

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, 2021

TABLE OF CONTENT

(1)	Table of Content	2
(2)	Acknowledgement	3
(3)	Audit Certificate	4
(4)	Statement of Opinion of the Auditor-General	5-6
(5)	Statutory Report	7-9
(6)	Responsibility Statement	10
(7)	Statement of Financial Position	11
(8)	Statement of Financial Performance	12
(9)	Statement of Changes in Net Assets/Equity	12
(10)	Cash Flow Statement	13
(11)	Accounting Policy	14-15
(12)	Notes to the Financial Statement	16-18
(13)	Audit Inspection Report	19-29
(14)	Management Letter	30-32

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.
17th 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 Sagamu Local Government for the year ended 31st 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 31st December, 2021 subject to the observations in the inspection reports.

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

STATEMENT OF OPINION OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF SAGAMULOCAL GOVERNMENT FOR THE YEAR ENDED 31ST DECEMBER, 2021

The accounts of Sagamu Local Government for the year ended 31st 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.

17th June, 2022.

**STATUTORY REPORT OF THE AUDITOR–GENERAL FOR LOCAL
GOVERNMENTS ON THE ACCOUNTS OF SAGAMU LOCAL GOVERNMENT,
SAGAMU FOR THE YEAR ENDED 31ST 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 account of Sagamu Local Government, Sagamu for the year ended 31st 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 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

It was observed that there was no asset register and the stillage ledger was not properly maintained

(3) FINANCIAL REVIEW:

REVENUE	AMOUNT (₦)
Independent Revenue	74,450,322.48
Statutory Allocation	2,221,916,940.08
Aids and Grants	22,000,000.00
Total	<u>2,318,367,262.56</u>
EXPENDITURE	
Salaries & Allowance	1,458,979,420.92
Pension	765,121,934.64
Overhead Expenses	176,838,823.02
Long Term Assets	18,346,640.00
Total	<u>2,419,286,818.58</u>

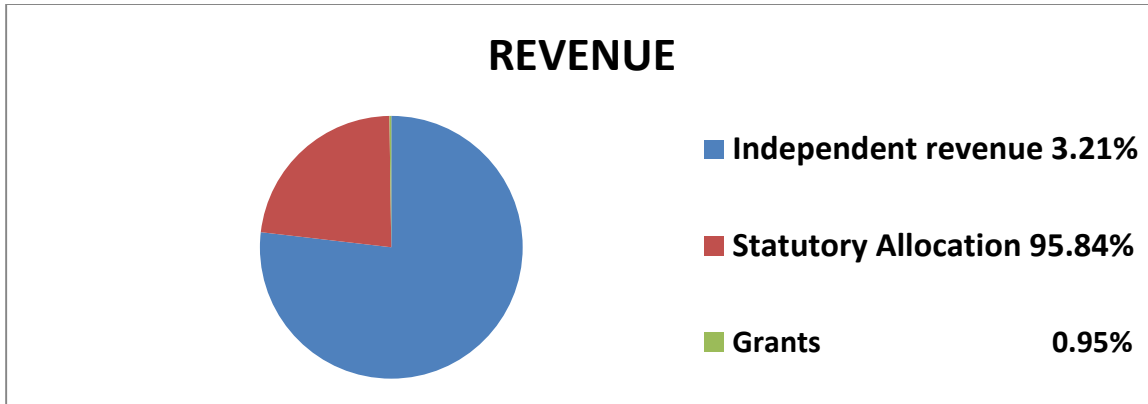
(4) REVENUE PERFORMANCE:

(i) STATEMENT OF ACTUAL REVENUE

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦164,800,000.00, a sum of ₦74,450,322.48 only was actually generated internally representing 45.18%. This represents an increase of 63.65% when compared with the sum of ₦45,492,515.66 generated in year 2020. This revenue performance is impressive but it not a true reflection of the revenue potential of the Local government.

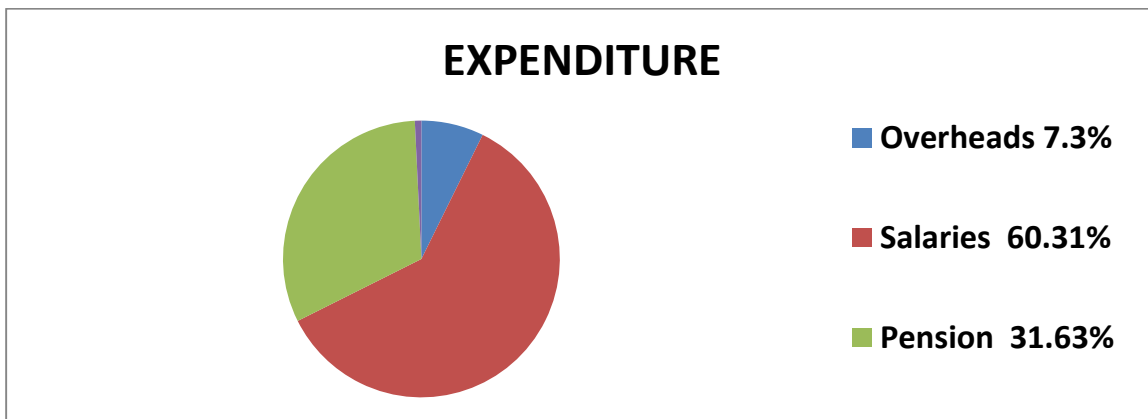
(ii) **PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE**

The Audit exercise revealed that out of the total revenue of ₦2,318,367,262.56 realized by the Local Government during the year under review, a sum of ₦74,450,322.48 only was generated internally. This represented 3.21% of the total revenue while the total sum of ₦2,221,916,940.08 statutory allocation and ₦22,000,000.00 aids and grant received from the State Joint Account Allocation Committee represented 95.84% and 0.95% 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 the expenditure profile of the Local Government revealed a total expenditure of ₦2,419,286,818.58. Out of this, a sum of ₦176,838,823.02 was expended on overhead which represented 7.30% of the total expenditure for the year. Also, a sum of ₦1,458,979,420.92 was expended on salaries and allowances representing 60.31% of the total expenditure for the year while ₦765,121,934.64 was expended on pensions and this represented 31.63% of the total expenditure for the year. The sum of ₦18,346,640.00 was expended on long term assets and this represented 0.76% 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, 2021 was ₦321,103,301.60. The liabilities are highlighted bellow:

S/NO	ITEMS	AMOUNT (₦)
1	5% VAT	17,297,861.63
2	5% DEVELOPMENT LEVY	1,939,692.15
3	7.5% PENSION FUND	110,979,819.01
4	PAYE	100,570,238.96
5	NULGE	9,183,681.51
6	Loan	3,214,078.67
7	Payables	48,727,728.00
8	OTHERS	<u>29,190,201.67</u>
Total		<u>321,103,301.60</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 regulations.

(7) ADVANCE

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

(8) INVESTMENTS

The sum of ₦550,000,000.00 shown in the Statement of Financial Position represents the investment as at December, 2021 but this could not be verified because the Local Government could not produce fixed deposit certificate or other evidences to confirm its existence.

SAGAMULOCAL 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.

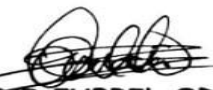
The Treasurer is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly record the use of all public financial resources by the Local Government. To the best of my knowledge,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


MR. WALE BELLO
Treasurer
Date:10-02-22.....

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 Sagamu Local Government as at 31st December, 2021 and its operations for the year ended on the date.


MR. WALE BELLO
Treasurer
Date:10-02-22.....


OGBENI JUBRIL ODULATE
Executive Chairman
Date:10/02/22.....

SAGAMU LOCAL GOVERNMENT
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2021

	NOTES	2021	2020
CURRENT ASSET		₦	₦
CASH & CASH EQUIVALENTS	8	12,659,065.55	19,739,089.48
INVENTORIES		2,216,500.00	3,378,540.00
RECEIVABLES		592,800.00	2,635,500.00
PREPAYMENT			
ADVANCE		9,310,526.43	8,273,344.86
TOTAL CURRENT ASSET (A)		24,778,891.98	34,026,474.34
NON CURRENT ASSET			
PROPERTY PLANT & EQUIPMENT	10	523,240,946.22	531,384,716.82
INVESTMENT PROPERTY	11	423,302,400.00	429,881,600.00
BIOLOGICAL ASSET	12		
INVESTMENT		550,000.00	550,000.00
LOAN GRANTED			
TOTAL NON CURRENT ASSET (B)		947,093,346.22	961,816,316.82
TOTAL ASSET (C=A+B)		971,872,238.20	995,842,791.16
CURRENT LIABILITY			
DEPOSIT			
LOAN & DEBT		3,214,078.67	1,126,894.35
UNREMITTED DEDUCTIONS	9	269,161,494.93	210,045,986.33
ACCRUED EXPENSES, PAYABLES		48,727,728.00	47,836,167.62
DEFERRED INCOME			
CURRENT PORTION OF BORROWING			
TOTAL CURRENT LIABILITY (D)		321,103,301.60	259,009,048.30
NON CURRENT LIABILITY			
PUBLIC FUND		2,942,287.66	8,287,873.29
BORROWING			
TOTAL NON CURRENT LIABILITY (E)		2,942,287.66	8,287,873.29
TOTAL LIABILITY (F=D+E)		324,045,589.26	267,296,921.59
NET ASSETS (G= C-F)		647,826,648.94	728,545,869.57
NET ASSET/EQUITY			
RESERVE			
ACCUMULATED SURPLUS/ DEFICIT		647,826,648.94	728,545,869.57
TOTAL NET ASSET/EQUITY		647,826,648.94	728,545,869.57

SAGAMU LOCAL GOVERNMENT
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2021

	NOTES	2021	2020
REVENUE		₦	₦
STATUTORY ALLOCATION	1	2,221,916,940.08	2,069,685,480.55
NON TAX REVENUE:	2	71,602,762.92	45,300,500.00
INVESTMENT INCOME			
INTEREST EARNED			
AIDS & GRANTS	3	22,000,000.00	25,800,000.00
OTHER REVENUE		2,847,559.56	192,015.66
TOTAL REVENUE (A)		2,318,367,262.56	2,140,977,996.21
EXPENDITURE			
SALARIES & WAGES	4	1,458,979,420.92	1,466,377,330.01
NON- REGULAR ALLOWANCE	5		-
SOCIAL BENEFIT	6	765,121,934.64	621,103,785.86
OVERHEAD COST	7	142,619,212.42	60,299,201.87
SUBVENTION TO PARASTALS		1,150,000.00	1,400,000.00
DEPRECIATION	10 & 11	33,069,610.60	28,914,825.60
GAIN/LOSS ON DISPOSAL ON ASSET			
TOTAL EXPENDITURE (B)		2,400,940,178.58	2,178,095,143.34
SURPLUS / DEFICIT (C=A-B)		-82,572,916.02	-37,117,147.13

SAGAMU LOCAL GOVERNMENT
STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2021

	₦
Balance 1/1/2020	783,543,173.34
Prior Year Adjustment	- 17,880,156.64
Adjusted Balance	765,663,016.70
Surplus/ (deficit) for the year	- 37,117,147.13
Balance 31/12/2020	728,545,869.57
Prior Year Adjustment	1,853,695.39
Adjusted Balance	730,399,564.96
Surplus/ (deficit) for the year	-82,572,916.02
Balance at 31 December 2021	647,826,648.94

SAGAMU LOCAL GOVERNMENT
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	2021	2020
<u>INFLOWS</u>	₦	₦
STATUTORY ALLOCATION	2,223,916,940.08	2,067,685,480.55
LICENCES, FINES, ROYALTIES, FEES ETC	53,831,412.92	36,416,050.00
EARNINGS & SALES	12,629,750.00	10,317,550.00
RENT OF GOVERNMENT PROPERTIES	5,184,300.00	3,576,400.00
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL		
DOMESTIC AIDS & GRANTS	22,000,000.00	11,000,000.00
OTHER REVENUE	2,847,559.56	192,015.66
TOTAL INFLOW FROM OPERATING ACTIVITIES A	2,320,409,962.56	2,129,187,496.21
<u>OUTFLOW</u>		
PERSONNEL EMOLUMENTS	1,458,979,420.92	1,466,377,330.01
SOCIAL BENEFIT	765,121,934.64	621,103,785.86
OVERHEADS	141,457,172.42	57,524,075.87
SUBVENTION TO PARASTATALS	1,150,000.00	1,400,000.00
INTEREST PAYMENT		
TOTAL OUTFLOW FROM OPERATING ACTIVITIES B	2,366,708,527.98	2,146,405,191.74
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B	-46,298,565.42	-17,217,695.53
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
PURCHASE/ CONSTRUCTION OF ASSETS	- 12,720,000.00	- 10,300,000.00
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE	75,415.00	- 40,000.00
PROCEED FROM SALE OF ASSETS		
DIVIDEND RECEIVED		
NET CASH FLOW FROM INVESTING ACTIVITIES	-12,644,585.00	-10,340,000.00
<u>CASH FLOW FROM FINANCIAL ACTIVITIES</u>		
DEPOSIT/ UNREMITTED DEDUCTIONS	49,775,942.17	35,738,979.04
PUBLIC FUND		
PROCEEDS FROM DOMESTIC LOANS & OTHER	5,000,000.00	- 1,135,938.00
LOAN REPAYMENTS	- 2,912,815.68	
NET CASH FLOW FROM FINANCIAL ACTIVITIES	51,863,126.49	34,603,041.04
NET CASH FLOW FROM ALL ACTIVITIES	-7,080,023.93	7,045,345.51
CASH & ITS EQUIVALENT AS AT 1/1/2021	19,739,089.48	12,693,743.97
CASH & ITS EQUIVALENT AS AT 31/12/2021	12,659,065.55	19,739,089.48

ACCOUNTING POLICY

S/N	
1	<p>Basis of Preparation The General Purpose Financial Statements are prepared under the historical cost convention and in accordance with IPSAS and other applicable standards and laws.</p>
2	<p>Accounting period Reporting period runs from 1st January to 31st December.</p>
3	<p>Reporting Currency The reporting currency is Naira (₦).</p>
4	<p>Revenue</p> <ul style="list-style-type: none"> a) Revenues from non-exchange transactions such as fees, and fines are recognised when the event occurs and the asset recognition criteria are met. b) Other non-exchange revenues are recognised when it is probable that the future economic benefits or service potential associated with the asset will flow to the Local Government and the fair value of the assets can be measured reliably.
5	<p>Other revenue</p> <ul style="list-style-type: none"> a) Other revenue consists of gains on disposal of property, plant and equipment. b) Any gain on disposal is recognized at the date control of the assets is passed to the buyer and is determined after deducting from the proceeds the carrying value of the assets at that time.
6	<p>Aids and Grants Aid and grants to a Local Government is recognised as income on entitlement, while aid and grants to other governments/agencies are recognised as expenditure on commitment.</p>
7	<p>Expenses All expenses are recognised in the period they are incurred or when the related services are enjoyed, irrespective of when the payment is made.</p>
8	<p>Property, Plant & Equipment (PPE)</p> <ul style="list-style-type: none"> a) All property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. b) Where an asset (Other than land) is acquired in a non-exchange transaction for nil or normal consideration the asset is initially recognised at fair value, where fair value can be reliably determined and as income in the statement of financial performance.
9	<p>Depreciation The cost of PPE are written off, from the time they are brought into use on a straight line basis over their expected useful lives less any estimated residual value as follows:</p> <ul style="list-style-type: none"> a) Lease properties over the term of the lease b) Buildings 2% c) Plant and Machinery 10% d) Motor vehicles 20% e) Office Equipment 25% f) Furniture and Fittings 20% <ul style="list-style-type: none"> i. The full depreciation charge is applied to PPE in the year of acquisition and non in the year of disposal, regardless of the day of the month the transactions were carried out ii. Fully depreciated assets that are still in use are carried in the books at a net book value of ₦100.00

	<p>iii. An asset's carrying amount is written down immediately to its recoverable amount or recoverable service amount if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.</p>
10	<p>Disposal Gains or losses on the disposal of fixed assets are included in the income statement as either an income or expenses respectively.</p> <p>Impairment Entities shall test for impairments of its PPE where it suspects that impairment has occurred.</p>
11	<p>Investment Property These are cash-generating property owned by the Local Government. The cost, depreciation and impairment of Investment Property are same with PPE.</p>
12	<p>Unremitted Deductions</p> <p>a) Unremitted deductions are monies owed to third parties such as tax authorities, schemes and associations and other government agencies. These include tax deductions and other deductions at source.</p> <p>b) These amounts are stated as Current Liabilities in the Statement of Financial Position.</p>
13	<p>Payable/Accrued Expenses</p> <p>a) These are monies payable to third parties in respect of goods and services received</p> <p>b) Accrued Expenses for which payment is due in the next 12 months are classified as Current Liabilities. Where the payments are due beyond the next 12 months, they are accounted for as Non-Current Liabilities.</p>
14	<p>Current Portion of Borrowings This is the portion of the long-term loan/borrowing that is due for repayment within the next 12 months. This portion of the borrowings is classified under Current Liabilities in the Statement of Financial Position.</p>

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

**SHARE OF STATUTORY ALLOCATION FROM
JAAC**

1	₦
JANUARY	179,806,300.93
FEBUARY	182,221,750.03
MARCH	190,362,471.79
APRIL	191,837,544.43
MAY	188,650,399.87
JUNE	189,899,892.20
JULY	194,345,451.11
AUGUST	202,804,930.08
SEPTEMBER	185,706,913.76
OCTOBER	184,956,826.49
NOVEMBER	145,296,169.98
DECEMBER	186,028,289.41
TOTAL	2,221,916,940.08

2 NON-TAX REVENUE

LICENCES	14,587,650.00
FEEES	39,015,862.92
FINES	180,200.00
EARNINGS	5,584,600.00
RENT OF GOVERNMENT PROPERTIES	5,189,300.00
SALES	7,045,150.00
TOTAL	71,602,762.92

3 AIDS & GRANTS

OGUN STATE GOVERNMENT	22,000,000.00
NON GOVERNMENT ORGANISATION	
TOTAL	22,000,000.00

4 SALARIES & WAGES

LOCAL GOVERNMENT STAFF	507,311,275.11
PRIMARY SCHOOL TEACHERS	711,486,404.76
TRADITIONAL COUNCIL	212,967,305.19
POLITICAL FUNCTION	27,214,435.86
TOTAL	1,458,979,420.92

5 NON-REGULAR ALLOWANCE

	LEAVE BONUS	
	TOTAL	

6 SOCIAL BENEFIT

	GRATUITY	-
	PENSION	765,121,934.64
	TOTAL	765,121,934.64

7 OVERHEAD COST BY DEPARTMENT

	CHAIRMAN & COUNCIL	28,965,700.00
	HOLGA	860,000.00
	INTERNAL AUDIT	975,500.00
	ADMINSTRATIVE	36,508,296.29
	FINANCE	16,580,626.74
	INFORMATION	7,633,000.00
	P H C	3,830,000.00
	AGRIC	690,000.00
	WORKS	36,881,029.01
	PLANNING	4,544,500.00
	WES	2,269,060.38
	COMMUNITY	2,881,500.00
	TOTAL	142,619,212.42

8 CASH & CASH EQUIVALENTS

	CASH AT HAND	5,774.99
	CASH IN BANKS	12,653,290.56
	TOTAL	12,659,065.55

9 UNREMITTED DEDUCTIONS

1	7.5% VAT	17,297,861.63
2	5% DEVELOPMENT LEVY	1,939,692.15
3	7.5% PENSION FUND	110,979,819.01
4	PAYE	100,570,238.96
5	NULGE	9,183,681.51
6	OTHERS	29,190,201.67
	TOTAL	269,161,494.93

SAGAMU LOCAL GOVERNMENT									
SCHEDULE OF	PROPERTY, PLANT & EQUIPMENT	LAND & BUILDING	LAND	PLANT & MACHINERY	TRANSPORTATION EQUIPMENT	OFFICE EQUIPMENT	FURNITURE & FITTINGS	INFRASTRUCTURE	TOTAL
	2%	10%	20%	25%	20%	10%	20%	10%	
BAL AS AT 01/01/2021	515,180,000.00	-	6,528,000.00	33,801,978.02	1,058,000.00	8,971,650.00	6,000,000.00	571,539,628.02	
ADDITIONAL DURING THE YEAR				12,745,000.00	330,000.00	3,271,640.00		16,346,640.00	
LEGACY								0.00	
DISPOSAL DURING THE YEAR								-	
BAL C/F	515,180,000.00	-	6,528,000.00	46,546,978.02	1,388,000.00	12,243,290.00	6,000,000.00	587,886,268.02	
ACCUMULATED DEPRECIATION									
BAL AS AT 01/01/2021	20,607,200.00	1,305,600.00	11,280,291.20	731,500.00	5,630,320.00	600,000.00	40,154,911.20		
ADDITIONAL DURING THE YEAR	10,303,600.00	652,800.00	9,709,295.60	264,000.00	2,960,715.00	600,000.00	24,490,410.60		
DISPOSAL DURING THE YEAR								-	
BAL C/F	30,910,800.00	-	1,958,400.00	20,989,586.80	995,500.00	8,591,035.00	1,200,000.00	64,645,321.80	
AS AT 31/12/2021	484,269,200.00	-	4,569,600.00	25,557,391.22	392,500.00	3,652,255.00	4,800,000.00	523,240,946.22	
AS AT 31/12/2020	494,572,800.00	-	5,222,400.00	22,521,686.82	326,500.00	3,341,330.00	5,400,000.00	531,384,716.82	

SAGAMU LOCAL GOVERNMENT				
INVESTMENT PROPERTY	LAND & BUILDING	LAND	BIOLOGICAL ASSET	TOTAL
	2%		4%	
BAL AS AT 01/01/2021	426,960,000.00	20,000,000.00		446,960,000.00
ADDITIONAL DURING THE YEAR	2,000,000.00			2,000,000.00
LEGACY				0.00
DISPOSAL DURING THE YEAR				-
BAL C/F	428,960,000.00	20,000,000.00	-	448,960,000.00
ACCUMULATED DEPRECIATION				
BAL AS AT 01/01/2021	17,078,400.00			17,078,400.00
ADDITIONAL DURING THE YEAR	8,579,200.00			8,579,200.00
DISPOSAL DURING THE YEAR				
BAL C/F	25,657,600.00	-	-	25,657,600.00
AS AT 31/12/2021	403,302,400.00	20,000,000.00	-	423,302,400.00
AS AT 31/12/2020	409,881,600.00	20,000,000.00	-	429,881,600.00

The Executive Chairman,
Sagamu Local Government,
Sagamu.

AUDIT INSPECTION REPORT ON THE ACCOUNTS OF SAGAMU LOCAL GOVERNMENT, SAGAMU FOR THE YEAR ENDED 31ST 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.

2. AUDIT QUERIES

The underlisted audit queries had earlier been forwarded to you for your necessary action as required by the law. Please ensure quick response to these queries.

S/N	Query number	Subject	Amount (₦)
1.	OGLG/AQ/SGM/161/2021	Unreceipted Expenditure	199,350.00
2.	OGLG/AQ/SGM/162/2021	Unreceipted Expenditure	120,000.00
3.	OGLG/AQ/SGM/163/2021	Unreceipted Expenditure	271,500.00
4.	OGLG/AQ/SGM/164/2021	Unreceipted Expenditure	450,000.00
5.	OGLG/AQ/SGM/165/2021	Unreceipted Expenditure	50,000.00

3. UNRECEIPTED EXPENDITURE

Observation: During the period under review, it was observed that the Local Government spent thousands of naira on various projects or transactions which were not retired because the official printed receipts of execution were not attached to the payment vouchers contrary to the provisions of Model Financial Memoranda for Local Governments. Chapter 14:17.

Examples of such projects or transactions are:

- a. A sum of ₦120,000.00 was released to Clement O. Oniosun (Director, Works and Housing) to hire grader for grading of a portion of Ayepe road vide PV No 6/April, 2021.
- b. A sum of ₦199,350.00 paid to Mr Oyewale O. T. (Principal Technical Officer) for painting and provisions of window blinds and fridge vide PV. No. 50/June, 2021.
- c. Another sum of ₦450,000.00 was given to Mr Clement O. Oniosun (Director, Works and Housing) for the renovation of Panpa Office at Oja-Oba, Ofin vide PV. No. 16/July, 2021.
- d. Also, a sum of ₦271,500.00 was paid to Mr Clement O. Oniosun (Director, Works and Housing) for the re-construction of damaged fence at Akarigbo's palace vide PV. No.12/June, 2021.

Similarly, a sum of ₦50,000.00 was given to Mr Akinshola L. O. (NULGE Chairman) for logistics and entertainment during NULGE branch elections which was not retired.

Recommendation: Officials of the Local Government are advised to always attached relevant document to payment vouchers as evidence of execution and in line with the provisions of Chapter 14:17 of Model Financial Memoranda for Local Governments.

4. **BANK RECONCILIATION STATEMENTS**

The bank reconciliation statements for the period 1st January to 31st December, 2021 were examined where the followings were observed.

i. **DORMANT BANK BALANCES**

Observation: It was observed that no action had been taken on the advice given in the last audit report No. OGLG/SAG/I/VOL.IV/238 of 17th November, 2021 that the Local Government should either reactive or close the bank accounts that had been dormant for several years.

Examination of the bank reconciliation statement revealed that a total sum of ₦1,957,012.39 was the balance on the dormant bank accounts. The balances had remained stagnant in the bank accounts for over a period of three (3) years.

At the exit meeting of the Auditors and the Local Government Management, the issue was raised. The response of the Management was that action has not been taken because of garnishee order placed on the Local Government Accounts. They promised that necessary action would be taken on the advice given by this Office when the garnishee order is removed on the accounts.

The continuous retention of these dormant accounts will continue to attract more bank charges every year and the balances reflected would not give a true and fair view of the financial position of the Local Government.

Recommendation: The Local Government is advised once again to fully adhere strictly to the directive of this Office by either re-activate or close the seventeen (17) dormant bank accounts and inform this Office of the action taken. This is in the best interest of the Local Government.

ii. **DIRECT LODGMENT**

Observation: During the period under review, a total sum of ₦1,477,700.00 was highlighted in the bank reconciliation statement as the amount paid directly into the various bank accounts of the Local Government but the deposit slips were not presented to the cashier for issuance of Treasury Receipt. Such direct lodgements are:

- a) A sum of ₦1,085,800.00 was credited into FCMB account No 0135070010 from Ogun State Joint Allocation Account in respect of advance deducted from staff monthly salaries and allowances. It was observed that the names of beneficiaries were not presented to Local Government and the treasurer did not bother to request for the details from the Ministry of Local Government and Chieftaincy Affairs or Commission.
- b) Another sum of ₦391,900.00 credited into the various bank accounts by Revenue Collectors but they did not bring the deposit slips to the Cashier for issuance of Treasury Receipts.

Recommendation: Revenue Collectors should be given orientation to always present deposit slips to cashier for issuance of Treasury Receipts in order to guide against long list of direct lodgement/credit in the reconciliation statement. Also, the Treasurer is advised to always ask for details of payments made on behalf of the Local Government either by the Local Government Service Commission or Ministry.

6. **WEMA BANK LOAN BALANCE**

Observation: During the period under review, it was observed that nothing has been done to the outstanding loan balance of ₦1,126,894.35 from Wema bank Plc account No. 0122166428 in the financial statement as at 31st December, 2020. The treasurer could not produce the bank statement because the account has been garnisheed. In view of this, the Audit team could not ascertain the present loan balance in the account for the period under review.

Recommendation: The Local Government is advised to write Wema Bank Plc to demand for the loan balance in the account No. 0122166428 as at 31st December, 2021.

7. **GATEWAY MORTGAGE BANK ACCOUNT NO. 0135070010**

Observation: During the period under review, it was observed that the management of the Local Government obtained a loan facility of ₦5,000,000.00 from Gateway Mortgage Bank on 5th February, 2021 with 16% interest for 18 months duration.

Available record revealed that a sum of ₦2,087,184.32 was the outstanding loan balance in the accounts as at 31st December, 2021.

Further records revealed that the Local Government did not service the loan for several months and had opened a new bank accounts at Keystone bank where revenue generated were paid into. Failure of the Local Government to service the loan has resulted into additional sum of ₦657,382.48 as penal charges as at 31st December, 2021. Invariably, the total outstanding loan balance at Mortgage bank account No. 0135070010 is ₦2,744,566.80 as at 31st December, 2021.

Recommendation: The Local Government is hereby advised to service its loan facility at Gateway Mortgage Bank account No. 0135070010 so as not to generate into issues and to also prevent unnecessary charges on the loan account.

7. **INTERNALLY GENERATED REVENUE (IGR)**

Observation: During the period under review, the Local Government budgeted a sum of ₦184,800,000.00 as internally generated revenue but a sum of ₦73,816,236.26 was the amount actually generated. This represents 39% revenue generation performance during the year 2021. Though, the revenue generated was more than ₦50,502,015.66 generated in 2020 financial year but the Local Government can still perform better if all the revenue sources were harnessed.

Recommendation: For better revenue generation performance, the Local Government is advised to initiate revenue database, embark on arable farming, poultry projects and pay attention to Ogiyo market, Sabo market etc. Also, the Revenue Collectors should be motivated and properly supervised for improve performance in the next financial year, 2022.

8. **NON-RETIREMENT OF IMPREST**

Observation: Available records revealed that office imprest paid to both political office holders and career officers were not retired during the period under review. This contravenes the provisions of Chapter 14:27 of Model Financial Memoranda which states that current imprest shall not be paid until previous ones have been retired.

Recommendation: The Internal Auditor should ensure that post payment audit exercise is carried out on all the expenditure made by the Local Government to prevent future occurrence.

Also, the treasurer and internal auditor should comply with the provisions of Chapter 14:27 of the Model Financial Memoranda by ensuring that imprests are retired as and when due before another month's imprest are granted.

9. **UN-UTILISED SCANNING MACHINE IN THE HEALTH CENTRES**

Observation: During the audit exercise, it was observed that the Local Government has eight (8) scanning machines at 8 different health centers across the Local Government area.

The health centers are stated below:

1. Ewu-Oluro health centre
2. Ogiyo PHC
3. Afisuru PHC
4. Ajegunle PHC
5. Epe health centre
6. Batoro health centrer
7. Sabo Agura health centre
8. Sotubo PHC

Observation: During Audit visit to the health centres, it was observed that only the scanning machines at Ogiyo Health Centre and Batoro Health Centre were in use. The conditions of scanning machines at other health centres not visited are not known to Auditors because the places were not visited due to time constraint but Audit investigation revealed that there were no trained personnel to handle the machines in those centres.

Recommendation: The Local Government is implored to make use of the scanning machines at the centres by engaging the services of operators or train some health workers to handle the operation of the scanning machines in order to generate revenue from their operations.

10. **HEALTH FACILITIES WITHIN THE LOCAL GOVERNMENT AREA**

Observation: The Local Government has twenty-six (26) health centres out of which the Auditors were able to visit five (5). The health centres visited were Sabo-Aguru, Batoro, Epe, Ewu-Oluro and Makun health centres. The visitation revealed that some of the health centres lack basic amenities such as: portable water, electricity, security, drugs, bedding and dressing etc. The conditions of other health centres could not be ascertained because they were not visited by Audit team.

Furthermore, it was observed that three (3) new health clinics were constructed through the community efforts. They are:

1. Seedu 1 health clinics
2. Seedu 2 health clinic
3. Seedu 3 health clinic.

Audit investigation revealed that the three (3) health clinics were ought to have been taken over by the Local Government but due to shortage of staff.

Recommendation: The management is advised to pay adequate attention to the Local Government health centres that lack basic amenities such as portable water, electricity, security, staff, drugs etc. Provisions of these amenities will enable the health centres to compete favourably with the private individual health facilities in the area and encourage patronage thereby generating more revenue.

Also, the Local Government should fully take charge of the Seedu health clinics constructed by the community in order to boost the internally generated revenue of the Local Government.

11. **LANDED PROPERTY OF THE LOCAL GOVERNMENT**

Observation: Throughout the period of this audit exercise, the comprehensive list of the Local Government landed property was not provided for Audit inspection. However, the Auditors were able to get some of the landed property from the available minutes of meeting of the Finance and General Purpose Committee of the Local Government.

Those that were extracted from the minutes book are:

- (i) Land @ Ogundeji street, off Sagamu/Ikorodu road Ogijo
- (ii) Land @ Ogijo Sagamu road, Ogijo(one hectare)
- (iii) Land @ Araromi toll gate beside Eskay Petroleum
- (iv) Land @ Beside Local Govt Education Authority Makun
- (v) Land @ Beside Eso-e Microfiance Bank Sabo

A grave vine information revealed that some of the landed property had been encroached by unauthorized persons.

Recommendation: The comprehensive details of all the Local Government landed property indicating the location, measurement/plots/size, present conditions etc as well as all relevant documentary evidences of ownership of those land should be forwarded to this Office within two (2) weeks from the date on this report.

12. **OFFICIAL VEHICLES TAKEN AWAY BY THE POLITICAL OFFICE HOLDERS**

Observation: Contrary to the circular letter No. OGLG/AUD/94/Vol.II/34 of 14th June, 2019 emanated from this Office which forbids the Political Officer holder from taken away his/her official vehicle after tenure of office without following due process, it was observed that a former Executive Chairman, Hon. Femi Kafaru that left in 2019, the former Transition Committee Chairman, Hon. Banjo Gbenga, the Vice Chairman, Hon. Adebayo Wasiu and the Secretary to the Local Government, Mr Kolapo Adenuga still took away their official vehicles without following due process.

Details of the official vehicles in their possession are as follows:

S/No.	Type	Model	Cost of Purchase (₦)	Custodians
1.	Toyota Corolla Sport		3,650,000.00	Hon. Femi Kafaru, (former Executive Chairman)
2.	Toyota Camry	2011 Model	3,762,500.00	Hon. Banjo Gbenga (Transition Chairman)
3	Toyota Camry	2004 Model	2,365,000.00	Hon. Adebayo Wasiu (Vice Chairman)
4	Toyota Camry	2004 Model	2,365,000.00	Mr. Kolapo Adenuga (Secretary to the Local Government)

At the time of this audit exercise, the management of the Local Government has not recovered the vehicles from the politicians despite our report letter Nos. OGLG/SAG/I/Vol.IV/197 of 22nd September, 2020 and OGLG/SAG/I/Vol.IV/238 of 17th November, 2021.

Recommendation: The vehicles should be recovered from them and evidence of steps taken by the Local Government to recover the vehicles from the politicians should be forwarded to this Office after which the matter will be reported to the Public Accounts Committee of the House of Assembly if they refused to return the vehicles.

13. CONSTRUCTION OF TEMIDIRE ALABA MARKET , OGIJO ON BUILT, OPERATE AND TRANSFER ARRAGEMENT

Observation: During the examination of the minutes of the Finance and General Purpose Committee Meeting held on 24th December, 2021 it was revealed that the Local Government awarded the construction of five hundred (500) modern lock up shops and two hundred (200) keek lamps at Temidire Alaba Market, Ogijo to Mr. Kehinde Fajana, the Managing Director/ Chief Executive Officer of Eliezer Investment Ltd of No. 18, Olorunbe street by Ajao Road off Adeniyi Jones, Ikeja, Lagos State on Built, Operate and Transfer arrangement.

The agreement contained the following information:

- (i) Construction of five hundred (500) modern lock up shops and two hundred (200) keek lamps at Temidire Alaba Market, Ogijo
- (ii) The estimated cost of the project was Eight Hundred and Forty Nine Million Naira, Nine Hundred and Eighty-Eight Thousand, Eight Hundred and Ninety-Seven Naira, Sixty Five Kobo (₦849,988,897.65) only.
- (iii) the construction shall be completed within twenty four (24) months
- (iv) The construction was to be done in two phases.
- (v) An Engineer of Sagamu Local Government shall monitor the progress and quality of work done.
- (vi) Premium of Two Million Naira (₦2,000,000.00) shall be paid by the developer to the Local Government coffers.

- (vii) The Developer is to sell application form to members of the public at an agreed price and remit 10% of money realized from the sale of the application form to the Local Government.
- (viii) The project lease out shall be twenty five (25) years.
- (ix) The Engineer of Sagamu Local Government shall issue certificate of completion to the developer upon the completion of the project.

Available records revealed that the lessee (Eliezer Investment Ltd) has paid a part payment sum of ₦1,000,000.00 to the coffers of the Local Government via RV No. 45/July, 2021. The Audit observed that the agreement was incomplete because it did not make provision for witness of the Local Government to sign. Also, there was no evidence that any lawyer was engaged by the Local Government in the preparation of the contract agreement.

Recommendation: The Local Government is hereby informed to forward a copy of the duly signed contract agreement in respect of the project to this Office in accordance with chapter 17:20(4) of the Model Financial Memoranda for Local Governments.

Other capital projects under BOT arrangement which were discovered in the Finance and General Purpose Committee Meeting book but could not be ascertained or verified by the Auditors during the period under review are as follows:

1. Construction of Sabo Trailer Park
2. Reconstruction of Sabo Market
3. Lease of Local Government land (1,723 square meter) in front of former Sagamu West LCDA Secretariat complex to Mr. Adams Wasiu Olabode.
4. Reconstruction of the Sagamu event hall to an Ultra-Modern event centre by a contractor, TOGASA NIG LTD.
5. Construction of ten (10) cubicles modern toilet /bathrooms at Karasabo motor park Sagamu
6. Renovation of Abeokuta motor park at Ijokun Sagamu by a contractor Awobab Consultant Firm.

Recommendation: The duly signed contract agreement and latest development in respect of the above projects under BOT arrangement should be forwarded to this Office within two (2) weeks from the date on this report.

14. **CONSTRUCTION OF TWENTY (20) OPEN STALLS AT LIKOSI MARKET**

Observation: A sum of ₦2,000,000,.00 was spent on construction of twenty (20) open stalls at Likosi market via PV No. 48/June, 2021 . The project was handled by Engineer Sulaimo Sanusi, Principal Technical Officer.

At the time of this audit exercise, the project has been completed but not yet allocated to the users.

Recommendation: The open stalls should be allocated to the users in order to generate necessary revenue from it.

15. **REPAIR AND LEASE OF ABANDONED LOCAL GOVERNMENT TRACTOR**

Observation: It was observed that at the Finance and General Purpose Committee Meeting held on 17th June, 2021, approval was given for the repair and lease of the Local Government tractor to KAOLIN PROJECT LIMITED on Public Private Partnership (PPP) arrangement with the following conditions.

- (i) The company shall bear the total cost of the repairs which is ₦610,000.00 and use the tractor for ten (10) months to re-coup the amount expended on the repairs.
- (ii) The company shall pay a sum of ₦20,000.00 only monthly as rental fee into Local Government coffers
- (iii) The monthly rental fee was for 10 months period and can be renewed thereafter depending on the management decision.
- (iv) The cost of regular maintenance of the tractor shall be borne by the company.

Available records revealed that the lessee (KAOLIN PROJECT LTD) has paid a sum of ₦80,000.00 as rental fee to the coffers of the Local Government via RV.62/July 2021 and RV. 38/ December, 2021 as at December, 2021.

Recommendation: The Local Government is advised to ensure that the contractor pay the monthly rental fee regularly. Also, the maintenance of the tractor should no longer be the responsibility of the Local Government throughout the period of operations as specified in the agreement.

16. **LOCK UP SHOPS AND OPEN STALLS WITHIN THE LOCAL GOVERNMENT AREA**

Observation: The situation is still the same as reported in the last audit inspection report No OGLG/SAG/I/Vol.IV/238 of 17th November, 2021 that the Local Government has 1,597 lock up shops and 427 open stalls.

During the audit exercise, the Local Government was able to generate substantial revenue from the stallages but can still generate more if Temidire Alaba market, Ogijo, Sabo market etc are resuscitated and monitored.

Recommendation: The management is advised to do the needful at Temidire market Ogijo and Sabo markets on time in order to generate revenue from the two markets.

Latest development in respect of the two markets (Temidire Alaba & Sabo) should be communicated to this Office. Receivables on the stallages should be recovered by the treasurer.

17. **THE LOCAL GOVERNMENT CONSTITUENCY GRADER (TL. IAGPNG TY) AND KOMATSU MOTOR GRADER**

Observation: In the last audit inspection report OGLG/SAG/I/Vol.IV/238 of 17th November, 2021, the Local Government was advised to repair the two graders for the benefit of the Local

Government and its environs. More so, that the Executive Chairman has promised to repair them.

At the time of this audit exercise, it was disheartening to note that the Executive Chairman did not fulfill his promise because the two Graders have not been repaired.

This implies that the sum of ₦208,700.00 paid via PV No 32/September, 2020 as part payment to Mr. Oloatu Theophilus (Chief Plant Operator) in September, 2020 for the repair of the Constituency Grader was a waste.

Recommendation: The Local Government is once again advised to repair the two Graders in order to make use of them for the various projects embarked upon and to generate revenue when hired out.

18. **CONSTRUCTION OF TOILET FACILITIES AT KARA, SABO ON BUILT, OPERATE AND TRANSFER ARRANGEMENT**

Observation: At the time of the audit exercise, detail information about the projects was not provided for audit when requested.

However, it was revealed from the minute of Finance & General Purpose Committee meeting of the Local Government held on 17th June, 2021 that a letter was received from the Project Contractor, Lola Awofeso Nig Enterprises requesting for a review of the terms of letter of award in respect of the project. It was further observed that the Local Government had considered his request and approved as follows:

- i. Downward review of annual payment of ground rent from ₦120,000.00 to ₦80,000.00 effective from August, 2021
- ii. Extension of the number of contract year from 10 years to 13 years.

As at the time of writing this report, there was no evidence of payment of any ground rent to the coffers of the Local Government. All efforts made by the Audit Team to inspect the project proved abortive.

Recommendation: The Local Government is advised to forward relevant detailed information in respect of contract for the construction of toilet facilities at Kara and Sabo to this Office within two (2) week from the date on this report. This is in line with the provisions of Chapter 17:20(4) of the Model Financial Memoranda for Local Governments.

19. **AGRICULTURE AND NATURAL RESOURCES DEPARTMENT**

Observation: During the audit exercise, it was observed that Agric department was totally neglected by the management. The deplorable conditions of the collapsed poultry pen building at Makun have not been addressed as it was advised in the audit inspection report NO. OGLG/SAG/I/Vol.IV/215 of 26th May, 2021. In the report, the Local Government was advised to resuscitate the poultry building and engage in other agric projects such as piggery, fish pond, snail rearing arable farming etc.

However, at the recently concluded audit exercise, the Director of Agric, Mr. Fatai Akorede informed the Auditors that a proposal for registration of farmer's organization in order to benefit from the international donor support agencies and Federal Government has been submitted to the management of the Local Government for approval. The registration exercise is expected to fetch the Local Government nothing less than ₦1,000,000.00 at a cost of ₦110,000.00 to the Local Government. This was observed to be the only proposed activity in the Agric department at the time of the audit exercise.

Recommendation: The Agric department is expected to be a major source of revenue generation to the Council. In view of this, the management is advised to do the needful by making the department functioning.

MANAGEMENT REPORT ON AUDIT INSPECTION ON THE ACCOUNT OF SAGAMU LOCAL GOVERNMENT FOR 2021 FINANCIAL YEAR

In response to the circular letter reference No.OGLG/SAG/1/Vol.IV/252 dated 31st March, 2021 requesting the Council Management response/position to the issue raised in the Audit Reports of the audit exercise carried out on the 2021 fiscal year. It's incumbent on the Local Government management to state our position after the examination of the observations made in the cause of audit activities. Premised on the above, the position of the Local Government Management is hereby presented as follows:

1. **DESTRUCTION OF EXHAUSTED RECEIPT BOOKS:** The Management wishes to state that arrangements are on top gear towards getting rid of all revenue earning receipts and other invalid financial documents. The Store Keeper and other concern officers had been directed to start collation of all the exhausted receipts and related papers for destruction as directed through the Audit Reports under consideration. Your office will soon be informed of our intention to destroy the documents in order for your office representative to witness the process.
2. **AUDIT QUERIES:** The total queries emanated from the Audit Exercise were five (5) in numbers; and all concerned officers who are to respond to one query or the other had been duly notified and it's our belief that most of them must have responded as expected.
3. **BANK RECONCILIATION STATEMENT:** All the issue raised in the Bank Reconciliation Statement had been examined and necessary efforts are being made to get them addressed properly. Thus, the steps taken so far are hereby stated:
 - (i) **DORMANT BANK BALANCES:** The issue of Dormant Accounts and it various Balances had been a recurring decimal, it has become features in the audit Reports of audit exercise year in and years out. However, the Local Government management has taken the giant stride to ensure the issues are properly addressed, but the subsistence of Garnishes Order placed on our Bank Accounts impede our success towards resolving the imbroglio as it were.
 - (ii) **DIRECT LODGEMENT:** The management had examined the issue raised here and a concerted effort had been made to design a policy that will help guide against the re-occurrence of the problem in future. The concern Officers, most especially the Revenue Collectors had been sensitized to ensure turning in the Bank Tellers for the issuance of treasury Receipts for any collection made.
 - (iii) **UN-RECEIPTED EXPENDITURE/NON-RETIREMENT OF IMPREST:** The reports observed that most Officers of the Local Government failed to account for the expenditure incurred through them by not retiring the payment by attaching official receipts. However, the Internal Auditor to the Council had been charged to ensure adequate post-payment audit of all payment vouchers at the end of every month and issue queries where necessary as this will definitely put Council Officers on their toes.

- (iv) **WEMA BANK AND GATEWAY BANK LOAN BALANCES:** The issue of outstanding loan at both Gateway Bank and Wema Bank had been properly addressed. The Bank management and Local Government management had held meetings where it was resolved that the Local Government should be paying one Hundred Thousand (₦100,000.00) each to both Banks on monthly Basis. This agreement is being implemented religiously.
4. **INTERNALLY GENERATED REVENUE (IGR):** On the issue raised here, management wishes to observe that not too good performance of the Local Government in the area of Revenue Generation was not unconnected with rampaging effects of COVID-19 that still subsist till the early part of year 2021, however, as it was observed in the Audit Exercise reports that this year's performance was still better than that of Year 2020, the Council management has put machineries in motion to ensure better performances in the nearest future.
5. **UN-UTILISED SCANNING MACHINE IN THE HEALTH CENTRES:** On the issue raised here, the management had mandated the medical officers of Health, who is in charge to select some officers among our health personnel and train them in the art of handling the scanning machines; to that effect, the Doctor had responded positively and few officers had undergone the training. The positive effect of this decision is being manifest in the revenue generated from the Health Centres recently.
6. **LANDED PROPERTY OF THE LOCAL GOVERNMENT:** This observation is viewed as a serious issue, hence the management directed the General Services and Administration Department as well as the works Department of Local Government to ensure proper documentation of all Landed Properties of the Council. Example: the Local Government Landed Property situated at Sotubo, Ogijo Road, Sagamu had been surveyed and layout made. Efforts on others are on-going.
7. **OFFICIAL VEHICLES TAKEN AWAY BY THE POLITICAL OFFICE HOLDERS:** The issue raised here again is of serious concern to the management of the Local Government; hence, the management has directed the Officers of General Services and Administration Department to be on trail of the concerned political office-holder to retrieve the vehicles, however, nothing much could not be achieved in this regards because many of the concerned politicians could not be traced, it is even said that some of them are out of the country.
8. **CONSTRUCTION OF TEMIDIRE ALABA MARKET, OGIJO ON BUILT, OPERATE AND TRANSFER ARRANGEMENT:** The issue raise here too is of great concern to the management of Local Government; hence, all agreement and other documentations had been signed and sealed; the construction had commenced; However, the contractor is yet to pay the balance of One Million (₦1M) of the ₦2M premium that was to be paid. He promise to make the payment at the end of the month of May 2022.
9. **CONSTRUCTION OF TWENTY (20) OPEN STALL AT LIKOSI MARKET:** The process of allocation of the Open Stalls in question is on top gear. The management has

given directives to the concerned Department to act on and turn in reports on the progress made as soon as possible.

10. **REPAIR AND LEASE OF ABANDONED LOCAL GOVERNMENT TRACTOR:** The lease agreement with RAOLIN PROJECT LTD had expired at the end of month of April 2022. Having paid all rental fees to the coffers of the Council as contained in the lease agreements, the management is now considering renting the tractor to the same business concern at the rate of One Hundred Thousand Naira (₦100,000.00) per month. We are at the stage of drawing new lease agreement for the commencement of new business relationship.
11. **LOCK UP SHOPS AND OPEN STALLS IN THE LOCAL GOVERNMENT:** The audit reports emanated from 2021 Audit Exercise admonished the management to do all with its power in-respect of Temidire Alaba and Sabo market on good time to ensure increase in the Internal Generated Revenue; it's interesting to report that re-construction of shops and stalls at Temidire Alaba Market had commenced while the management of the Sabo Market had been re-constituted for better performance.
12. **LOCAL GOVERNMENT CONSTITUENCY GRADER AND KOMATSU MOTOR GRADER:** In the Audit Report under review the management of the Council was advised to get the two graders repaired for optimum performance; however, only KOMATSU Grader had been repaired while the constituency Grader is yet to receive attention due to paucity of funds. We promise to get it repaired as soon as our finances improves.
13. **AGRICULTURE AND NATURAL RESOURCES:** The point raised here have been receiving the adequate attention of the Local Government management. Funds had been released for the printing of farmer's registration certificate. The farmer's organization registration has commenced and also Agriculture revolving accounts had been resuscitated; while plans are on to advance the department with a reasonable amount of money/funds to kick start some agric projects that can contribute positively to the efforts towards increase Internally Generated Revenue.

CONCLUSION: The management wishes to express our pleasure with the ways and manners with which the observations/points raised were presented; measures had been put in place to ensure a paradigm shift in the ways and manners we perform our duties for better future performance.


J. O. SAFIRIYU,
Ag. (Head of Local Government Admin.)