

OGUN STATE GOVERNMENT, NIGERIA

STATUTORY REPORT

AND

DOMESTIC REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

ON THE ACCOUNTS

OF

SAGAMU 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 Sagamu 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.

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 SAGAMU LOCAL GOVERNMENT FOR THE YEAR ENDED 31ST DECEMBER, 2023

The accounts of Sagamu 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.



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 SAGAMU LOCAL GOVERNMENT, SAGAMU 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 account of Sagamu Local Government, Sagamu 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 the 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 appreciable improvement in the account and record keeping. There were few errors in the deposit ledger.

(3) FINANCIAL REVIEW:

REVENUE	AMOUNT (₦)
Independent Revenue	107,829,546.13
Statutory Allocation	<u>3,612,078,961.04</u>
Total	<u>3,719,908,507.17</u>
EXPENDITURE	
Salaries & Allowance	2,126,510,295.59
Pension	1,043,439,204.08
Overhead Expenses (including Depreciation & Loss on Disposal of Assets)	449,403,291.97
Long Term Assets	<u>51,087,625.63</u>
Total	<u>3,670,440,417.27</u>

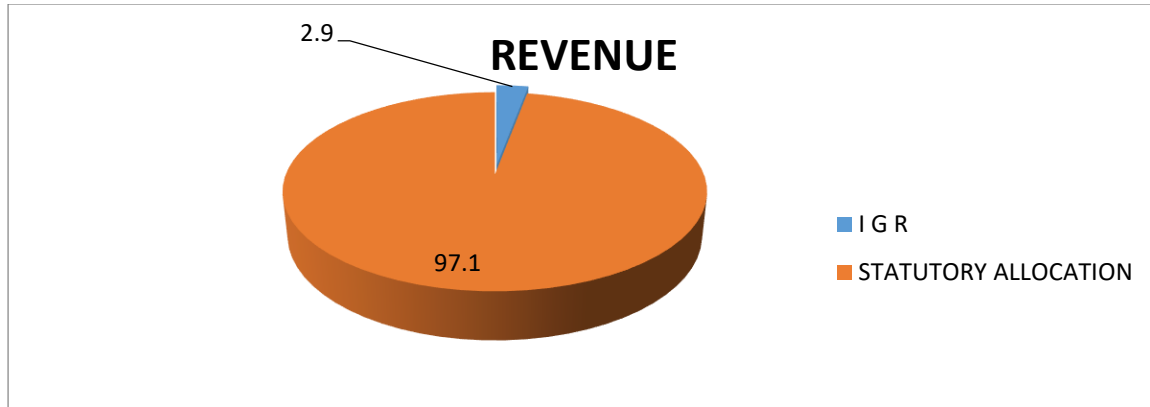
(4) REVENUE PERFORMANCE:

(i) STATEMENT OF ACTUAL REVENUE

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦182,450,000.00, a sum of ₦107,829,546.13 only was actually generated internally representing 59.10%. This represents an increase of 6.80% when compared with the sum of ₦100,967,717.28 generated in year 2022. This is an improved revenue performance but it is not a true reflection of the revenue potential of the Local Government.

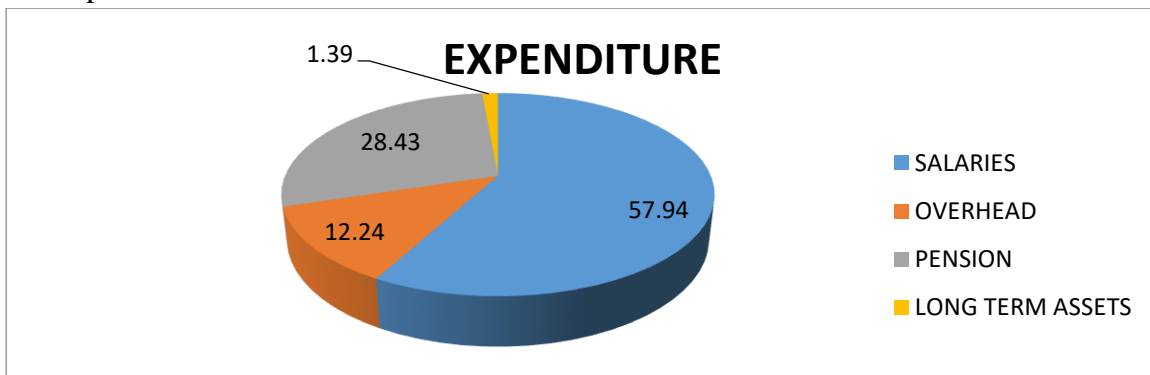
(ii) PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE

The Audit exercise revealed that out of the total revenue of ₦3,719,908,507.17 realized by the Local Government during the year under review, a sum of ₦107,829,546.13 only was generated internally. This represented 2.90% of the total revenue while the sum of ₦3,612,078,961.04 statutory allocation represented 97.10%. The implication of this is that without Revenue Allocation from the Federation Accounts, the Local Government might not be able to meet her obligations.



(5) EXPENDITURE PATTERN

During the period under review, examination of the expenditure profile of the Local Government revealed a total expenditure of ₦3,670,440,417.27. Out of this, a sum of ₦449,403,291.97 was expended on overhead which represented 12.24% of the total expenditure for the year. Also, a sum of ₦2,126,510,295.59 was expended on salaries and allowances representing 57.94% of the total expenditure for the year while ₦1,043,439,204.08 was expended on pensions and this represented 28.43% of the total expenditure for the year. The sum of ₦51,087,625.63 was expended on long term assets and this represented 1.39% of total expenditure for the year. This pattern of expenditure does not augur well for meaningful development in the Local Government.



(6) **DEBT PROFILE**

The total debt profile of the Local Government according to the Statement of Financial Position as at 31st December, 2023 was ₦204,618,462.34. The liabilities are highlighted below:

S/NO	ITEMS	AMOUNT (₦)
1	PAYE	-
2	PENSION	122,459,292.31
3	NULGE	9,183,681.64
4	5% TAX	3,411,013.25
5	7.5% TAX	24,535,361.01
6	NHF	102,488.90
7	COOP	1,529,280.45
8	5% DEVELOPMENT LEVY	1,939,692.15
9	LOAN & DEBT	706,357.86
10	ACCRUED EXPENSES & PAYABLE	14,134,687.63
9	OTHERS	26,616,607.14
	Total	204,618,462.34

It was observed that the amounts highlighted above had been deducted from various contracts, salaries and allowances of workers but not remitted to appropriate agencies. This is against extant rules and regulations.

(7) **ADVANCE**

The sum of ₦9,310,526.43 highlighted in the Statement of Financial Position as the Advances were dormant during the year.

(8) **INVESTMENTS**

The sum of ₦550,000,000.00 shown in the Statement of Financial Position as investment as at December, 2023 could not be verified because the Local Government could not produce investment certificate or other evidences to confirm its existence.



SAGAMU LOCAL GOVERNMENT

Our Ref. No. SLG.FS.131/Vol.II/169

14th February, 2024

RESPONSIBILITY FOR FINANCIAL STATEMENT

This financial Statement have been prepared by me in accordance with the provision of Finance (Control and Management) Act Cap 144 LFN 1990 as amended. The Financial Statement Comply with the generally accepted accounting practice.

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

MR. WALE BELLO

Treasurer

Date:

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

In our opinion, these Financial Statement fairly reflect the financial position of Sagamu Local Government Area as at 31st December, 2023 and the operation for the year ended on the date.

MR. WALE BELLO

Treasurer

Date:

OGBENI JUBRIL ODULATE

Executive Chairman

Date:.....

ADDRESS: BASHORUN ADEBISI ADESANYA ROAD, SAGAMU, OGUN STATE.

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

	NOTES	2023	2022
CURRENT ASSET		₦	₦
CASH & CASH EQUIVALENTS	8	19,405,364.15	36,501,065.39
INVENTORIES		6,203,747.94	1,995,450.00
RECEIVABLES		1,236,400.00	1,277,800.00
PREPAYMENT			
ADVANCE		9,310,526.43	9,310,526.43
TOTAL CURRENT ASSET (A)		36,156,038.52	49,084,841.82
NON CURRENT ASSET			
PROPERTY PLANT & EQUIPMENT	10	534,037,891.07	511,675,015.60
INVESTMENT PROPERTY	11	406,487,000.00	414,723,200.00
BIOLOGICAL ASSET			
INVESTMENT		550,000.00	550,000.00
LOAN GRANTED			
TOTAL NON CURRENT ASSET (B)		941,074,891.07	926,948,215.60
TOTAL ASSET (C=A+B)		977,230,929.59	976,033,057.42
CURRENT LIABILITY			
DEPOSIT			
LOAN & DEBT		706,357.86	737,191.21
UNREMITTED DEDUCTIONS	9	189,777,416.85	259,108,886.49
ACCRUED EXPENSES, PAYABLES		14,134,687.63	44,130,228.00
DEFERRED INCOME			
CURRENT PORTION OF BORROWING			
TOTAL CURRENT LIABILITY (D)		204,618,462.34	303,976,305.70
NON CURRENT LIABILITY			
PUBLIC FUND		2,942,287.66	2,942,287.66
BORROWING			
TOTAL NON CURRENT LIABILITY (E)		2,942,287.66	2,942,287.66
TOTAL LIABILITY (F=D+E)		207,560,750.00	306,918,593.36
NET ASSETS (G= C-F)		769,670,179.59	669,114,464.06
NET ASSET/EQUITY			
RESERVE			
ACCUMULATED SURPLUS/ DEFICIT		769,670,179.59	669,114,464.06
TOTAL NET ASSET/EQUITY		769,670,179.59	669,114,464.06

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

	NOTES	2023	2022
REVENUE		₦	₦
STATUTORY ALLOCATION	1	3,426,665,512.97	2,610,964,252.87
NON TAX REVENUE:	2	104,591,093.00	100,401,795.00
INVESTMENT INCOME			
INTEREST EARNED		6,255.79	
GAIN/LOSS ON DISPOSAL ON ASSET			
AIDS & GRANTS	3		34,848,573.33
OTHER REVENUE		3,232,197.34	565,922.28
TOTAL REVENUE (A)		3,534,495,059.10	2,746,780,543.48
EXPENDITURE			
SALARIES & WAGES	4	1,911,914,993.52	1,626,423,676.45
NON- REGULAR ALLOWANCE	5	29,181,854.00	
SOCIAL BENEFIT	6	1,043,439,204.08	908,365,351.89
OVERHEAD COST	7	409,092,341.81	157,948,569.40
SUBVENTION TO PARASTATALS		3,350,000.00	1,150,000.00
DEPRECIATION	10&11	36,960,950.16	31,605,130.61
GAIN/LOSS ON DISPOSAL ON ASSET			
TOTAL EXPENDITURE (B)		3,433,939,343.57	2,725,492,728.35
SURPLUS / DEFICIT (C=A-B)		100,555,715.53	21,287,815.13

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

	₦
Balance 1/1/2022	647,826,648.94
Prior Year Adjustment	- 0.01
Adjusted Balance	647,826,648.93
Surplus/ (deficit) for the year	21,287,815.13
Balance 31/12/2022	669,114,464.06
Prior Year Adjustment	
Adjusted Balance	669,114,464.06
Surplus/ (deficit) for the year	100,555,715.53
Balance at 31 December 2023	769,670,179.59

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

CASH FLOWS FROM OPERATING ACTIVITIES	2023	2022
<u>INFLOWS</u>	₦	₦
STATUTORY ALLOCATION	3,426,665,512.97	2,610,964,252.87
LICENCES, FINES, ROYALTIES, FEES ETC	64,242,700.00	63,157,550.00
EARNINGS & SALES	25,287,293.00	22,714,645.00
RENT OF GOVERNMENT PROPERTIES	15,102,500.00	13,844,600.00
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL	6,255.79	
DOMESTIC AIDS & GRANTS		34,848,573.33
OTHER REVENUE	3,232,197.34	565,922.28
TOTAL INFLOW FROM OPERATING ACTIVITIES A	3,534,536,459.10	2,746,095,543.48
<u>OUTFLOW</u>		
PERSONNEL EMOLUMENTS	1,941,096,847.52	1,626,423,676.45
SOCIAL BENEFIT	1,043,439,204.08	908,365,351.89
OVERHEADS	443,296,180.12	162,325,019.40
SUBVENTION TO PARASTATALS	3,350,000.00	1,150,000.00
INTEREST PAYMENT		
TOTAL OUTFLOW FROM OPERATING ACTIVITIES B	3,431,182,231.72	2,698,264,047.74
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B	103,354,227.38	47,831,495.74
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
PURCHASE/ CONSTRUCTION OF ASSETS	51,087,625.63	11,460,000.00
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE		
PROCEED FROM SALE OF ASSETS		
DEFERRED INCOME		
DIVIDEND RECEIVED		
NET CASH FLOW FROM INVESTING ACTIVITIES	-51,087,625.63	-11,460,000.00
<u>CASH FLOW FROM FINANCIAL ACTIVITIES</u>		
DEPOSIT/ UNREMITTED DEDUCTIONS	-69,331,469.64	-10,052,608.44
PUBLIC FUND		
PROCEEDS FROM DOMESTIC LOANS & OTHER		
REPAYMENTS OF LOAN	30,833.35	2,476,887.46
NET CASH FLOW FROM FINANCIAL ACTIVITIES	-69,362,302.99	-12,529,495.90
NET CASH FLOW FROM ALL ACTIVITIES	-17,095,701.24	23,841,999.84
CASH & ITS EQUIVALENT AS AT 1/1/2023	36,501,065.39	12,659,065.55
CASH & ITS EQUIVALENT AS AT 31/12/2023	19,405,364.15	36,501,065.39

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%

	<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 iii. An asset's carrying amount is written down immediately to its recoverable amount or recoverable service amount if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.
10	<p>Disposal Gains or losses on the disposal of fixed assets are included in the income statement as either an income or expenses respectively.</p> <p>Impairment Entities shall test for impairments of its PPE where it suspects that impairment has occurred.</p>
11	<p>Investment Property These are cash-generating property owned by the Local Government. The cost, depreciation and impairment of Investment Property are same with PPE.</p>
12	<p>Unremitted Deductions</p> <ul style="list-style-type: none"> a) Unremitted deductions are monies owed to third parties such as tax authorities, schemes and associations and other government agencies. These include tax deductions and other deductions at source. b) These amounts are stated as Current Liabilities in the Statement of Financial Position.
13	<p>Payable/Accrued Expenses</p> <ul style="list-style-type: none"> a) These are monies payable to third parties in respect of goods and services received b) Accrued Expenses for which payment is due in the next 12 months are classified as Current Liabilities. Where the payments are due beyond the next 12 months, they are accounted for as Non-Current Liabilities.
14	<p>Current Portion of Borrowings This is the portion of the long-term loan/borrowing that is due for repayment within the next 12 months. This portion of the borrowings is classified under Current Liabilities in the Statement of Financial Position.</p>

NOTES TO THE GPFS FOR THE YEAR ENDED 31ST DECEMBER, 2023

1 SHARE OF STATUTORY ALLOCATION FROM JAAC

	DETAILS	2023	2022
		₦	₦
	JANUARY	386,314,403.80	192,575,275.99
	FEBRUARY	219,402,807.85	196,310,075.08
	MARCH	225,987,494.11	187,784,715.92
	APRIL	217,781,482.80	202,653,602.97
	MAY	299,825,712.04	198,366,655.70
	JUNE	224,830,191.29	195,917,810.59
	JULY	291,086,317.61	215,038,893.43
	AUGUST	312,446,115.84	222,875,762.42
	SEPTEMBER	280,725,969.98	212,537,102.02
	OCTOBER	278,568,061.49	368,216,533.32
	NOVEMBER	274,204,954.62	201,088,528.95
	DECEMBER	415,492,001.54	217,599,296.48
	TOTAL	3,426,665,512.97	2,610,964,252.87

2 NON-TAX REVENUE

	LICENCES	9,579,500.00	16,116,300.00
	FEES	54,218,200.00	45,372,250.00
	FINES	445,000.00	1,669,000.00
	EARNINGS	8,940,238.00	6,137,860.00
	RENT OF GOVERNMENT PROPERTIES	15,102,500.00	13,844,600.00
	SALES	16,305,655.00	16,576,785.00
	TOTAL	104,591,093.00	99,716,795.00

3 AIDS & GRANTS

	OGUN STATE GOVERNMENT		34,848,573.33
	NON GOVERNMENT ORGANISATION		
	TOTAL	0.00	34,848,573.33

4 SALARIES & WAGES

	LOCAL GOVERNMENT STAFF	612,715,846.73	519,628,055.50
	PRIMARY SCHOOL TEACHERS	914,443,120.40	827,606,083.70
	TRADITIONAL COUNCIL	245,263,070.27	211,460,532.41
	POLITICAL FUNCTIONARIES	139,492,956.12	67,729,004.84
	TOTAL	1,911,914,993.52	1,626,423,676.45

5 NON- REGULAR ALLOWANCE

	LEAVE BONUS	29,181,854.00	
	TOTAL	29,181,854.00	

6 SOCIAL BENEFIT

	GRATUITY	96,085,195.37	-
	PENSION	947,354,008.71	908,365,351.89
	TOTAL	1,043,439,204.08	908,365,351.89

7 OVERHEAD COST BY DEPARTMENT

	CHAIRMAN & COUNCIL	53,757,000.00	46,289,500.00
	HOLGA	200,000.00	635,000.00
	INTERNAL AUDIT	745,000.00	945,000.00
	ADMINISTRATIVE	179,221,343.23	33,516,966.09
	FINANCE	34,148,049.83	23,075,213.31
	INFORMATION	20,148,750.00	400,000.00
	P H C	28,209,400.00	19,497,500.00
	AGRIC	-	205,000.00
	WORKS	78,985,798.75	26,145,390.00
	PLANNING	4,856,000.00	2,977,000.00
	WES	7,655,000.00	4,115,000.00
	COMMUNITY	1,166,000.00	147,000.00
	TOTAL	409,092,341.81	157,948,569.40

8 CASH & CASH EQUIVALENTS

	CASH AT HAND	20,384.99	9,674.99
	CASH IN BANKS	19,384,979.16	36,491,390.40
	TOTAL	19,405,364.15	36,501,065.39

9 UNREMITTED DEDUCTIONS

1	PAYE	-	79,038,157.35
2	PENSION	122,459,292.31	122,459,292.31
3	NULGE	9,183,681.64	9,183,681.51
4	5% TAX	3,411,013.25	3,411,013.25
5	7.5% TAX	24,535,361.01	17,297,861.63
6	NHF	102,488.90	
7	COOP	1,529,280.45	1,529,280.45
8	5% DEVELOPMENT LEVY	1,939,692.15	1,939,692.15
9	OTHERS	26,616,607.14	24249907.84
	Total	189,777,416.85	259,108,886.49

NOTE 10

SCHEDULE OF PROPERTY, PLANT & EQUIPMENT

	LAND & BUILDING 2%	LAND	PLANT & MACHINERY 10%	TRANSPORTATION EQUIPMENT 20%	OFFICE EQUIPMENT 25%	FURNITURE & FITTINGS 20%	INFRASTRUCTURE 10%	TOTAL
BAL AS AT 01/01/2023	515,180,000.00	0	13,688,000.00	49,946,978.02	1,388,000.00	13,143,290.00	6,000,000.00	599,346,268.02
ADDITIONAL DURING THE YEAR	4,000,000.00		9,370,485.63	1,968,000.00	970,000.00	5,741,640.00	28,687,500.00	50,737,625.63
ADJUSTMENT								0.00
DISPOSAL DURING THE YEAR								-
BAL. C/F	519,180,000.00	-	23,058,485.63	51,914,978.02	2,358,000.00	18,884,930.00	34,687,500.00	650,083,893.65
ACCUMULATED DEPRECIATION								
BAL. AS AT 01/01/2023	41,214,400.00	0	3,327,200.00	30,278,882.42	1,222,200.00	9,828,570.00	1,800,000.00	87,671,252.42
ADDITIONAL DURING THE YEAR	10,383,600.00		2,305,848.56	8,952,295.60	325,000.00	2,939,256.00	3,468,750.00	28,374,750.16
ADJUSTMENT								-
DISPOSAL DURING THE YEAR								-
BAL. C/F	51,598,000.00	-	5,633,048.56	39,231,178.02	1,547,200.00	12,767,826.00	5,268,750.00	116,046,002.58
AS AT 31/12/2023	467,582,000.00	-	17,425,437.07	12,683,800.00	810,800.00	6,117,104.00	29,418,750.00	534,037,891.07
AS AT 31/12/2022	473,965,600.00	-	10,360,800.00	19,668,095.60	165,800.00	3,314,720.00	4,200,000.00	511,675,015.60

NOTE 11

SCHEDULE OF INVESTMENT PROPERTY

	LAND & BUILDING 2%	LAND	TOTAL
BAL AS AT 01/01/2023	428,960,000.00	20,000,000.00	448,960,000.00
ADDITIONAL DURING THE YEAR	350,000.00		350,000.00
ADJUSTMENT			0.00
DISPOSAL DURING THE YEAR			-
BAL. C/F	429,310,000.00	20,000,000.00	449,310,000.00
ACCUMULATED DEPRECIATION			
BAL. AS AT 01/01/2023	34,236,800.00	0	34,236,800.00
ADDITIONAL DURING THE YEAR	8,586,200.00	-	8,586,200.00
ADJUSTMENT			
DISPOSAL DURING THE YEAR			
BAL. C/F	42,823,000.00	-	42,823,000.00
AS AT 31/12/2023	386,487,000.00	20,000,000.00	406,487,000.00
AS AT 31/12/2022	394,723,200.00	20,000,000.00	414,723,200.00

The Executive Chairman,
Sagamu Local Government,
Sagamu.

**AUDIT INSPECTION REPORT ON THE ACCOUNTS OF SAGAMU LOCAL
GOVERNMENT, SAGAMU FOR THE PERIOD OF 1ST JANUARY TO 31ST
DECEMBER, 2023**

The following comments in addition to those contained in the Statutory Audi Reports which will be issue from this office are referred for your attention and comments in connection with the above Audit Inspection.

2. AUDIT QUERIES

The underlisted audit queries had earlier been forwarded to you for necessary action as required by law.

S/N	Query Number	Subject	Amount(₦)
1.	OGLG/AQ/1/SAG/171/2023	Unretired Imprests	160,000.00
2.	OGLG/AQ/1/SAG/172/2023	Unretired Imprests	400,000.00
3.	OGLG/AQ/1/SAG/173/2023	Unreceipt Expenditure	200,000.00
4.	OGLG/AQ/1/SAG/174/2023	Doubtful Expenditure	150,000.00
5.	OGLG/AQ/1/SAG/175/2023	Unretired Imprests	150,000.00
6.	OGLG/AQ/1/SAG/176/2023	Doubtful Expenditure	100,000.00
7.	OGLG/AQ/1/SAG/177/2023	Doubtful Expenditure	500,000.00
8.	OGLG/AQ/1/SAG/178/2023	Doubtful Expenditure	100,000.00

3. REVENUE GENERATION PERFORMANCE

Observation: A review of the Internally Generated Revenue (IGR) records of the Local Government revealed that a sum of ₦104,591,093.00 only was generated as against the sum of ₦210,450,000.00 only approved revenue for the period of under review. This amount generated represents 54.92% of the revenue budgeted which appears to be higher when compared with the sum of One Hundred Million, Four Hundred and One Thousand, Seven Hundred and Ninety-Five Naira (₦100,401,795.00) only generated in the year 2022.

It appears that there were some revenue sources that were partly harnessed or not harnessed at all or there are leakages in the revenue generation mechanism which were yet to be identified and blocked. Such revenue sources which require more attention are stallages, trade permit, license, abattoir/slaughter license, Street Naming/Renewal fees, Identification/Oath fees, parking fee and Association fees etc.

Recommendation: I therefore wish to reiterate my earlier advice and to urge your Local Government to put all necessary machineries in place in order to enhance your internally generated revenue. All revenue loopholes or leakages if any should be blocked.

4. NAMING OF STREET

Observation: I wish to refer to paragraph 7 of the report No. OGLG/SAG/I/Vol. IV/281 of 5th April, 2023 and to observe that your Local Government is yet to heed to my advice on the need to have a comprehensive data of all the streets that existed within your Local Government area which will help in determining the individuals or cooperate bodies that have defaulted in the payment of renewal fees, and to keep tab on those who willingly come for the renewal of their application as well as those who comes with fresh applications for street to be named after them. The absence of a comprehensive data for all the streets in your Local Government is a clear violation of the provisions of Chapter 6: 23 of Model Financial Memorandum which requires that, where revenue become due to the Local Government on recurring fixed interval, a register of recurring revenue must be kept. Available records revealed that a sum of ₦3,621,400.00 was generated out of the budgeted sum of ₦4 Million for the year. I wish to state that your Local Government could generate more than this considering the cosmopolitan nature of particularly Sagamu Township.

It was therefore at the instance of the Audit team during the recent Audit exercise that a comprehensive data of all the streets that existed within your Local Government has now been compiled but a register is yet to be opened which will serve as a permanent record for all the street that existed within your locality.

Recommendation: It is in the light of the above that I wish to advise your Local Government to embark on aggressive revenue drive to meet revenue target set derivable from street naming and ensure that leakages identified are blocked. I also wish to implore the Management to maintain a register of all the streets that existed within your Local Government.

5. LOCK-UP SHOPS AND OPEN STALLS FALAWO MARKET

Observation: During the just concluded audit exercise, visitation made to Falawo Market revealed that out of seventy-nine (79) Lock-up shops allocated to individual with the expect sum of One Million, Six Hundred and Sixty-Two Thousand Naira (**₦1,662,000.00**) only for the year 2023. A sum of One Million, Five Hundred and Sixty-Six Thousand Naira (**₦1,566,000.00**) only had so far been realized, leaving a balance of Ninety-Six Thousand Naira (**₦96,000.00**) only yet to be collected. I wish to advise your Local Government to intensify its efforts towards recovering the remaining balance before the first quarters of year 2024.

The details are hereby analysis:

	₦
The Front roll: 40 x N24,000.00 per Annum	960,000.00
The Back roll: 39 x N18,000.00 per Annum	<u>702,000.00</u>
Rent per occupier for year 2023	1,662,000.00
Payment per occupier for year 2023	<u>(1,566,000.00)</u>
Expected rent from 6 defaulter occupiers	<u>96,000.00</u>

It was observed that seventy-four (74) open stalls at Falawo Market at the rate of Six Thousand Naira (₦6,000.00) only each per annum. However, nothing positive has been done by your Local Government to renovate the seventy-four (74) open stalls up till the time of writing this report. A sum of Four Hundred and Forty-Four Thousand Naira (₦444,000.00) would have been realized from the shops if they were occupied.

Recommendation: The Management of your Local Government is advised to renovate the shops in order to generate more revenue for your Local Government.

6. OJA OBA MARKET

Observation: It was observed during the audit exercise that a sum of Three Million, One Hundred and Twenty-Eight Thousand Naira (₦3,128,000.00) only is expected to be generated from the Ninety-two (92) Lock-up shops at the market rate of Twenty-Four Thousand Naira (₦24,000.00) only per annum between August 2022 to December, 2023, but a sum of Two Million, Four Hundred and Forty Thousand Naira (₦2,440,000.00) only was realized for the year leaving a balance of Six Hundred and Eighty-Eight Thousand Naira (₦688,000.00) only yet to be recovered from some of the occupants of the Lock-up shops.

The Analysis is hereby below:-

Expected Annual Rent from August 2022 to December 2023 - ₦24,000x92 =	₦ 3,128,000.00
Expected Annual rent paid between:	
August 2022 to July 2023 - ₦24,000 x 64 =	₦1,536,000
August 2023 to December 2023 - ₦10,000 x 90 =	900,000
2 months between August 2023 to Sept. 2023 =	4,000
Outstanding debt as at 31 st December, 2023	<u>(2,440,000.00)</u> <u>688,000.00</u>

Recommendation: The Local Government should make effort to recover the outstanding debt owed by the occupant of the shops at Oja-Oba market within 2 weeks from the date of this report.

7. CONSTRUCTION OF SIXTY (60) LOCK-UP SHOPS AT ISALE OKO MOTOR PARK

Observation: Audit investigation revealed that your Local Government awarded the construction of sixty (60) lock-up shops at Isale-Oko Motor Park off Akarigbo way Sagamu to F. O. Eternal-Gift Global Investment company limited (the Developer) of No. 15 Ososa Street Ikotu Lagos state on Build Operate and Transfer (BOT) at the cost of ₦157,560,900.45 within

stipulated period of 12 months with effect from 22nd of November, 2022 to 21st October, 2023 at an agreed lease hold period of Twenty Five (25) year's period commencing from the date of completion of the project.

Audit visitation to the construction site at Isale-Oko on February, 27th 2024 revealed that only two blocks of lock-up shops containing ten (10) rooms had been decked, but yet to do the plaster, the fixing of doors and the roofing. At the time of writing this report, almost a year meant for the completion of this project, the extent of work done so far appears to be very slow. It would therefore appear that the developer lack the financial capacity to complete this project within the agreed time limit.

Recommendation: The management of your Local Government is advised to invite the developer into a round table discussion on how to complete this project within the stipulated time and avoid variation in the cost of this project. Please inform this office of the action taken within two weeks of the receipt of the report.

8. **CONSTRUCTION OF TEMIDIRE ALABA MARKET. OGIJO ON BUILD, OPERATE AND TRANSFER ARRANGEMENT**

Observation: It was observed that the approval of the Ministry of Local Government and Chieftaincy Affairs was conveyed to your Local Government vide its letter reference No.CM35/10/T1A/222 of 13th December, 2021 to award the construction of Five Hundred (500) Modern Lockup Shops and Two hundred (200) kee klamp with modern public toilet at the Temidire Alaba Market, Ogijo at the cost of ₦849,988,897.65 to Mr. Kehinde Fajana, Managing Director/Chief Executive officer of Eliezer Investment Limited of No. 18b Olorunbe street, Wema bank estate off along Ajao road, off Adeniyi Jones, Ikeja Lagos State on Build, Operate and Transfer (BOT).

It was agreed by both parties that the total cost of this project and all other incident cost such as Legal Fee approval fee and cost of stamp duty shall be paid by the developer.

The Local Government as contained in the deed of agreement shall be entitled to 2% of the total number of Lock up shops and kee klamps to be constructed. Each allotee/tenant shall also pay annual ground rent on the shops and kee klamps to be determined by the Local Government. Audit verification visit made to the site in February, 2024 revealed that the Level of work done so far is very slow for a project that ought to have been completed since December, 2023.

The setting of blocks is yet to commence on some of the building, while work is yet to commence on others at varying levels of construction.

The quantum of work that is still outstanding on the site are casting of beams and columns, fixing of windows and doors, toilet facilities, painting, packing spaces. Electrical works, fencing and gate.

Recommendation: The Management is advised to invite the developer for a meeting and address frontally all encumbrance, impediments and challenges threatening the timely delivery of this laudable project.

9. AGRICULTURE AND NATURAL RESOURCES

Observation: It is becoming worrisome to note that there has been no activity in the department of Agric and Natural Recourses for over Five (5) years now. The Head of department and other supporting staff has continued to remain idle and were just collecting salaries and allowances without doing anything. It was observed that a sum of One Million Three Hundred and Fifty Thousand Naira (₦1,350,000.00) only was the budgeted revenue for this department for the year 2023 but surprisingly nothing was generated for the year. This is a clear indication of budget failure and non-performance.

Recommendation: It is in the light of the above that I wish to implore your Local Government noted for its Agarian nature to take full advantage of its agricultural potentials coupled with its harness to Lagos State with several readily available markets to buy your agricultural products should endeavour to embark on Agric projects which will no doubt boost tremendously your internally generated revenue.

10. ON-GOING PROJECT

INSTALLATION OF SOLAR LIGHT

Observation: A sum of Twenty-Eight Million, Six Hundred and Eighty-Seven Thousand, Five Hundred Naira (₦28,687,500) only was released to Odeyinka Babajide I. (Engineer II) vide PV NO. 55/Dec. 2023 for the purchase and installation of solar power lights across the ten (10) wards in Sagamu Local Government. Upon inspection, it was observed that all the solar lights and the galvanized poles meant for its erection had been bought but yet to be installed at the designated places.

Recommendation: Please ensure that the installations are done without any further delay to prevent theft or pilferage.

11. CONSTRUCTION OF ADESANYA STREET, AJAKA, SAGAMU

Observation: It was observed that a sum of Thirty-Eight Million, Six-Hundred and Four Thousand, Five Hundred and Seventy-Seven Naira (₦38,604,577.00) only was released to Fabowale Israel O. (Chief Technical Officer) vide P.V. No. 53/Dec. 2023 for the reconstruction of Adesanya street, Ajaka with interlock blocks. The materials used was found to be of high quality and the project at the time of Audit verification visit had reached 85% stage of completion.

Recommendation: Please ensure that this project is completed without any further delay to avoid variation in cost of the project.

12. DOUBTFUL EXPENDITURE

Observation: A sum of Five Hundred Thousand Naira (₦500,000.00) was found to have been released to Adumo Adedolapo (Secretary Carol Planning Committee) vide PV. No. 10/Dec. 2023 as financial support for the Christmas carol and End of the year 2023 activities.

Moreso, was another sum of ₦100,000.00 released to Mr. Ogunniyi Olakunle (Executive Officer) vide PV. No. 01/Sep. 2023 as financial assistance for the thanksgiving/send forth and award ceremony in Remo Forum held in September, 2023. A cursory look at the payment voucher revealed that none of them was supported with any official letter to acknowledge the receipt of these monies and neither was there any official printed receipt attached to the payment voucher as required by the provision at chapter 14:17 of the Model Financial Memoranda for Local Government thereby rendering expenditure doubtful.

Recommendation: I wish to advise that necessary document should always be attached to payment vouchers as required by law.

13. UNRETIRED IMPREST

Observation: During the period under review, it was observed that both political functionaries and career officers were still in the habit of not retiring the monthly office imprest granted to them. Example of such unretired imprest was a sum of ₦150,000.00 released to Mr. Yisau Rasheed vide payment voucher was 21/July, 30/August, and 29/September, 2023 as office imprest. This violated the provision of chapter 14:24 and 14:27 of the Model Financial Memoranda for Local Governments which state that “No imprest shall be approved unless all previous imprest issued for the same purpose have been retired and the purpose for which the imprest was granted completed.

Recommendation: The Treasurer and the internal Audit are advised to be alive to their responsibilities in this regard.

14. VANDALIZATION OF PROPERTIES AT THE LOCAL GOVERNMENT SECRETARIAT

Observation: It was reliably gathered during the recent audit exercise by the Team of Auditors that on Monday 20th February, 2023, some protesters and hoodlums who were protesting the redesign of the Naira notes invaded your Local Government Secretariat, Sagamu and destroyed virtually all the movable and immovable assets of your Local Government. Sequel to this, a board of enquiry was set up by the F&GPC on 27th March, 2023 to investigate and make recommendations on how to curb and prevent future occurrence.

It was however surprising to note that up till now, the report of the board of enquiry has not been forwarded to this Office on the matter as required by Chapter 8:8 (3) of the Model Financial Memoranda and No. 1533(c) of the Ogun State financial regulation.

A cursory look at the report of the board of enquiry shown to the Audit Team revealed that the total worth of items and other equipment destroyed was to the tune of ₦99,569,100.00.

Recommendation: It is in the light of the above that I wish to urge your Local Government to forward a copy of the report of the board of enquiry shown to the Audit Team to this Office without any further delay for necessary action and compliance with the requirements of the MFM.

15. OFFICIAL VEHICLES TAKEN AWAY BY POLITICAL OFFICE HOLDERS

Observation: Despite repeated advise from this Office that your Local Government should retrieve all the vehicle taken away by former political functionaries without following due

process, little or no action seems to have been taken by the Management of your Local Government.

The details of the official vehicles taken away and their custodians are as follows:-

S/ N	Type	Model	Cost of Purchase	Custodian
1	Toyota Corola – Sport		₦3,650,000.0 0	Hon. Femi Kafaru- Former Executive Chairman
2	Toyota Camry	2011 Model	₦3,762,500.0 0	Hon. Banjo Gbenga – Transition Chairman
3	Toyota Camry	2004	₦2,365,000.0 0	Hon. Adebayo Wasiu – Vice Chairman
4	Toyota Camry	2004	₦2,365,000.0 0	Mr. Kolapo Adenuga – SLG

Recommendation: You are once again enjoined to take necessary steps to recover your Local Government vehicles unlawfully taken away by your former political office holders and inform this office appropriately.



SAGAMU LOCAL GOVERNMENT

19th June, 2024.

The Auditor General for Local Government
Parastatal Building,
Oke Mosan,
Abeokuta.

RE-AUDIT INSPECTION REPORT ON THE ACCOUNTS OF SAGAMU LOCAL GOVERNMENT, SAGAMU, FOR THE PERIOD OF 1ST JANUARY TO 31ST DECEMBER, 2023.

I am directed to refer to your letter on the above subject and to forward the comments / reactions of the management of this Local Government to your office as regards steps taken on your report.

1. DESTRUCTION OF EXHAUSTED RECEIPT BOOKS

The list of the exhausted receipts will be sent to your office very soon for approval to be granted before destruction.

2. AUDIT QUERIES:

All queries have been forwarded to the respondents and their replies will be forwarded to your office for necessary action.

3. REVENUE GENERATION PERFORMANCE:

Your observation on our performance on the Internally Generated Revenue (IGR) is highly noted. Efforts are on to minimize leakages if not totally blocked. As mentioned, the revenue has improved compare to the same period last year. The management has put in place measures and strategies that will ultimately boost the revenue of the Local Government.

4. NAMING OF STREET

Your observations on the performance of the above revenue collection is noted. However, the Local Government had embarked on aggressive revenue drive to ensure an improvement in the revenue generation from Street naming. Also, a register of all street registered within the Local Government had been opened and renewal of streets is ongoing.

ADDRESS: BASHORUN ADEBISI ADESANYA ROAD, SAGAMU, OGUN STATE.

5. LOCK-UP SHOP AND OPEN STALLS:

(i) FALAWO MARKET:

The remaining amount of Ninety-Six Thousand Naira (₦96,000.00) has been captured in the General Purposes Financial Statement (GPFS) for the year 2023 as Receivables and every penny has been collected this year. The issue of renovation will be looked into by the management.

(ii) OJA OBA MARKET:

The management will intensify efforts to make sure that all the money are recovered since the sum had been captured under receivable in the year 2023 General Purposes Financial Statement (GPFS).

6. CONSTRUCTION OF SIXTY (60) LOCK-UP SHOPS AT ISALE OKO MOTOR PARK

Necessary action will be taken as suggested by your office. The developer will be invited to a meeting to discuss the progress of the project. The outcome of the meeting will be forwarded to your office.

7. CONSTRUCTION OF TEMIDIRE ALABA MARKET, OGIJO ON BUILD, OPERATE AND TRANSFER ARRANGEMENT

The management will act on your directive on the project and inform your office on the resolution reach with the developer.

8. AGRICULTURE AND NATURAL RESOURCES

The paucity of fund to the Local Government, invariably has affected the release of funds to the department in this period of review in the report.

However, the department in order not to remain idle and in its own professional capacity and strength has been working with other Government Agencies and assisted-support Intervention Programmes to help the farmers in different capacity involving regular training on good agronomic practices, farm visits, farmer's group formation, farmer's group registration, farmer's group strengthening and dynamics, financial linkage and providing other advisory services to farmers/farmer's organizations within the Local Government Area.

9. ON-GOING PROJECT

INSTALLATION OF SOLAR LIGHT

The installation of the solar light to benefiting communities and streets will be done soon by the management. All arrangements are in top gear in ensuring that the solar light is distributed.

CONSTRUCTION OF ADESANYA STREET, AJAKA, SAGAMU.

The project has been completed and Commissioned on Thursday, 13th June, 2024.

10. UNRETIRED IMPRESS

Your observation is noted. The sum of (Fifty Thousand Naira (₦50,000) monthly amounting to One hundred and Fifty Thousand (N150,000.00) given to Mr. Yisau Rasheed was actually a stipend given to him as the Executive Chairman's driver not an impress.

11. VANDALIZATION OF PROPERTIES:

The report of the Board of Enquiry was actually compiled and sent to the Ministry of Local Government and Chieftaincy Affairs, Abeokuta. A copy of the report shall be made available.

12. OFFICIAL VEHICLE TAKEN AWAY BY POLITICAL OFFICE HOLDERS:

In order for the vehicles to be retrieved, there must be political will to actualize the dream. Affected former political functionaries had been informed of your directives and no response from these political functionaries.

Above responses are for your information and further necessary action, please.

Thank you.



Mr. Opeodu Rotimi Olanrewaju
Acting Head of Local Government Administration
For: Executive Chairman.