

**OGUN STATE GOVERNMENT, NIGERIA**

**STATUTORY REPORT**

**AND**

**DOMESTIC REPORT**

**OF THE**

**AUDITOR-GENERAL FOR LOCAL GOVERNMENTS**

**ON THE ACCOUNTS**

**OF**

**ADO-ODO/OTA LOCAL GOVERNMENT**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2021**

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## ACKNOWLEDGEMENT

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

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

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

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

Thank you and God bless you all.



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



## **OFFICE OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS**

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

### **AUDIT CERTIFICATE**

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

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

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

**STATEMENT OF OPINION OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF  
ADO-ODO/OTA LOCAL GOVERNMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER,  
2021**

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

**RESPONSIBILITY STATEMENT**

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

**THE SCOPE OF THE AUDIT**

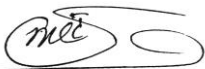
We conducted our Audit in accordance with Generally Accepted Auditing Standards and auditing standards issued by International Organisation of Supreme Audit Institution (INTOSAI). I have obtained all information and explanations that I require for my Audit. An audit includes examination on test basis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

We planned and performed our audit so as to obtain all information and explanations we considered necessary to provide sufficient evidence to give reasonable assurances that the financial statements are free from material misstatement, whether by fraud, other irregularities or errors.

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

## **OPINION**

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



**L. A. Mulero (CNA)**

Auditor-General for Local Governments

Ogun State.

17<sup>th</sup> June, 2022.

**STATUTORY REPORT OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS ON THE ACCOUNTS OF ADO ODO/OTA LOCAL GOVERNMENT, OTA FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2021**

In compliance with the provisions of Section 123 of Decree Number 12 of 1989, Section 315(1) of the 1999 Constitution of the Federal Republic of Nigeria and Sections 135-145 of Ogun State Local Government Law 2006, the accounts of Ado Odo/Ota Local Government, Ota for the year ended 31<sup>st</sup> December, 2021 have been audited. The General Purpose Financial Statement was prepared by the management of the Local Government and is therefore responsible for the contents and information contained therein. The Financial Statement was prepared under the International Public Sector Accounting Standards (IPSAS) Accrual Basis as applicable to 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**

Asset Register was not kept while Revenue Registers were not well maintained. Monthly Postings to ledgers were done with pencil.

**(3) FINANCIAL REVIEW:**

<b>REVENUE</b>	<b>AMOUNTS(₦)</b>
Internally Generated Revenue	139,448,313.53
Statutory Allocation	2,791,240,017.15
Aids and Grants	<u>19,083,320.40</u>
<b>Total</b>	<b><u>2,949,771,651.08</u></b>
<b>EXPENDITURE</b>	
Overhead Expenses	248,788,628.24
Salaries and Allowances	2,062,939,732.31
Pension	761,604,536.15
Long Term Assets	<u>4,211,000.00</u>
<b>Total</b>	<b><u>3,077,534,896.70</u></b>

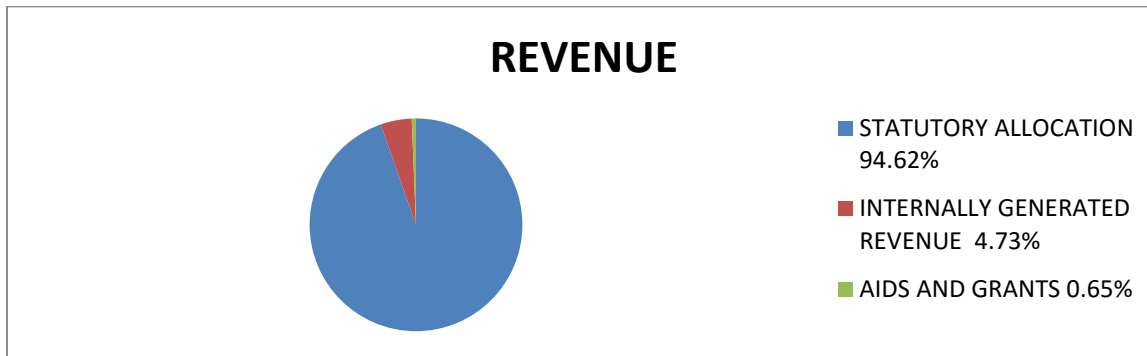
**(4) REVENUE PERFORMANCE:**

**(i) STATEMENT OF ACTUAL REVENUE**

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦155,630,000.00, a sum of ₦139,448,313.53 only was actually generated internally representing 97.43% of the budget. This revenue performance represents an increase of 21.24% when compared with the sum of ₦115,118,489.63 generated internally in year 2020. This indicates that the Local Government did not harness its Internally Generated Revenue (IGR) potentials maximally or there were leakages which has not been identified and blocked.

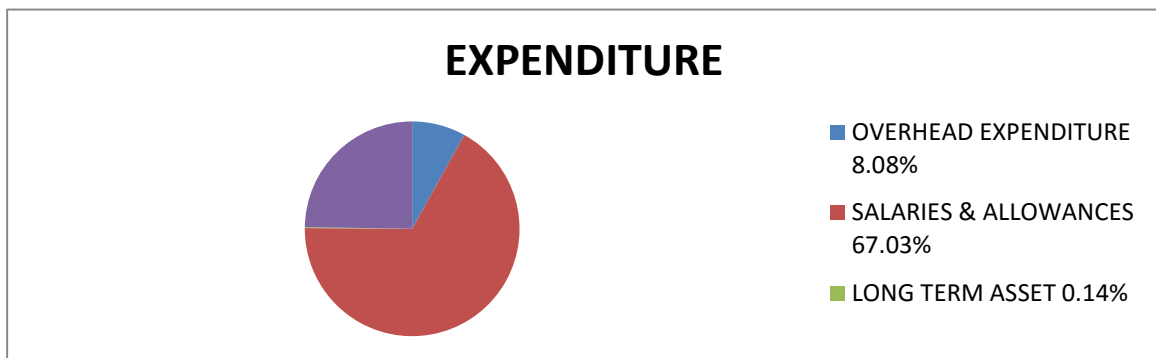
(ii) **PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE**

The Audit exercise revealed that out of the revenue of ₦2,949,771,651.08 realized by the Local Government during the year under review, a sum of ₦139,448,313.53 only was generated internally. This represented 4.73% of the total revenue while the total sum of ₦2,791,240,017.15 statutory allocation and ₦19,083,320.40 aids and grant received from the State Joint Account Allocation Committee represented 94.62% and 0.65% respectively. The implication of this is that without Revenue Allocation from the Federation Accounts, the Local Government might not be able to meet her obligations.



(5) **EXPENDITURE PATTERN**

During the period under review, examination of expenditure profile of the Local Government revealed a total expenditure of ₦3,077,534,896.70. Out of this, a sum of ₦248,788,628.24 was expended on overhead which represented 8.08% of the total expenditure for the year. Also, a sum of ₦2,062,939,732.31 was expended on salaries and allowances which represented 67.03% of the expenditure for the year while ₦761,604,585.85 was expended on pensions which represented 24.75%. The sum of ₦4,211,000.00 was expended on long term assets and this represented 0.14% of the expenditure for the year. The 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 General Purpose Financial Statement as at 31<sup>st</sup> December, 2021 was ₦258,503,076.37. The liabilities are highlighted below:

S/NO	ITEMS	AMOUNT(₦)
1	Pension Fund	74,017,919.48
2	5% Development Levy	16,043,573.60
3	5% VAT	16,088,436.38
4	PAYE	100,632,083.78
5	5% WHT	4,248,567.94
6	Payables	17,309,891.40
7	Others	<u>30,162,603.79</u>
	<b>Total</b>	<b><u>258,503,076.37</u></b>

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 the extant rules and financial regulations. The Local Government should always remit deductions and other third-party funds as required by regulations.

**(7) REVIEW OF STATEMENT OF FINANCIAL POSITION:**

**(i) ADVANCES**

The sum of ₦10,821,257.29 highlighted in the Statement of Financial Position as at 31<sup>st</sup> December, 2021 as Advances was dormant during the year contrary to regulations. Efforts should be intensified to recover the advances.

**(ii) INVESTMENT ACCOUNT BALANCE**


The sum of ₦1,941,214.23 stated as investment balance in the Statement of Financial Position as at 31<sup>st</sup> December, 2021 could not be substantiated because the shares certificate and other documents were not produced for Audit scrutiny and no evidence of the beneficial ownership such as dividend was presented on demand.

**ADO-ODO/OTA 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.

  
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Mrs Ejide T.A  
Treasurer  
Date... 31/1/22

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 Ado-Odo/Ota Local Government as at 31<sup>st</sup> December, 2021 and its operations for the year ended on the date.

  
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Mrs Ejide T.A  
Treasurer  
Date... 31/1/22

  
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Hon Sheriff Musa .A  
Chairman  
Date... 28/02/2022

**ADO ODO/ OTA LOCAL GOVERNMENT**

**STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2021**

	NOTES	2021	2020
<b>CURRENT ASSET</b>		₦	₦
CASH & CASH EQUIVALENTS	8	15,899,656.70	9,023,861.73
INVENTORIES		3,775,783.05	5,700,728.11
RECEIVABLES		6,506,800.00	8,740,000.00
PREPAYMENT			
ADVANCE		10,821,257.29	11,267,757.29
<b>TOTAL CURRENT ASSET (A)</b>		<b>37,003,497.04</b>	<b>34,732,347.13</b>
<b>NON CURRENT ASSET</b>			
PROPERTY PLANT & EQUIPMENT	10	1,443,944,275.24	1,494,006,957.58
INVESTMENT PROPERTY	11	736,526,310.92	746,380,795.28
BIOLOGICAL ASSET			3,318,500.00
INVESTMENT		1,941,214.23	1,941,214.23
LOAN GRANTED			
<b>TOTAL NON CURRENT ASSET (B)</b>		<b>2,182,411,800.39</b>	<b>2,245,647,467.09</b>
<b>TOTAL ASSET (C=A+B)</b>		<b>2,219,415,297.43</b>	<b>2,280,379,814.22</b>
<b>CURRENT LIABILITY</b>			
DEPOSIT			
LOAN & DEBT			
UNREMITTED DEDUCTIONS	9	241,193,184.97	177,235,086.48
ACCURED EXPENSES, PAYABLES		17,309,891.40	14,032,281.40
DEFERED INCOME			
CURRENT PORTION OF BORROWING			
<b>TOTAL CURRENT LIABILITY (D)</b>		<b>258,503,076.37</b>	<b>191,267,367.88</b>
<b>NON CURRENT LIABILITY</b>			
PUBLIC FUND			
BOROWING			
<b>TOTAL NON CURRENT LIABILITY (E)</b>		-	-
<b>TOTAL LIABILITY (F=D+E)</b>		<b>258,503,076.37</b>	<b>191,267,367.88</b>
<b>NET ASSETS (G= C-F)</b>		<b>1,960,912,221.06</b>	<b>2,089,112,446.34</b>
<b>NET ASSET/EQUITY</b>			
RESERVE			
<b>ACCUMULATED SURPLUS/ DEFICIT</b>		1,960,912,221.06	2,089,112,446.34
<b>TOTAL NET ASSET/EQUITY</b>		<b>1,960,912,221.06</b>	<b>2,089,112,446.34</b>

**ADO ODO/ OTA LOCAL GOVERNMENT**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2021**

	NOTES	2021	2020
<b>REVENUE</b>		₦	₦
STATUTORY ALLOCATION	1	2,791,240,017.15	2,720,406,031.67
NON TAX REVENUE:	2	135,284,711.00	109,567,428.43
INVESTMENT INCOME			
INTEREST EARNED		304,000.00	435,500.00
AIDS & GRANTS	3	19,083,320.40	10,400,000.00
OTHER REVENUE		3,859,602.53	5,115,561.20
<b>TOTAL REVENUE (A)</b>		<b>2,949,771,651.08</b>	<b>2,845,924,521.30</b>
<b>EXPENDITURE</b>			
SALARIES & WAGES	4	2,062,939,732.31	1,945,357,888.16
NON- REGULAR ALLOWANCE	5		
SOCIAL BENEFIT	6	761,604,536.15	806,613,452.14
OVERHEAD COST	7	186,436,841.20	119,121,185.81
SUBVENTION TO PARASTALS		2,450,000.00	3,000,000.00
DEPRECIATION	10 & 11	52,044,687.04	53,982,240.34
GAIN/LOSS ON DISPOSAL ON ASSET		7,857,100.00	
<b>TOTAL EXPENDITURE (B)</b>		<b>3,073,332,896.70</b>	<b>2,928,074,766.45</b>
<b>SURPLUS / DEFICIT (C=A-B)</b>		<b>-123,561,245.62</b>	<b>-82,150,245.15</b>

**ADO ODO/ OTA LOCAL GOVERNMENT**  
**STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2021**

	₦
<b>Balance 1/1/2020</b>	<b>2,173,389,858.25</b>
Prior Year Adjustment	- 2,127,166.77
Adjusted Balance	2,171,262,691.48
Surplus/ (deficit) for the year	-82,150,245.15
<b>Balance 31/12/2020</b>	<b>2,089,112,446.34</b>
Prior Year Adjustment	-4,638,979.66
<b>Adjusted Balance</b>	<b>2,084,473,466.68</b>
Surplus/ (deficit) for the year	-123,561,245.62
<b>Balance at 31 December 2021</b>	<b>1,960,912,221.06</b>

**ADO ODO/ OTA LOCAL GOVERNMENT**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2021**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2021</b>	<b>2020</b>
<b><u>INFLOWS</u></b>	<b>₦</b>	<b>₦</b>
STATUTORY ALLOCATION	2,793,240,017.15	2,718,406,031.67
LICENCES, FINES, ROYALTIES, FEES ETC	78,315,346.00	66,338,753.43
EARNINGS & SALES	43,237,365.00	36,975,525.00
RENT OF GOVERNMENT PROPERTIES	13,965,200.00	6,180,550.00
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL	10,000.00	107,500.00
DOMESTIC AIDS & GRANTS	19,083,320.40	10,400,000.00
OTHER REVENUE	3,799,602.53	5,115,561.20
<b>TOTAL INFLOW FROM OPERATING ACTIVITIES A</b>	<b>2,951,650,851.08</b>	<b>2,843,523,921.30</b>
<b><u>OUTFLOW</u></b>		
PERSONNEL EMOLUMENTS	2,062,939,732.31	1,945,357,888.16
SOCIAL BENEFIT	761,604,536.15	806,613,452.14
OVERHEADS	181,234,286.14	116,114,278.52
SUBVENTION TO PARASTATALS	2,450,000.00	3,000,000.00
INTEREST PAYMENT		
<b>TOTAL OUTFLOW FROM OPERATING ACTIVITIES B</b>	<b>3,008,228,554.60</b>	<b>2,871,085,618.82</b>
<b>NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B</b>	<b>-56,577,703.52</b>	<b>-27,561,697.52</b>
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
PURCHASE/ CONSTRUCTION OF ASSETS	- 14,154,600.00	- 54,618,226.95
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE	800,500.00	- 1,583,233.69
PROCEED FROM SALE OF ASSETS	12,849,500.00	
DIVIDEND RECEIVED		
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-504,600.00</b>	<b>-56,201,460.64</b>
<b><u>CASH FLOW FROM FINANCIAL ACTIVITIES</u></b>		
DEPOSIT/ UNREMITTED DEDUCTIONS	63,958,098.49	37,350,138.17
PUBLIC FUND		
PROCEEDS FROM DOMESTIC LOANS & OTHER		
<b>NET CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>63,958,098.49</b>	<b>37,350,138.17</b>
<b>NET CASH FLOW FROM ALL ACTIVITIES</b>	<b>6,875,794.97</b>	<b>-46,413,019.99</b>
<b>CASH &amp; ITS EQUIVALENT AS AT 1/1/2021</b>	<b>9,023,861.73</b>	<b>55,436,881.72</b>
<b>CASH &amp; ITS EQUIVALENT AS AT 31/12/2021</b>	<b>15,899,656.70</b>	<b>9,023,861.73</b>

## ACCOUNTING POLICY

S/N	
1	<p><b>Basis of Preparation</b> 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><b>Accounting period</b> Reporting period runs from 1<sup>st</sup> January to 31<sup>st</sup> December.</p>
3	<p><b>Reporting Currency</b> The reporting currency is Naira (₦).</p>
4	<p><b>Revenue</b></p> <ul style="list-style-type: none"> <li>a) Revenues from non-exchange transactions such as fees, and fines are recognised when the event occurs and the asset recognition criteria are met.</li> <li>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.</li> </ul>
5	<p><b>Other revenue</b></p> <ul style="list-style-type: none"> <li>a) Other revenue consists of gains on disposal of property, plant and equipment.</li> <li>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.</li> </ul>
6	<p><b>Aids and Grants</b> 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><b>Expenses</b> 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><b>Property, Plant &amp; Equipment (PPE)</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
9	<p><b>Depreciation</b> 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"> <li>a) Lease properties over the term of the lease</li> <li>b) Buildings 2%</li> <li>c) Plant and Machinery 10%</li> <li>d) Motor vehicles 20%</li> <li>e) Office Equipment 25%</li> <li>f) Furniture and Fittings 20%</li> </ul> <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</p>

	<p>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><b>Disposal</b> Gains or losses on the disposal of fixed assets are included in the income statement as either an income or expenses respectively.</p> <p><b>Impairment</b> Entities shall test for impairments of its PPE where it suspects that impairment has occurred.</p>
11	<p><b>Investment Property</b> 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><b>Unremitted Deductions</b></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><b>Payable/Accrued Expenses</b></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><b>Current Portion of Borrowings</b> This is the portion of the long-term loan/borrowing that is due for repayment within the next 12 months. This portion of the borrowings is classified under Current Liabilities in the Statement of Financial Position.</p>

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

**1. SHARE OF STATUTORY ALLOCATION  
FROM JAAC**

		₦
	JANUARY	221,972,251.46
	FEBUARY	232,436,615.92
	MARCH	160,138,709.03
	APRIL	228,009,203.08
	MAY	231,085,773.12
	JUNE	107,395,127.71
	JULY	361,939,682.07
	AUGUST	162,259,377.16
	SEPTEMBER	234,266,541.33
	OCTOBER	92,418,848.46
	NOVEMBER	279,048,162.42
	DECEMBER	480,269,725.39
	<b>TOTAL</b>	<b>2,791,240,017.15</b>

**2 NON-TAX REVENUE**

	LICENCES	26,485,500.00
	FEES	45,247,846.00
	FINES	6,582,000.00
	EARNINGS	27,926,550.00
	RENT OF GOVERNMENT PROPERTIES	13,732,000.00
	SALES	15,310,815.00
	<b>TOTAL</b>	<b>135,284,711.00</b>

**3 AIDS & GRANTS**

	OGUN STATE GOVERNMENT	19,083,320.40
	NON GOVERNMENT ORGANISATION	0.00
	<b>TOTAL</b>	<b>19,083,320.40</b>

**4 SALARIES & WAGES**

	LOCAL GOVERNMENT STAFF	627,106,208.03
	PRIMARY SCHOOL TEACHERS	1,302,312,260.17
	TRADITIONAL COUNCIL	100,504,074.26
	POLITICAL FUNCTION	33,017,189.85
	<b>TOTAL</b>	<b>2,062,939,732.31</b>

**5 NON- REGULAR ALLOWANCE**

	LEAVE BONUS	-
	<b>TOTAL</b>	



**6 SOCIAL BENEFIT**

	GRATUITY	-
	PENSION	761,604,536.15
	<b>TOTAL</b>	<b>761,604,536.15</b>

**7 OVERHEAD COST BY DEPARTMENT**

	CHAIRMAN & COUNCIL	37,650,300.00
	HOLGA	1,205,000.00
	INTERNAL AUDIT	835,000.00
	ADMINSTRATIVE	36,830,186.11
	FINANCE	21,461,548.04
	INFORMATION	11,818,500.00
	P H C	32,963,880.00
	AGRIC	1,639,950.00
	WORKS	28,106,477.05
	PLANNING	3,826,000.00
	WES	8,235,000.00
	COMMUNITY	1,865,000.00
	<b>TOTAL</b>	<b>186,436,841.20</b>

**8 CASH & CASH EQUIVALENTS**

	CASH AT HAND	37,813.88
	CASH IN BANKS	15,861,842.82
	<b>TOTAL</b>	<b>15,899,656.70</b>

**9 UNREMITTED DEDUCTIONS**

	PENSION	74,017,919.48
	5% DEVELOPMENT LEVY	16,043,573.60
	5% VAT	16,088,436.38
	PAYE	100,632,083.78
	5% TAX	4,248,567.94
	NULGE	1,170,261.96
	7.5% VAT CONT	11,565,338.56
	10% RETENTION FEES	7,931,763.57
	COOP	6,017,320.10
	NHF	2,333,150.88
	OTHERS	1,144,768.72
	<b>Total</b>	<b>241,193,184.97</b>

ADD ODO/OTA LOCAL GOVERNMENT									
SCHEDULE OF EQUIPMENT	PROPERTY, PLANT & BUILDING 2%	LAND	PLANT & MACHINERY 10%	TRANSPORTATION EQUIPMENT 20%	OFFICE EQUIPMENT 25%	FURNITURE & FITTINGS 20%	INFRASTRUCTURE 10%	TOTAL	
BAL AS AT 01/01/2021	1,500,605,844.00		18,070,000.00	39,984,000.00	7,271,000.00	8,602,679.00	7,735,532.95	1,582,269,055.95	
ADDITIONAL DURING THE YEAR			235,000.00		1,269,000.00	2,707,000.00		4,211,000.00	
ADJUSTMENT							4,145,532.95	(4,145,532.95)	
DISPOSAL DURING THE YEAR			4,350,000.00	(7,675,000.00)				(12,025,000.00)	
BAL C/F	1,500,605,844.00	-	13,955,000.00	32,309,000.00	8,540,000.00	11,309,679.00	3,590,000.00	1,570,309,523.00	
ACCUMULATED DEPRECIATION									
BAL AS AT 01/01/2021	59,485,524.68		3,712,500.00	16,077,800.00	4,220,250.00	3,523,470.40	1,242,553.30	88,262,098.38	
ADDITIONAL DURING THE YEAR	30,012,116.88	-	1,395,500.00	6,335,400.00	1,851,250.00	2,236,935.80	359,000.00	42,190,202.68	
ADJUSTMENT				(100.00)	(356,000.00)	28,600.00	(414,553.30)	(742,053.30)	
DISPOSAL DURING THE YEAR			870,000.00	2,475,000.00				3,345,000.00	
BAL C/F	89,497,641.56	-	4,238,000.00	19,938,100.00	5,715,500.00	5,789,006.20	1,187,000.00	126,365,247.76	
AS AT 31/12/2021	1,411,108,202.44	-	9,717,000.00	12,370,900.00	2,824,500.00	5,520,672.80	2,403,000.00	1,443,944,275.24	
AS AT 31/12/2020	1,441,120,319.32	-	14,357,500.00	23,906,200.00	3,050,750.00	5,079,208.60	6,492,979.65	1,494,006,957.57	

ADD ODO/OTA LOCAL GOVERNMENT			
INVESTMENT PROPERTY	LAND & BUILDING 2%	LAND	TOTAL
BAL AS AT 01/01/2021	492,724,218.00	273,365,546.00	766,089,764.00
ADDITIONAL DURING THE YEAR			0.00
LEGACY			0.00
DISPOSAL DURING THE YEAR			-
BAL C/F	492,724,218.00	273,365,546.00	766,089,764.00
ACCUMULATED DEPRECIATION			
BAL AS AT 01/01/2021	19,708,968.72		19,708,968.72
ADDITIONAL DURING THE YEAR	9,854,484.36	-	9,854,484.36
DISPOSAL DURING THE YEAR			
BAL C/F	29,563,453.08	-	29,563,453.08
AS AT 31/12/2021	483,160,764.92	273,365,546.00	756,526,310.92
AS AT 31/12/2020	473,015,249.28	273,365,546.00	746,380,795.28

**The Executive Chairman,**  
Ado-Odo/Ota Local Government,  
Ota.

**AUDIT INSPECTION REPORT ON THE ACCOUNTS OF ADO-ODO/OTA LOCAL GOVERNMENT, OTA FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER, 2021**

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

**2. BANK RECONCILIATION STATEMENT**

**Observation:** The bank reconciliation statements for the period 1<sup>st</sup> January to 31<sup>st</sup> December, 2021 were examined where the followings were observed:

**DIRECT CREDIT**

It was observed that a sum of ₦1,629,793.51 was credited into the bank account of your Local Government but had not been posted into the cashbook. Audit investigation revealed that this money was paid by individual organizations, revenue collectors and revenue contractors who were in the habit of holding on to bank tellers for so long before presenting the tellers to the Cashier for issuance of Treasury Receipts.

**Recommendation:** The Treasurer should investigate all the direct credit and ensure that it is posted into the cashbook. The Treasurer is also advised to invite the attention of the revenue collectors/contractors to the importance of prompt presentation of tellers to the Cashier to obtain Treasury Receipts for money paid to the banks.

**3. REVENUE CONTRACTORS AND THE LEVEL OF THEIR INDEBTEDNESS**

**Observation:** I wish to refer to paragraph 5 of the last Audit Inspection Report Ref No: OGLG/TTD/1/V/433 of 14<sup>th</sup> February, 2022 and to express my displeasure over the inability of your Local Government to recover the sum of ₦12,866,500.00 owed by the revenue contractors engaged by your Local Government and its defunct LCDA up till 31<sup>st</sup> December, 2018.

**Recommendation:** I therefore wish to reiterate that appropriate legal action should be taken against those revenue contractors to recover the debts trapped in their hands without any further delay.

**4. DORMANT ADVANCES**

**Observation:** It is disheartening to note that despite my comment in the last report, no positive action seems to have been taken on the issue of dormant personal advance of ₦10,821,257.29

granted to various staff of your Local Government which had remained stagnant for several years.

**Recommendation:** I wish to advise once again that your Local Government should take advantage of the central salary payment domiciled at the Local Government Service Commission to effect deduction of these advances and also liaise with the Bureau of Local Government Pension to recover the outstanding advances from retired staff.

#### 5. **NAMING OF STREET**

**Observation:** I wish to observe that despite my comment in paragraph 7 of the last report, your Local Government is yet to produce a comprehensive data of all the streets that existed within its locality and could therefore not determine the individuals or corporate bodies that has defaulted in the renewal of such street for several years except for those who come willingly to renew their application and those that come forward with fresh application for street to be named after them within the locality.

**Recommendation:** I wish to strongly advice that your Local Government should harness the huge revenue potentials derivable from street naming within your locality and ensure that any leakage(s) are identified and blocked.

#### 6. **INVESTMENT**

**Observation:** It was observed that your Local Government has continue to reflect the sum of ₦1,941,214.23 as investment in the Statement of Assets and Liabilities but there was no evidence to substantiate this claim, as reported in the last Audit Inspection Report Ref No: OGLG/TTD/1/V/433 of 14<sup>th</sup>February, 2022.

**Recommendation:** Your Local Government is advised once again to initiate steps that would help to establish the true status of the investment, in the absence of this, they should be written off so that the true financial position of your Local Government could be determined.

#### 7. **AGRICULTURE AND NATURAL RESOURCES DEPARTMENT**

**Observation:** It was observed that in January, 2022a sum of ₦2,620,000.00 was released vide PV 10 & 17/January, 2022 to the Agricultural department to purchase 1000 point of lay. The 1000 birds had been purchased and stocked in its cages. The bird commences egg production in February, 2022.

Audit verification visit to the poultry firm revealed that they have recorded a mortality of 26 birds which the Director of Agricultural (Mr. Kayode Kikisagbe) explained as being normal, having falls within the allowable 30% of Food & Agricultural Organization International Standard on Mortality (FAO). The remaining 974 birds were found to be in good condition.

**Recommendation:** I therefore wish to advise the Officer- in- charge to take all necessary precaution to avoid further death of the birds so as not to run the project at a loss.

8. **MARRIAGE CERTIFICATE/CERTIFICATE OF ORIGIN**

**Observation:** I wish to refer to paragraph 11 of the last audit inspection report in which you were advised to terminate the contract given to SAANA corporate investment limited that is saddled with the responsibility of collecting fees on marriage certificate and certificate of origin on behalf of your Local Government because this Office felt the job could better be handled by officials of your Local Government. This would prevent the huge sums of money being paid as commission to the contractor for the collection of these fees.

The issue was discussed with the HOLGA, DGSA and Treasurer who are of the opinion that the contractor is doing very fine and would therefore not wish to terminate the contract.

**Recommendation:** In view of your opinion not to terminate the contract, you are advised to monitor the activities of the contractor and make sure the contractor pay as at when due. Please, note that the Director of Finance and Supply (Mrs. Ejide A. T) will be personally held liable for any loss of revenue that may be recorded in the future.

9. **CONDITIONAL ALLOCATION OF 6,000 SQUARE METERS LAND AT OPIC ESTATE, AGBARA**

**Observation:** It was reported in paragraph 12 of the last Audit Inspection Report of 14<sup>th</sup> February, 2022 that the Ogun State Property and Investment Corporation made a conditional allocation of 6,000 Square meter land within OPIC Estate to the defunct Agbara/Igbesa LCDA. The allocation was observed to have contingent upon the payment of ₦5,000,000.00 infrastructural development levy to OPIC. However, the available record revealed that a sum of ₦2,000,000.00 only was released to OPIC in January 2019 by the defunct Agbara/Igbesa LCDA leaving the balance of ₦3,000,000.00 yet to be paid. This Office advised that your Local Government being the Mother Local Government should ensure that the balance of the sum of Three Million Naira (₦3,000,000.00) is paid to OPIC without any further delay, because future development of the area may lead to an increase in the infrastructural development levy which may not be in the best interest of your Local Government and also to prevent unnecessary encroachment on the land.

However, on interrogation, the Head of Local Government Administration (HOLGA) and Director of General Services and Administration (DGSA) said effort is being intensified to pay the balance of the sum of ₦3,000,000.00 to the Ogun State Property and Investment Corporation before the next audit exercise.

**Recommendation:** Please, ensure that the outstanding sum of ₦3,000,000.00 is paid without any further delay and inform this Office of any further development on the issue.

10. **CONSTRUCTION OF SHOPPING COMPLEX ALONG IJOKO/OTA ROAD OFF SECOND POWERLINE, ROAD SANGO**

**Observation:** I wish to refer to paragraph 13 of the last Audit Inspection Report where it was reported that in a bid to increase the revenue generation of the defunct Sango/Ijoko LCDA and its environs, a contract agreement for the construction of a modern twenty -four (24) lock-up shops at a cost of ₦50,000,000.00 on Build, Operate and Transfer (BOT) agreement basis for a period of 25years was entered into between the Local Council and Engr. Owolabi Abdul Ganiu, Chairman/Chief Executive Officer for and on behalf of Debay Golden Resources Nigeria Limited of 55 Arije Road, Arijeloro, Abule Iroko, Ogun State. The parcel of land is situated along Ijoko Ota road, off second power line, Sango/Ijoko-Ota. Even though the project has been completed, it was observed that the developer flagrantly failed to abide with some fundamental issues contained in the deeds of agreement he signed with the defunct Sango/Ijoko LCDA.

Instances of such flagrant violation by the developer are contained in paragraphs 7, 8 and 12 of the deed of agreement.

In paragraph 7 of the deed of agreement, it was stated that the LCDA will be entitled to ten percent (10%) of money realized from the sale of application forms to interested members of the public, but the developer refused to pay such money into the coffers of the Local Council Development Area.

Similarly, clause 8 states that, in consideration of the capital expenditure on the project by the Developer, the Developer shall upon completion of the project, leased out the property for a period of twenty-five (25) years, the total number of twenty – four (24) lock-up shops, to willing lessee at the price mutually agreed by both parties (Employer and Developer) after which the property shall be reverted to the Employer in 1<sup>st</sup> March, 2043. However, the Developer went ahead to construct thirty (30) lock-up shops instead of twenty-four (24) thereby distorting the approved plan of the building and violating the agreement without notifying and seeking the approval of the Management of the LCDA as contained in paragraph 11 of the agreement.

In addition to the above, the Developer failed to remit 10% of the total profit on the lease of the property as contained in paragraph 12 of the deed of agreement into the coffers of the LCDA. Most importantly, this office was shocked to discover that most of the important documents such as original copies of the deed of agreement, architectural drawings, bill of engineering measurement and evaluation, approved plan of the project, the letter of approval

granted by the Ministry of Local Governments and Chieftaincy Affairs etc were missing from the contract file.

On interrogation, during the previous audit exercise, the Chairman of Debay Golden Resources Nigeria Limited (Alhaji Yusuf Adegbenro) explained that the delay experienced towards the fulfilment of the content of the deed of agreement was as a result of failure to secure an early outright lease of the shops which will enhance the recouping of the initial capital outlay upon which the BOT agreement was based. Moreso, the lack of enthusiasm and fear of the intending lessee about the location of the shops which is very close to the Electric Power lines had been a setback. Though, as at the time of the last audit exercise, one of the shops appeared to have been leased out for Two Million Naira (₦2,000,000) only as explained by the developer.

In the light of the above, the Chairman of the company, Alhaji Yusuf Adegbenro was advised by the Audit Team that as a matter of urgency he should meet the Management of Ado-Odo/Ota Local Government being the Mother Local Government that absorbed the LCDA for necessary adjustments to the deed of agreement which will accommodate thirty (30) shops constructed as against twenty-four (24). In addition, the missing architectural drawings and the bill of engineering measurement and evaluation must be re-prepared and submitted to the Local Government for the Local Government Engineer to carry out critical evaluations and appraisal of the cost implication of the building, the original copies of the deed of agreement and the approval granted by the Ministry of Local Governments and Chieftaincy Affairs must be located and filed in the appropriate files of the Local Government. Failure to do this, the Local Government should initiate legal action against the developer for breach of contract and the agreement be terminated forthwith. In spite of the above, it was surprising to note that the Local Government did not have any documents to present on request by the audit team and as such, the Auditors could not do anything on the issue. However, the HOLGA said effort is being made to have meeting with the developer and promised to come up with solution before the next audit exercise.

**Recommendation:** I therefore wish to reiterate once again that efforts should be taken by your Local Government to address all the issue raised about this agreement without further delay and inform this Office of the action taken within two weeks of the receipt of this report.

**11. CONSTRUCTION OF ULTRA-MODERN SHOPPING COMPLEX AT THE LOCAL GOVERNMENT STAFF QUARTERS, OSI-OTA, NEAR NIGERIA NAVY SCHOOL**

**Observation:** On 17<sup>th</sup> May, 2019 the Local Government entered into a contractual agreement with a developer named Samusi-deen Bada, Chief Executive Officer on behalf of ESDIAC GLOBAL SYSTEM INC of Plot 8, ACME road, Agindingbi, Ikeja, Lagos State for the construction of an Ultra-Modern shopping complex of ninety-six (96) lock-up shops at the Local Government staff quarters, Osi-Ota. The developer is expected to finance the project to the tune of Sixty Million, Twenty-Three Thousand and Two Hundred Naira (₦60,023,200.00) only. It was observed that the developer has also paid an agreed sum of ₦2,000,000.00 into the Local Government coffers vide R.V/12 of 6<sup>th</sup> May, 2019 as premium/ground rent before the execution of the project. A cursory look at the deed of agreement also revealed that the developer is expected to complete the project within twelve (12) month of the commencement of the project.

The deed of agreement also revealed that the ownership of the property has been transferred to the company ESDIAC Global System incorporation for a period of fifteen (15) years after which the property is expected to be reverted/returned back to the Local Government by 5<sup>th</sup> May, 2034.

Audit verification visit to the site revealed that work was about to commence on the decking of the ground floor.

**Recommendation:** In the light of the above, I wish to advise your Local Government to invite the developer into a round table discussion on the need to complete the project because he has violated the content of the agreement relating to the period of completion of the project which falls within an agreed period of twelve months.



## **MANAGEMENT REPORT ON AUDIT INSPECTION**

### **RE: AUDIT INSPECTION REPORT ON ACCOUNTS OF ADO-ODO/OTA LOCAL GOVERNMENT, OTA FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER. 2021**

In reference to your letter OGLG/TTD/I/V/440 of 10<sup>th</sup> May, 2022, we wish to inform you of actions taken on observations raised from the report.

**1) DESTRUCTION OF EXHAUSTED RECEIPT BOOKS**

The list is being collated and your office will be duly informed when necessary.

**2) BANK RECONCILIATION STATEMENT**

**DIRECT CREDIT**

The mentioned sum of One Million, Six Hundred and Twenty-Nine Thousand Seven Hundred and Ninety-Three Naira Fifty-One Kobo (~~₦~~1,629,793.51) only as direct credit has been written back into the cash book and revenue collectors has been enjoined to bring tellers to the Local Government for issuance of Treasury receipts promptly.

**3) REVENUE CONTRACTORS AND LEVEL OF THEIR INDEBTEDNESS**

Your observation and advise on revenue consultants are noted and the Local Government having not relented on the collection of outstanding debts will also put in more effort through the Finance & General Purposes Committee (F&GPC) for new measures.

**4) DORMANT ADVANCES**

Further to our response to earlier report, the Finance Department has sent list of officers owing the Local Government to all their various Local Governments and the Pension board.

The IPPMS Unit of some Local Governments has started deducting from their members of staff salaries while some has started paying directly into the coffers of the Local Government themselves.

**5) NAMING OF STREET**

The Local Government is about to complete the data base on Street Naming while concerted effort is being made to harness the full revenue potentials on Street Naming. Part of the effort was the promulgation of bye-law specifically on Street Naming and public awareness to formalize all registered Streets.

**6) INVESTMENT**

We have used all means to trace the existence of the investment of One Million Nine and Forty-One Thousand Two Hundred and Fourteen Naira Twenty-Three Kobo (~~₦~~1,941,214.23) only in the account and all has proved abortive. This has been in the account of the Local Government for many years. Discussion is on-going for the approval of the Finance & General Purposes Committee (F&GPC) for it to be written-off as advised by your office.

**7) AGRICULTURE AND NATURAL RESOURCES DEPARTMENT**

All observations are well noted and we will not relent on our efforts in giving the best attention to the birds.

**8) MARRIAGE CERTIFICATE/CERTIFICATE OF ORIGIN**

Your observation is noted and measures are in place to monitor SAANA PAY's activities with the Local Government.

**9) CONDITIONAL ALLOCATION OF 6000 SQUARE METERS LAND AT OPIC ESTATE AGBARA**

The Local Government has not been able to pay the balance of Three Million Naira (N3,000,000.00) required to truly possess the land due to paucity of fund. The attention of the Management is being called on this from time to time.

**10) CONSTRUCTION OF SHOPPING COMPLEX ALONG IJOKO/OTA ROAD OFF SECOND POWERLINE ROAD SANGO**

The Developer that handled the construction of the said Shopping Complex has refused to honour the invitation of the Local Government. The Local Government could not take any concrete step because there is no proof that the land belongs to the Local Government. Infact, the owners of the land had taken both the Developer and the former Chairman of Sango/Ijoko Local Council Development Area (LCDA) to Court and the case is on. The Local Government was not joined in the Litigation because the Local Government does not have any legal document to proof the ownership of the land.

**11) CONSTRUCTION OF ULTRA-MODERN SHOPPING COMPLEX AT THE LOCAL GOVERNMENT STAFF QUARTERS, OSI-OTA**

The project is ongoing. The Developer has completed the decking and has started raising the project. The work actually commenced in July, 2021 and the deadline period of completion of Twelve (12) months has not been violated yet. The Developer is seriously working to actualize the contract terms as specified in the deed agreement.

Thank you.



**Dr. Bamgbose Adebola,**  
Head of Local Govt. Administration,