

**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 31<sup>ST</sup> 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.  
23<sup>rd</sup> 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 Sagamu Local Government for the year ended 31<sup>st</sup> 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 31<sup>st</sup> 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.  
23<sup>rd</sup> June, 2023.

## **STATEMENT OF OPINION OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF SAGAMULOCAL GOVERNMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2022**

The accounts of Sagamu Local Government for the year ended 31<sup>st</sup> 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.

23<sup>rd</sup> June, 2023.

**STATUTORY REPORT OF THE AUDITOR–GENERAL FOR LOCAL GOVERNMENTS ON THE ACCOUNTS OF SAGAMU LOCAL GOVERNMENT, SAGAMU FOR THE YEAR ENDED 31<sup>ST</sup> 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 account of Sagamu Local Government, Sagamu for the year ended 31<sup>st</sup> 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 General Purpose Financial Statement was prepared under the IPSAS Accrual Basis as applicable in the public sector. The audit was conducted in accordance with the Generally Accepted Auditing Standards.

In our opinion, subject to our observations, the General Purpose Financial Statement presented to Audit reflects a true and fair view of the financial activities of the Local Government for the year under review.

**(2) STATE OF THE BOOKS OF ACCOUNTS AND RECORDS**

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

**(3) FINANCIAL REVIEW:**

<b>REVENUE</b>	<b>AMOUNT (₦)</b>
Independent Revenue	100,967,717.28
Statutory Allocation	2,610,964,252.87
Aids and Grants	<u>34,848,573.33</u>
<b>Total</b>	<b><u>2,746,780,543.48</u></b>
<b>EXPENDITURE</b>	
Salaries & Allowance	1,626,423,676.45
Pension	908,365,351.89
Overhead Expenses (including Depreciation & Loss on Disposal of Assets)	190,703,700.01
Long Term Assets	<u>11,460,000.00</u>
<b>Total</b>	<b><u>2,736,952,728.35</u></b>

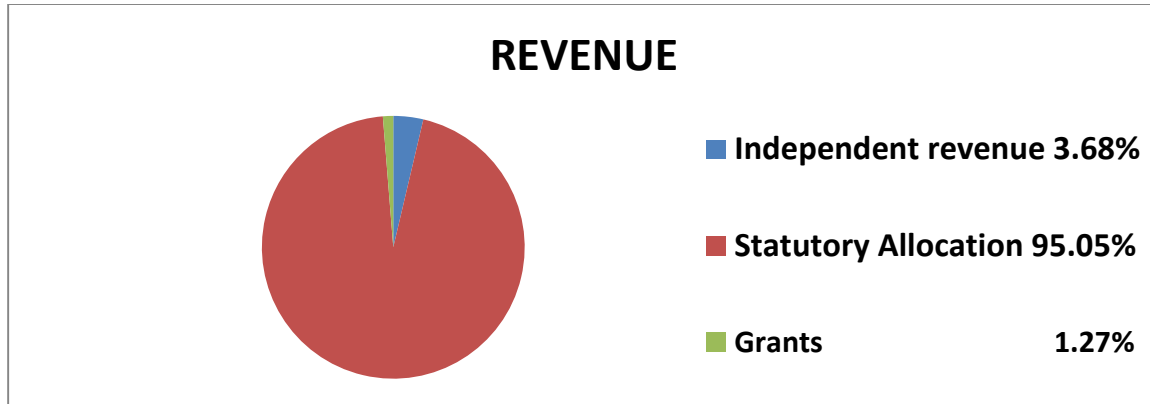
**(4) REVENUE PERFORMANCE:**

**(i) STATEMENT OF ACTUAL REVENUE**

Audit examination of the revenue profile revealed that out of the estimated Internally Generated Revenue of ₦164,800,000.00, a sum of ₦100,967,717.28 only was actually generated internally representing 61.27%. This represents an increase of 35.62% when compared with the sum of ₦74,450,322.48 generated in year 2021. This is an improved revenue performance but it is not a true reflection of the revenue potential of the Local Government.

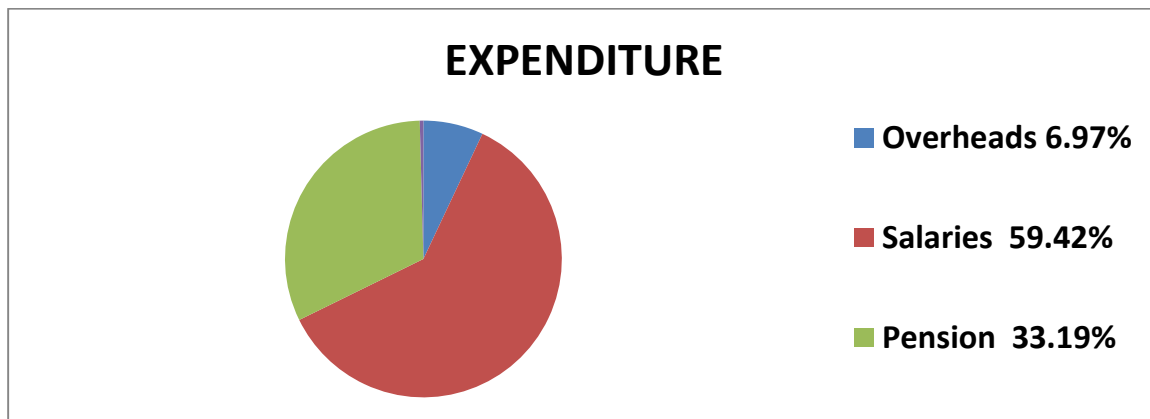
(ii) **PERCENTAGE OF INTERNALLY GENERATED REVENUE EFFORTS TO TOTAL REVENUE**

The Audit exercise revealed that out of the total revenue of ₦2,746,780,543.48 realized by the Local Government during the year under review, a sum of ₦100,967,717.28 only was generated internally. This represented 3.68% of the total revenue while the sum of ₦2,610,964,252.87 statutory allocation and ₦34,848,573.33 aids and grant received from Ogun State Government represented 95.05% and 1.27% 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 ₦2,736,952,728.35. Out of this, a sum of ₦190,703,700.01 was expended on overhead which represented 6.97% of the total expenditure for the year. Also, a sum of ₦1,626,423,676.45 was expended on salaries and allowances representing 59.42% of the total expenditure for the year while ₦908,365,351.89 was expended on pensions and this represented 33.19% of the total expenditure for the year. The sum of ₦11,460,000.00 was expended on long term assets and this represented 0.42% 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 31<sup>st</sup> December, 2022 was ₦303,976,305.70. The liabilities are highlighted bellow:

<b>S/NO</b>	<b>ITEMS</b>	<b>AMOUNT (₦)</b>
1	5% VAT	17,297,861.63
2	5% DEVELOPMENT LEVY	1,939,692.15
3	7.5% PENSION FUND	122,459,292.31
4	PAYE	79,038,157.35
5	NULGE	9,183,681.51
6	Loan	737,191.21
7	Payables	44,130,228.00
8	OTHERS	<u>29,190,201.67</u>
<b>Total</b>		<b><u>303,976,305.70</u></b>

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

**(7) ADVANCE**

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

**(8) INVESTMENTS**


The sum of ₦550,000,000.00 shown in the Statement of Financial Position as investment as at December, 2022 could not be verified because the Local Government could not produce investment 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: 03/02/2023

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 Sagamu Local Government as at 31<sup>st</sup> December, 2022 and its operations for the year ended on the date.

  
**MR. WALE BELLO**  
Treasurer  
Date: 03/02/2023

  
**OGBENI JUBRIL ODULATE**  
Executive Chairman  
Date: 03/02/23

**SAGAMU LOCAL GOVERNMENT**  
**STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2022**

	NOTES	2022	2021
<b>CURRENT ASSET</b>		₦	₦
CASH & CASH EQUIVALENTS	10	36,501,065.39	12,659,065.55
INVENTORIES		1,995,450.00	2,216,500.00
RECEIVABLES		1,277,800.00	592,800.00
PREPAYMENT			
ADVANCE		9,310,526.43	9,310,526.43
<b>TOTAL CURRENT ASSET (A)</b>		<b>49,084,841.82</b>	<b>24,778,891.98</b>
<b>NON CURRENT ASSET</b>			
PROPERTY PLANT & EQUIPMENT	8	511,675,015.60	523,240,946.22
INVESTMENT PROPERTY	9	414,723,200.00	423,302,400.00
BIOLOGICAL ASSET			
INVESTMENT		550,000.00	550,000.00
LOAN GRANTED			
<b>TOTAL NON CURRENT ASSET (B)</b>		<b>926,948,215.60</b>	<b>947,093,346.22</b>
<b>TOTAL ASSET (C=A+B)</b>		<b>976,033,057.42</b>	<b>971,872,238.20</b>
<b>CURRENT LIABILITY</b>			
DEPOSIT			
LOAN & DEBT		737,191.21	3,214,078.67
UNREMITTED DEDUCTIONS	11	259,108,886.49	269,161,494.93
ACCURED EXPENSES, PAYABLES		44,130,228.00	48,727,728.00
DEFERED INCOME			
CURRENT PORTION OF BORROWING			
<b>TOTAL CURRENT LIABILITY (D)</b>		<b>303,976,305.70</b>	<b>321,103,301.60</b>
<b>NON CURRENT LIABILITY</b>			
PUBLIC FUND		2,942,287.66	2,942,287.66
BOROWING			
<b>TOTAL NON CURRENT LIABILITY (E)</b>		<b>2,942,287.66</b>	<b>2,942,287.66</b>
<b>TOTAL LIABILITY (F=D+E)</b>		<b>306,918,593.36</b>	<b>324,045,589.26</b>
<b>NET ASSETS (G= C-F)</b>		<b>669,114,464.06</b>	<b>647,826,648.94</b>
<b>NET ASSET/EQUITY</b>			
RESERVE			
ACCUMULATED SURPLUS/ DEFICIT		669,114,464.06	647,826,648.94
<b>TOTAL NET ASSET/EQUITY</b>		<b>669,114,464.06</b>	<b>647,826,648.94</b>

**SAGAMU LOCAL GOVERNMENT**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2022**

	NOTES	2022	2021
<b>REVENUE</b>		₦	₦
STATUTORY ALLOCATION	1	2,610,964,252.87	2,221,916,940.08
NON TAX REVENUE	2	100,401,795.00	71,602,762.92
INVESTMENT INCOME			
INTEREST EARNED			
GAIN/LOSS ON DISPOSAL ON ASSET			
AIDS & GRANTS	3	34,848,573.33	22,000,000.00
OTHER REVENUE		565,922.28	2,847,559.56
<b>TOTAL REVENUE (A)</b>		<b>2,746,780,543.48</b>	<b>2,318,367,262.56</b>
<b>EXPENDITURE</b>			
SALARIES & WAGES	4	1,626,423,676.45	1,458,979,420.92
NON- REGULAR ALLOWANCE	5		
SOCIAL BENEFIT	6	908,365,351.89	765,121,934.64
OVERHEAD COST	7	157,948,569.40	142,619,212.42
SUBVENTION TO PARASTALS		1,150,000.00	1,150,000.00
DEPRECIATION	8 & 9	31,605,130.61	33,069,610.60
GAIN/LOSS ON DISPOSAL ON ASSET			
<b>TOTAL EXPENDITURE (B)</b>		<b>2,725,492,728.35</b>	<b>2,400,940,178.58</b>
<b>SURPLUS / DEFICIT (C=A-B)</b>		<b>21,287,815.13</b>	<b>-82,572,916.02</b>

**SAGAMU LOCAL GOVERNMENT**  
**STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2022**

	₦
<b>Balance 1/1/2021</b>	728,545,869.57
Prior Year Adjustment	1,853,695.39
<b>Adjusted Balance</b>	<b>730,399,564.96</b>
Surplus/ (deficit) for the year	-
	82,572,916.02
<b>Balance 31/12/2021</b>	<b>647,826,648.94</b>
Prior Year Adjustment	-
	-0.01
<b>Adjusted Balance</b>	<b>647,826,648.93</b>
Surplus/ (deficit) for the year	21,287,815.13
<b>Balance at 31 December 2022</b>	<b>669,114,464.06</b>

**SAGAMU LOCAL GOVERNMENT**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2022**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2022</b>	<b>2021</b>
<b><u>INFLOWS</u></b>	<b>₦</b>	<b>₦</b>
STATUTORY ALLOCATION	2,610,964,252.87	2,223,916,940.08
LICENCES, FINES, ROYALTIES, FEES ETC	63,157,550.00	53,831,412.92
EARNINGS & SALES	22,714,645.00	12,629,750.00
RENT OF GOVERNMENT PROPERTIES	13,844,600.00	5,184,300.00
INVESTMENT INCOME		
INTEREST & REPAYMENT GENERAL		
DOMESTIC AIDS & GRANTS	34,848,573.33	22,000,000.00
OTHER REVENUE	565,922.28	2,847,559.56
<b>TOTAL INFLOW FROM OPERATING ACTIVITIES (A)</b>	<b>2,746,095,543.48</b>	<b>2,320,409,962.56</b>
<b><u>OUTFLOW</u></b>		
PERSONNEL EMOLUMENTS	1,626,423,676.45	1,458,979,420.92
SOCIAL BENEFIT	908,365,351.89	765,121,934.64
OVERHEADS	162,325,019.40	141,457,172.42
SUBVENTION TO PARASTATALS	1,150,000.00	1,150,000.00
INTEREST PAYMENT		
<b>TOTAL OUTFLOW FROM OPERATING ACTIVITIES (B)</b>	<b>2,698,264,047.74</b>	<b>2,366,708,527.98</b>
<b>NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES C=A-B</b>	<b>47,831,495.74</b>	<b>-46,298,565.42</b>
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
PURCHASE/ CONSTRUCTION OF ASSETS	11,460,000.00	12,720,000.00
PURCHASE OF FINANCIAL MARKET INSTRUMENTS		
ADVANCE		75,415.00
PROCEED FROM SALE OF ASSETS		
DEFERRED INCOME		
DIVIDEND RECEIVED		
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-11,460,000.00</b>	<b>-12,644,585.00</b>
<b><u>CASH FLOW FROM FINANCIAL ACTIVITIES</u></b>		
DEPOSIT/ UNREMITTED DEDUCTIONS	-10,052,608.44	49,775,942.17
PUBLIC FUND		
PROCEEDS FROM DOMESTIC LOANS & OTHER		5,000,000.00
LOAN REPAYMENTS	2,476,887.46	2,912,815.68
<b>NET CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>-12,529,495.90</b>	<b>51,863,126.49</b>
<b>NET CASH FLOW FROM ALL ACTIVITIES</b>	<b>23,841,999.84</b>	<b>-7,080,023.93</b>
<b>CASH &amp; ITS EQUIVALENT AS AT 1/1/2022</b>	<b>12,659,065.55</b>	<b>19,739,089.48</b>
<b>CASH &amp; ITS EQUIVALENT AS AT 31/12/2022</b>	<b>36,501,065.39</b>	<b>12,659,065.55</b>

## ACCOUNTING POLICY

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

	<ul style="list-style-type: none"> <li>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</li> <li>ii. Fully depreciated assets that are still in use are carried in the books at a net book value of ₦100.00</li> <li>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.</li> </ul>
10	<p><b>Disposal</b> Gains or losses on the disposal of fixed assets are included in the income statement as either an income or expenses respectively.</p> <p><b>Impairment</b> Entities shall test for impairments of its PPE where it suspects that impairment has occurred.</p>
11	<p><b>Investment Property</b> These are cash-generating property owned by the Local Government. The cost, depreciation and impairment of Investment Property are same with PPE.</p>
12	<p><b>Unremitted Deductions</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>b) These amounts are stated as Current Liabilities in the Statement of Financial Position.</li> </ul>
13	<p><b>Payable/Accrued Expenses</b></p> <ul style="list-style-type: none"> <li>a) These are monies payable to third parties in respect of goods and services received</li> <li>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.</li> </ul>
14	<p><b>Current Portion of Borrowings</b> This is the portion of the long-term loan/borrowing that is due for repayment within the next 12 months. This portion of the borrowings is classified under Current Liabilities in the Statement of Financial Position.</p>

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

**1 SHARE OF STATUTORY ALLOCATION FROM JAAC**

JANUARY	192,575,275.99
FEBUARY	196,310,075.08
MARCH	187,784,715.92
APRIL	202,653,602.97
MAY	198,366,655.70
JUNE	195,917,810.59
JULY	215,038,893.43
AUGUST	222,875,762.42
SEPTEMBER	212,537,102.02
OCTOBER	368,216,533.32
NOVEMBER	201,088,528.95
DECEMBER	217,599,296.48
<b>TOTAL</b>	<b>2,610,964,252.87</b>

**2 NON-TAX REVENUE**

LICENCES	16,116,300.00
FEES	45,372,250.00
FINES	1,669,000.00
EARNINGS	6,137,860.00
RENT OF GOVERNMENT PROPERTIES	14,529,600.00
SALES	16,576,785.00
<b>TOTAL</b>	<b>100,401,795.00</b>

**3 AIDS & GRANTS**

OGUN STATE GOVERNMENT	34,848,573.33
NON GOVERNMENT ORGANISATION	
<b>TOTAL</b>	<b>34,848,573.33</b>

**4 SALARIES & WAGES**

LOCAL GOVERNMENT STAFF	519,628,055.50
PRIMARY SCHOOL TEACHERS	827,606,083.70
TRADITIONAL COUNCIL	211,460,532.41
POLITICAL FUNCTIONARIES	67,729,004.84
<b>TOTAL</b>	<b>1,626,423,676.45</b>

**5 NON- REGULAR ALLOWANCE**

LEAVE BONUS	
<b>TOTAL</b>	



**6 SOCIAL BENEFIT**

	GRATUITY	-
	PENSION	908,365,351.89
	<b>TOTAL</b>	<b>908,365,351.89</b>

**7 OVERHEAD COST BY DEPARTMENT**

	CHAIRMAN & COUNCIL	46,289,500.00
	HOLGA	635,000.00
	INTERNAL AUDIT	945,000.00
	ADMINISTRATIVE	33,516,966.09
	FINANCE	23,075,213.31
	INFORMATION	400,000.00
	P H C	19,497,500.00
	AGRIC	205,000.00
	WORKS	26,145,390.00
	PLANNING	2,977,000.00
	WES	4,115,000.00
	COMMUNITY	147,000.00
	<b>TOTAL</b>	<b>157,948,569.40</b>

**10 CASH & CASH EQUIVALENTS**

	CASH AT HAND	9,674.99
	CASH IN BANKS	36,491,390.40
	<b>TOTAL</b>	<b>36,501,065.39</b>

**11 UNREMITTED DEDUCTIONS**

1	7.5% VAT	17,297,861.63
2	5% DEVELOPMENT LEVY	1,939,692.15
3	7.5% PENSION FUND	122,459,292.31
4	PAYE	79,038,157.35
5	NULGE	9,183,681.51
8	OTHERS	29,190,201.54
	<b>TOTAL</b>	<b>259,108,886.49</b>

**NOTE 8 SAGAMU LOCAL GOVERNMENT**

SCHEDULE OF PROPERTY, PLANT & EQUIPMENT	LAND & BUILDING 2%	LAND	PLANT & MACHINERY 10%	TRANSPORTATION EQUIPMENT 20%	OFFICE EQUIPMENT 25%	FURNITURE & FITTINGS 20%	INFRASTRUSURE 10%	TOTAL
BAL AS AT 01/01/2022	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
ADDITIONAL DURING THE YEAR			7,160,000.00	3,400,000.00		900,000.00		11,460,000.00
LEGACY								0.00
DISPOSAL DURING THE YEAR								-
BAL. C/F	<b>515,180,000.00</b>	-	<b>13,688,000.00</b>	<b>49,946,978.02</b>	<b>1,388,000.00</b>	<b>13,143,290.00</b>	<b>6,000,000.00</b>	<b>599,346,268.02</b>
ACCUMULATED DEPRECIATION								
BAL. AS AT 01/01/2022	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
ADDITIONAL DURING THE YEAR	10,303,600.00		1,368,800.00	9,289,295.61	226,700.00	1,237,535.00	600,000.00	23,025,930.61
DISPOSAL DURING THE YEAR				0.01				0.01
BAL. C/F	41,214,400.00	-	3,327,200.00	30,278,882.42	1,222,200.00	9,828,570.00	1,800,000.00	87,671,252.42
AS AT 31/12/2022	<b>473,965,600.00</b>	-	<b>10,360,800.00</b>	<b>19,668,095.60</b>	<b>165,800.00</b>	<b>3,314,720.00</b>	<b>4,200,000.00</b>	<b>511,675,015.60</b>
AS AT 31/12/2021	<b>484,269,200.00</b>	-	<b>4,569,600.00</b>	<b>25,557,391.22</b>	<b>392,500.00</b>	<b>3,652,255.00</b>	<b>4,800,000.00</b>	<b>523,240,946.22</b>

**NOTE 9 SAGAMU LOCAL GOVERNMENT**

INVESTMENT PROPERTY	LAND & BUILDING 2%	LAND	BIOLOGICAL ASSET 4%	TOTAL
BAL AS AT 01/01/2022	428,960,000.00	20,000,000.00		448,960,000.00
ADDITIONAL DURING THE YEAR				0.00
LEGACY				0.00
DISPOSAL DURING THE YEAR				-
BAL. C/F	<b>428,960,000.00</b>	<b>20,000,000.00</b>	-	<b>448,960,000.00</b>
ACCUMULATED DEPRECIATION				
BAL. AS AT 01/01/2022	25,657,600.00			25,657,600.00
ADDITIONAL DURING THE YEAR	8,579,200.00			8,579,200.00
DISPOSAL DURING THE YEAR				
BAL. C/F	34,236,800.00	-	-	34,236,800.00
AS AT 31/12/2022	<b>394,723,200.00</b>	<b>20,000,000.00</b>	-	<b>414,723,200.00</b>
AS AT 31/12/2021	<b>403,302,400.00</b>	<b>20,000,000.00</b>	-	<b>423,302,400.00</b>

**The Executive Chairman,**  
Sagamu Local Government,  
Sagamu.

**AUDIT INSPECTION REPORT ON THE ACCOUNTS OF SAGAMU LOCAL GOVERNMENT, SAGAMU FOR THE YEAR ENDED 31<sup>ST</sup> 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. The underlisted audit queries had earlier been forwarded to the Local Government Chairman for his necessary action as required by law. Please ensure quick response to the queries.

S/N	Query Numbers	Subject	Amount(₦)
1.	OGLG/AQ/SAG/166/2022	Unreceipted Expenditure	300,000.00
2.	OGLG/AQ/SAG/167/2022	Doubtful Expenditure	500,000.00
3.	OGLG/AQ/SAG/168/2022	Doubtful Expenditure	350,000.00
4.	OGLG/AQ/SAG/169/2022	Doubtful Expenditure	500,000.00
5.	OGLG/AQ/SAG/170/2022	Unreceipted Expenditure	200,000.00

3. **REVENUE GENERATION PERFORMANCE**

**Observation:** The Local Government budgeted a sum of ₦209,700,000.00 to be generated internally in year 2022 out of which a sum of ₦100,967,717.28 only was generated. The amount generated represented 48.15% of the budget for year 2022 and this appears to be under performance. However, this represents an increase of 35.62% of the sum of ₦74,450,322.48 generated in year 2021. While the sum of ₦100,967,717.28 generated in year 2022 appear to be impressive when compared with the sum of ₦74,450,322.48 generated in year 2021, a close look at the performance of individual items of revenue revealed that while some were very impressive, others showed a sharp drop in revenue generated. The table below contains some of the revenue heads where the Local Government either did not collect any revenue at all while revenue was collected in the previous period and those that the amount collected were less than those of the previous year:

<b>SAGAMU LOCAL GOVERNMENT INDEPENDENT REVENUE FOR YEAR 2021 AND 2022</b>			
<b>ECONOMIC CODE</b>	<b>DESCRIPTION</b>	<b>2021</b>	<b>2022</b>
12020120	Hawkers Permit	308,500.00	
12020124	Abattoir/Slaughter Licenses	765,000.00	482,000.00
12020137	Trade Permit License	11,335,100.00	8,407,000.00
12020138	Hackney Permit	772,750.00	580,000.00
12020142	Road Haulage	487,800.00	80,000.00
12020436	Bill Board Advertisement Fees	465,012.92	
12020442	Association Fees	330,500.00	225,000.00
12020474	Other Contract Fees	245,500.00	
12020490	Tenement Rate	13,770,000.00	7,779,950.00
12020493	Street Naming Fees	3,465,400.00	1,080,000.00
12020495	Stallage Fees	5,955,000.00	5,074,400.00
12020701	Earnings from Consultancy Services	150,000.00	
12020722	Earnings from Catering Services	294,500.00	
12020903	Rent on Premium on Allocation of Land	638,200.00	

Worthy of note is the revenue from tenement rate which dropped from the sum of ₦13,770,000.00 in year 2021 to ₦7,779,950.00 in year 2022 amounting to reduction in performance by ₦6,409,950 representing 46.55% decrease. Other notable areas of underperformance were trade permit with a reduction in revenue generated of ₦2,928,100.00 representing 25.83% decrease and revenue from stallages that reduced by ₦2,385,400.00 representing 68.83% decrease in performance when compared with the collections in year 2021.

Interrogation of revenue collectors revealed that the required logistics for efficient revenue collection like means of mobility was either not available or inadequate. A comprehensive data base of areas from where revenues are collectable cannot be provided by the Local Government. There was also inadequate supervision of revenue collection generally by the management and particularly by the Treasurer. The Local Government can perform better if all leakages were blocked.

**Recommendation:** Concerted efforts should be intensified towards enhanced revenue generation. Officially collated revenue data base should be generated to enhance planning and monitoring of revenue performance. Also, the revenue collectors should be provided with means of mobility and properly supervised for improved performance.

#### **4. LOCK-UP SHOPS AND OPEN-STALLS**

**Observation:** It was reported in the previous audit Inspection Report dated 8<sup>th</sup> September, 2022 that the Local Government has a total number of 1,208 lock-up shops and 228 open stalls as detail below:

S/N	LOCATION	LG LOCK-UP SHOP	LOCK-UP ON LEASE	OPEN STALL
1	Awolowo Market, Sagamu	272	711	-
2	Oja Oba Market	92		104
3	Falawo Market	80		124
4	Ijokun Motor Park Meellon	14	-	-
5	Ijokun Eleja Shopping Complex	39	-	-
	Total	<b>497</b>	<b>711</b>	<b>228</b>

Out of these shops and stalls, four hundred and ninety-seven (497) lock-up shops are owned by the Local Government, while land was allocated to individuals in year 2004 for the construction of seven hundred and eleven (711) Lock-up Shops for the lease period of 20 years covering up to year 2024 before the ownership of the property will finally be transferred to the Local Government.

##### **(i) Falawo Market**

The one hundred and twenty four (124) open stalls at Falawo Market were still not put to use by the traders who continue displaying their goods along the major road. Out of the 124 open stall, 30 were in deplorable condition. The remaining 94 open stall at ₦6,000 each per annum that would have brought in ₦564,000.00 to the Government was lost because the stalls were not occupied.

##### **(ii) Oja Oba Market**

During the recent audit exercise, it was observed that Oja Oba Market has 92 lock-up shops and 104 open stalls on lease. A lock-up shop in the market was allocated for ₦10,000 yearly between August 2021 and July 2022 and later increased to ₦24,000 per annum in August, 2022. It is disheartening to note that 27 of the lock-up shops allocated to some politicians, who later sub-let them and collected higher rent, refused to remit the amount due to the Local Government to the Treasury. They premised their action on the believe that the lock-up shops in question were constructed by Senator Lekan Mustapha as constituency project in the Local Government and is their personal benefit. On enquiry, the Treasurer (Mr Bello A.A) explained that the Local Government's persistent request to them to pay rent on the shops they occupy fell on deaf ears of the 27 defaulting occupiers. The outstanding yearly rent from the 27 recalcitrant

tenants amounted to ~~₦~~427,491.00 as detailed below:

	₦
Period of 7 months when annual rent was <del>₦</del> 10,000.00 (7/12 X <del>₦</del> 10,000)	5,833.33
Period of 5 months when annual rent was <del>₦</del> 24,000.00 (5 X <del>₦</del> 24,000.00)	<u>10,000.00</u>
Rent per occupier for year 2022	<u>15,833.33</u>
Expected rent from the 27 defaulting occupiers 27 X <del>₦</del> 15,833.33	427,499.91

It should be stressed that the property had become Local Government property from the time it was handed over to her by the Senator. Hence, the Local Government can exercise all the powers of and enjoy all privileges of an owner of a property which empowers her to collect rent and evict defaulting tenants.

**Recommendation:** The Local Government is enjoined to notify all the beneficiaries of Awolowo Market Lock-up shops under lease of the time the lease arrangement will lapse so as to facilitate early resumption of collection of rent by year 2025. Furthermore, you should take necessary steps to put an end to the recurring loss of ~~₦~~564,000.00 on the preference for selling by the road side and refusal to use the Local Government's open stalls at falawo market. In addition, you are encouraged to intensify effort to recover the outstanding sum of ~~₦~~427,499.91 from the 27 allottees that refused to pay rent on the Oja Oba lock-up shops. You may have to evict them if they fail to yield to entreaties from the Local Government.

## **5. NAMING OF STREET**

**Observation:** It was reported in the last audit Inspection Report Ref No OGLG/SAG/1/VOL.IV/268 of 8<sup>th</sup> September, 2022 that your Local Government did not have a comprehensive data of all the named streets within the Local Government area and therefore could not determine the individual or corporate bodies that have defaulted in the payment of renewal fees except those who come willingly to renew their application and fresh application for street name. As at the time of writing this report, the situation remains the same. This is a violation of the provisions of Chapter 6:23 of Model Financial Memoranda which requires that, where revenue become due to the Local Government at recurring fixed intervals, a register of recurring revenue must be kept. I guess that this lackadaisical attitude was the reason for the sharp drop in the revenue generated from this source from ~~₦~~3,465,400.00 in year 2021 to a sum of ~~₦~~1,080,000.00 in year 2022 as revenue from street naming out of the budgeted revenue of ~~₦~~4,000,000.00.

**Recommendation:** The Local Government is therefore advised to embark on aggressive drive to meet revenue target set which is derivable from street naming and ensure that leakages are identified and blocked. In addition, the management should maintain a

register of named streets for the purpose of determining those that are to pay renewal fees and those owing.

## **6. ABBATOIR/SLAUGHTER LICENCES**

**Observation:** A review of the revenue generated from abattoirs/slaughter licenses revealed that out of the ₦5,000,000.00 budgeted to be collected, ₦482,000.00 only was generated representing 9.6% of the budgeted revenue. When the sum of ₦482,000.00 was compared with the sum of ₦765,000.00 generated in year 2021, it revealed a drop of ₦283,000.00 representing 37% drop in performance. Grapevine information revealed that the revenue from this source has been politicised and had turned this to a conduit pipe where the revenue accruable is used for political patronage which had greatly affected the amount paid to the Treasury. The revenue collectors from abattoirs are not really career officers and they were not officially engaged as contractors but they relate with some members of the management that engaged them. This arrangement is unhealthy and would always result in revenue loss as we currently have. This is a violation of the provisions of Chapter 6:2 of the Model Financial Memoranda for Local Governments which requires that any revenue collector must be appointed in writing.

**Recommendation:** The management is advised to de-politicise revenue from abattoirs and indeed all revenue sources for improved revenue generation. Anyone that is to serve as revenue collectors must be properly engaged.

## **7. LANDED PROPERTY OF THE LOCAL GOVERNMENT**

**Observation:** It was reported in paragraph 13 of the previous audit Inspection Reports Nos OGLG/SAG/1/Vol.IV/252 of 31<sup>st</sup> March, 2022 and paragraph 9 of OGLG/SAG/1/Vol.IV/268 of 8<sup>th</sup> September, 2022 on the inability of the Local Government to provide details of all the Local Government landed properties such as their location, measurement, present conditions, as well as all relevant documentary evidences of ownership. It was sad to note that nothing has been done since the previous audit inspection as revealed in the current audit exercise. It is unfortunate that the Local Government cannot provide information on its assets in the first place, and worst still, it failed to take prompt steps to ascertain them and possibly preserve and protect them, even when prompted by the Auditor-General. This is a violation of the provisions of Chapter 26:6 of Model Financial Memoranda for Local Governments which requires that physical verification be made quarterly of Local Government's long term assets and Chapter 1:5(14) which requires that the Management Committee should meet monthly to consider several reports, one of which is fixed assets verification report. The implication of this lapse is that the properties can be easily converted to personal use without being detected by the Local Government. However, the Audit

Team was able to get some information from the Finance and General Purpose Committee (F&GPC) minutes book as highlighted below:

- (i) Land at Ogundeji street, off Sagamu/Ikorodu road Ogijo
- (ii) Land at Ogijo-Sagamu Road, Ogijo (one hectare)
- (iii) Land at Araromi toll gate beside Eskay Petroleum Sagamu
- (iv) Land beside Local Govt Education Authority Makun, Sagamu
- (v) Land beside Eso-e Microfinance Bank Sabo, Sagamu
- (vi) Land at Sotubo, Ogijo Road, Sagamu.

The scanty information gathered by audit revealed that some of these properties have been encroached. Please note that the information above is far from being the number of landed properties of the Local Government, rather, they are the reward of the effort put in by the Audit during their short visit to your Local Government.

**Recommendation:** The Local Government management is once again enjoined to comply with regulations by ascertaining her landed properties and by extension protecting her assets.

## **8. DOUBTFUL EXPENDITURE**

**Observation:** A sum of ₦500,000.00 was released to Hon Isiaka Salami (Vice Chairman) in respect of financial assistance towards the 90<sup>th</sup> birthday celebration of Alh. Taslim Olusanya Dawodu Aare Adeen of Remo land vide PV 36/July, 2022. Similar to the above was the sums of ₦500,000.00 released to Mrs Adeyinka F.O (Administrative Officer) vide PV No 28/December, 2022 for the 60<sup>th</sup> birthday and 5<sup>th</sup> year coronation of His Royal Majesty, Oba Babatunde Ajayi, the Akarigbo of Remo Land. Another was the sum of ₦350,000.00 released to Mrs Alebiosu Fatimo (Programme Analyst) vide PV 12/August, 2022 in respect of entertainment and honorarium to the Honourable members, Ogun State House of Assembly during their oversight function of monitoring the budget performance. The financial assistance were without acknowledgement letter while the other expenditures were without official receipts showing that the sums were spent on what they were actually meant for contrary to the provisions of Chapter 14:7 of Model Financial Memoranda for Local Governments. Engaging in bogus financial assistance in the face of paucity of fund should be discouraged.



**Recommendation:** You are advised to always attach relevant documents to account for funds released as required by regulations. These has been made subject of audit queries.

**9. THE LOCAL GOVERNMENT CONSTITUENCY GRADER (TLIAGPNG TY) AND KOMATSU MOTOR GRADER**

**Observation:** It was highlighted in the previous audit Inspection Report Nos. OGLG/SAG/1/Vol.IV/252 of 31<sup>st</sup> January, 2022 and OGLG/SAG/1/VOL.IV/268 of 8<sup>th</sup> September, 2022 that the Local Government should repair the TIANGONG Grader (The Constituency Grader) and the KOMATSU Grader for the benefit of the Local Government and its environs.

It was observed during the end of year audit just concluded that the TIANGONG Grader (The Constituency Grader) attached to the Local Government was still grounded at the secretariat. The KOMATSU Grader was repaired and functioned for a short while but it is presently grounded.

**Recommendation:** The repair of these graders is very important to the Local Government for grading of its roads and for revenue generation hence, you are advised to repair them as soon as possible.

**10 RE-CONSTRUCTION OF TEMIDIRE ALABA MARKET, OGIJO ON BUILD, OPERATE AND TRANSFER ARRANGEMENT.**

**Observation:** It was highlighted in the previous audit Inspection Report ref Nos OGLG/SAG/1/VOL.IV/252 of 31<sup>st</sup> March, 2022 and OGLG/SAG/1/VOL.IV/268 of 8<sup>th</sup> September, 2022 that in a bid to increase your revenue generation, the Local Government awarded the construction of five hundred (500) modern lock-up shops and two hundred (200) Kee 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 along Ajao Road off Adeniyi Jones, Ikeja, Lagos State on Build, Operate and Transfer (BOT) arrangement.

Audit visitation to the construction site at Ogijo in February 2023 revealed that two blocks of lock- up shops out of the fifteen blocks had been decked, while the column of the other thirteen blocks had been carried out. At the time of writing this report about a year from the date the project was agreed to commence, the level of work done is less than 30%, half way into the two year period of construction.

Interaction with the Local Government Engineer revealed that they have not been supervising the project as contained in the contract agreement. What this implies is that there is

no independent certification of the quality of work done. In the face of building collapse and resultant loss of life and properties being reported in the nation, due to poor quality of work and the known fact that contractors strive for high profit, it would be wise to insist on adequate supervision by the Local Government.

**Recommendation:** The Local Government is advised as a matter of urgency to ensure that the Local Government Engineer carry out regular monitoring of the progress and quality of work done and issue a certification on each stage of work to prevent the usage of sub-standard materials on the construction work.

**11. CONSTRUCTION OF TOILET FACILITIES AT OGJIO MOTOR PARK AND SAGAMU TRAILER PARK, KARA, SABO ON BUILD, OPERATE AND TRANSFER ARRANGEMENT**

**Observation:** It was reported in the previous Audit Inspection Reports numbers OGLG/SAG/1/Vol.IV/252 of 31<sup>st</sup> March, 2022 and OGLG//SAG/1/VOL.IV/268 of 8<sup>th</sup> September, 2022 that there were construction of toilet facilities situated at Ogijo and kara in Sabo on Build Operate and Transfer (BOT) agreement. It was also reported that the agreements for the BOT contract could not be provided to audit as required by regulations and you were enjoined to provide copy of the agreements to the Auditor-General as required by the provisions of Chapter 17:20(4) of Model Financial Memoranda for Local Governments. Ground rent default by the contractor was also reported.

During the just concluded audit, it was observed that you have not provided the agreement as advised and you could not provide it on request during the audit exercise. The implication of this is that reliance will be placed on unconfirmed information on the BOT contract. Furthermore, the Local Government cannot enforce the unverifiable terms should the contractor breach any term of the agreement.

**Recommendation:** The Local Government is advised to forward detailed contractual agreement in respect of the construction of the toilet facilities at Ogijo and kara, Sabo to this Office within two (2) week from the date on this report. In addition, the management must ensure that the outstanding ground rent is collected.

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

**Observation:** Despite several cries from this Office, Local Government political office holders continue to take away official vehicles attached to them when they leave office without due process. The Local Government had failed to take steps to recover these vehicles in-spite of the repeated calls by the Auditor-General for the vehicles to be recovered.

Details of the official vehicles in their possession are as follows

S/N	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 Wasiru (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 had not recovered the vehicles from the politicians despite the advice from this Office as contained in our report Nos OGLG/SAG/I/VOL.IV/197 of 22<sup>nd</sup> September, 2020, OGLG/SAG/I/VOL.IV/238 of 17<sup>th</sup> November, 2021, OGLG/SAG/1/VOL.IV/252 of 31<sup>st</sup> March, 2022 and OGLG/SAG/1/VOL.IV/268 of 8<sup>th</sup> September, 2022

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

**MANAGEMENT REPORTS ON AUDIT INSPECTION**  
**REPORTS ON THE ACCOUNT OF THE SAGAMU LOCAL**  
**GOVERNMENT FOR THE YEAR 2022 FINANCIAL YEAR**  
**WITH REF. NO. OGLG/SAG./1/Vol.IV/201 DATED APRIL 2023**

The Audit Inspection for 2022 Financial Year in respect of this Local Government contained in a Letter OGLG/SGM./1/Vol.IV/201 dated April 2023 was received gladly and all the issues emanating from it were well examined, the management wishes to state inta-lia.

1. **Destruction Exhausted Receipt Books:** The permission granted the Council to get rid of the exhausted receipts will serve as an impetus for the management to do the needful. The Local Government Store Keeper and other concerned Officers had been directed to start collation of all exhausted receipts and related papers for the destruction as opined in your reports. Your Office will be duly informed when the process begins.
2. **Audit Queries:** The total queries received were **four (4)** in number and all concerned Officers who are to respond accordingly had been duly notified. We hope they will all do the needful without any **hindrance.**
3. **Revenue Generation Performance:** As it is observed in the reports, the performance of the Local Government in the area of revenue collection which seems to be positive when compared with previous year may not be unconnected with strategies put in place by the current Director of Finance and Supplies and the underperformance when sectorial analyses is considered cannot be divorced from the problem encounter through the Political interference and enormous dominance of the State government through the Ministry of Commerce and Industry. For instance, the Local Government had been directed to hands off the collection of tenement rate and some other rates alike; the little amount or collection recorded from these sources is as a result of doggedness of the staff of Finance and Supplies Department and it rate/revenue collectors; However, with some of the tools already provided, we have resolved to do better in the future.

4. **Lock-up Shops and Open Stalls:** The Comments/observations enunciated in the Audit exercise reports is a true reflection of what we had on ground, however, the issue of Build, operate and transfer of the lock-up shops at Awolowo market is being attended to, the management has directed the Local Government Internal Auditor to write letters to the occupiers of these shops to intimate them of the expiration of terms of agreement signed at the inception of construction of the shops.

The management is also looking into the issue at Falawo Market, both persuasion and a little force is being employ to ensure that the marketers make use of the stores rather than displaying their wares on the road sides.

On the issue raised on the shops occupied by Politicians, we realised that the problem needs political solution, the Executive Chairman has promised to **engage of** the politicians in order to find solution to the imbroglio.

5. **Naming of Street:** At the Management meeting where the reports of Audit inspection was considered, the General Services and Administration Department whose responsibility is the collection of revenue from Street Naming had been charged to overhaul their records and be more alive to their responsibility.

6. **Abattoir/Slaughter Licences:** The issue raise here is an abatross, in the sense that those behind it are hard nut to crack for the technocrats. However, the political class had being made to see reason while the source of revenue should be freed. We shall continue to make efforts towards making the source a **vibrant** one.

7. **Landed Property of the Local Government:** This observation is viewed as a serious issue, therefore the management has equally call on the relevant departments to ensure adequate documentation of all landed properties of the Council to prevent unlawful trespass and loss of major portion of the said properties; The ongoing efforts will also be sustained.

8. **The Local Government Constituency Grader and Komatsu Motor Grader:** This issue was also a subject of discussion in the last Audit Inspection reports, however, it is interesting to report that the Komatsu

that belong to the Local Government had been repaired and is functioning well now; However, Tiangong Grader which is constituency grader belongs to the Three (3) Local Governments in the Remo division of the state; all steps taken by Sagamu Local Government to ensure it repairs had not yielded any positive result. The ongoing efforts will however be sustained.

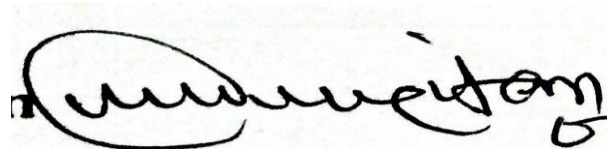
9. **Construction of Temidire Alaba Market, Ogijo on BOT Arrangement:**

The issue raised here is very germen and consequently the Works and Housing Department had been instructed to ensure proper monitoring of the project. To this end, the project vehicle of the Works and Housing Department (Pick Up Van) had been repaired for the purpose of mobility.

10. **Official Vehicles Taken Away by Political Office Holders:** This issue was equally raised in the last Audit Inspection reports, steps were taken then to ensure the return of these vehicles; it was equally reported that most of these political office holders could not be traced as it was said that most of them were out of the country. However, the management has directed the Officers of General Services and Administration to double their efforts in tracing these politicians with a few of recovering the vehicles from them.

**CONCLUSION:** The management wishes to express our appreciation on the ways and manners through which the findings and observations were communicated to the management, also the conduct of the Officers from Auditor General's Office while on the field is also applauded.

Many thanks.



Ogunpitan Phillips Olalekan,  
Head of Local Government Administration,  
Sagamu Local Government, Sagamu