

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, 2023

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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 Mr Kolawole Peter Fagbohun and the current Head of Service Mr Kehinde Olufemi Onasanya 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.

20th June, 2024.



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, 2023 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 Organization 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, 2023 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.
20th June, 2024.

**STATEMENT OF OPINION OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF
YEWA SOUTH LOCAL GOVERNMENT FOR THE YEAR ENDED 31ST DECEMBER,
2023**

The accounts of Yewa South Local Government for the year ended 31st December, 2023 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 Organization 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 Organization 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.

A handwritten signature in black ink, appearing to read 'L. A. Mulero', written over a horizontal line.

L. A. Mulero (CNA)

Auditor-General for Local Governments Ogun State.

20th June, 2024.

STATUTORY REPORT OF THE AUDITOR–GENERAL FOR LOCAL GOVERNMENTS ON THE ACCOUNTS OF YEWA SOUTH LOCAL GOVERNMENT, ILARO FOR THE YEAR ENDED 31ST DECEMBER, 2023

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, 2023 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 ledgers.

(3) FINANCIAL REVIEW:

REVENUE	AMOUNT (₦)
Independent Revenue	60,593,956.61
Statutory Allocation	<u>3,583,205,545.54</u>
Total	<u>3,643,799,502.15</u>
EXPENDITURE	
Salaries & Allowances	2,161,663,690.91
Pensions	1,191,750,710.24
Overhead Expenses (including Depreciation & Loss on Disposal of Assets)	215,622,976.50
Long Term Assets	<u>90,590,697.85</u>
Total	<u>3,659,628,075.50</u>

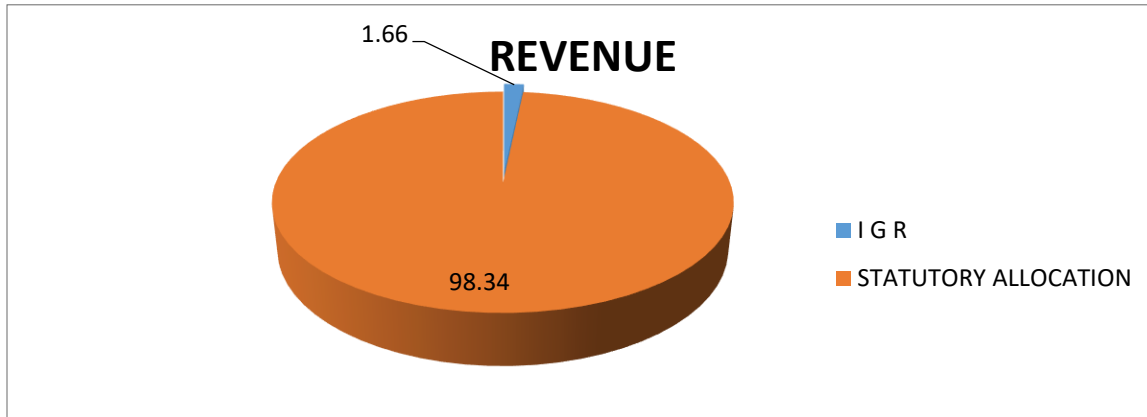
(4) BUDGET PERFORMANCE:

(i) STATEMENT OF ACTUAL REVENUE

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦76,000,000.00, a sum of ₦60,593,956.61 only was actually generated internally representing 79.73% of the budget. This represents an increase of 13.84% in revenue performance when compared with the sum of ~~₦~~₦53,255,374.71 generated internally in year 2022. This revenue performance is not a reflection of your Local Government's revenue potentials.

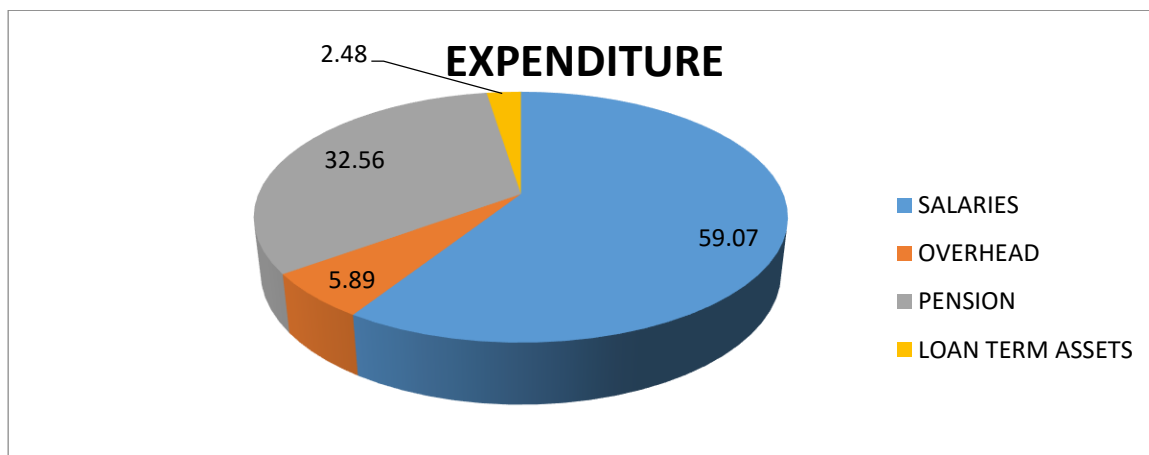
(ii) **PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE**

The Audit exercise revealed that out of the total revenue of ₦3,643,799,502.15 realized by the Local Government during the year under review, a sum of ₦60,593,956.61 only was generated internally. This represented 1.66% of the total revenue while the sum of ₦3,583,205,545.54 statutory allocation represented 98.34%. 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 ₦3,659,628,075.50. Out of this, a sum of ₦215,622,976.50 was expended on overhead which represented 5.89% of the total expenditure for the year. Also, a sum of ₦2,161,663,690.91 was expended on salaries and allowances representing 59.07% of the total expenditure for the year while ₦1,191,750,710.24 was expended on pensions and this represented 32.56% of the total expenditure for the year and the sum of ₦90,590,697.85 was expended on long term assets representing 2.48% 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, 2023 was ₦204,618,706.45. The liabilities are highlighted bellow:

ITEMS	AMOUNT (₦)
5k TAX	2,161,499.87
7.5% VAT	12,176,022.83
5% DEVELOPMENT FUND	4,985,495.12
2.5K Tax	1,287,664.96
PENSION	128,404,190.72
LOAN	12,940,318.86
PAYABLE	39,156,200.00
OTHERS	<u>3,507,314.09</u>
TOTAL	<u>204,618,706.45</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 ₦716,548.36 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, 2023 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: 09-02-2024

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, 2023 and its operations for the year ended on the date.



Opeodu Rotimi
Director, finance and Supplies
Date: 09-02-2024



Hon. Lateef Adebayo Salami
Executive Chairman
Date: 09/01/24

YEWA SOUTH LOCAL GOVERNMENT
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2023

	NOTES	2023	2022
CURRENT ASSET		₦	₦
CASH & CASH EQUIVALENTS	8	-1,343,291.77	12,688,783.92
INVENTORIES		9,919,021.60	9,141,965.00
RECEIVABLES		4,254,400.00	3,415,400.00
PREPAYMENT			
ADVANCE		716,548.36	737,323.92
TOTAL CURRENT ASSET (A)		13,546,678.19	25,983,472.84
NON CURRENT ASSET			
PROPERTY PLANT & EQUIPMENT	10	480,641,877.43	454,131,352.08
INVESTMENT PROPERTY	11	616,199,992.10	582,129,182.93
BIOLOGICAL ASSET	12	403,000.00	403,000.00
INVESTMENT		583,200.00	583,200.00
LOAN GRANTED			
TOTAL NON CURRENT ASSET (B)		1,097,828,069.53	1,037,246,735.01
TOTAL ASSET (C=A+B)		1,111,374,747.72	1,063,230,207.85
CURRENT LIABILITY			
DEPOSIT			
LOAN & DEBT		0.00	
UNREMITTED DEDUCTIONS	9	152,522,187.59	199,948,845.68
ACCRUED EXPENSES, PAYABLES		39,156,200.00	18,528,126.54
DEFERRED INCOME		181,000.00	
CURRENT PORTION OF BORROWING		4,850,000.00	4,850,000.00
TOTAL CURRENT LIABILITY (D)		196,709,387.59	223,326,972.22
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)		210,408,183.10	237,025,767.73
NET ASSETS (G= C-F)		900,966,564.62	826,204,440.12
NET ASSET/EQUITY			
RESERVE			
ACCUMULATED SURPLUS/ DEFICIT		900,966,564.62	826,204,440.12
TOTAL NET ASSET/EQUITY		900,966,564.62	826,204,440.12

YEWA SOUTH LOCAL GOVERNMENT
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2023

	NOTES	2023	2022
REVENUE		₦	₦
STATUTORY ALLOCATION	1	3,583,205,545.54	2,558,128,394.85
NON TAX REVENUE:	2	50,602,633.02	51,505,574.92
INVESTMENT INCOME			
INTEREST EARNED			
GAIN/LOSS ON DISPOSAL ON ASSET			
AIDS & GRANTS	3		35,333,227.48
OTHER REVENUE		9,991,323.59	1,749,799.79
TOTAL REVENUE (A)		3,643,799,502.15	2,646,716,997.04
EXPENDITURE			
SALARIES & WAGES	4	2,156,706,165.19	1,658,299,326.43
NON- REGULAR ALLOWANCE	5	4,957,525.72	
SOCIAL BENEFIT	6	1,191,750,710.24	817,600,502.56
OVERHEAD COST	7	183,163,613.17	124,617,273.82
SUBVENTION TO PARASTATALS		2,450,000.00	200,000.00
DEPRECIATION	10,11&12	30,009,363.33	26,281,532.07
GAIN/LOSS ON DISPOSAL ON ASSET			
TOTAL EXPENDITURE (B)		3,569,037,377.65	2,626,998,634.88
SURPLUS / DEFICIT (C=A-B)		74,762,124.50	19,718,362.16

YEWA SOUTH LOCAL GOVERNMENT
STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2023

	₦
Balance 1/1/2022	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 31/12/2022	826,204,440.12
Prior Year Adjustment	
Adjusted Balance	826,204,440.12
Surplus/ (deficit) for the year	74,762,124.50
Balance at 31 December 2023	900,966,564.62

YEWA SOUTH LOCAL GOVERNMENT
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	2023	2022
<u>INFLOWS</u>	₦	₦
STATUTORY ALLOCATION	3,583,205,545.54	2,558,128,394.85
LICENCES, FINES, ROYALTIES, FEES ETC	30,623,150.00	31,969,410.00
EARNINGS & SALES	13,604,883.02	12,830,264.92
RENT OF GOVERNMENT PROPERTIES	5,716,600.00	4,310,100.00
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL		
DOMESTIC AIDS & GRANTS		31,333,227.48
OTHER REVENUE	9,991,323.59	1,749,799.79
TOTAL INFLOW FROM OPERATING ACTIVITIES A	3,643,141,502.15	2,640,321,197.04
<u>OUTFLOW</u>		
PERSONNEL EMOLUMENTS	2,137,198,690.89	1,658,299,326.43
SOCIAL BENEFIT	1,191,750,710.26	817,600,502.56
OVERHEADS	187,777,596.31	120,179,002.91
SUBVENTION TO PARASTATALS	2,450,000.00	200,000.00
INTEREST PAYMENT		
TOTAL OUTFLOW FROM OPERATING ACTIVITIES B	3,519,176,997.46	2,596,278,831.90
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B	123,964,504.69	44,042,365.14
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
PURCHASE/ CONSTRUCTION OF ASSETS	- 90,590,697.85	- 9,677,541.67
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE	20775.56	- 134,795.00
PROCEED FROM SALE OF ASSETS		
DEFERRED INCOME		
DIVIDEND RECEIVED		
NET CASH FLOW FROM INVESTING ACTIVITIES	-90,569,922.29	-9,812,336.67
<u>CASH FLOW FROM FINANCIAL ACTIVITIES</u>		
DEPOSIT/ UNREMITTED DEDUCTIONS	-47,426,658.09	-32,235,180.32
PUBLIC FUND		
PROCEEDS FROM DOMESTIC LOANS & OTHER		
REPAYMENTS OF LOAN		- 300,000.00
NET CASH FLOW FROM FINANCIAL ACTIVITIES	-47,426,658.09	-32,535,180.32
NET CASH FLOW FROM ALL ACTIVITIES	-14,032,075.69	1,694,848.15
CASH & ITS EQUIVALENT AS AT 1/1/2023	12,688,783.92	10,993,935.77
CASH & ITS EQUIVALENT AS AT 31/12/2023	-1,343,291.77	12,688,783.92

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 recognized when the event occurs and the asset recognition criteria are met. b) Other non-exchange revenues are recognized 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 recognized as income on entitlement, while aid and grants to other governments/agencies are recognized as expenditure on commitment.</p>
7	<p>Expenses All expenses are recognized 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 nominal consideration the asset is initially recognized 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> <p>ii. Fully depreciated assets that are still in use are carried in the books at a net book value of ₦100.00</p>
	<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, 2023

1 SHARE OF STATUTORY ALLOCATION FROM JAAC

	DETAILS	2023	2022
		₦	₦
	JANUARY	382,921,749.04	184,264,787.61
	FEBRUARY	203,953,041.91	
	MARCH	216,180,022.27	187,734,112.36
	APRIL	215,956,216.05	381,510,300.92
	MAY	295,583,774.56	
	JUNE	258,103,516.17	189,608,498.70
	JULY	295,687,125.98	192,454,640.86
	AUGUST	316,652,238.00	212,973,991.08
	SEPTEMBER	277,582,445.09	214,256,207.62
	OCTOBER	440,016,981.33	216,088,901.29
	NOVEMBER	382,075,448.37	561,699,779.51
	DECEMBER	298,492,986.77	217,537,174.90
	TOTAL	3,583,205,545.54	2,558,128,394.85

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2 NON-TAX REVENUE

	LICENCES	13,573,350.00	14,887,110.00
	FEES	17,133,700.00	16,247,300.00
	FINES	824,100.00	835,000.00
	EARNINGS	6,654,548.02	8,962,878.00
	RENT OF GOVERNMENT PROPERTIES	5,466,600.00	6,705,900.00
	SALES	6,950,335.00	3,867,386.92
	TOTAL	50,602,633.02	51,505,574.92

3 AIDS & GRANTS

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

4 SALARIES & WAGES

	LOCAL GOVERNMENT STAFF	531,058,934.77	393,334,564.65
	PRIMARY SCHOOL TEACHERS	1,390,928,054.28	1,049,236,463.76
	TRADITIONAL COUNCIL	199,163,055.56	154,097,126.06
	POLITICAL FUNCTIONARIES	35,556,120.58	61,631,171.96
	TOTAL	2,156,706,165.19	1,658,299,326.43

5 NON- REGULAR ALLOWANCE

	LEAVE BONUS	4,957,525.72	
	TOTAL	4,957,525.72	

6 SOCIAL BENEFIT

	GRATUITY	96,085,195.37	-
	PENSION	1,095,665,514.87	817,600,502.56
	TOTAL	1,191,750,710.24	817,600,502.56

7 OVERHEAD COST BY DEPARTMENT

	CHAIRMAN & COUNCIL	43,810,000.00	40,141,500.00
	HOLGA	2,288,000.00	442,500.00
	INTERNAL AUDIT	930,000.00	640,000.00
	ADMINSTRATIVE	57,786,328.23	34,890,129.25
	FINANCE	12,531,474.49	7,575,852.57
	INFORMATION	15,452,010.45	7,184,689.00
	P H C	13,501,300.00	12,238,000.00
	AGRIC	1,060,000.00	791,000.00
	WORKS	10,375,800.00	11,765,603.00
	PLANNING	2,906,200.00	2,831,000.00
	WES	21,201,500.00	4,320,000.00
	COMMUNITY	1,321,000.00	1,797,000.00
	TOTAL	183,163,613.17	124,617,273.82

8 CASH & CASH EQUIVALENTS

	CASH AT HAND	11,946.36	9,036.36
		-	
	CASH IN BANKS	1,355,238.13	12,679,747.56
	TOTAL	- 1,343,291.77	12,688,783.92

9 UNREMITTED DEDUCTIONS

1	PAYE	-	56,236,460.84
2	PENSION	128,404,190.72	128,404,190.72
3	NULGE	121,123.91	
4	5% TAX	1,287,664.96	1,287,664.96
5	7.5% TAX	12,176,022.83	5,040,465.85
6	NHF	463,915.80	
7	COOP	-	
8	5% DEVELOPMENT LEVY	4,985,495.12	4,985,495.12
9	OTHERS	5,083,774.25	3,994,568.19
	Total	152,522,187.59	199,948,845.68

NOTE 8

SCHEDULE OF PROPERTY, PLANT & EQUIPMENT

	LAND & BUILDING 2%	LAND	PLANT & MACHNERY 10%	TRANSPORTATIO N EQUIPMENT 20%	OFFICE EQUIPMENT 25%	FURNITURE & FITTINGS 20%	INFRASTRUSU RE 10%	TOTAL
BAL AS AT 01/01/2023	478,590,585.96	0	850,000.00	14,057,000.00	942,200.00	3,861,475.00	3,996,303.75	502,297,564.71
ADDITIONAL DURING THE YEAR	16,331,929.04				1,276,216.23		25,557,395.28	43,165,540.55
ADJUSTMENT								0.00
DISPOSAL DURING THE YEAR								-
BAL. C/F	494,922,515.00	-	850,000.00	14,057,000.00	2,218,416.23	3,861,475.00	29,553,699.03	545,463,105.26
ACCUMULATED DEPRECIATION								
BAL. AS AT 01/01/2023	37,277,246.88	0	313,000.00	6,885,600.00	573,450.00	2,317,655.00	799,260.75	48,166,212.63
ADDITIONAL DURING THE YEAR	9,898,450.30		85,000.00	2,810,900.00	135,000.00	770,295.00	2,955,369.90	16,655,015.20
ADJUSTMENT								-
DISPOSAL DURING THE YEAR								-
BAL. C/F	47,175,697.18	-	398,000.00	9,696,500.00	708,450.00	3,087,950.00	3,754,630.65	64,821,227.83
AS AT 31/12/2023	447,746,817.82	-	452,000.00	4,360,500.00	1,509,966.23	773,525.00	25,799,068.38	480,641,877.43
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

NOTE 9

SCHEDULE OF INVESTMENT PROPERTY

	LAND & BUILDING 2%	LAND	TOTAL
BAL AS AT 01/01/2023	620,292,248.83	11,460,314.00	631,752,562.83
ADDITIONAL DURING THE YEAR	47,425,157.30		47,425,157.30
ADJUSTMENT			0.00
DISPOSAL DURING THE YEAR			-
BAL. C/F	667,717,406.13	11,460,314.00	679,177,720.13
ACCUMULATED DEPRECIATION			
BAL. AS AT 01/01/2023	49,623,379.90	0	49,623,379.90
ADDITIONAL DURING THE YEAR	13,354,348.13	-	13,354,348.13
ADJUSTMENT			
DISPOSAL DURING THE YEAR			
BAL. C/F	62,977,728.03	-	62,977,728.03
AS AT 31/12/2023	604,739,678.10	11,460,314.00	616,199,992.10
AS AT 31/12/2022	570,668,868.93	11,460,314.00	582,129,182.93

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, 2023.

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.

2. AUDIT QUERY

The queries listed below had earlier been forwarded to you for necessary action as stipulated by Law.

S/N	Query Numbers	Subject	Amount(₦)
1.	OGLG/AQ/LAR/290/2023	Doubtful Expenditure	240,000.00
2.	OGLG/AQ/LAR/291/2023	Doubtful Expenditure	320,000.00
3	OGLG/AQ/LAR/292/2023	Unauthorised Expenditure	400,000.00
4.	OGLG/AQ/LAR/293/2023	Failure to maintain required accounting records.	
5.	OGLG/AQ/LAR/294/2023	Job not done to bill of measurement specification.	2,939,134.00
6.	OGLG/AQ/LAR/295/2023	Doubtful Expenditure	240,000.00
7.	OGLG/AQ/LAR/296/2023	Doubtful Expenditure	100,000.00
8.	OGLG/AQ/LAR/297/2023	Payment for good not supplied	100,000.00

3. STATE OF RECORDS AND ACCOUNTS

Observation: It was observed that the accounting books and records were prepared and maintained in accordance with International Public Sector Accounting Standards (IPSAS) Accrual Basis. However, during the audit exercise, it was revealed that the books of account contained various posting errors and miscalculations, some of which are:

- i. RV 133&134 December, 2023 in respect of 2021/2022 underpayment of salary from bank reconciliation statement now written back to the cashbook was posted as expenditure recoveries instead of revenue and deposit.

ii. PV 102/July and 87/Aug, 2023 in respect of PAYEE of teachers and Local Governments staff was posted as Local Government Staff payee only which resulted to negative balance for PAYEE in the deposit ledger.

iii. PV 44/Oct, 2023 in respect of revenue refunded was not posted to the DVRA at all. However, necessary corrections have been made at the instance of the External Auditors.

Recommendation: It is hereby advised that officers in charge of posting to ledgers should be alive to their duties. In addition, officers responsible for supervising postings to ledgers should ensure that correct amounts are recorded to appropriate accounts.

4. REVENUE GENERATION PERFORMANCE

Observation: A review of the internally generated revenue records of the Local Government for year 2023 revealed that a sum of ₦58,583,617.51 only was generated internally out of the sum of ₦76,600,000.00 budgeted for year 2023. The amount generated represents 76.48% of the revenue budget for year 2023. This indicates that the Local Government performance was below expectation of the budget projections.

However, the sum of ₦58,583,617.51 generated during the year is ₦5,328,242.80 more than the sum of ₦53,255,374.71 generated in year 2022 and represents 110.01% of it. This shows a marginal increase in revenue generated when compared with the revenue performance for year 2022. While a few revenue heads showed a more than average performance, we noted that some revenue items were short of year 2022 actual performance as shown below:

ECONOMIC CODE	DETAILS	ACTUAL 2023	ACTUAL 2022	DIFFERENCE
		₦	₦	₦
12020111	BAKE HOUSE LICENSES	125,500.00	168,500.00	-43,000.00
12020120	HAWKERS PERMIT	11,850.00	7,460,910.00	-1,849,060.00
12020137	TRADE PERMIT LICENCES	2,200,000.00	3,081,000.00	-881,000.00
12020138	HACKNEY PERMIT	450,000.00	500,000.00	-50,000.00
12020417	CONTRATOR REGISTRATION FEES		620,000.00	-620,000.00
12020418	MARRIAGE/DIVORCE FEES	1,428,200.00	1,706,000.00	-277,800.00
12020444	BURIAL FEES(COMPOUND)	2,500.00	90,000.00	-87,500.00
12020450	INSPECTION FEES	210,000.00	684,000.00	-474,000.00
12020494	IDENTIFICATION AND OATH FEES	7,036,000.00	7,527,500.00	-491,500.00
12020495	STALLAGE/MARKET FEES	3,957,000.00	4,459,800.00	-502,800.00
12020502	PENAL FEES	356,200.00	835,000.00	-478,800.00
12020705	EARNINGS FROM THE USE OF GOVT	10,000.00	2,443,000.00	-2,433,000.00

	HALL			
12020707	EARNINGS FROM MEDICAL SERVICES	4,832,198.02	5,053,728.00	-221,529.98
12020801	RENT ON GOVT. QUARTERS		204,000.00	-204,000.00
12020803	RENT ON GOVT. BUILDINGS	2,540,000.00	2,560,000.00	-20,000.00
12020901	RENT ON GOVT.LAND	2,926,600.00	3,941,900.00	-1,015,300.00

Recommendation: The Local Government is advised to put all necessary machineries in place which focus on each item of revenue to ensure that all revenue sources are efficiently harnessed. It is by doing this that the Local Government can embark on developmental projects for the benefit of its citizenry. Also, revenue loopholes or leakages if any should be blocked.

5(i). TAX DEDUCTION ON PROJECTS EXECUTED.

Observation: During the examination of vouchers, it was observed that the approvals attached to some project vouchers were different from the actual amount written on the vouchers. On enquiry, the treasurer of the Local Government explained that the difference represented VAT that the Local Government ought to self-account for as provided in the tax law but this was erroneously omitted when approval was sought from the Ministry of Local Government and Chieftaincy affairs. The details of the projects are as follows:

S/N	Description of The Projects.	Amount on The Vouchers (₦)	Approval (₦)	Difference (TAX) (₦)	Recipient/ PV No
1	Provision of borehole at Oke-Odan	3,783,783.78	3,500,000.00	283,783.78	Engineer Abiodun Olusegun vide PV.117/ December 2023
2	Construction of a block of 6 units VIP Toilet within the within the Secretariat	10,270,270.27	9,500,000.00	770,270.27	Mr. Mewunu E.T. vide PV.115/ December 2023
3	Rehabilitation of Alaanu Health Centre, Owode.	10,270,270.27	9,500,000.00	770,270.27	Engineer Abiodun Olusegun vide PV.47/ December 2023
4	Rehabilitation of 3 Blocks of classrooms at Ilobi Primary School.	8,108,108.11	7,500,000.00	608,108.11	Engineer Abiodun Olusegun vide PV.16/ December 2023
5	Construction of 28open stalls at Sayedero market, Ilaro.	19,459,459.46	18,000,000.00	1,459,459.46	Mr. Mewunu E.T. vide PV.46/ December 2023
6	Construction of 20 Lock-Up Shops at Sayedero Market.	21,837,837.84	20,200,655.36	1,637,837.84	Mr. Mewunu E.T. vide PV.2/ December 2023
	TOTAL	73,729,729.73	68,200,655.36	5,529,729.73	

It should be noted that payment of amount in excess of approval constitute violation of regulations which cannot be excused. As it stands, the sum of ₦5,529,729.73 paid in excess of the sum of ₦68,200,655.73 approved is unauthorised until the appropriate authority approves it.

Recommendation: You are advised to desist from payments above amount approved. You should immediately obtain required approval and inform me on this.

5(ii). VAT DEDUCTED FROM PROJECT FUND NOT REMITTED TO THE APPROPRIATE QUARTERS

Observation: During the period under review, it was observed that a sum of Twelve Million, One Hundred and Seventy-Six Thousand and Twenty-Two Naira, Eighty-Three Kobo (₦12,176,022.83) was the VAT deduction that had accumulated in the deposit ledger as at December, 2023. The breakdown is as follows:

Year	₦
2022	5,040,465.83
2023	<u>7,135,556.98</u>
Total	<u>12,176,022.83</u>

It should be emphasized that failure to remit funds deducted on behalf of third parties, especially statutory tax deductions, is illegal and also amounts to breach of trust.

Recommendation: You are advised to always remit amounts deducted to appropriate quarters to avoid needless distraction that may result from enforcement of tax laws on failure to remit.

6. NAMING OF STREET

Observation: I wish to refer to the half year audit inspection report No. OGLG/LAR/1/VOL.VI/431 of 8th February, 2024 where you were advised to intensify effort to recover the receivables on street naming which amounted to ₦4,977,500.00 only. During the audit exercise just concluded, the Local Government budgeted to collect a sum of ₦6,000,000.00 whereas, a paltry sum of ₦600,000.00 only was generated during the year.

During the end of year audit just concluded, it was sad to note that there was no cohesion in the work of officers. For instance, the officer in charge could not provide a list of those yet to pay the sum of ₦4,977,500.00 outstanding renewal fees. Meanwhile a list was provided during the audit of year 2022 accounts. This is an indication that there is no proper record keeping and the usual hand over procedure when schedule officers are changed are not being religiously followed. It is not likely that a person that is not aware that some persons are indebted to the Local Government would demand for such from them. This may be part of the answer for the poor performance of the Council on revenue from street naming.

Recommendation: You are advised to be alive to the duty of collection of renewal fee and to maintain appropriate accounting records. You are to ensure that there is proper handing over whenever schedule officers are changed.

7. JOB NOT DONE TO BILL OF ENGINEERING MEASUREMENT AND EVALUATION SPECIFICATION

Observation: During the examination of vouchers, it was noted that a sum of ₦10,270,270.27 was released to Engineer Abiodun Olusegun (Director, Works & Housing) vide PV 47 of December 2023 for rehabilitation of Alaanu Health Centre, Owode in the Local Government area. Audit visitation to the site revealed that the Job was not done to specification. It was observed that the following were not done according to the Bill of Engineering Measurement and Evaluation (BEME):

(i)	Re-cast of the crushed floor using In-situ concrete was not done at all	2,401,000.00
(ii)	Doors not sighted or fixed	420,000.00
(iii)	Half of the building was not painted	<u>118,134.00</u>
	Total	<u>2,939,134.00</u>

Recommendation: Though, this has been made a subject of audit query, the Engineer is hereby advised to always execute projects as provided in the BEME.

8. NON- RETIREMENT OF IMPREST

Observation: During the just concluded audit exercise, it was observed that most imprest paid to both political office holders and career officers were not retired. This is a contravention of the provisions of Chapter 14:23 of the Model Financial Memoranda for Local Governments (MFM) which states that current imprest shall not be paid until previous ones have been retired. Most of the imprests were retired at the instance of the external auditors. This is an indication that the Internal Auditor is not carrying out post payment audit as required and the Treasurer did not keep register of un-receipted voucher as provided by Chapter 23:20(11) of MFM.

Recommendation: You are advised to ensure that the Internal Auditor and Treasurer are alive to their duties by ensuring that post payment audit/check is carried out on all the payment vouchers. Imprest should no longer be released unless the last imprest has been properly accounted for. Please note that more stringent measures would be taken for infraction of this regulations.

9. **DOUBTFUL EXPENDITURE**

Observation: During the examination of vouchers, we observed that some expenditures were doubtful because official receipts and other required documents to proof that the expenditure were authentic were not attached and this contravenes the provisions of Chapter 14:17 of Model Financial Memoranda for Local Governments.

Some Examples of these was a sum of ₦240,000.00 paid to Mrs Onaade Caroline (Director of Information) for the facilitation of round-the-town publicity for year 2023 general election and a sum of ₦100,000.00 released to Mr. Odugbemi Jamiu O. (Principal Community Development Officer) to host important dignitaries during Renew Hope for Initiative by Her Excellency Mrs Bamidele Abiodun.

Recommendation: Although these vouchers have been subjected to audit queries, it is hereby advised that you always abide by the Model Financial Memoranda 14:17 by always attaching necessary documents to payment vouchers.

10. **PAYMENT FOR GOODS NOT SUPPLIED**

Observation: A sum of ₦100,000.00 was released to Mr. Faleti Emmanuel (Information Officer) vide PV 57/August 2023 to print twelve (12) official Portrait of the newly elected President and Governor. Physical verification of the items revealed that only three (3) portraits were available in the Local Government. Mr Faleti could not produce the remaining nine (9) portraits which cost ₦75,000.00.

Recommendation: You are advised to always produce all items as approved by appropriate authority.



YEWA SOUTH LOCAL GOVERNMENT

P. M.B. 14, Ilaro, Ogun State, Nigeria.

Our Ref No. 33/S.1/69

11th June, 2024

Our Ref No: _____

Your Ref No: _____

Date: _____

The Auditor General for Local Government,
Office of the Auditor General,
Oke – Mosan,
Abcokuta.

RE: AUDIT INSPECTION REPORT ON THE ACCOUNTS OF YEWA SOUTH LOCAL GOVERNMENT ILARO FOR THE PERIOD ENDED 31ST DECEMBER, 2023

Sequel to your report OGLG/LAR/1/VOL.VI/431 dated 5th May, 2023 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) RE: 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) RE: AUDIT QUERY

References to Audit queries no **OGLG/AQLAR/204/2023** On doubtful expenditure payment for Goods not supplied and Job not done to bill of Engineers measurement. The queries had been forwarded to the concerned officer without any delay. And immediate action has been taken by the officers concerned.

(3) RE: STATE OF RECORDS AND ACCOUNT

It was ascertained that few of the errors and miscalculation discovered during the audit exercise had been corrected before you left however, other errors and miscalculation noted had also been adjusted as advised.

(4) RE: REVENUE GENERATION PERFORMANCE

Going by the performance in year 2023, the Local Government has determined to put all machineries in place so that revenue sources within its jurisdiction are efficiently harnessed. And by doing so, no revenue heads will be short off.

(5) RE: TAX DEDUCTION ON PROJECTS EXERCISE

We should not be saying that we were not in the know that payment in excess of approval constitutes violation of regulation but this came as an oversight. Meanwhile, an approval will be sought and your office shall be informed.

(6) RE: TAX DEDUCTION FORM PROJECT FUND NOT REMITTED TO THE APPROPRIATE QUARTERS

The tax deduction's from project fund is noted for action to be remitted to the appropriate Ministry.

(7) RE: NAMING OF STREET

Efforts are being made to recover the outstanding sum of **N4,977,500.00** from registered street owners.

The Task Force on street Naming that was constituted had been working round the clock to recover this amount, but it's quite unfortunate that people do complain about the situation of the country, the impact of the Local Government not being felt in their communities in terms of road rehabilitation and other social amenities.

I wish to add that a Ledger had been opened which indicate the arrears owed by each street owners and how much they have paid up till date.

(8) RE: NON-RETIREMENT OF IMPREST

The Recommendation is well noted and necessary measure has been put in place to guide against the future occurrence.



FATERU OLUWOLE O.
Head of Local Government Administration
For: Executive Chairman