

EKITI STATE GOVERNMENT



REPORT OF THE ACCOUNTANT-GENERAL WITH FINANCIAL STATEMENTS

FOR THE MID-YEAR ENDED 30TH JUNE 2018

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REPORT OF THE ACCOUNTANT-GENERAL

I am delighted to present the Mid-Year Financial Statements of the Ekiti State Government (EKSG) for the Period Ended 30th June, 2018 together with the Auditor's Report on the Financial Statements which include:

- i. Statement of Financial Performance;
- ii. Statement of Financial Position;
- iii. Statement of Change in Net Assets/Equity;
- iv. Statement of Cash Flow; and
- v. Statement of Comparison of Budget and Actual Amount.

The Financial Statements of EKSG for the Mid-Year ended 30th June, 2018 have been prepared on an IPSAS Accrual Basis in compliance with International Public Sector Accounting Standards 33 (IPSAS 33). The Financial Statements equally complied with Generally Accepted Accounting Principles and Practice (GAAPP) and other Financial Regulations.

The implementation of Accrual Accounting by EKSG had facilitated easy assessment of the Financial performance of the State. The Financial Statements depict all expenses whether paid for or not and all revenue whether received or outstanding. Furthermore, it provides useful information on the ability of income streams to adequately cover short and long term liabilities as well as better information on government spending which in turn drives better utilization of government resources.

The Financial Statements fairly reflect the financial position of EKSG as at 30th June, 2018 and its financial performance for period under review.

I wish to acknowledge the loyalty and dedication of members of staff of Main Accounts Department and entire staff of Office of the Accountant-General towards the success of this work. I appreciate all Accountants in the Ministries, Departments and Agencies (MDAs) who supplied and defended the data. The support of the State Government for the kind consideration of our request is equally and highly appreciated.



O. O. OWOLABI (MRS) FCNA, FCE, FIICA, ACTI
FRC/2016/ANAN/00000015218
ACCOUNTANT-GENERAL/PERMANENT SECRETARY
EKITI STATE

FINANCIAL HIGHLIGHTS

Operating Deficit for the period was N789,783,630.85 while the State made a Net Deficit of N10,601,314,783.77 after adjustment for capital expenditure not recognized in Property, Plant and Equipment (PPE) and Public Debt Charges.

Reviewing the mid-year performance on **Cash Basis** compared to prior mid-year, Recurrent Revenue grew by 18% from N22,363,706.72 in 2017 to N26,288,873,343.05 in 2018 while Capital Receipts increased by 6% from N8,833,592,576.49 in 2017 to N9,374,838,847.32 in 2018. The State Recurrent Expenditure increased by 16% from N24,451,705,653.48 in 2017 to N28,457,101,545.98 while 120% increase from N6,468,929,224.08 in 2017 to N14,234,690,359.90 in 2018 was noted in Capital Expenditure.

During the period, EKSG budgeted N33,264,963,084.93 for Recurrent Expenditure and N18,768,646,058.75 for Capital Expenditure. The actual Recurrent Expenditure was N28,457,101,545.98 while Capital Expenditure was N14,234,690,359.90 representing 86% and 76% performance respectively.

Furthermore, EKSG budgeted N40,689,711,171.54 for Recurrent Revenue and N5,115,584,103.47 for Capital Receipts. The actual Recurrent Revenue was N26,288,873,343.05 while actual Capital Receipt was N9,374,838,847.32 representing 65% and 183% performance respectively for the period under review.

Details contained in Annexure III.



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ACCOUNTANT-GENERAL/PERMANENT SECRETARY
EKITI STATE

RESPONSIBILITY OF THE ACCOUNTANT-GENERAL

The Financial Statements have been prepared by the Accountant-General of Ekiti State in accordance with the provision of the Finance (Control and Management) Act 1958 and Cap 144 LFN and PFM Law 2011 as amended. The Financial Statements complied with Generally Accepted Accounting Practice (GAAP) and was prepared on an Accrual Basis in line with the requirement of International Public Sector Accounting Standards 33 (IPSAS 33).

The Financial Statements were prepared using the General Purpose Financial Statement (GPFS) reporting format approved by the Federal Executive Council of Nigeria (FEC) in 2012.

The Accountant-General of the State is responsible for establishing and maintaining an adequate system of internal control to provide adequate and reasonable assurance that the transaction reported are recorded accurately and are within statutory authority.

The Accountant-General ensures the integrity and objectivity of the Financial Statements to fairly reflect the financial position and performance of Ekiti State Government and apply suitable accounting policies, prudent judgments and estimate consistently for the preparation of its financial statements.

The Accountant-General further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate system of internal financial control.



O. O. OWOLABI (MRS) FCNA, FCE, FIICA, ACTI
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ACCOUNTANT-GENERAL/PERMANENT SECRETARY
EKITI STATE

STATEMENT OF ACCOUNTING POLICIES

BASIS OF PREPARATION

The GPFS are prepared under IPSAS Accrual Basis of Accounting that recognizes transactions and events occurred whether expenses paid for or not and revenue received or outstanding.

BASIS OF MEASUREMENT

The Financial statements have been prepared on historical cost unless stated otherwise.

REPORTING CURRENCY

The Financial Statements are presented in Nigerian Naira, which is the functional currency of Ekiti State Government.

GOING CONCERN

The Financial Statements have been prepared on a going concern basis.

ACCOUNTING PERIODS

The Accounting year is from 1st January to 30th June, 2018.

ASSETS AND LIABILITIES

The State Government had commenced the recognition and valuation of Assets and Liabilities which is expected to be completed over the next Three financial years from 1st January, 2018.

FOREIGN CURRENCIES

Liabilities denominated in foreign currencies are translated to Naira at the prevailing official exchange rate as at 30th June, 2018.



OFFICE OF THE STATE AUDITOR GENERAL

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AUDIT CERTIFICATE

I have examined the Financial Statements of Ekiti State Government as at 30th June, 2018 in accordance with section 125 (2) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended). I have obtained information and explanations that I required for my audit.

Ekiti State Government initiated accrual basis IPSAS on 1st January, 2017 and elected to adopt transitional exemptions in IPSAS 33 that allows it to apply deemed cost and a transitional period of up to three years. As a result of adopting these transitional exemptions and provisions, the Ekiti State Government is not able to make an explicit and unreserved statement about its full compliance with accrual basis IPSASs. These financial statements are therefore referred to as the first transitional IPSAS financial statements of Ekiti State Government.

In my opinion, the Financial Statements and the supporting Accounts give a true and fair view of the State of affairs of Ekiti State Government as at 30th June, 2018 subject to further observations in my Reports.

D. A. Kayode (FCNA, FCFIP, ACTI)
FRC/2014/ANAN/00000010277
Auditor-General, Ekiti State.