

# EKITI STATE GOVERNMENT



## *REPORT OF THE ACCOUNTANT-GENERAL WITH FINANCIAL STATEMENTS*

**FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2019**

## **TABLE OF CONTENT**

	Page(s)
1. Report of the Accountant-General.....	3
2. Financial Highlights.....	4
3. Responsibilities of the Accountant-General.....	5
4. Statement of Accounting Policies.....	6
5. Report of the Auditor-General/Audit Certification.....	7
6. Charts .....	8 - 9
7. Statement of Financial Performance.....	10 - 12
8. Statement of Financial Position.....	13 - 14
9. Statement of Cash Flow.....	15 - 16
10. Statement of Change in Net Assets/Equity .....	17
11. Statement of Comparison of Budget and Actual Amount.....	18-20
12. Notes to the Financial Statements.....	21 -120
13. Annexure II: Budget Size and Performance.....	121

## **REPORT OF THE ACCOUNTANT-GENERAL**

In line with this administration's policies of transparency, accountability and probity, I have the great honour to present the third transitional accrual IPSAS Financial Statements of the Ekiti State Government (EKSG) for the Year ended 31<sup>st</sup> December, 2019 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 Year ended 31<sup>st</sup> December, 2019 have been prepared on International Public Sector Accounting Standards (IPSAS) Accrual Basis. 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 31<sup>st</sup> December, 2019 and its financial performance for period under review.

I am delighted 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 Directors of Finance and Accounts 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.

  
OLARIKE. T. OLAYINKA (MRS) FCA.  
MB009751  
ACCOUNTANT-GENERAL  
EKITI STATE

## **FINANCIAL HIGHLIGHTS**


Operating Surplus for the year was **N16,084,984,823.30** while the State made a Net Surplus of **N8,297,785,321.42** after adjustment for capital expenditure not recognized in Property, Plant and Equipment (PPE) and Public Debt Charges.

Reviewing the year performance as compared to the fiscal year 2018, Recurrent Revenue increased by **41%** from **N66,719,055,756.21** in 2018 to **N93,900,893,899.44** in 2019 while Capital Receipts decreased by **31%** from **N9,997,051,141.08** in 2018 to **N6,874,346,523.61** in 2019. The State Recurrent Expenditure increased by **3%** from **N66,492,183,786.27** in 2018 to **N68,459,231,541.20** in 2019 while 39% increased from **N11,966,138,376.61** in 2018 to **N16,640,857,658.49** in 2019 was noted in Capital Expenditure.

During the period, EKSG budgeted **N80,110,840,571.98** for Recurrent Expenditure and **N51,288,052,689.67** for Capital Expenditure. The actual Recurrent Expenditure was **N68,459,231,541.20** while Capital Expenditure was **N16,640,857,658.49** representing **85%** and **32%** performance respectively.

In addition, EKSG budgeted **N89,390,722,580.61** for Recurrent Revenue and **N40,533,749,554.10** for Capital Receipts. The actual Recurrent Revenue was **N93,900,893,899.44** while actual Capital Receipt was **N6,874,346,523.61** representing **105%** and **17%** performance respectively for the period under review.

Details as contained in Annexure III.



OLARIKE. T. OLAYINKA (MRS) FCA.  
MB009751  
ACCOUNTANT-GENERAL  
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 International Public Sector Accounting Standards (IPSAS) Accrual Basis.

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.



OLARIKE. T. OLAYINKA (MRS) FCA.  
MB009751  
ACCOUNTANT-GENERAL  
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 are 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 period is from 1st January to 31<sup>st</sup> December, 2019.

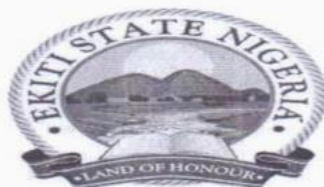
### **ASSETS AND LIABILITIES:**

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 1<sup>st</sup> January, 2017.

### **FOREIGN CURRENCIES:**

Liabilities denominated in foreign currencies are translated to Naira at the prevailing official exchange rate as at 31<sup>st</sup> December, 2019.

**ASSET RECOGNITION:** Certain non-current assets not previously captured by the State have now been captured in this year account after being valued by the relevant Agencies of Government. It must be noted that **IPSAS 33** allows three (3) years to recognize assets, liabilities and revenues with effect from transitional period.



## OFFICE OF THE STATE AUDITOR GENERAL

State Audit Headquarters, P.M.B. 53554, New Secretariat, Ado-Ekiti, Nigeria.  
Tel: 08033784866 E-mail: [ekitistateauditorgeneral@gmail.com](mailto:ekitistateauditorgeneral@gmail.com).


### AUDIT CERTIFICATE

I have examined the Financial Statements of Ekiti State Government of Nigeria as at 31<sup>st</sup> December, 2019 in accordance with Section 125(2) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) and Section 26(2) of Ekiti State Audit Law (No 11) of 2014.

The audit was conducted according to INTOSAI Standard and I obtained appropriate information and evidences as I required for the audit.

The Financial Statements were prepared in line with Accrual IPSAS.

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 31<sup>st</sup> December, 2019 subject to further comments in my Reports.

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