the report thoroughly and have taken note of all the observations and recommendations and advice. Below are our responses:

1) DESTRUCTION OF EXHAUSTED RECEIPT BOOKS

Arrangement is on-going in the department of Finance and Supplies to ensure proper handling of destruction of exhausted receipt books.

Your office will be duly informed as soon as all necessary preliminary steps are taken.

2) CONTROL OVER CASH:

The Cashier and Treasury cash book have been consistently monitored over cash payment considering the cashless policy.

3) DORMANT BANK ACCOUNTS:

The Local Government had written a reminder letter of re-activation of dormant Accounts to the affected banks on the 31st March, 2022.

4) OVERDRAFT FACILITIES:

Truly our outstanding balance is the sum of (₦12,590,318.88) as at 31st December, 2021. The Local Government at its F&GPC meeting held on 10th May, 2020 has directed the repayment of (₦100,000.00) to Wema Bank on monthly basis as agreed.

5) LOCAL GOVERNMENT SHOPS:

- i) **OWODE MARKET, OWODE:** - The Local Government has set up modalities to allocate the remaining open stalls to interested public members.
- ii) **OSOBA SHOPPING COMPLEX, OWODE:** - The management will look into that and make the necessary repair on the building to avoid any collapse.
- iii) **SABO MARKET, OWODE:-** The paucity of fund could not allow the Local Government to effect any repair or reconstruction work on the dilapidated lock-up shops and open stalls but effort is on to evacuate the heaps of refuse.

iv) **SAYEDERO MARKET, ILARO:** - The management had noted for action the observation raised by the External Auditor. The works department has been mandated to visit the market with the aim of coming up with the estimate to put the structures back into good shape.

6) INVESTMENT:-

The Local Government cannot establish the true status of the investment. Your advice that the amount should be written. Off will be carried out at the end of year 2022 financial year.

7) RE-CONSTRUCTION OF OWODE MARKET:-


The Local Government will comply with the advice given by your office. The issue has been referred to F&GPC and your office shall be informed of the latest report.

8) **INDEBTEDNESS OF THE REVENUE CONTRACTORS:-** Paragraph L(b) 4 of the above subject is noted for necessary action. It was further confirmed that the indebtedness was the effect of COVID 19 Pandemic.

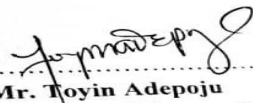
9) **AGRICULTURAL AND NATURAL RESOURCES DEPARTMENT:-** The opinion expressed by the Auditor is noted for action. The Local Government has requested for proposal from the Agric department for raising of 500 broilers as a start for year 2022.

10) **NAMING OF STREET:-** Committee has been set up to oversee the collection and administration of the naming of street and payment of renewals.

11) **DORMANT ADVANCES:-** The Local Government will make a frantic steps to recover the outstanding advances from the affected staffs and pensioners. The finance department has started the process of finding out the present station/location of those involved.



Alhaji A. T. Olusesi
Head of Local Government Administration



Mr. Toyin Adepoju
Director of Finance & Supplies