

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 31ST DECEMBER, 2022

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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 Dr Nafiu Aigoro and the current Head of Service Mr Kolawole Peter Fagbohun for their regular support towards keeping this Office afloat.

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

Thank you and God bless you all.



L. A. Mulero (CNA)
Auditor-General for Local Governments,
Ogun State.
23rd June, 2023.



OFFICE OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

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

AUDIT CERTIFICATE

I have examined the accounts of Ado-Odo/Ota Local Government for the year ended 31st December, 2022 in accordance with the provisions of Section 123 of Decree Number 12 of 1989 and 315 (1) of the 1999 Constitution of the Federal Republic of Nigeria and Sections 135-145 of Ogun State Local Government Law 2006 and auditing standards issued by International Organisation of Supreme Audit Institution (INTOSAI). I have obtained all information and explanations that I require for my Audit.

In my opinion, the Financial Statements give a true and fair view of the state of affairs of the Local Government as at 31st December, 2022 subject to the observations in the inspection reports.

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

L. A. Mulero (CNA)
Auditor-General for Local Governments,
Ogun State.
23rd June, 2023.

**STATEMENT OF OPINION OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF
ADO-ODO/OTA LOCAL GOVERNMENT FOR THE YEAR ENDED 31ST DECEMBER,
2022**

The accounts of Ado-Odo/Ota Local Government for the year ended 31st December, 2022 have been examined in accordance with the provisions of Section 123 of Decree Number 12 of 1989 and 315 (1) of the 1999 Constitution of the Federal Republic of Nigeria and Sections 135-145 of Ogun State Local Government Law 2006 and auditing standards issued by International Organisation of Supreme Audit Institution (INTOSAI). I have obtained all information and explanations that I require for my Audit.

RESPONSIBILITY STATEMENT

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

THE SCOPE OF THE AUDIT

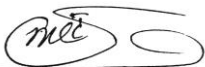
We conducted our Audit in accordance with Generally Accepted Auditing Standards and auditing standards issued by International Organisation of Supreme Audit Institution (INTOSAI). I have obtained all information and explanations that I require for my Audit. An audit includes examination on test basis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

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

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

OPINION

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



L. A. Mulero (CNA)

Auditor-General for Local Governments

Ogun State.

23rd June, 2023.

STATUTORY REPORT OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS ON THE ACCOUNTS OF ADO ODO/OTA LOCAL GOVERNMENT, OTA FOR THE YEAR ENDED 31ST DECEMBER, 2022

In compliance with the provisions of Section 123 of Decree Number 12 of 1989, Section 315(1) of the 1999 Constitution of the Federal Republic of Nigeria and Sections 135-145 of Ogun State Local Government Law 2006, the accounts of Ado Odo/Ota Local Government, Ota for the year ended 31st December, 2022 have been audited. The General Purpose Financial Statement was prepared by the management of the Local Government and is therefore responsible for the contents and information contained therein. The 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

There was appreciable improvement in the account and record keeping. There were few errors in the subsidiary ledgers from where the accounts were prepared. Revenue register and assets register were not properly updated.

(3) FINANCIAL REVIEW:
REVENUE

	AMOUNTS(₦)
Internally Generated Revenue	147,136,194.21
Statutory Allocation	3,388,851,684.91
Aids and Grants	<u>37,434,355.42</u>
Total	<u>3,573,422,234.54</u>

EXPENDITURE

Overhead Expenses (including Depreciation & Loss on Disposal of Assets)	260,985,341.02
Salaries and Allowances	2,293,644,014.56
Pension	1,032,315,793.73
Long Term Assets	<u>28,745,432.42</u>
Total	<u>3,615,690,581.73</u>

(4) REVENUE PERFORMANCE:

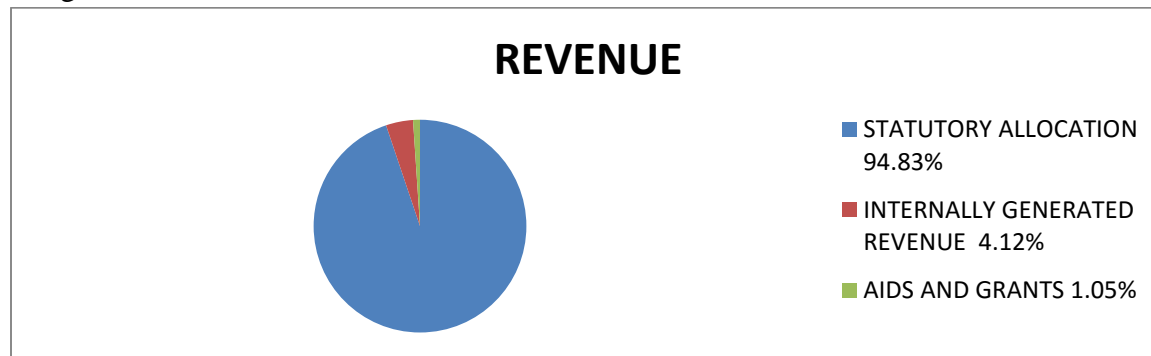
(i) STATEMENT OF ACTUAL REVENUE

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦137,100,000.00, a sum of ₦147,136,194.21 only was actually generated internally representing 107.32% of the budget. This revenue performance represents an increase of 8.76% when compared with the sum of ₦139,448,313.53 generated internally in year 2021. In

spite the increase in revenue performance, it is not a reflection of the Internally Generated Revenue (IGR) potentials of the Local Government.

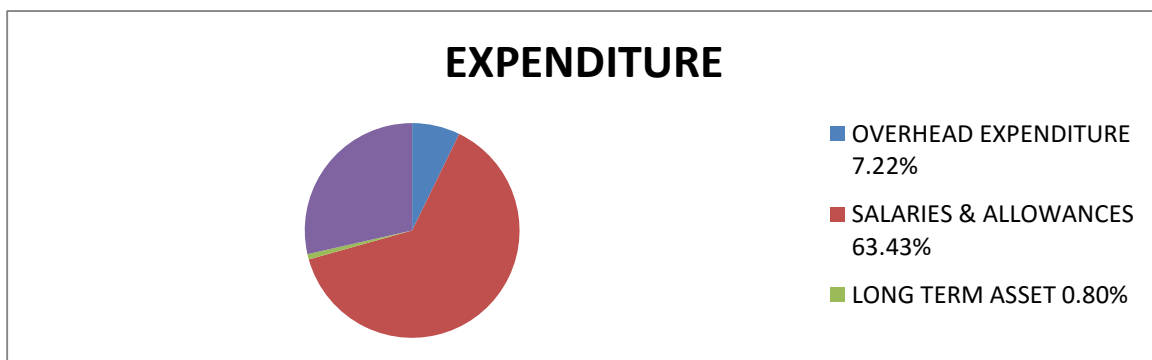
(ii) PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE

The Audit exercise revealed that out of the revenue of ₦3,573,422,234.54 realized by the Local Government during the year under review, a sum of ₦147,136,194.21 only was generated internally. This represented 4.12% of the total revenue while the total sum of ₦3,388,851,684.91 statutory allocation and ₦37,434,355.42 aids and grant received from Ogun State Government represented 94.83% and 1.05% 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 ₦3,615,690,581.73. Out of this, a sum of ₦260,985,341.02 was expended on overhead which represented 7.22% of the total expenditure for the year. Also, a sum of ₦2,293,644,014.56 was expended on salaries and allowances which represented 63.43% of the expenditure for the year while ₦1,032,315,793.73 was expended on pensions which represented 28.55%. The sum of ₦28,745,432.42 was expended on long term assets and this represented 0.80% 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 31st December, 2022 was ₦251,728,076.93. The liabilities are highlighted below:

S/NO	ITEMS	AMOUNT(₦)
1	Pension Fund	73,340,414.16
2	5% Development Levy	16,043,573.60
3	5% VAT	28,756,190.22
4	PAYE	90,523,798.65
5	5% WHT	4,248,567.94
6	Payables	19,837,688.72
7	Others	<u>18,977,843.64</u>
	Total	<u>251,728,076.93</u>

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 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 ₦11,478,257.29 highlighted in the Statement of Financial Position as at 31st December, 2022 as Advances was dormant during the year contrary to regulations. Efforts should be intensified to recover the advances.

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.

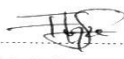
The Treasurer is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly record the use of all public financial resources by the Local Government. To the best of my knowledge,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




Mrs. Ejide T.A.,
Treasurer
Date: 27/2/2023

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

In our opinion, these financial statements fairly reflect the financial position of Ado-Odo/Ota Local Government as at 31st December, 2022 and its operations for the year ended on the date.



Mrs. Ejide T.A.,
Treasurer
Date: 27/2/2023



Hon. Sheriff Musa A.
Chairman
Date: 27/02/2023

ADO ODO/ OTA LOCAL GOVERNMENT
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2022

	NOTES	2022	2021
CURRENT ASSET		₦	₦
CASH & CASH EQUIVALENTS	10	20,271,144.22	15,899,656.70
INVENTORIES		4,239,435.80	3,775,783.05
RECEIVABLES		7,096,000.00	6,506,800.00
PREPAYMENT			
ADVANCE		11,478,257.29	10,821,257.29
TOTAL CURRENT ASSET (A)		43,084,837.31	37,003,497.04
NON CURRENT ASSET			
PROPERTY PLANT & EQUIPMENT	8	1,429,360,719.35	1,443,944,275.24
INVESTMENT PROPERTY	9	726,671,826.56	736,526,310.92
BIOLOGICAL ASSET			
INVESTMENT			1,941,214.23
LOAN GRANTED			
TOTAL NON CURRENT ASSET (B)		2,156,032,545.91	2,182,411,800.39
TOTAL ASSET (C=A+B)		2,199,117,383.22	2,219,415,297.43
CURRENT LIABILITY			
DEPOSIT			
LOAN & DEBT			
UNREMITTED DEDUCTIONS	11	231,890,388.21	241,193,184.97
ACCRUED EXPENSES, PAYABLES		19,837,688.72	17,309,891.40
DEFERRED INCOME			
CURRENT PORTION OF BORROWING			
TOTAL CURRENT LIABILITY (D)		251,728,076.93	258,503,076.37
NON CURRENT LIABILITY			
PUBLIC FUND			
BORROWING			
TOTAL NON CURRENT LIABILITY (E)		-	-
TOTAL LIABILITY (F=D+E)		251,728,076.93	258,503,076.37
NET ASSETS (G= C-F)		1,947,389,306.29	1,960,912,221.06
NET ASSET/EQUITY			
RESERVE			
ACCUMULATED SURPLUS/ DEFICIT		1,947,389,306.29	1,960,912,221.06
TOTAL NET ASSET/EQUITY		1,947,389,306.29	1,960,912,221.06

ADO ODO/ OTA LOCAL GOVERNMENT
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2022

	NOTES	2022	2021
REVENUE		₦	₦
STATUTORY ALLOCATION	1	3,388,851,684.91	2,791,240,017.15
NON TAX REVENUE	2	146,347,170.00	135,284,711.00
INVESTMENT INCOME			
INTEREST EARNED		455,000.00	304,000.00
GAIN/LOSS ON DISPOSAL ON ASSET			
AIDS & GRANTS	3	37,434,355.42	19,083,320.40
OTHER REVENUE		334,024.21	3,859,602.53
TOTAL REVENUE (A)		3,573,422,234.54	2,949,771,651.08
EXPENDITURE			
SALARIES & WAGES	4	2,293,644,014.56	2,062,939,732.31
NON- REGULAR ALLOWANCE	5		
SOCIAL BENEFIT	6	1,032,315,793.73	761,604,536.15
OVERHEAD COST	7	198,593,156.80	186,436,841.20
SUBVENTION TO PARASTALS		1,700,000.00	2,450,000.00
DEPRECIATION	8 & 9	57,710,769.99	52,044,687.04
GAIN/LOSS ON DISPOSAL ON ASSET		2,981,414.23	7857100
TOTAL EXPENDITURE (B)		3,586,945,149.31	3,073,332,896.70
SURPLUS / DEFICIT (C=A-B)		-13,522,914.77	-123,561,245.62

ADO ODO/ OTA LOCAL GOVERNMENT
STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2022

	₦
Balance 1/1/2021	2,089,112,446.34
Prior Year Adjustment	
Adjusted Balance	-4,638,979.66
Surplus/ (deficit) for the year	-123,561,245.62
Balance 31/12/2021	1,960,912,221.06
Prior Year Adjustment	
Adjusted Balance	1,960,912,221.06
Surplus/ (deficit) for the year	-13,522,914.77
Balance at 31 December 2022	1,947,389,306.29

ADO ODO/ OTA LOCAL GOVERNMENT
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	2022	2021
<u>INFLOWS</u>	₦	₦
STATUTORY ALLOCATION	3,388,851,684.91	2,793,240,017.15
LICENCES, FINES, ROYALTIES, FEES ETC	94,552,050.00	78,315,346.00
EARNINGS & SALES	42,105,120.00	43,237,365.00
RENT OF GOVERNMENT PROPERTIES	9,100,800.00	13,965,200.00
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL	455,000.00	10,000.00
DOMESTIC AIDS & GRANTS	32,434,355.42	19,083,320.40
OTHER REVENUE	22,024.21	3,799,602.53
TOTAL INFLOW FROM OPERATING ACTIVITIES (A)	3,567,521,034.54	2,951,650,851.08
<u>OUTFLOW</u>		
PERSONNEL EMOLUMENTS	2,293,644,014.56	2,062,939,732.31
SOCIAL BENEFIT	1,032,315,793.73	761,604,536.15
OVERHEADS	198,676,309.55	181,234,286.14
SUBVENTION TO PARASTATALS	1,700,000.00	2,450,000.00
INTEREST PAYMENT		
TOTAL OUTFLOW FROM OPERATING ACTIVITIES (B)	3,526,336,117.84	3,008,228,554.60
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=(A)-(B)	41,184,916.70	-56,577,703.52
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
PURCHASE/ CONSTRUCTION OF ASSETS	28,745,432.42	14,154,600.00
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE	345,000.00	800,500.00
PROCEED FROM SALE OF ASSETS	1,579,800.00	12,849,500.00
DEFERRED INCOME		
DIVIDEND RECEIVED		
NET CASH FLOW FROM INVESTING ACTIVITIES	-27,510,632.42	-504,600.00
<u>CASH FLOW FROM FINANCIAL ACTIVITIES</u>		
DEPOSIT/ UNREMITTED DEDUCTIONS	-9,302,796.76	63,958,098.49
PUBLIC FUND		
PROCEEDS FROM DOMESTIC LOANS & OTHER		
NET CASH FLOW FROM FINANCIAL ACTIVITIES	-9,302,796.76	63,958,098.49
NET CASH FLOW FROM ALL ACTIVITIES	4,371,487.52	6,875,794.97
CASH & ITS EQUIVALENT AS AT 1/1/2022	15,899,656.70	9,023,861.73
CASH & ITS EQUIVALENT AS AT 31/12/2022	20,271,144.22	15,899,656.70

ACCOUNTING POLICY

S/N	
1	<p>Basis of Preparation The General Purpose Financial Statements are prepared under the historical cost convention and in accordance with IPSAS and other applicable standards and laws.</p>
2	<p>Accounting period Reporting period runs from 1st January to 31st December.</p>
3	<p>Reporting Currency The reporting currency is Naira (₦).</p>
4	<p>Revenue</p> <ul style="list-style-type: none"> a) Revenues from non-exchange transactions such as fees, and fines are recognised when the event occurs and the asset recognition criteria are met. b) Other non-exchange revenues are recognised when it is probable that the future economic benefits or service potential associated with the asset will flow to the Local Government and the fair value of the assets can be measured reliably.
5	<p>Other revenue</p> <ul style="list-style-type: none"> a) Other revenue consists of gains on disposal of property, plant and equipment. b) Any gain on disposal is recognized at the date control of the assets is passed to the buyer and is determined after deducting from the proceeds the carrying value of the assets at that time.
6	<p>Aids and Grants Aid and grants to a Local Government is recognised as income on entitlement, while aid and grants to other governments/agencies are recognised as expenditure on commitment.</p>
7	<p>Expenses All expenses are recognised in the period they are incurred or when the related services are enjoyed, irrespective of when the payment is made.</p>
8	<p>Property, Plant & Equipment (PPE)</p> <ul style="list-style-type: none"> a) All property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. b) Where an asset (Other than land) is acquired in a non-exchange transaction for nil or normal consideration the asset is initially recognised at fair value, where fair value can be reliably determined and as income in the statement of financial performance.
9	<p>Depreciation The cost of PPE are written off, from the time they are brought into use on a straight line basis over their expected useful lives less any estimated residual value as follows:</p> <ul style="list-style-type: none"> a) Lease properties over the term of the lease b) Buildings 2% c) Plant and Machinery 10% d) Motor vehicles 20% e) Office Equipment 25% f) Furniture and Fittings 20% <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>Disposal Gains or losses on the disposal of fixed assets are included in the income statement as either an income or expenses respectively.</p> <p>Impairment Entities shall test for impairments of its PPE where it suspects that impairment has occurred.</p>
11	<p>Investment Property These are cash-generating property owned by the Local Government. The cost, depreciation and impairment of Investment Property are same with PPE.</p>
12	<p>Unremitted Deductions</p> <p>a) Unremitted deductions are monies owed to third parties such as tax authorities, schemes and associations and other government agencies. These include tax deductions and other deductions at source.</p> <p>b) These amounts are stated as Current Liabilities in the Statement of Financial Position.</p>
13	<p>Payable/Accrued Expenses</p> <p>a) These are monies payable to third parties in respect of goods and services received</p> <p>b) Accrued Expenses for which payment is due in the next 12 months are classified as Current Liabilities. Where the payments are due beyond the next 12 months, they are accounted for as Non-Current Liabilities.</p>
14	<p>Current Portion of Borrowings This is the portion of the long-term loan/borrowing that is due for repayment within the next 12 months. This portion of the borrowings is classified under Current Liabilities in the Statement of Financial Position.</p>

NOTES TO THE GPFS FOR THE YEAR ENDED 31ST DECEMBER, 2022

1. SHARE OF STATUTORY ALLOCATION FROM JAAC

₦

JANUARY	246,652,174.18
FEBRUARY	
MARCH	252,334,426.74
APRIL	510,859,821.64
MAY	
JUNE	256,952,613.54
JULY	259,120,732.56
AUGUST	288,059,428.09
SEPTEMBER	290,172,941.10
OCTOBER	286,084,101.14
NOVEMBER	708,596,383.93
DECEMBER	290,019,061.99
TOTAL	3,388,851,684.91

2 NON-TAX REVENUE

LICENCES	25,982,350.00
FEES	63,883,900.00
FINES	5,275,000.00
EARNINGS	19,558,160.00
RENT OF GOVERNMENT PROPERTIES	9,100,800.00
SALES	22,546,960.00
TOTAL	146,347,170.00

3 AIDS & GRANTS

OGUN STATE GOVERNMENT	37,434,355.42
NON GOVERNMENT ORGANISATION	0.00
TOTAL	37,434,355.42

4 SALARIES & WAGES

LOCAL GOVERNMENT STAFF	632,158,064.77
PRIMARY SCHOOL TEACHERS	1,427,550,458.00
TRADITIONAL COUNCIL	155,143,760.31
POLITICAL FUNCTIONARIES	78,791,731.48
TOTAL	2,293,644,014.56

5 NON- REGULAR ALLOWANCE

LEAVE BONUS	-
TOTAL	

6 SOCIAL BENEFIT

	GRATUITY	-
	PENSION	1,032,315,793.73
	TOTAL	1,032,315,793.73

7 OVERHEAD COST BY DEPARTMENT

	CHAIRMAN & COUNCIL	47,372,000.00
	HOLGA	1,326,000.00
	INTERNAL AUDIT	1,135,000.00
	ADMINISTRATIVE	33,906,954.23
	FINANCE	22,494,442.97
	INFORMATION	35,248,348.60
	P H C	29,467,936.00
	AGRIC	6,969,000.00
	WORKS	10,086,075.00
	PLANNING	3,584,000.00
	WES	4,413,500.00
	COMMUNITY	2,589,900.00
	TOTAL	198,593,156.80

10 CASH & CASH EQUIVALENTS

	CASH AT HAND	28,235.47
	CASH IN BANKS	20,242,908.75
	TOTAL	20,271,144.22

11 UNREMITTED DEDUCTIONS

1	PENSION	73,340,414.16
2	5% DEVELOPMENT LEVY	16,043,573.60
3	7.5% VAT	17,190,851.66
4	PAYE	90,523,798.65
5	OTHERS	34,791,750.14
	Total	231,890,388.21

NOTE 8 ADO ODO/OTA LOCAL GOVERNMENT

SCHEDULE OF PROPERTY, PLANT & EQUIPMENT	LAND & BUILDING 2%	BIOLOGICAL ASSET	PLANT & MACHINERY 10%	TRANSPORTATION EQUIPMENT 20%	OFFICE EQUIPMENT 25%	FURNITURE & FITTINGS 20%	INFRASTRUSURE 10%	TOTAL
BAL AS AT 01/01/2022	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
ADDITIONAL DURING THE YEAR			1,285,000.00	26,729,729.74	380,000.00	4,878,000.00		33,272,729.74
ADJUSTMENT								0.00
DISPOSAL DURING THE YEAR								-
BAL. C/F	1,500,605,844.00	-	15,240,000.00	59,038,729.74	8,920,000.00	16,187,679.00	3,590,000.00	1,603,582,252.74
ACCUMULATED DEPRECIATION								
BAL. AS AT 01/01/2022	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
ADDITIONAL DURING THE YEAR	30,012,116.88	-	1,524,000.00	11,681,045.95	1,405,950.00	2,874,172.80	359,000.00	47,856,285.63
ADJUSTMENT								-
DISPOSAL DURING THE YEAR								-
BAL. C/F	119,509,758.44	-	5,762,000.00	31,619,145.95	7,121,450.00	8,663,179.00	1,546,000.00	174,221,533.39
AS AT 31/12/2022	1,381,096,085.56	-	9,478,000.00	27,419,583.79	1,798,550.00	7,524,500.00	2,044,000.00	1,429,360,719.35
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

NOTE 9 ADO ODO/OTA LOCAL GOVERNMENT

INVESTMENT PROPERTY	LAND & BUILDING 2%	LAND	TOTAL
BAL AS AT 01/01/2022	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 01/01/2022	29,563,453.08		29,563,453.08
ADDITIONAL DURING THE YEAR	9,854,484.36	-	9,854,484.36
DISPOSAL DURING THE YEAR			
BAL. C/F	39,417,937.44	-	39,417,937.44
AS AT 31/12/2022	453,306,280.56	273,365,546.00	726,671,826.56
AS AT 31/12/2021	463,160,764.92	273,365,546.00	736,526,310.92

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

AUDIT INSPECTION REPORT ON THE ACCOUNTS OF ADO-ODO/OTA LOCAL GOVERNMENT, OTA FOR THE YEAR ENDED 31st DECEMBER 2022

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

2. AUDIT QUERIES

The underlisted audit queries had earlier been forwarded to you for your necessary action in accordance with law. Please ensure a quick response to the queries.

S/N	Query Numbers	Subject	Amount ₦
1.	OGLG/AQ/TTD/256/2022	Questionable Expenditure	1,800,000.00
2.	OGLG/AQ/TTD/257/2022	Unreceipted Expenditure	148,000.00
3.	OGLG/AQ/TTD/258/2022	Unreceipted Expenditure	250,000.00
4.	OGLG/AQ/TTD/259/2022	Unreceipted Expenditure	260,000.00
5.	OGLG/AQ/TTD/260/2022	Unreceipted Expenditure	200,000.00
6.	OGLG/AQ/TTD/261/2022	Unreceipted Expenditure	240,000.00

3. BANK RECONCILIATION STATEMENT

Observation: i) Direct Credit: -It was observed that a sum of ₦ 3,963,711.49 was paid directly into the bank account of your Local Government but yet to be posted into the cashbook. Audit investigation revealed that this money was paid by individuals, 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 credits and ensure that they are posted into the cashbook and also 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.

Observation: ii) Direct Debit: - It was observed that sometime in September and December, 2022 direct debit of the sum of ₦486,725.08 and ₦4,726,490.83 respectively were made in the

Access bank Account No. 0815151094 of your Local Government which was purportedly said to represent the salaries and allowances of members of staff of your Local Government but later found to be a false assertion. The attention of the Director of Finance and Supplies Mrs. T. A. Ejide was drawn to the discovery and she explained that she had initiated action on the matter and that was responsible for the sum of ₦3,355,493.55 that was credited into the account of your Local Government in February, 2023 as well as another sum of ₦94,314.42 that was also credited into the same account in the month of March, 2023 thus leaving an outstanding balance of the sum of ₦1,763,407.94 yet to be credited into Access bank account of your Local Government.

In the light of the above, the question that readily came to mind was why was it difficult for the banks involved to fully reverse the sum involved at once instead of crediting/paying back the amount involved in piece meal. This is a clear indication that some of the bank officials were either toying or engaging in dubious and sharp practices on the account of your Local Government and this calls for serious investigation and more vigilance on the part of the Director of Finance and Supplies.

Recommendation: I therefore wish to implore the Director of Finance and Supplies to intensify her effort towards ensuring that the remaining balance of the sum ₦1,763,407.94 is credited back into the access bank account of your Local Government without any further delay.

4. REVENUE GENERATION PERFORMANCE

Observation: A review of the internally generated revenue of your Local Government revealed that a sum of ₦147,136,194.21 was generated during the period under review. The amount generated is 9% higher than the budgeted revenue of the sum of ₦137,100,000.00 for the year 2022. This could be an indication that some revenue items had been under estimated.

Recommendation: Your Local Government is advised to be more realistic in your budgetary estimation or proposal and ensure that you harness all your revenue sources optimally in the best interest of your Local Government.

5. REVENUE CONTRACTORS AND THE LEVEL OF THEIR INDEBTEDNESS

Observation: I wish to refer to paragraph 6 of the last Audit Inspection Report Ref No: OGLG/TTD/1/V/471 of 22nd December, 2022 in which you were advised to take legal action to

recover the debts owed by revenue contractors. It is becoming worrisome to note that your Local Government has not taken any action to recover the outstanding debt of ₦12,866,500.00 owed by the revenue contractors engaged by your Local Government and its defunct LCDA which date back to 31st December, 2018. This issue keeps on re-occurring and it appears that the Management of your Local Government in spite of previous assurances given by the Executive Chairman, Hon. Seriff Adewale Musa is not willing to take concrete action to recover the huge debts from the Revenue Contractors which is definitely not in the interest of your Local Government.

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

6. NAMING OF STREET

Observation: I wish to refer to my previous Audit Inspection Reports especially that of 22nd December, 2022 in which you were advised to keep a comprehensive data of all the streets within your locality to ensure that all revenue derivable from naming of street are fully harnessed. It is disheartening to note that no positive action had been taken by your Local Government to produce a comprehensive data of all the streets that existed within your locality which will help in determining individuals or corporate bodies that has defaulted in the renewal of such street for several years and keep records of those who come willingly to renew their application. The record if kept will also help in keeping tab on those that come with fresh application for street to be named after them within your locality. Though, your Local Government from January to December 2022 appears to have realized a sum of ₦4,449,000.00 as revenue from street naming which is more than the budgeted revenue of the sum of ₦3,500,000.00 for the year, it appears that there was an under estimation in your budgeted revenue derivable from naming of streets for the year 2022.

Recommendation: Even though it was observed that your Local Government has just promulgated a bye –law to regulate and enforce compliance on the street naming operation, what would have given it a further impetus is to collate and maintain a comprehensive data of all the streets within your locality and ensure that all revenue derivable from naming of streets within your Local Government are fully harnessed. Any leakages observed should also be blocked.

7. INVESTMENT

Observation: It was observed that the Management of your Local Government at its Finance and General-Purposes Committee (F&GPC) meeting of 3rd November, 2022 approved the writing off from your books of account the sum of ₦1,941,214.23 which you have consistently over the years reflected as investments in the statement of Assets and Liabilities. This assertion that you have such amount of money as investment could not be substantiated because there is no share certificates or other documents to confirm the existence of such investments.

Recommendation: Please ensure that all documents relating to future investment are well secured or probably sought the services of commercial banks to keep such documents in trust on behalf of your Local Government.

8. UNRECEIPTED EXPENDITURE

Observation: It is disheartening to note that officials of your Local Government were still in the habit of contravening the provisions of Chapter 14: 17 of the Model Financial Memoranda for Local Governments by not attaching official printed receipt and other supporting documents to payment vouchers for expenditure incurred.

Example of such was the sum of ₦200,000.00 released to Engr. Oniosun Clement (Engineer 1) vide PV No. 4/December, 2022 for the repair and servicing of gear of the Toyota Hiace Bus (Mass Transit LG 25 TTD). Another was the sum of ₦240,000.00 released to Mr Femi Ige (Senior TBL Programme Manager) vide PV26/September and 99 October, 2022 as logistics support to commemorate the year 2022 World Tuberculosis Day. These expenditures were not supported with relevant official printed receipts.

Recommendation: I wish to reiterate it once again that your officers should always account for funds released by attaching relevant document as required by the extant laws and regulation.

9. LOCK-UP SHOPS AND OPEN-STALLS

Observation: Audit verification visit was made to some of the major markets within your Local Government. Available records revealed that your Local Government currently has a total number of 314 lock-up shops and 784 open stalls as details below:

S/N	LOCATION	LG LOCK-UP SHOP	OPEN STALL
1	Oba Titi Dada Market Ota	223	17
2	Old garage, Ado-Odo	10	-
3	Agunloye Market, Old shop Ado- Odo	21	-

4	Agunloye Market, New Shop, Ado- Odo	8	82
5	Ajelanwa Market, Alapoti Ado-Odo	-	20
6	Sango Market	42	158
7	Oba Adesola Market, Lusada, Igbesa.	-	269
8	Agbara Market	10	20
	TOTAL	314	784

* **AGUNLOYE NEW MARKET, ADO-ODO**

The Local Government has 82 open stalls in this market which were placed on annual rent of ₦6,000.00 each, Out of the 82 open stalls, 45 open stalls were in a state of disrepair and your Local Government is currently incurring a loss of ₦270,000 per annum from this market.

* **AJELANWA MARKET, ALAPOTI**

This market has twenty (20) open stall that were placed on annual rent of ₦6,000.00. It was observed that all the twenty (20) open stalls were in very deplorable condition and therefore not occupied thereby denying your Local Government the total sum of ₦120,000.00 annually being the amount that would have been realized as revenue on yearly basis from this market.

* **OBA ADESOLA MARKET, LUSADA, IGBESA**

The market has a total number of 269 open stalls that were placed on an annual rent 4,000.00 each. It was observed that 39 open stalls in this market were not occupied due to its deplorable condition thereby incurring a loss of the sum of ₦150,000.00 per annual that your Local Government could have realized as revenue.

* **SANGO MARKET**

It was observed that Sango Market has 42 lock-up shops and 158 open stalls which were placed on annual rent of ₦7,200.00 and ₦4,800.00 each respectfully. But fifty-eight (58) of the open stalls were in a state of disrepair and therefore not occupied and this has resulted in a yearly loss of ₦278,400 which your Local Government would have realized as revenue. Audit investigation also revealed that 4 lock-up shops and 10 open stalls were allocated to some politicians and others who sub-let them and collected the rent but refused to remit such rent into the Local Government Treasury for several years. The

Treasurer (Mrs. Ejide T. A) upon interrogation explained that her persistent request to them to remit the outstanding yearly rent of ₦76,800.00 did not yield a positive result. The sum involved therefore form part of the receivables for the year ended 31st December, 2022.

Recommendation: The Local Government should intensify more effort to recoup the money from the recalcitrant occupiers and if the non- payment persists, they should be ejected from the property. In addition, I wish to advise your Local Government to carry out rehabilitation work such as re-roofing and other works on the existing shops so as to put an end to this re-occurring loss of funds from those dilapidated shops. In addition, the Treasurer must ensure that all government revenue is promptly collected and remitted to the Treasury as required by extant laws and financial Regulations.

10. CONDITIONAL ALLOCATION OF 6000 SQUARE METER LAND OPIC ESTATE, AGBARA

Observation: I wish to refer to paragraph 10 of the Audit Inspection Report No. OGLG/TTD/1/V/471 of 22nd December, 2022. In the report, it was highlighted that Ogun State Property Investment Corporation (OPIC) made a conditional allocation of 6,000 square metre land within OPIC Estate to the defunct Agbara/Igbesa Local Council Development Area. The allocation was contingent on the payment of ₦5,000,000.00 infrastructural development levy to OPIC. Since then, a sum of ₦2,000,000.00 was paid to OPIC by the LCDA out of the ₦5,000,000.00.

It was the advice of this Office all along that the remaining ₦3,000,000.00 be liquidated on time.

During the recent audit exercise, it was observe that concerted effort had been taken by the Management of your local Government to pay the outstanding balance of the sum of ₦3,000,000.00 vide P.V No. 13/April 2023 having paid a sum of ₦2,000,000.00 earlier to OPIC in January 2019 in respect of the land.

Recommendation: It is in the light of the above that I wish to advise your Local Government to take full possession of this land and ensure that all documents relating to this land were acquired

and kept in a very secure place. Please ensure that you update this office on further development on the land.

11. CONSTRUCTION OF SHOPPING COMPLEX ALONG IJOKO/OTA ROAD, OFF SECOND POWERLINE, ROAD SANGO-OTA

Observation: I wish to refer to paragraph 14 of the last Audit Inspection Report No. OGLG/TTD/1/Vol.V/471 of 22nd December, 2022 and to comment that situation is still the same on the contractual agreement signed by the previous Administration of the defunct Sango/Ijoko LCDA with Engr. Owolabi Abdul Ganiu, Chairman/Chief Executive Officer on behalf of Debay Golden Resources Nigeria Limited of 55 Arije Road, Arijeloro, Abule-Iroko, Ogun State. The Agreement was on the construction of 30 lock-up shops at a cost of ₦50,000,000.00 on your Local Government parcel of land situated along Ijoko Ota road on Build Operate and Transfer (BOT) agreement basis for a period of 25 years which has now become a subject of litigation in the court of law.

Further audit investigation and to surprise of this Office revealed that the plaintiff who claimed to be the owner of the land where this shopping complex is situated has filed a petition and has also joined the Chairman of the defunct Sango/Ijoko LCDA as defendants but failed to join the Ado-Odo/Ota Local Government being the mother Local Government of the defunct Ijoko/Sango LCDA in the Law suit. Audit investigation also revealed that the Local Government has been using the land for several years ago as motor park/garage for transporters within the Local Government coupled with the facts that the land falls within the high-tension wire of the National Grid.

The Audit team was however surprised to note during its recent visit to this shopping complex in April, 2023 that in spite of the current litigation on the land where this project is situated, the developer has been able to increase the numbers of occupants of the lock-up shops from its former one (1) to eight (8) occupants.

Recommendation: As earlier advised, the management of your Local Government should urgently seek the services of the State Ministry of Land and Survey to know the proper charting and other information relating to this land. In addition, you should also file a petition to be joined as a defendant in the hearing of the suit.

Please ensure that the issues raised were given adequate attention without any further delay and this Office must be informed of the action taken within two (2) weeks of the receipt of this report.

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

Observation: I wish to draw your attention to paragraph 15 of the last Audit inspection report where it was reported that your local government on the 17th May, 2019 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. The agreement was 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. The developer had paid an agreed sum of ₦2,000,000.00 into the Local Government coffers vide R.V/12 of 6th May, 2019 as premium/ground rent before 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 5th May, 2034. Audit verification visit made to the site revealed that the project is almost completed but yet to be painted and the process of sales of forms cum shops allocation was in progress. The Audit team was reliably informed during the recent Audit exercise that this project has now become a subject of litigation between the developer, Oke- Ebe family of Iyedi Ota, and your Local Government.

Recommendation: I therefore wish to advise your Local Government to seek the services of the Legal department at the Local Government Service Commission for appropriate advice on legal action to be taken to safeguard your Local Government landed property.

MANAGEMENT REPORT ON AUDIT INSPECTION

RE: AUDIT INSPECTION REPORT OF THE ACCOUNT OF ADO-ODO/OTA LOCAL GOVERNMENT FOR THE PERIOD 1ST JANUARY - 31ST DECEMBER, 2022

1) DESTRUCTION OF EXHAUSTED RECEIPT BOOKS:

- a) The list has been collated and it is herewith attached.
- b) The Local Government will soon inform your office of the date for your offices to witness.

2) AUDIT QUERIES

The two Queries had been delivered to the affected officers and it is expected that their reply will get to the Auditor-General's Office on or before the expiration of the time set by the officer.

3) BANK RECONCILIATION STATEMENT

a. DIRECT CREDIT

The mentioned sum of three Million, nine Hundred and sixty three Thousand Seven Hundred and eleven Naira forty nine Kobo (₦3,963,711.49) only as direct credit has been written back into the cash book and revenue collectors have been enjoined to bring tellers to the Local Government for issuance of Treasury receipts promptly.

b. DIRECT DEBIT

The sum of four million, nine thousand six hundred and sixty Nine naira forty six kobo (₦4,009,669.46) has been returned so far Effort is on-going in order to recover the balance of seven hundred and sixteen thousand eighth hundred and twenty one Naira thirty seven kobo.(~~₦~~ 716,821.37)

4) REVENUE GENERATION PERFORMANCE

Your report on the above refers, please. The Local Government was surprised that her efforts in generating more revenue other than budgeted as a result of various innovations and blocking of leakages was not commended but instead the Local Government was being accused of not being realistic in her budgeting estimation. This is not encouraging at all and the Local Government is not pleased with this aspect of the report.

5) REVENUE CONTRACTORS AND THE LEVEL OF THEIR INDEBTEDNESS

The Local Government is considering other options other than legal means to recover the debt. Meanwhile majority of the debts have been recovered.

6) NAMING OF STREET

The Local Government is at loss with this report because rather than commending the efforts put in place such as promulgation of bye-law, public awareness and enforcement which led to the increase in the revenue far above the estimated budget, the Local Government is being accused of under estimation of the budgeted amount.

Meanwhile, the Local Government has taken note of your advice on how to further improve our revenue from Street Naming.

7) INVESTMENT

The advice given on future investment is noted.

8) UNRECEIPTED EXPENDITURE

The advice given is noted and officers are being educated on this.

9) LOCK-UP SHOPS AND OPEN STALLS

OBA ADESOLA MARKET LUSADA

The observed unoccupied thirty Nine (39) open stalls has been repaired and put to use.

The advice to rehabilitate and repair the existing shops will be adhered to in all the Local Government Markets.

10) CONDITIONAL ALLOCATION OF 6,000 SQUARE METER LAND OPIC ESTATE AGBARA

The balance of Three Million Naira (₦3,000,000.00) has been paid as observed and effort is ongoing to take full possession.

11) CONSTRUCTION OF SHOPPING COMPLEX ALONG IJOKO OTA ROAD OFF SECOND POWERLINE ROAD, SANGO-OTA


Our explanation in our earlier report still subsists.

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

Your advice to notify the Legal Department of Local Government Service Commission for appropriate advice is noted. However, the Local

Government interest is already being defended by her Legal Firm Gbola Adeosun &Co.The process of allocation is also ongoing.

Thank you.



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