

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, 2022

TABLE OF CONTENT

(1)	Table of Content	2
(2)	Acknowledgement	3
(3)	Audit Certificate	4
(4)	Statement of Opinion of the Auditor-General	5-6
(5)	Statutory Report	7-9
(6)	Responsibility Statement	10
(7)	Statement of Financial Position	11
(8)	Statement of Financial Performance	12
(9)	Statement of Changes in Net Assets/Equity	12
(10)	Cash Flow Statement	13
(11)	Accounting Policy	14-15
(12)	Notes to the Financial Statement	16-18
(13)	Audit Inspection Report	19-25
(14)	Management Letter	26-28

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 South 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.

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.
23rd June, 2023.

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

The accounts of Yewa South 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 SOUTH LOCAL GOVERNMENT, ILARO 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 South Local Government, Ilaro 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 financial activities of the Local Government for the year under review.

(2) STATE OF THE BOOKS OF ACCOUNTS AND RECORDS

There were some errors in record keeping. Some transactions were not properly posted to the cashbook.

(3) FINANCIAL REVIEW:

REVENUE	AMOUNT (₦)
Independent Revenue	53,255,374.71
Statutory Allocation	2,558,128,394.85
Aids and Grants	<u>35,333,227.48</u>
Total	<u>2,646,716,997.04</u>
EXPENDITURE	
Salaries & Allowances	1,658,299,326.43
Pensions	817,600,502.56
Overhead Expenses (including Depreciation & Loss on Disposal of Assets)	151,098,805.89
Long Term Assets	<u>9,677,541.67</u>
Total	<u>2,636,676,176.55</u>

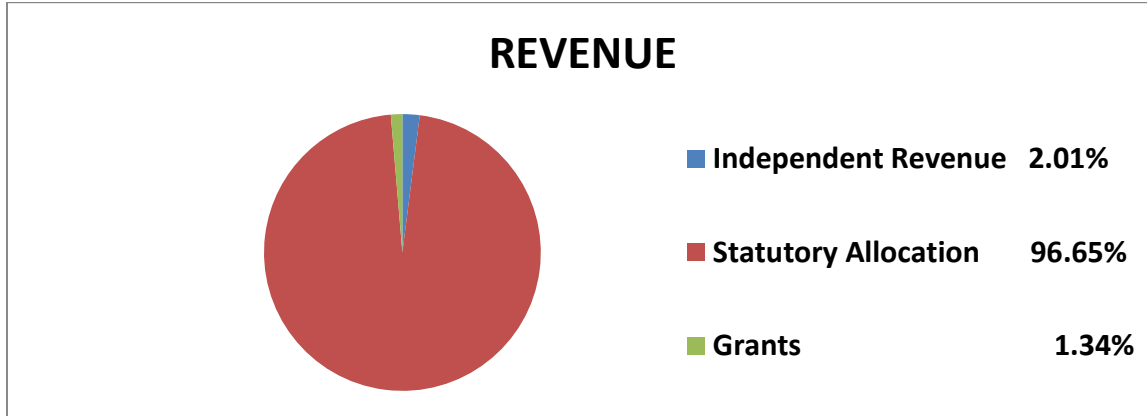
(4) BUDGET PERFORMANCE:

(i) STATEMENT OF ACTUAL REVENUE

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦66,160,000.00, a sum of ₦53,255,374.71 only was actually generated internally representing 80.49% of the budget. This represents an increase of 16.49% in revenue performance when compared with the sum of ₦45,717,714.91 generated internally in year 2021. This revenue performance is not a reflection of your Local Government's revenue potentials.

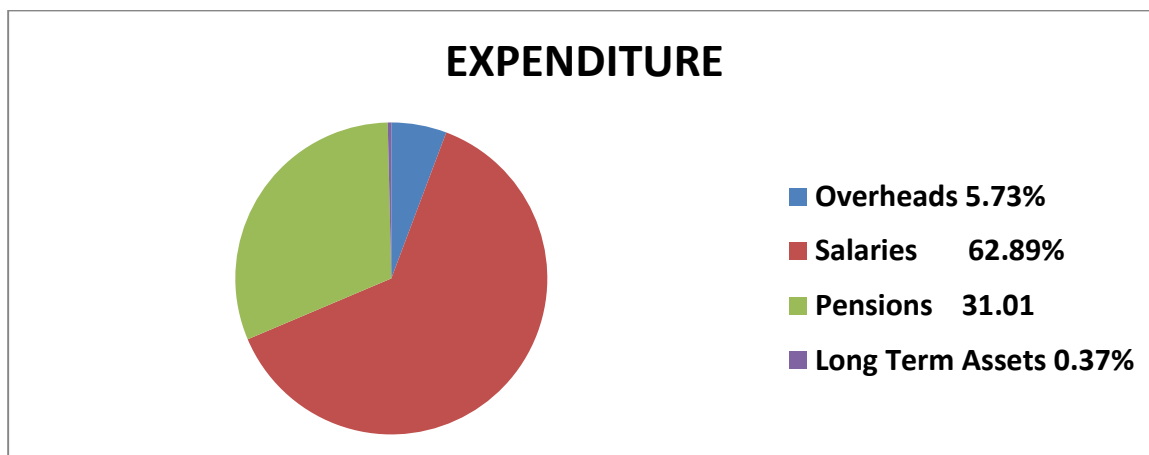
(ii) **PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE**

The Audit exercise revealed that out of the total revenue of ₦2,646,716,997.04 realized by the Local Government during the year under review, a sum of ₦53,255,374.71 only was generated internally. This represented 2.01% of the total revenue while the sum of ₦2,558,128,394.85 statutory allocation and ₦35,333,227.48 aids and grant received from Ogun State Government represented 96.65% and 1.34% 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 ₦2,636,676,176.55. Out of this, a sum of ₦ 151,098,805.89 was expended on overhead which represented 5.73% of the total expenditure for the year. Also, a sum of ₦1,658,299,326.43 was expended on salaries and allowances representing 62.89% of the total expenditure for the year while ₦817,600,502.56 was expended on pensions and this represented 31.01% of the total expenditure for the year and the sum of ₦9,677,541.67 was expended on long term assets representing 0.37% 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, 2022 was ₦231,417,291.08. The liabilities are highlighted bellow:

ITEMS	AMOUNT (₦)
5k TAX	2,161,499.87
VAT	5,040,465.85
5% DEVELOPMENT FUND	4,985,495.12
PAYE	56,236,460.84
PENSION	128,404,190.72
LOAN	12,940,318.86
PAYABLE	18,528,126.54
OTHERS	<u>3,120,733.28</u>
TOTAL	<u>231,417,291.08</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 ₦737,323.92 highlighted in the Statement of Financial Position as the advances was mostly dormant during the year. Effort should be intensified to recover the advances.

(ii) INVESTMENTS

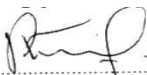
The investment sum of ₦583,200.00 shown in the Statement of Financial Position as at 31st December, 2022 could not be verified because the investment certificate was not produced on demand for audit scrutiny, also evidence of beneficial ownership such as dividends were not seen.

YEWA SOUTH LOCAL GOVERNMENT

RESPONSIBILITY FOR FINANCIAL STATEMENT

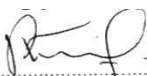
These financial statements have been prepared by me in accordance with the provisions of Finance (Control and Management) Act Cap 144 LFN 1990 as amended. The financial statements comply with Generally Accepted Accounting Practice.

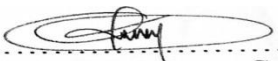
The Treasurer is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly record the use of all public financial resources by the Local Government. To the best of my knowledge, this system of internal control has operated adequately through the reporting period.


.....
Opeodu Rotimi
Director, finance and Supplies
Date... 19/01/2023

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


.....
Opeodu Rotimi
Director, finance and Supplies
Date... 19/01/2023


.....
Hon. Lateef Adebayo Salami
Executive Chairman
Date... 19-01-23

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

	NOTES	2022	2021
CURRENT ASSET		₦	₦
CASH & CASH EQUIVALENTS	10	12,688,783.92	10,993,935.77
INVENTORIES		9,141,965.00	3,531,462.00
RECEIVABLES		3,415,400.00	1,019,600.00
PREPAYMENT			
ADVANCE		737,323.92	602,528.92
TOTAL CURRENT ASSET (A)		25,983,472.84	16,147,526.69
NON CURRENT ASSET			
PROPERTY PLANT & EQUIPMENT	8	454,131,352.08	465,102,192.67
INVESTMENT PROPERTY	9	582,129,182.93	583,074,713.90
BIOLOGICAL ASSET		403,000.00	
INVESTMENT		583,200.00	583,200.00
LOAN GRANTED			
TOTAL NON CURRENT ASSET (B)		1,037,246,735.01	1,048,760,106.57
TOTAL ASSET (C=A+B)		1,063,230,207.85	1,064,907,633.26
CURRENT LIABILITY			
DEPOSIT			
LOAN & DEBT			
UNREMITTED DEDUCTIONS	11	199,948,845.68	232,184,026.00
ACCURED EXPENSES, PAYABLES		18,528,126.54	8,479,352.63
DEFERED INCOME			
CURRENT PORTION OF BORROWING		4,850,000.00	5,150,000.00
TOTAL CURRENT LIABILITY (D)		223,326,972.22	245,813,378.63
NON CURRENT LIABILITY			
PUBLIC FUND		5,608,476.65	5,608,476.65
BOROWING		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)		237,025,767.73	259,512,174.14
NET ASSETS (G= C-F)		826,204,440.12	805,395,459.12
NET ASSET/EQUITY			
RESERVE			
ACCUMULATED SURPLUS/ DEFICIT		826,204,440.12	805,395,459.12
TOTAL NET ASSET/EQUITY		826,204,440.12	805,395,459.12

YEWA SOUTH LOCAL GOVERNMENT
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2022

	NOTES	2022	2021
REVENUE		₦	₦
STATUTORY ALLOCATION	1	2,558,128,394.85	2,244,803,832.51
NON TAX REVENUE:	2	51,505,574.92	43,995,222.91
INVESTMENT INCOME			
INTEREST EARNED			
GAIN/LOSS ON DISPOSAL ON ASSET			
AIDS & GRANTS	3	35,333,227.48	18,000,000.00
OTHER REVENUE		1,749,799.79	1,722,492.00
TOTAL REVENUE (A)		2,646,716,997.04	2,308,521,547.42
EXPENDITURE			
SALARIES & WAGES	4	1,658,299,326.43	1,587,290,744.74
NON- REGULAR ALLOWANCE	5		
SOCIAL BENEFIT	6	817,600,502.56	693,502,003.31
OVERHEAD COST	7	124,617,273.82	100,235,676.91
SUBVENTION TO PARASTALS		200,000.00	1,150,000.00
DEPRECIATION	8 & 9	26,281,532.07	25,225,480.02
GAIN/LOSS ON DISPOSAL ON ASSET			1,580,500.00
TOTAL EXPENDITURE (B)		2,626,998,634.88	2,408,984,404.98
SURPLUS / DEFICIT (C=A-B)		19,718,362.16	-100,462,857.56

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

	₦
Balance 1/1/2021	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 31/12/2021	805,395,459.12
Prior Year Adjustment	-
	1,090,618.84
Adjusted Balance	806,486,077.96
Surplus/ (deficit) for the year	19,718,362.16
Balance at 31 December 2022	826,204,440.12

YEWA SOUTH LOCAL GOVERNMENT
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	2022	2021
<u>INFLOWS</u>	₦	₦
STATUTORY ALLOCATION	2,558,128,394.85	2,246,803,832.51
LICENCES, FINES, ROYALTIES, FEES ETC	31,969,410.00	27,656,162.91
EARNINGS & SALES	12,830,264.92	8,801,760.00
RENT OF GOVERNMENT PROPERTIES	4,310,100.00	7,482,900.00
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL		
DOMESTIC AIDS & GRANTS	31,333,227.48	18,000,000.00
OTHER REVENUE	1,749,799.79	1,722,492.00
TOTAL INFLOW FROM OPERATING ACTIVITIES (A)	2,640,321,197.04	2,310,467,147.42
<u>OUTFLOW</u>		
PERSONNEL EMOLUMENTS	1,658,299,326.43	1,587,290,744.74
SOCIAL BENEFIT	817,600,502.56	693,502,003.31
OVERHEADS	120,179,002.91	90,717,351.69
SUBVENTION TO PARASTATALS	200,000.00	1,150,000.00
INTEREST PAYMENT		
TOTAL OUTFLOW FROM OPERATING ACTIVITIES (B)	2,596,278,831.90	2,372,660,099.74
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B	44,042,365.14	-62,192,952.32
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
PURCHASE/ CONSTRUCTION OF ASSETS	- 9,677,541.67	- 23,391,303.75
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE	- 134,795.00	
PROCEED FROM SALE OF ASSETS		1,731,500.00
DEFERRED INCOME		
DIVIDEND RECEIVED		
NET CASH FLOW FROM INVESTING ACTIVITIES	-9,812,336.67	-21,659,803.75
<u>CASH FLOW FROM FINANCIAL ACTIVITIES</u>		
DEPOSIT/ UNREMITTED DEDUCTIONS	-32,235,180.32	-9,455,583.79
PUBLIC FUND		
MOVEMENT IN BORROWING	- 300,000.00	- 300,000.00
NET CASH FLOW FROM FINANCIAL ACTIVITIES	-32,535,180.32	-9,755,583.79
NET CASH FLOW FROM ALL ACTIVITIES	1,694,848.15	-93,608,339.86
CASH & ITS EQUIVALENT AS AT 1/1/2022	10,993,935.77	104,602,275.63
CASH & ITS EQUIVALENT AS AT 31/12/2022	12,688,783.92	10,993,935.77

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, 2022**1 SHARE OF STATUTORY ALLOCATION FROM JAAC**

	JANUARY	184,264,787.61
	FEBUARY	
	MARCH	187,734,112.36
	APRIL	381,510,300.92
	MAY	
	JUNE	189,608,498.70
	JULY	192,454,640.86
	AUGUST	212,973,991.08
	SEPTEMBER	214,256,207.62
	OCTOBER	216,088,901.29
	NOVEMBER	561,699,779.51
	DECEMBER	217,537,174.90
	TOTAL	2,558,128,394.85

2 NON-TAX REVENUE

	LICENCES	14,887,110.00
	FEES	16,247,300.00
	FINES	835,000.00
	EARNINGS	8,962,878.00
	RENT OF GOVERNMENT PROPERTIES	6,705,900.00
	SALES	3,867,386.92
	TOTAL	51,505,574.92

3 AIDS & GRANTS

	OGUN STATE GOVERNMENT	35,333,227.48
	NON GOVERNMENT ORGANISATION	0.00
	TOTAL	35,333,227.48

4 SALARIES & WAGES

	LOCAL GOVERNMENT STAFF	393,334,564.65
	PRIMARY SCHOOL TEACHERS	1,049,236,463.76
	TRADITIONAL COUNCIL	154,097,126.06
	POLITICAL FUNCTIONARIES	61,631,171.96
	TOTAL	1,658,299,326.43

5 NON-REGULAR ALLOWANCE

	LEAVE BONUS	
	TOTAL	

6 SOCIAL BENEFIT

	GRATUITY	-
	PENSION	817,600,502.56
	TOTAL	817,600,502.56

7 OVERHEAD COST BY DEPARTMENT

	CHAIRMAN & COUNCIL	40,141,500.00
	HOLGA	442,500.00
	INTERNAL AUDIT	640,000.00
	ADMINISTRATIVE	34,890,129.25
	FINANCE	7,575,852.57
	INFORMATION	7,184,689.00
	P H C	12,238,000.00
	AGRIC	791,000.00
	WORKS	11,765,603.00
	PLANNING	2,831,000.00
	WES	4,320,000.00
	COMMUNITY	1,797,000.00
	TOTAL	124,617,273.82

10 CASH & CASH EQUIVALENTS

	CASH AT HAND	9,036.36
	CASH IN BANKS	12,679,747.56
	TOTAL	12,688,783.92

11 UNREMITTED DEDUCTIONS

1	PAYE	56,236,460.84
2	PENSION	128,404,190.72
3	5% VAT	5,040,465.85
4	5% DEVELOPMENT FUND	4,985,495.12
5	5% TAX	2,161,499.87
7	OTHERS	3,120,733.28
	Total	199,948,845.68

NOTE 8 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 01/01/2022	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	
ADDITIONAL DURING THE YEAR	8,166,666.67			4,000,000.00	395,000.00	1,115,875.00		13,677,541.67	
LEGACY								0.00	
DISPOSAL DURING THE YEAR	(11,460,314.01)							(11,460,314.01)	
BAL. C/F	478,590,585.96	-	850,000.00	14,057,000.00	942,200.00	3,861,475.00	3,996,303.75	502,297,564.71	
ACCUMULATED DEPRECIATION									
BAL. AS AT 01/01/2022	28,393,054.00		228,000.00	4,074,200.00	337,900.00	1,545,360.00	399,630.38	34,378,144.38	
ADDITIONAL DURING THE YEAR	9,571,811.72		85,000.00	2,811,400.00	235,550.00	772,295.00	399,630.38	13,875,687.09	
DISPOSAL DURING THE YEAR	-687618.84							687,618.84	
ADJUSTMENT								-	
BAL. C/F	37,277,246.88	-	313,000.00	6,885,600.00	573,450.00	2,317,655.00	799,260.75	48,166,212.63	
AS AT 31/12/2022	441,313,339.08	-	537,000.00	7,171,400.00	368,750.00	1,543,820.00	3,197,043.00	454,131,352.08	
AS AT 31/12/2021	453,491,179.30	-	622,000.00	5,982,800.00	209,300.00	1,200,240.00	3,596,673.37	465,102,192.67	

NOTE 9 YEWA SOUTH LOCAL GOVERNMENT

INVESTMENT PROPERTY	LAND & BUILDING 2%	LAND	TOTAL
BAL AS AT 01/01/2022	620,292,248.83	11,460,314.01	631,752,562.84
ADDITIONAL DURING THE YEAR			0.00
LEGACY			0.00
DISPOSAL DURING THE YEAR			-
BAL. C/F	620,292,248.83	11,460,314.01	631,752,562.84
ACCUMULATED DEPRECIATION			
BAL. AS AT 01/01/2022	37,217,534.93		37,217,534.93
ADDITIONAL DURING THE YEAR	12,405,844.98		12,405,844.98
DISPOSAL DURING THE YEAR			
ADJUSTMENT			-
BAL. C/F	49,623,379.90	-	49,623,379.90
AS AT 31/12/2022	570,668,868.93	11,460,314.01	582,129,182.94
AS AT 31/12/2021	583,074,713.90	-	583,074,713.90

The Executive Chairman,
Yewa South Local Government,
Ilaro.

**AUDIT INSPECTION REPORT ON THE ACCOUNTS OF YEWA SOUTH LOCAL
GOVERNMENT, ILARO 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 comment in connection with the above Audit Inspection.

2. AUDIT QUERIES

The underlisted queries were issued for you for necessary action as required by law.

S/N	Query Numbers	Subject	Amount(₦)
1	OGLG/AQ/LAR/283/2022	Unreasonable Expenditure	895,000.00
2	OGLG/AQ/LAR/284/2022	Doubtful Expenditure	250,000.00
3	OGLG/AQ/LAR/285/2022	Expenditure not supported by proper record or Accounts	180,000.00
4	OGLG/AQ/LAR/286/2022	Doubtful Expenditure	100,000.00
5	OGLG/AQ/LAR/287/2022	Non-Deduction of Statutory Levy	196,800.00
6	OGLG/AQ/LAR/288/2022	Doubtful Expenditure	250,000.00
7	OGLG/AQ/LAR/289/2022	Non-Deduction of Statutory Levy	180,000.00

3. BANK RECONCILIATION STATEMENT

Dormant Bank Accounts

Observation: I wish to refer to paragraph 5 of the Audit Inspection report No OGLG/LAR/I/VOL.VI/399 of 8th November, 2022 and to observe with dismay that up till now, no positive action had been taken by your Local Government to close the dormant bank accounts that had remained stagnant for several years and merge them with the active ones so as to tidy up the bank account of your Local Government.

Investigation made through interrogation of the Local Government Treasurer and Head of Local Government Administration during the previous audit exercise revealed that the bankers were proving difficult to revalidate the accounts by not honouring the present signatories to the account to initiate the mandate form for the revalidation but

rather demanding for the former signatories which might not be physically possible because some of them have retired from the public service.

Recommendation: In the light of the above, your Local Government is once again advised to write the banks to merge those dormant accounts with the active ones or make a deposit of a token into the account to enable you withdraw the money and eventually close it down if not further needed. This should be done without any further delay in order to tidy up your bank accounts.

4. OVERDRAFT FACILITIES OF TEN MILLION

Observation: I wish to draw your attention to paragraph 6 of the last Inspection Report Reference No OGLG/LAR/1/VOL.VI/399 dated 8th November, 2022 in which you were advised to adhere to your promise of paying ₦100,000.00 monthly to liquidate the outstanding loan balance of ₦12,590,318.88 in Wema Bank. It was observed with dismay that your Local Government is yet to heed the advice and had consistently failed to honour the agreement reached with the Management of Wema Bank Plc to make the loan re-payment of ₦100,000.00 monthly. Available records revealed that a sum of ₦300,000.00 only was paid throughout the year 2022 instead of paying ₦1,200,000.00 annually to offset part of the outstanding loan based on the agreement reached with the bank. Audit viewed this flagrant disregard by your Local Government as an invitation to litigation which may not be in the 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 either with a stable standing order or prompt means of physical payments. Please ensure that you obtain the bank statement regularly from the bank for proper monitoring of repayment.

5. INVESTMENT

Observation: It was observed that your Local Government is yet to heed to my advice in previous inspection reports on the need to establish the true status of your investment of ₦583,000.00 which you have consistently reflected over the years in your Statement of Asset and Liabilities. There had been no evidence to substantiate this claim because none

of the officers in the Treasury department could produce on demand to Audit Team for sighting, either the share certificate or any other document to confirm the existence of such investment.

Audit investigation however revealed that there is a possibility that the permanent concrete safe in the Account Office which its key was reported lost several years ago could be housing some of these documents and others.

Recommendation: In the light of the above, I wish to urge the Director of Finance and Supplies to initiate action to get an expert to open the safe in order to retrieve the cash and other important or vital document trapped in the concrete safe. Please ensure this is done without any further delay and inform this Office of the action taken within two (2) weeks of the receipt of this report.

6. LOCAL GOVERNMENT SHOPS

Audit verification visit was made to all markets located within your Local Government where the followings were observed:

i. OWODE MARKET, OWODE

Observation: The Local Government has 30 lock-up shops and 50 open stalls in this market. Out of the 30 lock-up shops, 29 were occupied, while the remaining one is being used as office accommodation for the Local Government staff. Out of the fifty (50) open stalls, only 44 were operating maximally while the remaining 6 stalls still remained unoccupied as reported in the last audit report.

Audit verification visit to the market in February, 2023 revealed that virtually all the lock-up shops and open stalls were still in a very deplorable condition due to non-maintenance by your Local Government. Most parts of the roofing appear to be falling off and this has forced some of the occupiers of the shops and stalls to relocate to the front side of the markets so as to get the attention of buyers.

Recommendation: Please ensure that necessary repair is done to prevent total collapse of the building.

ii. OSOBA SHOPPING COMPLEX, OWODE

Observation: At Osoba Shopping complex, there are 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 annual rent of

₦12,000.00 up to December 2021 before being reviewed upward to ₦24,000.00 in the current year 2022.

It is however disheartening to note that despite my comment in previous inspection report, it was observed that your Local Government is yet to give the desired attention to the upper area of the building which may likely put the whole structure in jeopardy.

Recommendation: I therefore wish to reiterate my earlier advice that necessary repair work should be done at the back of the building to prevent further damage or total collapse of the building. This should be done without further delay.

iii. SABO MARKET, OWODE

Observation: It is worrisome to note that for several years now, all the 10 lock-up shops and 205 open stalls at Sabo were still not occupied due to their deplorable condition. The dumping of refuse in this market still persists and the refuse had overtaken the market activities and as such expose both the sellers and the buyers to unnecessary health risk. It would therefore appear that your Local Government is no longer interested in resuscitating this market for revenue generation and is now left at the mercy of some individuals and other miscreants to encroach and do whatever they like in the market.

Recommendation: The Local government is once again advised to rehabilitate this market or probably seek the services of private developer to resuscitate it so as to continue to retain the ownership of the land where this market is located.

iv. PROVISION OF PUBLIC TOILET AT SAYEDERO MARKET

Observation: I wish to draw your attention to paragraph 8(iv) of the last Inspection Report Reference No. OGLG/LAR/1/VOL.VI/399 of 8th November, 2022 and to observe that the Management of your Local Government is yet to yield to my advice on the need to provide a public toilet at Sayedero Market in order to prevent outbreak of epidemic. The availability of public toilet will also be a source of generating revenue to maintain this market.

Recommendation: I therefore wish to reiterate my earlier advice that your Local Government without any further delay should initiate concrete action towards the provisions of public toilet at this market.

7. RE-CONSTRUCTION OF OWODE YEWA MARKET

Observation: I wish to refer to paragraph 8 of Audit Report No. OGLG/LAR/1/VOL.VI/392 of 5th May, 2022 and paragraph 9 of report No. OGLG/LAR/1/VOL.VI/399 of 8th November, 2022

and to observe with dismay that your Local Government is yet to heed to my advice on the need for the upward review of a sum of One Million, Five Hundred Thousand Naira (₦1,500,000.00) only paid as premium by the developer Engineer Mojeed Adesegun Rufai, Managing Director Seras Engineering Limited of suite13, Sango Garage Complex, Sango Ota, Ogun State. The developer was to construct 316 lock-up shops and 2306 open stalls on the Local Government land at Owode Yewa market. The developer is expected to make use of the property for a period of 15 years commencing from year 2014 to year 2028.

Recommendation: I therefore wish to reiterate once again that your Local Government in line with current economic reality should review upward the sum of One Million, Five Hundred Thousand Naira (₦1,500,000.00) earlier paid as premium by the developer effective from year 2023 without any further delay.

8. NAMING OF STREET

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

Audit scrutiny of available records and files revealed that most of the owners of the streets approved long time ago have not been paying their annual renewal fees of ₦5,000.00 and this is responsible for the outstanding sum of Four Million, Nine Hundred and Seventy-Seven Thousand, five Hundred Naira (₦4,977,500.00) only yet to be recovered from the renewal of streets which dates back to year 2000.

Recommendation: In the light of the above, I wish to urge your Local Government to initiate necessary action with the aim of recovering the outstanding sum of Four Million, Nine Hundred and Seventy-Seven Thousand, five Hundred Naira (₦4,977,500.00) derivable from the renewal fees and also embark on aggressive drive to meet your revenue target derivable from naming of street within your locality, any leakages identified should also be blocked.

9. DORMANT ADVANCES

Observation: I wish to refer to paragraph 12 of the last Audit Inspection report No. OGLG/LAR/1/VOL.VI/399 of 8th November, 2022 and to observe that little or nothing seems to have been done to recover the sum of Four Hundred and Seventy Thousand, One Hundred and Eighty-Five Naira, Sixty-Eight kobo (₦470,185.68) which represent the outstanding balances of personal advance granted to some members of 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 salary payments. 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.

Further investigation however revealed that most of the advance had been deducted from the salaries of beneficiaries at different Local Governments that they had been posted to but was not forwarded to your Local Government to defray the advances.

Recommendation: In view of the above, 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.

10. NON-RECOGNITION OF BIOLOGICAL ASSETS (PALM PLANTATION)

Observation: During the recent audit exercise, it was discovered that the cost of acquisition of biological asset (Palm Plantation) located at the back of Yewa South Local Government Staff Quarters, Gbogidi in Ilaro was not reflected in the General Purposes Financial Statement for previous years and therefore did not show the true and fair view of the position of the financial statements. It was at the instance of the Audit Team that the cost of preparation of 750 unit of palm tree seedlings as well as weeding cost up to the gestation period to the tune of Four Hundred and Three Thousand Naira (₦403,000.00) as contained in the file has now been incorporated into the General Purposes Financial Statement for the year 2022.

Recommendation: Please ensure that subsequent biological assets of this nature were incorporated into the General Purposes Financial Statement for the relevant financial year.

11. OFFICIAL VEHICLES TAKEN AWAY WITHOUT PROPER DOCUMENTATION

Observation: I wish to refer to paragraph 14 of the last Audit Inspection report No. OGLG/LAR/1/VOL.VI/399 of 8th November, 2022 and to observe with dismay that the former Chairman, Transition Committee Hon. Olabode Fagbenro is yet to return the Toyota Highlander Jeep he took away without following due process after leaving office.

Recommendation: I wish to reiterate my earlier advice that your Local Government should ensure that the vehicle is retrieved from him without any further delay.

12. DOUBTFUL EXPENDITURE

It was disheartening to note that most of your career officers and political functionaries have refused to adhere strictly to extant laws and regulations, most especially the provisions of Chapter 14: 17 of the Model Financial Memoranda which stipulates that official receipt must be obtained and attached to payment vouchers by the officers that incurred expenditure on behalf of your Local Government.

An instance was the sum of Two Hundred and Fifty Thousand Naira (₦250,000.00) released vide PV. No 60/September, 2022 to Mr. Adeniyi Alani John (Asst. Chief Executive Officer) to provide entertainment and other logistics support during a stakeholder meeting that deliberated on requisition for transformer from the State Government. The meeting was held on Thursday 29th September, 2022. There was no official receipt attached to the payment voucher to confirm the authenticity of this expenditure.

Similarly, a sum of One Hundred and Eighty Thousand Naira (₦180,000.00) only was approved and released to Mr. O. A. Dada (Principal Administrative Officer) Vide P.V 69/July, 2022 for the passage of year 2022 budget proposal by the LEGICO. The project officer failed to attach official printed receipts to the payment voucher to authenticate this expenditure.

Recommendation: You are advised to always attach official printed receipt and other relevant documents required by regulations.

MANAGEMENT RESPONSE TO THE REPORTS OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS ON THE AUDITED ACCOUNT OF THE LOCAL GOVERNMENT FOR THE PERIOD 1ST JANUARY TO 31ST DECEMBER 2022

2. DESTRUCTION OF EXHAUSTED RECEIPT BOOKS

The receipt books that have been completely exhausted prior to 31st December, 2022 have been listed. Also included are properties that have been damaged beyond repairs.

The list shall be forwarded to the office of the Auditor-General for Local Governments in due course:

3. AUDIT QUERRY

The queries have been dispatched to the affected members of staff and they have been directed to respond to the queries and forward same to the office of the Auditor General

5. BANK RECONCILIATION STATEMENT

In a bid to close down the dormant accounts, the Local Government is making effort to request for the old signatories to the dormant accounts. As soon as the banks are able to furnish the Local Government with this information, efforts shall be made to contact the former signatories who have retired from the service since the banks have insisted that the dormant accounts cannot be revalidated by the present signatories.

6. OVERDRAFT FACILITIES OF TEN MILLION (N10M)

The loan repayment had since not been regular due to the Financial constraint in recent times

However, the management has resolved to revisit the agreement reached with the management of WEMA BANK PLC and continue with the payment.

The Bank Statement shall be obtained regularly for proper monitoring of repayment as directed

7. INVESTMENT

In order to establish the true status of the Local Government investment of N583,000.00 being reflected over the years in statement of Asset and liabilities, we have contacted the professional to break the concrete safe in the Account office where the document to substantiate this statement might have been kept.

The Auditor General office shall be contacted when action is completed on this

8. LOCAL GOVERNMENT SHOPS

i OWODE MARKET

Efforts have been made to repair 20 lock up shop in recent times.

Action shall be taken on the remaining 10 Lock up shops. Necessary repairs shall be embarked on when there is fund.

ii **OSHOBA SHOPPING COMPLEX**

The Management have inspected the complex. Though the rent have been reviewed , some of the shops were yet to be occupied.

Meanwhile, action is in progress to rehabilitate the damaged portion of the shops

iii **SABO MARKET OWODE**

The issue of refuse in the market have been addressed though this was being generated on daily basis and mostly on market days.

So also, the activities of miscreants was being checkmated. The services of private developer to resuscitate the market will soon yield positive result.

iv **PROVISION OF PUBLIC TOILET AT SAYEDERO MARKET**

The Local Government had since initiated action to provide public toilet in the market

9. RECONSTRUCTION OF OWODE YEWA MARKET

The Sum of N1,500,000 paid as premium by the developer was an agreement between the Local Government and the developer.

There might be constrained on the review as suggested since both parties have entered into agreement for the 15 years period

10. NAMING OF STREET

In order to recover the accumulated outstanding renewal fees, the Local Government have embarked on jingles to enlighten the street owners.

Leaders of Community Development Associations in the Local Government have equally been invited to meetings on the need to pay the renewal fees.

The Local Government has recently constituted a Task Force to go out for enforcement since persuasive methods have not yielded positive result.

11. DORMANT ADVANCES

The list of the members as of staff who were advanced was being collated. This shall be forwarded to the central salary payment platform to effect necessary deduction and also liaise with the Bureau of Local Government Pensions for the recovery of outstanding advances from the retired staff.

12. NON RECOGNITION OF BIOLOGICAL ASSETS (PALM PLANTATION)

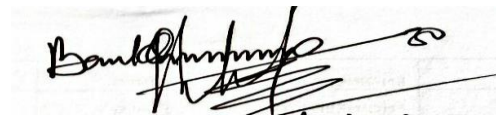
Agriculture and Natural Resources Department have been duly directed to ensure that all assets in the department are incorporated into the General Purpose Financial Statement for subsequent years

13. OFFICIAL VEHICLES TAKEN AWAY WITHOUT PROPER DOCUMENTATION

This matter was being addressed and the Auditor General office shall be contacted as soon as the Toyota Highlander was retrieved

14. DOUBTFUL EXPENDITURE

Official receipts and other relevant document shall henceforth be attached to payment vouchers as advised.

A handwritten signature in black ink, appearing to read "Pastor B. O. Omitogun", is written over a light-colored rectangular background. The signature is stylized and includes a flourish at the end.

Pastor B. O. Omitogun,
Head of Local Government Administration