

**EKITI STATE GOVERNMENT
OF NIGERIA**

**REPORT OF THE
AUDITOR-GENERAL**

ON THE

**ACCOUNTS OF THE GOVERNMENT
OF
EKITI STATE OF NIGERIA
FOR**

THE YEAR ENDED 31ST DECEMBER, 2016.

1.0 **INTRODUCTION**

The Accounts of the Government of Ekiti State, Nigeria for the year ended 31st December, 2016 have been audited under my direction 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.

1.1 **RESPONSIBILITY OF THE ACCOUNTANT-GENERAL.**

In accordance with the provisions of Finance Control and Management Act, 1958 and Section 02001 of Financial Administration, the Accountant-General is the Chief Accounts Officer for the receipts and payment of Government of Ekiti State. It is the responsibility of the Accountant-General to establish and maintain an adequate system of Internal Controls, designed to provide reasonable assurance that the transactions recorded are within statutory authority, properly record the use of public financial resources by the Government and to ensure that the Financial Statements fairly reflect the true financial position of Government and its operations in accordance with the provisions of above stated Act.

1.2 **RESPONSIBILITY OF THE AUDITOR-GENERAL**

The responsibility of the Auditor-General is to express an independent opinion on the Financial Statements of the State as prepared by the Accountant-General based on his audit in compliance 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.

An audit in this context involves the examination on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements prepared by the Accountant-General.

It also includes an assessment of the significant estimates and judgments made in the preparation of the Financial Statements and whether the accounting policies are appropriate to Government circumstances, consistently applied and adequately disclosed.

1.3 **RESPONSIBILITY OF THE PUBLIC ACCOUNTS COMMITTEE**

It is the responsibility of the Public Accounts Committee of the House of Assembly to review the Auditor-General's Report with a view to ensuring enforcement of the recommendations made therein and impose sanctions where appropriate.

1.4 **AUDITOR-GENERAL'S REPORT/AUDIT CERTIFICATE.**

I have audited the Accounts of the Government of Ekiti State of Nigeria as at 31st December, 2016 as set out in Annexure I containing Ekiti State Financial Statements 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.

BASIS OF OPINION:

The Audit was conducted in accordance with International Standards on Auditing and Generally Accepted Public Sector and INTOSAI Auditing Standards.

These standards require that I comply with ethical requirements, plan and perform the audit to obtain reasonable assurance that the Financial Statements are free from material misstatements whether due to fraud or error. I also evaluated the overall adequacy of the presentation of information in the Financial Statements.

In the course of the Audit, I have obtained all the information and explanation that to the best of my knowledge and belief were necessary for the purpose of the audit and I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for independent opinion.

OPINION:

In my opinion the Financial Statements which include Cash flow Statements, Statement of Assets and Liabilities as at 31st December, 2016, the Consolidated Revenue Fund and Capital Development Fund with supporting Notes, give a true and fair view of the state of affairs and financial position of the Government of Ekiti State for the fiscal year ended on that date subject to the observations and comments in the other parts of this report.

**Daniel A. Kayode (FCNA,FCFIP,ACTI)
Auditor-General,
Ekiti-State.**

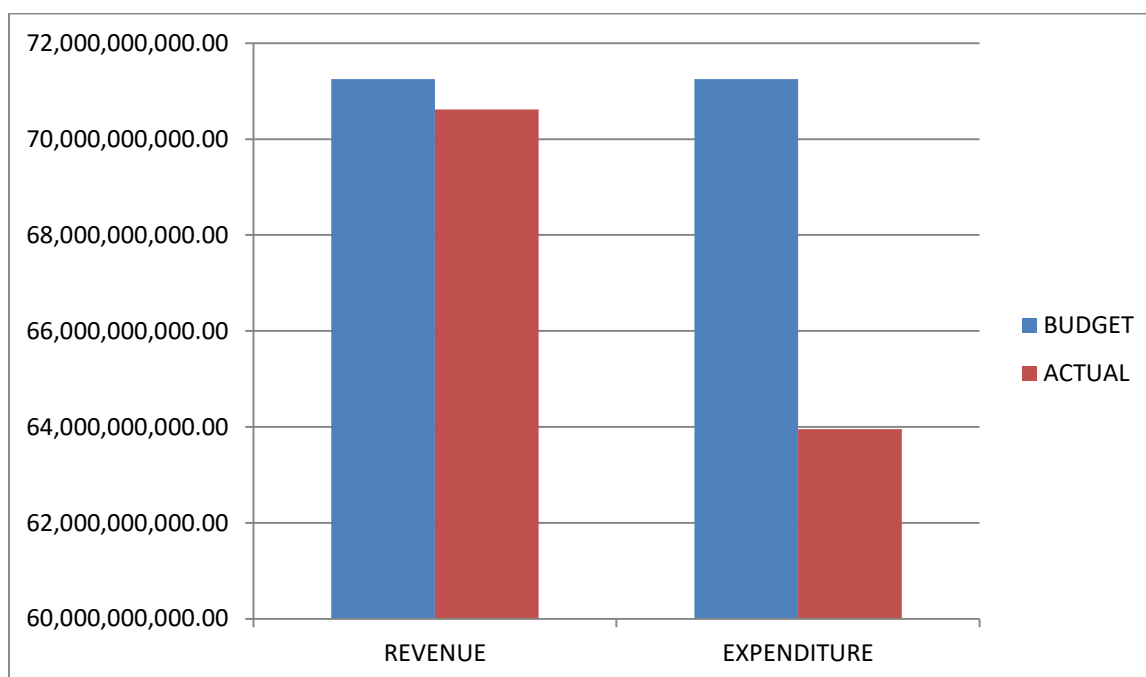
2.0 **APPRAISAL OF THE YEAR'S BUDGET PERFORMANCE**

The aggregate revenue and expenditure projection for the State in 2016 was Seventy One Billion, Two Hundred and Fifty Three Million, One Hundred and Twenty Five Thousand, Four Hundred and Sixty Nine Naira and Forty Four kobo (#71,253,125,469.44) Only. The budget for the year was a balanced budget.

The budgeted revenue showed a decrease of #9,530,907,397.93 (or approximately 11.80%) when compared with its corresponding figure of #80,784,032,867.37 for the year 2015 while the proposed expenditure reduced by #9,355,907,397.93 (or approximately 11.60%) when compared with the previous year's figure of #80,609,032,867.37.

The actual revenue for year 2016 was N70,615,108,451.90 and actual expenditure was N63,956,012,110.23 thus resulting to an aggregate surplus of #6,659,096,341.67. The revenue and expenditure achieved a performance level of 99.10% and 89.76% respectively in the year under review as against 94.27% and 93.71% recorded in 2015. The budget performance is shown below:

2.1 BAR CHART SHOWING THE 2016 BUDGET PERFORMANCE.



2.2 REVENUE PROFILE AT A GLANCE.

RECURRENT RECEIPTS	ESTIMATE 2016 ₦	ACTUAL 2016 ₦	PERFORMANCE %
Statutory Allocation	23,810,648,927.35	18,227,173,258.56	76.55
VAT	8,000,000,000.00	7,582,364,595.41	94.78
IGR	8,742,672,184.33	9,469,112,224.77	108.31
Other Recurrent Receipt	3,699,962,784.83	10,524,883,410.90	284.46
SUB TOTAL	44,253,283,895.51	45,803,533,489.64	103.50
CAPITAL RECEIPTS	20,080,911,152.85	24,811,574,962.26	123.56
Transfers From 2015 to 2016	6,918,930,420.08	-	-
TOTAL	71,253,125,469.44	70,615,108,451.90	99.10

SOURCES: Financial Report of Accountant-General, Ekiti-State for the year ended 31st December, 2016.

2.3 **RECURRENT REVENUE BUDGET**

The analysis above showed that a sum of N44,253,283,895.51 representing 62.11% of the total budgeted receipts was anticipated from Recurrent receipts and a sum of N20,080,911,152.85 which represents 28.18% was expected from Capital receipts.

However, the actual Recurrent receipts amounted to N45,803,533,489.64 resulting to a good performance level of 103.50% which is higher than 78.40% achieved in 2015 Financial year.

The breakdown of the actual Recurrent revenue of N45,803,533,489.64 as stated above showed that Statutory Allocation recorded a budget performance of 76.55% and a variance of 23.45% while VAT recorded 94.78% level of performance with a variance of 5.22%. The Internally Generated Revenue recorded 8.31% above the budgeted figure and Other Recurrent Receipt had a remarkable 284.46% performance.

2.4 **RECOMMENDATION:**

The feat of impressive Revenue budget performance was repeated in the current year just like in the preceding year. The trend should be sustained as budget based on unrealistic revenue projections would fail to achieve developmental programmes planned for implementation.

2.5 **CAPITAL RECEIPTS:**

The actual Capital Receipts recorded in year 2016 was N24,811,574,962.26 as against N20,080,911,152.85 budgeted resulting in a budget performance of 123.56%. This was a significant decrease when compared with 184.02% achieved in the preceding year.

The level of performance achieved was due to the receipts of Conditional Budget Support Fund and UBEC 2012/2015 loan totalling N11,501,788,065.28 representing 46.36% of Actual Capital Receipts which was not budgeted for in

the year. While the sum of N11,050,000,000.00 was proposed in the year as Internal loan component of Capital Receipt Budget, the actual loan obtained was N22,101,788,065.28.

However, no supplementary budget was raised to reflect this in the State Budget contrary to regulations and the advice given by this Office on similar issue in 2015 Auditor-General's Report.

2.6 **TRANSFER FROM 2015 TO 2016 (N6,918,930,420.08)**

The sum of N6,918,930,420.08 expected to be transferred from 2015 to 2016 was only a strategy to 'window dress' the projected Capital Receipts as it had no financial base. The figure was observed to be the unspent balance as at 31st December, 2015 which was made to form part of Revenue projection for the year 2016. This practice should be discontinued. The Officers in charge of the State Budget are hereby reminded that the State Budget is not a 'Cash Budget' where the closing cash balance of a period forms part of the Budget for the next period.

2.7 **RECOMMENDATION:**

There is need to reduce the loan component of the total revenue receipts which had been on the increase from last year because of the pangs of servicing these loans. An investment strategy capable of boosting the Capital Receipts for rapid economic growth and development should be developed.

2.8 **ACTUAL REVENUE COMPARISON BETWEEN 2015 AND 2016**

S/N	REVENUE	ACTUAL 2015 ₦	ACTUAL 2016 ₦	DIFFERENCE ₦	PERCENTAGE DIFFERENCE %
1	Statutory Allocation	25,166,811,012.07	18,227,173,258.56	(6,939,637,753.51)	(27.57)
2	Value Added Tax	7,217,080,422.81	7,582,364,595.41	365,284,172.60	5.06
3	Excess Crude Oil	85,679,741.75	269,917,786.77	184,238,045.02	215.03

4	Other Statutory Receipts	3,604,868,241.37	9,929,857,692.95	6,324,989,451.58	175.46
5	Ecological Fund	-	-	-	-
6	IGR	8,391,651,489.64	9,469,112,224.77	1,077,460,735.13	12.83
7	Other Receipts (Draw Dawn)	2,705,737,050.37	2,709,786,896.98	4,049,846.61	0.15
8	Internal Loan	28,982,901,911.92	22,101,788,065.28	(6,881,113,846.64)	(23.74)
9	Sundry Receipt	847,036.07	325,107,931.18	324,260,895.11	38,281
	TOTAL	76,155,576,906.00	70,615,108,451.90	(5,540,468,454.10)	(7.28)

SOURCES: Financial Report of Accountant –General, Ekiti-State for the year ended 31st December, 2016.

From the analysis above, the aggregate revenue of ₦70,615,108,451.90 received in 2016 decreased by ₦5,540,468,454.10 (or approximately 7.28%) when compared with its corresponding figure of ₦76,155,576,906.00 for the year 2015.

The Statutory Allocation to the State fell drastically from ₦25,166,811,012.07 in year 2015 to ₦18,227,173,258.56 in 2016 translating to 27.57% decrease.

However, the Value Added Tax had a slight increase of 5.06%, Excess Crude Oil (Refund) 215.03% and Other Statutory Receipts increased by ₦6,324,989,451.58 (or approximately 175.46%). The remarkable increase was largely due to the receipts of Paris Club Refund of ₦5,477,476,163.58, being the State share of the total receipts of ₦8,877,476,163.58. The balance of ₦3,400,000,000.00 had been transferred to JAAC Account as the Local Government share.

On the aggregate, the amount received by the State from the Federation Account in year 2016 reduced by ₦65,126,084.31 when compared with the previous year.

The Internally Generated Revenue increased by ₦1,077,460,735.13 in year 2016 representing 12.83% over performance in the corresponding period of 2015.

Other Receipts which were draw downs from Foreign Loan had a marginal increase of 0.15% and Sundry Receipt significantly increased from ₦847,036.07 in 2015 to ₦325,107,931.18 in the current year giving rise to an increase of 38,281%. The increase was due to the sum of ₦325,000,000.00 contributed by all Local Governments in Ekiti State to the State Government for Social Security scheme which was recorded under this revenue head.

The Internal Loan recorded a decrease of 23.74% from year 2015 figure of ₦28,982,901,911.92 to ₦22,101,788,065.28 in year 2016

2.9 COMPARATIVE ANALYSIS OF INTERNALLY GENERATED REVENUE PERFORMANCE FOR YEARS 2015 AND 2016:

REVENUE DESCRIPTION	ESTIMATE 2016	ACTUAL 2016 (A)	2016 BUDGET PERFORMANCE	ACTUAL 2015 (B)	ACTUAL DIFFERENCE (A-B)
Pay As you Earn	-	2,907,771,919.15	-	2,888,202,037.20	19,569,881.95
Direct Assessment	-	100,928,693.98	-	83,651,904.24	17,276,789.74
Development Levy	-	22,038,338.16	-	73,448,091.51	(51,409,753.35)
Community Dev. Levy	-	98,916,264.95	-	49,387,717.38	49,528,547.57
Capital Gain Tax	-	131,008.24	-	-	131,008.24
Withholding Tax	-	250,297,147.73	-	182,909,513.17	67,387,634.56
Back Duty Assessment	-	65,662,956.08	-	-	65,662,956.08
Tax Audit	-	96,294,632.21	-	121,630,160.55	(25,335,528.34)
SUB TOTAL (TAXES)	2,621,604,819.54	3,542,040,960.50	135	3,399,229,424.05	142,811,536.45
Fine & Fees	2,213,868,901.25	1,625,428,622.35	73	587,638,233.89	1,037,790,388.46
Licences	217,926,259.88	93,663,308.37	43	102,396,225.63	(8,732,917.26)
Earning & Sales	160,292,967.20	25,050,000.00	16	-	25,050,000.00
Rent on Govt. Property	28,323,434.69	49,452,590.00	175	25,057,900.00	24,394,690.00
Dividends	1,902,714.58	35,000,000.00	1839	31,702,213.65	3,297,786.35
Others (Reimbursement & Misc)		-	0	-	-
Bank Interest	3,726,000.00	10,751,219.11	-	7,172,261.19	3,578,957.92
Pool Betting Lotteries	-	4,761,000.00	-	3,012,000.00	1,749,000.00
Unserviceable Assets	-	-	-	-	-
Legal Fees	-	170,291,194.55	-	32,774,361.13	137,516,833.42
Parastatals & Tertiary Institutions	3,495,027,087.10	3,912,673,331.89	112	4,202,668,870.10	(289,995,538.21)
TOTAL	8,742,672,184.33	9,469,112,224.77	108.31	8,391,651,489.64	1,077,460,735.13

IGR Retained by Parastatals & Tertiary Institutions		(3,843,819,633.56)	-	(4,150,720,173.14)	-
NET IGR	-	5,625,292,591.21	-	4,241,778,352.57	-
IGR PERCENTAGE TO TOTAL REVENUE		13.41%		11.02%	

SOURCES: Financial Report of Accountant –General, Ekiti-State for the year ended 31st December, 2016.

From the table above, the IGR increased by ₦1,077,460,735.13 in year 2016 representing 12.83% increase over corresponding period’s performance in year 2015. It recorded a budget performance of 108.31% and 13.41% of total revenue collected in the year.

In spite of the impressive performance of the IGR in the year, particular attention is invited to the following sources of IGR whose performance need to be improved upon:

(a) Licences and Earning & Sales had a below average performance of 43% and 16% respectively.

(b) Tax Audit and Licences recorded 20.82% and 8.53% reduction respectively when compared with 2015 figures.

It is either the revenue forecast for these sources was exaggerated or collection machinery was defective.

(c) Direct Assessment which represent Tax Revenue from the informal sector had abysmal low performance of 2.84% of the Total Tax Revenue collected in the year. PAYE contributed the largest chunk of Total Tax Revenue collected in the year with 82%.

Taxing the informal sector presents the hope of generating extra income to shore up the Tax Revenue. The Internal Revenue Service is advised to work conscientiously to bring informal sector into the Tax net.

(d) The IGR of MDAS was recorded under Fine and Fees with a total receipt of ₦1,625,428,622.38 in the year . Out of this amount, the sum of ₦1,246,345,658.19 (or approximately 76.67%) was collected through Three (3) MDAS (**Lands, Education - Dev. Levy & ETF**). Also, only Twenty Two (22) MDAS out of Seventy Four (74) listed in 2016 Financial Reports of Accountant-General had above average budget performance in revenue generation. It would appear that revenue projections to MDAS were just arbitrarily decided without basis. Of a particular note is the case of Ekiti State Pension Commission with a budgeted revenue of ₦483,302,000.00 and actual revenue collection of ₦1,069,500.00 (or approximately 0.22%). This practice of arbitrary forecasts without basis should stop. Revenue Team should be set up to hold revenue session with the MDAS during which clear revenue targets are set and agreed. Monthly returns should be sent to the committee /team by the MDAS of how much is generated and why they could not meet the monthly target. The team /committee should take immediate step to address the impediments/problems highlighted by the MDAS.

Given the dwindling revenue from oil, most States relied largely on the efforts of various tax authorities to shore up their revenue.

2.10 **RECOMMENDATIONS:**

- (i) Enumeration of tax payers in the informal sector across the State with the ultimate aim of building a robust data base with the clear vision of increasing the State revenue generation capacity. Data is the basis of any revenue collecting efforts.
- (ii) To encourage the informal sector, a Tax Day may be introduced where best tax payers from the sector are recognised and given awards.
- (iii) Massive awareness campaign to sensitise the public on their tax obligations toward the State. Bill boards showcasing projects financed with tax money could motivate tax payers to pay more.

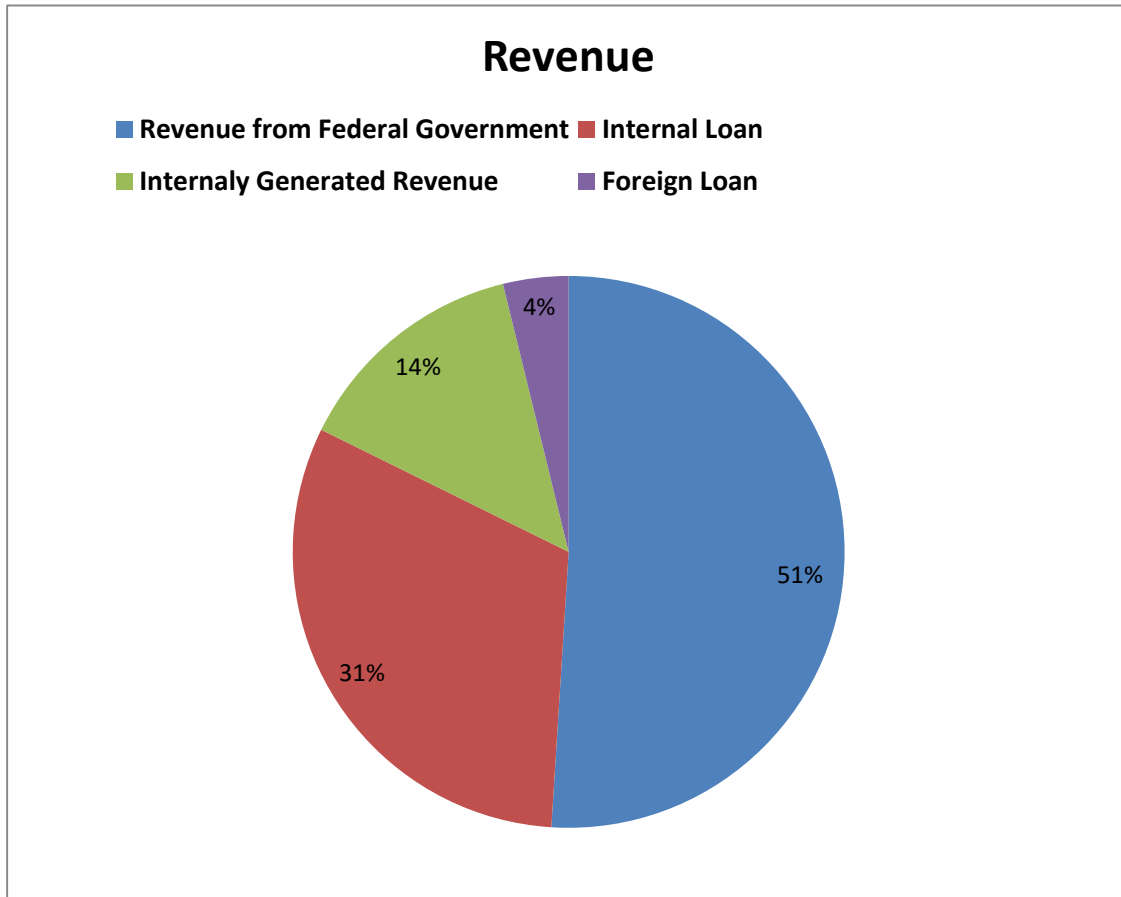
- (iv) Building the capacity of staff, investing in relevant technology and equipment.
- (v) Need to develop incentives for the revenue generating agencies to ensure that there is an alignment of interest.
- (vi) To improve on Tax Revenue from PAYE, all institutions and organisations in the State should be made to deduct correct taxes from their employees based on circular from Joint Tax Board.

A further analysis of the IGR showed that there were sources from which revenue was received without expectations. The Sources are listed below:

S/N	REVENUE SOURCES	BUDGETED AMOUNT ₦	ACTUAL RECEIPTS ₦
1	Bank Interest	-	10,751,219.11
2	Pool Betting Lotteries	-	4,761,000.00
3	Legal Fees	-	170,291,194.55
	TOTAL		185,803,413.66

The recommendation that these revenue sources should be captured by subsequent budget estimates had always been observed in breach in spite of repeated reference to it on yearly basis. The repetition of the phenomenon tends to portray the fact that there is the need for the Ministry of Budget, Economic Planning and Service Delivery to guide against stereotyped budgets. The Ministry should always ensure that all the Revenue sources are exhaustively identified and captured when putting the budget document in place.

2.11 PIE CHART ANALYSIS OF 2016 TOTAL REVENUE



The pie chart above shows the revenue profile of the State for the period under reference. As revealed by the chart, 35.13% of the total revenue was generated through Loan.(31.30% Internal and 3.83% External). The Internally Generated Revenue (including Sundry Receipt) contribution to the total Revenue in the year was 13.87%. Revenue from the Federation Account was 51%. This had a marginal increase of 3.63% when compared with 2015 figure.

A situation where the State depends heavily on revenue from Statutory Allocation is not only risky, but is equally not healthy for sustainable development.

Contemporary events point strongly to a very bleak future for any economy relying on revenues from hydrocarbon sources.

2.12 RECOMMENDATIONS:

- (i) New revenue sources should be identified in order to broaden the revenue base of the State Government so as to compensate for the shortfall resulting from oil price decline.
- (ii) The recent slide in Oil price at the global market and its attendant devastating effect on the economy of Oil dependent nations points to an urgent need to step up new investments in Agriculture and Agro-Allied activities where the State has one of the biggest opportunities.
- (iii) There is need to initiate policies that will encourage a robust environment for increased private sector investments.
- (iv) The State Government should showcase the economic potential of the State to the whole world by organising Economic Summit to attract both private and foreign investors to the State.

3.0 THE EXPENDITURE PROFILE FOR 2016

EXPENDITURE	ESTIMATE 2016 ₦	ACTUAL 2016 ₦	PERFORMANCE %
Recurrent Expenditure	48,534,080,797.80	49,380,878,003.88	101.74
Capital Expenditure	22,719,044,671.64	14,575,134,106.35	64.15
TOTAL	71,253,125,469.44	63,956,012,110.23	89.76

SOURCES: Financial Reports of the Accountant-General, Ekiti State for the year ended 31st December, 2016.

From the table above, the total expenditure projected in the Financial year was ₦71,253,125,469.44 as against ₦80,609,032,867.37 proposed in the year 2015 resulting to a remarkable decrease of ₦9,355,907,397.93 (or approximately 11.61%) below the previous year's budget . The total expenditure performance for the year was 89.74% which was lower than 93.71% recorded in year 2015 . The expenditure budget for the year was not over-ambitious and it appears more realistic though lower than last year figure.

3.1 RECURRENT EXPENDITURE

The recurrent expenditure estimate for the year under review was N48,534,080,797.80 representing 68.12% of total expenditure budget. During the same period, actual recurrent expenditure incurred was ~~N~~49,380,878,003.88 resulting in Recurrent Expenditure performance of 101.74% and an excess recurrent expenditure of ~~N~~846,797,206.08. The details of the recurrent expenditure performance are given below:

DETAILS OF EXPENDITURE	APPROVED BUDGET ₦	ACTUAL EXPENDITURE ₦	VARIANCE/ EXCESS ₦	PERFORMANCE %
Personnel Cost	7,932,823,324.12	14,169,589,722.37	(6,236,766,398.25)	178.62
Overhead Cost	2,192,139,457.25	1,766,646,799.40	425,492,657.85	80.60
Grants to Parastatals	17,159,016,998.58	13,398,952,069.03	3,760,064,929.55	78.09
Transfer to other funds (Recurrent)	6,414,131,939.29	4,711,529,770.14	1,702,602,169.15	73.46
Consolidated Revenue Fund Charges	14,835,969,078.56	15,334,159,642.94	(49,190,564.38)	103.36
TOTAL	48,534,080,797.80	49,380,878,003.88	(846,797,206.08)	101.74

SOURCES: Financial Reports of the Accountant-General, Ekiti State for the year ended 31st December, 2016.

It was observed that Salaries and Allowances of parastatals staff were posted to the Personnel Costs Head of Expenditure in the 2016 Financial Reports whereas they were provided for under Grants to Parastatals / Subvention Head of Expenditure in the approved Budget Estimate. The posting error led to excess Personnel Cost of ~~N~~6,236,766,398.25 as shown above. Audit hereby takes exception to this posting. The Financial Statements of the State must be prepared in consonance with the approved estimate. The Accountant-General Office should note this for future reference.

Also, a prior year adjustment was made to the accounts in the current year to correct errors made in the previous Financial Reports. To effect this correction, a sum of ~~N~~726,790,791.39 was added to Recurrent Expenditure (Transfer to other Fund).

Furthermore, a loan of ₦2,887,788,065.28 obtained in the year for SUBEB was posted to Subvention Head of Expenditure. However, no supplementary estimate was raised to reflect it in the budget thereby increasing the actual recurrent expenditure.

3.2 ACTUAL RECURRENT EXPENDITURE COMPARISON BETWEEN 2015 AND 2016.

S/N	ITEM OF EXPENDITURE	ACTUAL 2015 ₦	ACTUAL 2016 ₦	DIFFERENCE ₦	% DIFFERENCE
1	Personnel Cost	18,265,052,358.20	14,169,589,722.37	(4,095,462,635.83)	(22.42)
2	Pension & Gratuity	3,030,220,824.28	3,288,911,895.00	258,691,070.72	8.53
3	Overhead Cost	1,524,483,459.38	1,766,646,799.40	242,163,340.02	15.88
4	Transfer to Other Fund	4,083,570,710.01	4,711,529,770.14	627,959,060.13	15.38
5	Grant to Parastatals and Tertiary Institutions	12,853,656,398.95	13,398,952,069.03	545,295,670.08	4.24
6	Expenditure of General Nature	2,933,949,905.52	3,947,303,368.46	1,013,353,462.94	34.54
7	Public Debt Charges	167,500,000.00	328,661,270.00	161,161,270.00	96.22
8	Repayment of Loans-Foreign	377,746,192.39	427,607,297.79	49,861,105.40	13.20
	Local Bank	19,193,695,721.47	1,007,259,111.94	(18,186,436,609.53)	(94.75)
	Bond	5,995,857,692.12	5,995,857,696.12	004	0.00
	FGN Bond	46,952,073.92	169,611,236.40	122,659,162.48	261.24
	Bailout	44,037,063.06	168,947,767.23	124,910,704.17	283.65
	TOTAL	68,516,722,399.30	49,380,878,003.88	(19,135,844,395.42)	(27.93)

SOURCES: Financial Reports of the Accountant-General, Ekiti State for the year ended 31st December, 2016.

From above analysis, there was a remarkable decrease of ₦19,135,844,395.42 (or approximately 27.93%) in the actual recurrent expenditure in year 2016 when compared with year 2015. The two major expenditure items significantly affected by the decrease were: Personnel Cost and Local Loan Repayment which recorded 22.42% and 94.75% reduction respectively. However, other items of expenditure recorded increase ranging from 4.24% to 283.65%.

3.3 SECTORAL PERFORMANCE

The Sectoral performance which gives the over-all indices of effective and efficient implementation of the budget is analysed below:

S/N	SECTOR	BUDGET ₦	ACTUAL ₦	PERFORMANCE %
1	Administration Sector	1,751,647,760.72	1,515,187,109.66	87
2	Economic Sector	292,818,366.55	181,121,975.00	62
3	Law and Justice Sector	38,350,000.00	9,589,000.00	25
4	Regional Sector	1,800,000.00	990,000.00	55
5	Social Sector	107,523,329.98	59,758,714.74	56
	TOTAL	2,192,139,457.25	1,766,646,799.94	80.59

SOURCES: Financial Reports of the Accountant-General, Ekiti State for the year ended 31st December, 2016.

The performance of the recurrent expenditure based on the above sectoral analysis is impressive. All the sectors of the economy performed above average except Law and Justice Sector which recorded a low performance of 25%. The overall performance of 80.59% for year 2016 was higher than 60.48% recorded in the previous year.

However, it was observed that the expenditure was not evenly spread across the Sectors of the economy of the State. The services of all sectors are crucial for the attainment of the desired social, political and economic goals of the State. Hence, adequate attention should be given to them all.

3.4 CAPITAL EXPENDITURE

	BUDGET 2016	ACTUAL 2016	PERFORMANCE
	₦	₦	%
Capital Expenditure	22,719,044,671.64	14,575,134,106.35	64.15
TOTAL	22,719,044,671.64	14,575,134,106.35	64.15

SOURCES: Financial Reports of the Accountant-General, Ekiti State for the year ended 31st December, 2016.

The sum of N22,719,044,671.64 representing 31.88% of the total budgeted expenditure was earmarked for capital expenditure in the current year.

However, a total sum of ₦14,575,134,106.35 representing 64.15% of the estimated figure and 20.64% of actual revenue for the year was actually spent. This level of performance was impressive and it was higher than 23.48% and 35% recorded in 2015 and 2014 respectively.

There is the need to always strive toward attainment of higher performance levels in the capital expenditure in the State for rapid growth and development.

For clarity of the spread of actual capital expenditure incurred, below is the sectoral analysis:

3.5 CAPITAL EXPENDITURE PERFORMANCE ON SECTORAL BASIS FOR 2016

S/N	SECTOR	BUDGET	ACTUAL	PERFORMANCE
		₦	₦	%
1	ADMINISTRATOR SECTOR Administration	1,293,880,000.00	356,061,528.76	27.52
2	ECONOMIC SECTOR Agriculture, Emergency, Infrastructure, Lands and Housing	19,419,365,552.23	11,769,423,980.60	60.61
3	LAW AND JUSTICE SECTOR Law and Justice Sector	117,500,000.00	-	-

4	REGIONAL SECTOR Regional Sector	-	-	-
5	SOCIAL SECTOR Education, Health, Information and Enviroments	1,889,299,119.41	2,449,648,596.99	129.66
	TOTAL	22,720,044,671.64	14,575,134,106.35	64.15

SOURCES: Financial Reports of the Accountant-General, Ekiti State for the year ended 31st December, 2016.

From the above table, the Economic Sector performance increased remarkably from 10.79% in 2015 to 60.61% in 2016 as a result of massive investments in infrastructural development of the State.

In the same vein, the Social Sector recorded a performance level of 129.66% as against 68.42% achieved in previous year. The sharp increase was largely due to the inclusion of Core Subjects and Rural Allowances paid to Teachers from SEPIP fund amounting to ₦960,837,897.11 in the capital expenditure of the Sector. This would appear inappropriate. The Ministry of Budget, Economic Planning and Service Delivery and Office of Accountant-General should take note of this.

Both Law and Justice and Regional Sectors did not receive any fund for capital expenditure in the current year while Administration sector had 27.52% performance

3.6 **OBSERVATIONS ON FUND DISTRIBUTION TO MINISTRIES, DEPARTMENTS AND AGENCIES:**

Audit scrutiny during the year under review revealed that both capital and recurrent expenditure were not distributed as budgeted. Some Ministries, Departments and Agencies were deprived of fund to execute some of the important programmes included in the year's budget and therefore could not contribute efficiently and effectively towards the growth and development of the State. However, some were able to access over and above their budgetary provisions.

3.6.1 MDAS WITH ABYSMALLY LOW EXPENDITURE PROFILE

(a) OVERHEAD COST

S/N	HEAD	MINISTRY/DEPARTMENT/AGENCY	BUDGET 2016 ₦	ACTUAL 2016 ₦	BUDGET VARIANCE ₦	PERFORMANCE %
1	459-0410	OFFICE OF PRIVATE SECRETARY TO GOVERNOR (GH&P)	900,000.00	40,000.00	860,000.00	4.44
2	459-5000	EKITI STATE STOMACH INFRASTRUCTURE AGENCY	5,000,000.00	880,000.00	4,120,000.00	17.60
3	459-2400	STATE DEVELOPMENT CENTRE (ESTABS)	1,500,000.00	110,000.00	1,390,000.00	7.33
4	459-2500	STATE HOUSING LOANS BOARD (ESTABS)	1,500,000.00	139,406.74	1,360,593.26	9.29
5	459-5900	STATE COMMITTEE ON FOOD AND NUTRITION (UNISEF ASSISTED)	6,750,000.00	550,000.00	6,200,000.00	8.15
6	458-0800	FORESTRY DEPARTMENT	2,500,000.00	352,000.00	2,148,000.00	14.08
7	459-3101	MULTILATERAL DEPARTMENT	2,250,000.00	440,000.00	1,810,000.00	19.56
8	459-4200	PETROLEUM PRODUCTS CONSUMER PROTECTION UNIT	2,000,000.00	275,000.00	1,725,000.00	13.75
9	459-3112	BUDGET TRACKING AND AUTOMATION	6,000,000.00	825,000.00	5,175,000.00	13.75
10	459-3103	DEVELOPMENT PLANNING AND STRATEGY COMMITTEE (MB&EP)	2,250,000.00	309,375.00	1,940,625.00	13.75
11	459-3102	ECONOMIC DEVELOPMENT COUNCIL (MB&EP)	10,000,000.00	550,000.00	9,450,000.00	5.50
12	459-5300	NEPAD (NEW PARTNERSHIP FOR AFRICA DEVELOPMENT)	2,250,000.00	440,000.00	1,810,000.00	19.56
13	459-3110	YOUTH EMPLOYMENT AND SOCIAL SUPPORT OPERATION (YESSO)	5,000,000.00	825,000.00	4,175,000.00	16.50
14	457-0700	WOMEN DEVELOPMENT CENTRE, IGEDE-EKITI (WOMEN AFFAIRS)	5,000,000.00	74,250.00	4,925,750.00	14.85
15	455-0300	STATE SCHOLARSHIP BOARD	3,000,000.00	440,000.00	2,560,000.00	14.67

(b) GRANTS TO PARASTATALS AND TERTIARY INSTITUTIONS

S/N	HEAD	MINISTRY/DEPARTMENT/AGENCY	BUDGET 2016 ₦	ACTUAL 2016 ₦	BUDGET VARIANCE ₦	PERFORMANCE %
1	451-0500	AGRICULTURAL DEVELOPMENT PROJECT	182,047,478.68	5,500,000.00	176,547,478.68	3.02
2	451-0300	FOUNTAIN AGRIC MARKETING AGENCY	23,629,229.25	1,320,000.00	22,309,229.25	5.59
3	454-0800	EKITI STATE WATER CORPORATION	260,918,962.24	4,950,000.00	255,968,962.24	1.90
4	458-0200	STATE HOUSING CORPORATION	74,430,397.31	1,288,085.00	73,142,312.31	1.73
5	455-0800	EKITI STATE LIBRARY BOARD	14,600,298.19	2,010,849.51	12,589,448.68	13.77
6	455-0700	STATE TEACHING SERVICE COMMISSION (INCLUDING STATE SCHOOL)	7,329,799,272.28	6,820,000.00	7,322,979,272.28	0.09
7	457-0405	EKITI STATE SPORT COUNCIL	82,533,581.25	2,200,000.00	80,333,581.25	2.67

(c) CAPITAL RELEASES TO MINISTRIES/DEPARTMENTS/AGENCIES

S/N	HEAD	MINISTRY/DEPARTM ENT/AGENCY	BUDGET 2016 ₦	ACTUAL 2016 ₦	BUDGET VARIANCE ₦	PERFORMANCE %
1	452-0100	MINISTRY OF COMMERCE, INDUSTRIES AND COOPERATIVES	40,000,000.00	1,800,000.00	38,200,000.00	4.50
2	454-0700	DIRECTORATE OF INFORMATION, COMMUNICATION AND TECHNOLOGY (ITC)	75,000,000.00	340,000.00	74,660,000.00	0.45
3	458-0500	OFFICE OF SURVEYOR-GENERAL OF THE STATE	20,000,000.00	180,000.00	19,820,000.00	0.90
4	459-3100	BUDGET AND ECONOMIC PLANING (MINISTRY OF BUDGET)	177,548,420.73	6,611,191.00	170,937,229.73	3.72
5	454-0500	MINISTRY OF PUBLIC UTILITIES	20,000,000.00	2,100,000.00	17,900,000.00	10.50
6	457-0600	MINISTRY OF WOMEN AFFAIRS, GENDER EMPOWERMENT SOCIAL WELFARE	30,000,000.00	3,100,000.00	26,900,000.00	10.33
7	458-100	EKITI STATE WASTE MANAGEMENT BOARD	17,557,656.99	2,163,320.00	15,394,336.99	12.32
8	459-1300	MINISTRY FOR LOCAL GOVERNMENT AND COMMUNITY DEVELOPMENT	20,000,000.00	1,559,400.00	18,440,600.00	7.80

3.6.2 **MDAS WITH BUDGETARY PROVISION WITHOUT ANY RELEASES
THROUGHOUT THE YEAR**

(a) OVERHEAD COST

S/N	HEAD	MINISTRY/DEPARTMENT/AGENCY	BUDGET 2016 ₦	ACTUAL 2016 ₦	BUDGET VARIANCE ₦	PERFORMANCE %
1	459-1605	OFFICE OF THE SPECIAL ADVISER GOVERNOR OFFICE (GH&P)	4,000,000.00	-	4,000,000.00	0.00
2	459-5901	BOUNDARY TECHNICAL COMMITTEE (D-GOV)	5,000,000.00	-	-	0.00
3	459-1614	MAINTANANCE OF GOVERNOR LODGE	2,700,000.00	-	2,700,000.00	0.00
4		NEWLYCREATED MDAs	24,850,000.00	-	24,850,000.00	0.00
5	455-0106	MONITORING OF PUBLIC SCHOOLS	2,400,000.00	-	2,400,000.00	0.00
6	551-1200	COMMUNITY DEVELOPMENT	1,398,240.47	-	1,398,240.47	0.00

(b) GRANTS TO PARASTATALS AND TERTIARY INSTITUTIONS

S/N	HEAD	MINISTRY/DEPARTMENT/ AGENCY	BUDGET 2016 ₦	ACTUAL 2016 ₦	BUDGET VARIANCE ₦	PERFORMANCE %
1	459-2700	EKITI STATE LOCAL GOVERNMENT SERVICE COMMISSION	269,092.63	-	269,092.63	0.00

(c) CAPITAL RELEASES TO MINISTRIES/DEPARTMENTS/AGENCIES

S/N	HEAD	MINISTRY/DEPARTMENT/ AGENCY	BUDGET 2015 ₦	ACTUAL 2015 ₦	BUDGET VARIANCE ₦	PERFORMANCE %
1	459-1500	OFFICE OF THE DEPUTY GOVERNOR	23,000,000.00	-	23,000,000.00	-
2	459-5400	EKITI STATE BOUNDARY COMMISSION	10,750,000.00	-	10,750,000.00	-
3	458-1200	STATE EMERGENCY MANAGEMENT AGENCY [SEMA]	5,000,000.00	-	5,000,000.00	-
4	459-3300	PROJECT MONITORING COMMITTEE	1,500,000.00	-	1,500,000.00	-
5	459-0500	SECRETARY TO THE STATE GOVERNMENT (SSG)	3,000,000.00	-	3,000,000.00	-
6	459-1200	POLITICAL AND INTER-PARTY AFFAIRS[P&E]	750,000.00	-	750,000.00	-
7	459-5000	EKITI STATE STOMACH INFRASTRUCTURE AGENCY	50,000,000.00	-	50,000,000.00	-
8	459-0900	EKITI STATE LIAISON OFFICE- LAGOS	-	-	-	-
9	459-1000	EKITI STATE LIAISON OFFICE-ABUJA	22,500,000.00	-	22,500,000.00	-

10	459-5500	BUREU OF PUBLIC SERVICE REFORMS	15,000,000.00	-	15,000,000.00	-
11	459-4500	BUREAU OF INFORMATION AND STRATEGY	1,750,000.00	-	1,750,000.00	-
12	459-2600	EKITI STATE PENSION COMMISSION/BOARD	70,000,000.00	-	70,000,000.00	-
13	459-1900	MUSILIM PILGRIM WELFARE BOARD	1,500,000.00	-	1,500,000.00	-
14	459-1800	CHRISTIAN PILGRIM WELFARE BOARD	1,500,000.00	-	1,500,000.00	-
15	459-3000	CABINET DEPARTMENT GOV. OFFICE	3,000,000.00	-	3,000,000.00	-
16	459-2000	INTERGRATION&INTER GOVERNMENTAL AFFAIRS	1,000,000.00	-	1,000,000.00	-
17	459-2100	HOUSE OF ASSEMBLY	190,000,000.00	-	190,000,000.00	-
18	459-2000	HOUSEE OF ASSEMBLYSERVICE COMMISSION	12,500,000.00	-	12,500,000.00	-
19	457-0300	GOVERNMENT PRINTING PRESS	5,000,000.00	-	5,000,000.00	-
20	459-0600	OFFICE OF THE HEAD OF SERVICE	3,000,000.00	-	3,000,000.00	-
21	459-2800	STATE AUDITOR GENERAL OFFICE	10,000,000.00	-	10,000,000.00	-
22	459-2900	OFFICE OF AUDITOR GENERAL FOR LOCAL GOVERNMENT	45,750,000.00	-	45,750,000.00	-
23	459-3900	CIVIL SERVICE COMMISSION	15,000,000.00	-	15,000,000.00	-
24	459-4100	STATE INDEPENDENT ELECTORAL COMMISSION	10,000,000.00	-	10,000,000.00	-
25	451-0200	DIRECTORATE OF FARM SETTLEME AND PEASANT FARMER DEVELOPMENT	25,000,000.00	-	25,000,000.00	-
26	455-0200	SCHOOL AGRICULTUREAND ENTERPRISE	5,125,000.00	,	5,125,000.00	-
27	451-0500	AGRICULTURE DEVELOPMENT PROJECT	15,700,000.00	-	15,700,000.00	-
28	451-0600	FADAMA PROJECT	6,125,000.00	-	6,125,000.00	-
29	458-0800	FORESTRY DEPARTMENT	25,000,000.00	-	25,000,000.00	-
30	451-0300	FOUNTAIN AGRIC MARKETING AGENCY	2,125,000.00	-	2,125,000.00	-
31	453-0400	MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT	100,000,000.00	-	100,000,000.00	-
32	459-5200	CENTRAL INTERNAL AUDIT OFFICE	6,250,000.00	-	6,250,000.00	-
33	459-3800	INTERNAL REVENUE SERVICE	20,314800.00	-	20,314800.00	-
34	453-0700	EKITI STATE ENTERPRISES DEVELOPMENT AGENCY	2,500,000.00	-	2,500,000.00	-
35	454-0300	EKITI STATE MULTIPURPOSE CREDIT AGENCY	2,500,000.00	-	2,500,000.00	-
36	454-0200	JOB CREATION AND EMPLOYMENT AGENCY	1,500,000.00	-	1,500,000.00	-

37	454-1100	EKITI STATE TRAFFIC MANAGEMENT AGENCY	5,500,000.00	-	5,500,000.00	-
38	452-0300	EKITI STATE MINERAL RESOURCES DEVELOPMENT AGENCY	20,000,000.00	-	20,000,000.00	-
39	453-0100	BURAU OF TOURISM ART AND CULTURE	25,000,000.00	-	25,000,000.00	-
40	459-3200	BUREAU OF STATISTICS	10,000,000.00	-	10,000,000.00	-
41	459-4000	FISCAL RESPONSIBILITY COMMISSION	1,750,000.00	-	1,750,000.00	-
42	454-0800	EKITI STATE WATER CORPORATION	20,030,880.00	-	20,030,880.00	-
43	454-0900	RURAL WATER SUPPLY AND SANITATION AGENCY	50,000,000.00	-	50,000,000.00	-
44	458-0100	MINISTRY OF LAND, HOUSING AND URBAN DEVELOPMENT	97,935,500.00	-	97,935,500.00	-
45	458-0600	URBAN RENEWAL AGENCY (CAPITAL URBANDEVELOPMENT AUTHORITY)	20,000,000.00	-	20,000,000.00	-
46	459-4300	UTILITY SERVICE DEPARTMENT	9,250,000.00	-	9,250,000.00	-
47	459-0200	THE JUDICIARY	65,000,000.00	-	65,000,000.00	-
48	459-3000	JUDICIAL SERVICE COMMISSION	25,500,000.00	-	25,500,000.00	-
49	459-0100	MINISTRY OF JUSTICE	22,000,000.00	-	22,000,000.00	-
50	459-5700	OFFICE OF THE PUBLIC DEFFENDER	5,000,000.00	-	5,000,000.00	-
51	455-0400	STATE UNIVERSAL BASIC EDUCATION BOARD	25,625,000.00	-	25,625,000.00	-
52	455-0800	EKITI STATE LIBRARY BOARD	8,250,000.00	-	8,250,000.00	-
53	455-1200	COLLEGE OF EDUCATION IKERE EKITI	40,000,000.00	-	40,000,000.00	-
54	455-1000	EKITI STATE UNIVERSITY	70,000,000.00	-	70,000,000.00	-
56	455-0700	STATE TEACHING SERVICE COMMISSION	11,000,000.00	-	11,000,000.00	-
57	455-0600	AGENCY FOR ADULT AND NON-FORMAL EDUCATIONN	12,125,000.00	-	12,125,000.00	-
58	455-0300	STATE SCHOLARSHIP BOARD	1,000,000.00	-	1,000,000.00	-
59	456-0300	EKITI STATE UNIVERSITY TEACHING HOSPITAL	54,826,183.09	-	54,826,183.09	-
60	456-0600	HOSPITAL MANAGEMENT BOARD	50,000,000.00	-	50,000,000.00	-
61	456-0200	COLLEGE OF HEALTH TECHNOLOGY	25,000,000.00	-	25,000,000.00	-
62	456-0500	CENTRE MEDICAL STORE	5,000,000.00	-	5,000,000.00	-
63	457-0500	EKITI STATE SPORT COUNCIL	11,000,000.00	-	11,000,000.00	-
64	459-1400	CHIEFTANCY AFFAIRS	4,000,000.00	-	4,000,000.00	-

From the above tables, it was revealed that most MDAS could not access their budgetary provisions during the period under review.

Out of the sum of N1,449,049,696.16 budgeted as expenditure for these MDAS, nothing was released to them throughout the year, while MDAS with budgetary provisions of N8,419,465,296.92 could only access N48,192,877.25 (or approximately 0.57%) leaving a difference of N8,371,272,419.67.

It was observed in the previous report of the Auditor-General that Agricultural Sector which hold prospect for immense growth of the economy and employment generation in the State had capital budget performance of 1.80%.

However, there was an improvement in the capital budget performance of the Ministry of Agriculture as it increased to 21.31% in the current year.

There is a need for a short, medium and long term programmes to drive massive agricultural revolution which would increase the revenue generated by the State

3.7 EXCESS EXPENDITURE TO MDAS

(a) PERSONNEL COSTS

HEAD	MINISTRY/DEPARTMENT	APPROVED ESTIMATES 2016 ₦	ACTUAL EXPENDITURE 2016 ₦	VARIANCE 2016 ₦
459-2100	House of Assembly	295,627,445.15	351,465,774.74	(55,838,329.59)
	TOTAL	295,627,445.15	351,465,774.74	(55,838,329.59)

(b) OVERHEAD COSTS

HEAD	MINISTRY/DEPARTMENT	APPROVED ESTIMATES 2016 ₦	ACTUAL EXPENDITURE 2016 ₦	VARIANCE 2016 ₦
452-0100	Ministry of Commerce, Industries and Co-operative	8,000,000.00	8,010,000.00	(10,000.00)
	TOTAL	8,000,000.00	8,010,000.00	(10,000.00)

(c) **CONSOLIDATED REVENUE CHARGES**

HEAD	MINISTRY/DEPARTMENT	APPROVED ESTIMATES 2016 ₦	ACTUAL EXPENDITURE 2016 ₦	VARIANCE 2016 ₦
434002	Pension	2,400,000,000.00	3,288,911,895.00	(888,911,895.00)
434005	Repayment of Loan	11,000,000,000.00	11,685,086,177.94	(685,086,177.94)
	TOTAL	13,400,000,000.00	14,973,998,072.94	(1,573,998,072.94)

(d) **GRANTS TO PARASTATALS AND TERTIARY INSTITUTIONS**

HEAD	MINISTRY/DEPARTMENT	APPROVED ESTIMATES 2016 ₦	ACTUAL EXPENDITURE 2016 ₦	VARIANCE 2016 ₦
455-0400	State Universal Basic Education Board	380,000,000.00	3,411,917,635.28	(3,031,917,635.28)
455-1200	College of Education, Ikere	1,775,932,138.67	2,195,103,447.00	(419,171,308.33)
455-1000	Ekiti State University	2,673,333,333.33	4,317,102,954.00	(1,643,769,620.67)
456-0200	College of Health Technology, Ijero	246,222,474.48	343,689,288.56	(97,466,814.04)
	TOTAL	5,075,487,946.48	10,267,813,324.84	(5,192,325,378.32)

(e) **CAPITAL COSTS**

HEAD	MINISTRY/ DEPARTMENT	APPROVED ESTIMATES 2016 ₦	ACTUAL EXPENDITURE 2016 ₦	VARIANCE 2016 ₦
458-0700	Ministry of Environment	10,000,000.00	11,600,800.00	(1,600,800.00)
	TOTAL	10,000,000.00	11,600,800.00	(1,600,800.00)

3.8 EXPENDITURE WITHOUT PROVISION IN THE BUDGET ESTIMATE

(a) TRANSFER TO OTHER FUND

HEAD	MINISTRY/ DEPARTMENT/ AGENCIES	APPROVED ESTIMATES 2016 ₦	ACTUAL EXPENDITURE 2016 ₦	VARIANCE 2016 ₦
433-119	Sanitation Task Force Operation (Ministry of Environment)	-	1,166,000.00	(1,166,000.00)

SOURCES: Financial Reports of the Accountant-General, Ekiti State for the year ended 31st December, 2016.

From the tables above, a total sum of N1,631,447,202.53 was observed as the excess expenditure incurred by some MDAS during the year under review.

Also, a sum of N1,166,000.00 was the expenditure noticed to have been made without provisions in the year 2016 Approved Estimates. Necessary approvals for the above expenditure had not been made available to this Office contrary to the provisions of section 120(2) of the Constitution of Federal Republic of Nigeria 1999 (as amended). Allowance had already been made in respect of the sum of N1,632,613,202.53 involved.

3.9 EXCESS GRANTS TO PARASTATALS AND TERTIARY INSTITUTIONS

The recommendation made in the last year Auditor-General's Report that IGR of Tertiary Institutions captured in the budget should always be added to their subventions in the budget estimates was not implemented by the concerned Ministry. This fundamental error resulted in underestimation of Subvention/Grants in the budget estimate by N3,843,819,633.56 being IGR generated by these Institutions in the year and excess Recurrent Expenditure of N846,797,206.08.

This was one of the factors that led to the excess Recurrent Expenditure even though most of the budgeted recurrent expenditure was not met.

3.10 **RECOMMENDATION:**

The office of Accountant-General is advised to stop payment of any requested fund to all the affected Institutions when there are no budgetary provision to support such payment until a supplementary estimate is raised and approved to avoid such error in the future.

4.0 **STATEMENT OF ASSETS AND LIABILITIES**

4.1 **LIQUID ASSETS:**

The Liquid assets represented balance on Cash, Bank and Call Account (Fixed Deposit). During the year under reference the State maintained 74 different current bank accounts with a total balance of N13,578,026,761.94 as at 31st December 2016. This was an increase of N6,659,096,341.67 when compared with N6,918,930,420.27 in the corresponding period of 2015. The increase was due to the receipt of N5,477,476,163.56 Paris Club Refund in the month of December, 2016. No call account (Fixed Deposit) balance was observed at the end of the Financial Year. It is imperative to note here that keeping large cash/bank balance is tantamount to losing potential income derivable from investing it. The concept of time value of money must be considered at all times.

Audit is of the opinion that pending the time contractors are to be paid, the fund could be invested for a short term to earn income. A billion Naira invested for just Three (3) months at 5% will yield N12.5m.

4.2 PUBLIC DEBTS.

4.2.1 LOAN PORTFOLIOS OF THE STATE GOVERNMENT AS AT

31ST DECEMBER, 2016.

	N	:	K
(i) Internal Loan	62,737,285,163.60		
(ii) External Loan	<u>17,347,555,400.10</u>		
	<u>80,084,840,563.70</u>		

SOURCES: Financial Report of the Accountant-General, Ekiti State for the year ended 31st December, 2016.

The State Debt stock as at 31st December, 2016 showed that the State's Foreign and internal debts stood at \$56,877,230.82 and N62,737,285,163.30 respectively. The external debt balance was converted at official rate of N305 to arrive at the above figure. However, the figure stated as the foreign debt did not include the cumulative draw down for: YESSO, PSGRDP and SNPFS-ADF.

In the period under review, the total Internal Loans obtained by the State was ₦22,101,788,065.28 as shown below:

4.2.2 INTERNAL LOAN RECEIPTS (2016)

S/N	NAME OF LOAN	AMOUNT	
		₦	K
1	Budget Support Fund	8,614,000,000.00	
2	UBEC/UBE 2012/2015	2,887,788,065.28	
3	Access Excess Crude Account	10,000,000,000.00	
4	Access MDGS	600,000,000.00	
TOTAL		<u>22,101,788,065.28</u>	

During the same period, the sum of N11,685,086,177.94 was the repayment made on both External and Internal Loans as follows:

4.2.3 INTERNAL LOAN PAYMENTS (2016)

S/N	NAME OF LOAN	PRINCIPAL REPAYMENT ₦	INTEREST PAYMENT ₦	TOTAL PAYMENT ₦
1	FGN Bonds	169,611,236.40	2,311,925,281.40	2,481,536,517.80
2	Bail out	168,947,760.23	781,513,470.41	950,461,237.64
3	Bond Proceeds	3,572,924,697.67	2,422,932,998.45	5,995,857,696.12
4	Access Excess Crude Account	137,478,160.10	672,275,200.21	809,753,360.31
5	Access MDG	600,000,000.00	63,015,879.20	663,015,879.20
6	Commercial Agric Loan	269,780,951.84	7,659,065.44	277,440,017.28

7	UBEC 2012/2015	-	79,414,171.80	79,414,171.80
8	External Loan	-	-	427,607,297.79
	TOTAL	4,918,742,813.24	6,338,735,566.91	11,685,086,177.94

Sources: Financial Report of the Accountant-General, Ekiti State for the year ended 31st December, 2016.

The State exited two Internal Loans in the year (Access MDG and Commercial Agric Loan) while repayment had not commenced on another two. (Budget Support Fund and UBEC 2012 /2015) with a total value of N11,501,788,065.28.

On External Loan, out of Twelve (12) listed Loans, repayment had commenced on Five (5) while the remaining Seven (7) are still in the moratorium period as a result of which only interests were just being paid on them .

It was observed that the percentage of Loan Repayment to Statutory Allocation in the year was 64.11%. Also, the net receipts from Statutory Allocation in the months of June, November and December, 2016 were N281,915,450.02, N120,177,716.61 and N163,796,412.21 respectively as a result of heavy loan deducted from Statutory Allocations of those months. .

Audit is of the opinion that if the State Government continues to rely heavily on debt instruments for the financing of the State's infrastructural needs, then, the debt burden of the State may reach an unbearable state.

4.2.4 **RECOMMENDATION:**

The need to increase infrastructural development capacity through collaboration with private organisations and individuals is imperative. The huge infrastructural vacuum that needs to be filled but which cannot be met with public funds could be filled in this manner.

5.0 **SUBMISSION OF APPROPRIATION ACCOUNTS BY MINISTRIES, DEPARTMENTS AND AGENCIES**

By the provision of Section 35(4) of Audit Law (No11) of 2014, the Accounting Officers of MDAS shall prepare and submit to the Accountant-General with copy to the Auditor-General, Appropriation Account of the monies expended under the votes for which they are responsible within three (3) months after the close of each fiscal year. Thus, for the financial year ended 31st December, 2016, the accounts were supposed to reach me on or before 31st March, 2017. The number of MDAS that rendered their accounts dropped from Fifty Five (55) in last year to Fifty (50) in the current year and out of which just Thirty Four (34) of them submitted before the due date of 31st March, 2017.

The Accounting Officers are invited to note that Non-submission and late submission of the Appropriation Accounts is an infraction of the financial regulations.

The Table below shows the analysis of the rendition of appropriation accounts for the year under review.

5.1 **SUBMISSION OF YEAR 2016 ANNUAL APPROPRIATION ACCOUNT.**

S/NO	MDA'S	DATE
1	Ekiti State Waste Management Authority	9-1-17
2	Office of the State Auditor-General	11-1-17
3	Ekiti State Environmental Protection Agency	12-1-17
4	Sustainable Developmental Goals Office	13-1-17
5	Fiscal Responsibility Commission	17-1-17
6	Ministry of Budget & Economic Planning	18-1-17
7	Ekiti State Scholarship Board	18-1-17

8	Job Creation And Employment Agency	19-1-17
9	Ekiti State Rural Water Supply And Sanitation Agency	23-1-17
10	Political And Economic Affairs Dept.	26-1-2017
11	Bureau of Chieftaincy Affairs	27-1-2017
12	Ekiti Enterprise and Economic Development Agency	27-1-2017
13	Office of Establishments & Training	30-1-2017
14	General Administration Dept.	30-1-2017
15	Office of the State Auditor –General For Local Government	1-2-2017
16	Ekiti State Multipurpose Credit Agency	2-2-2017
17	Ministry of Commerce, Industries & Cooperatives	2-2-2017
18	Ekiti State House of Assembly	3-2-2017
19	Ekiti State Education Trust Fund	3-2-2017
20	Teaching Service Commission	3-2-2017
21	Bureau of Transformation , Service Delivery And Strategy	6-2-2017
22	Cabinet and Special Services Department	6-2-2017
23	Civil Service Commission	6-2-2017
24	Christian Pilgrims' Welfare Board	10-2-2017
25	Ministry of Health	10-2-2017
26	Ekiti State Independent Electoral Commission	21-2-2017
27	Ekiti State House of Assembly Service Commission	1-3-2017
28	Ministry of Education, Science & Technology	1-3-2017
29	Ministry of Justice	3-3-2017
30	Hospital Management Board	10-3-2017
31	State Bureau of Statistics	13-3-2017
32	Ministry of Finance and Economic Development	20-3-2017
33	Office of the Surveyor General	28-3-2017
34	Ministry of Information, Youth And Sport Development	31-3-2017
35	Office of the Accountant-General	3-4-2017
36	Ekiti State Boundary Commission	5-4-2017
37	Bureau of Productivity And Empowerment	5-4-2017

38	Office of Establishment And Training Staff Housing Loans Board	6-4-2017
39	Ministry of Environment	7-4-2017
40	Ministry of Local Government, Community Development & Chieftaincy Affairs	10-4-2017
41	Bureau of Public Procurement (BPP)	11-4-2017
42	Ekiti State Internal Revenue Service	18-4-2017
43	Ministry of Agriculture & Rural Development	19-4-2017
44	Primary Health Care Development Agency	24-4-2017
45	Ekiti State Housing Corporation	24-4-2017
46	Centre Internal Audit Office	2-5-2017
47	Ekiti State AIDS Control Agency	2-5-2017
48	Urban Renewal Agency	9-5-2017
49	Farm Settlement and Peasant Farmers Development	9-5-2017
50	Ekiti State Agric Development Programme	11-5-2017

5.2 OBSERVATIONS ON APPROPRIATION ACCOUNTS SUBMITTED BY MDAS:

- (i) Most Ministries, Departments and Agencies did not keep essential books of accounts such as Departmental Vote Revenue Abstract (DVRA), Departmental Vote Expenditure Abstract (DVEA), Deposits and Advances Ledgers. Where they are kept at all, they were not properly maintained.
- (ii) There were variances between the appropriation figures submitted by MDAs to this Office and figures in the DVEA books kept by the Accountant-General's Office. This implies lack of proper co-ordination of the field officers by the Headquarters.

5.3 **RECOMMENDATION:** - Monitoring unit of Accountant-General's Office should be strengthened for efficiency and effectiveness while Internal Auditors should be alive to their responsibilities.

6.0 STATE OF THE ACCOUNTS

6.1 **PREPARATION OF 2016 BUDGET:**

The 2016 Budget was not prepared in accordance with National Charts of Accounts contrary to Audit recommendation on this issue in 2015 Auditor-General's Report. However, the process of conversion of the State Budget to meet this key requirement of IPSAS adoption is ongoing.

6.1.1 **RECOMMENDATION:**

There should be speedy conclusion of the conversion process by the Consultant.

6.2 **TREATMENT OF PERSONNEL COSTS OF GOVERNMENT AGENCIES AND PARASTATALS IN THE BUDGET:**

The Personnel Costs of Government Agencies and Parastatals were treated under the Subvention Head of Expenditure in the current budget in spite of Audit advice to the contrary in the last year Auditor-General's Report. It would appear that the Ministry of Budget, Economic Planning and Service Delivery deliberately side tracked this advice as two Supplementary Estimates were issued in the year which ought to have taken care of the adjustments.

6.2.1 **RECOMMENDATION:**

Concerned MDAS are advised to give prompt attention to all issues raised in the Auditor-General's Report, as doing so will strengthen the Financial Management System.

6.3 **ADOPTION OF IPSAS ACCRUAL BASIS OF ACCOUNTING:**

The Government had taken a commendable step towards adoption of IPSAS Accrual basis of Accounting in the State by engaging a Consultant to drive the implementation. However, it was observed that a critical process necessary for the full implementation was left out in the Contract Award which is Valuation of Assets of the State.

On Asset valuation, Audit is of the opinion that relevant State Professionals could be involved like Quantity Surveyors, Estate Valuers and others to reduce the cost implication of the process to the State. Also, it was stated in the training manual that the

software is designed to accommodate only Three (3) types of users each with its roles and privileges. No mention was made of Audit among the three users. Impliedly, auditors are not accommodated in the system and they have no roles to play.

6.3.1 **RECOMMENDATIONS:**

- (i) The Consultant should ensure that Audit is given unrestricted access to the system so that every procedure carried out in the system could be verified.
- (ii) Committee on compilation and revaluation of all the assets owned by the State should be set up in earnest.

6.4 **REVENUE COLLECTED, RETAINED AND EXPENDED WITHOUT APPROPRIATION**

It was observed that some MDAS were allowed to retain part of the revenue collected to meet their expenses. Examples of such MDAS are: (i) HMB 70% of IGR Generated by Secondary Health Facilities in the State (ii) Ministry of Education – Examination fees (iii) Ministry of Agriculture – Tractor Hiring fee. However, the guideline for the accounting of such revenue was not issued by the Ministry of Finance as a result, a chunk of the State IGR and services rendered were not captured in the Consolidated Revenue Fund. The failure to properly account for such revenue and services constituted a gross understatement of facts in the Accounts.

6.4.1 **RECOMMENDATIONS:**

- (i) Proper guideline for the accounting of such retained revenue should be issued by the Ministry of Finance.
- (ii) Ministry of Budget, Economic Planning and Service Delivery should ensure that both retained revenue and expenditure are captured by the Budget Estimates.

6.5 **CONSOLIDATED REVENUE FUND CHARGES.**

In the year under review, a total sum of N14,835,969,078.56 was budgeted as Consolidated Revenue Fund Charges for various expenditure such as Repayment of loans,

Pension and Gratuities, Public Debt Charges and others and the actual expenditure was N15,334,159,642.94.

However, the attention of Officers in charge of Budget Preparation is drawn to the provisions of section 124(4) & (5) of the 1999 Constitution of the Federal Republic of Nigeria (as amended) where only Salaries and Allowances of the following Officers are recognised as a charge to Consolidated Revenue Fund Charges. The Offices of Governor, Deputy Governor, Auditor-General for a State and Chairman and Members of the following bodies that is to say, the State Civil Service Commission, State Independent Electoral Commission and State Judicial Service Commission and Pension of Governor or Deputy Governor approved by House of Assembly.

Therefore, Consolidated Revenue Charges should be separated from Expenditure of General Nature.

6.5.1 **RECOMMENDATION:**

The Salaries and Allowances of the above stated Officers should be recognised as a charge to Consolidated Revenue Fund both in the Budget Estimates and the Financial Statements in consonance with the provisions of the Constitution.

6.6 **10% STATUTORY ALLOCATION TO LOCAL GOVERNMENT COUNCILS FROM INTERNALLY GENERATED REVENUE.**

The Local Government Councils in the State are entitled to 10% of all Internally Generated Revenue of the State. In the current year, the Financial Reports of the Accountant-General revealed that the sum of N5,625,292,591.21 was the amount generated as IGR. The ten percent (10%) Statutory Allocation to Local Government Councils from this amount is N562,529,259.12. There was no evidence that this amount had been released to the Local Government Councils in the State.

6.6.1 **RECOMMENDATION:**

There is the need to comply with this constitutional requirement.

6.7 **UNAPPROPRIATED EXPENDITURE:**

There were no provisions made in the budget estimate for the expenditure made from following receipts:

(i) EDUCATION TRUST (ENDOWMENT) FUND:

It was observed that the sum of N255,341,123.13 collected as ETF in the year which was posted as Capital Costs of the Agency was actually disbursed through Ministry of Education, Science and Technology, SUBEB and Agency for Adult and Non-Formal Education. The various expenditures were not reflected in the appropriation accounts of these MDAS as they were not included in their budget estimates.

(ii) SHARE OF 1% LEGAL FEE COLLECTED:

25% of Legal fee collected which amounted to N39,467,908.00 in the year was released to Ministry of Justice to meet some expenses of the Ministry. The expenditure incurred with the money was not reflected in the appropriation account of the Ministry.

(iii) WORLD BANK PROJECTS:

The draw downs on these projects for each year are posted to Capital Costs Head of Expenditure without any provisions made in the budget estimate for such expenditure. There is also a need for proper guideline on allocation of these costs to a Head of Expenditure. Audit is of the opinion that salaries and allowances paid to the staff of some of the projects, cost of training and travelling expenses should not be treated as capital cost.

6.7.1 **RECOMMENDATIONS:**

- (i) The attention of the Budget Officers is hereby drawn to expenditure of this nature to accommodate them into the budget estimates during budget preparation or budget review exercise.
- (ii) The Accountants who fail to draw the attention of the concerned officers to expenditures of this nature should be sanctioned.

6.8 **REVENUE GENERATED NOT CAPTURED BY IGR PLATFORM.**

The issue of Revenue generated not captured by IGR platform was responded to by the Ministry of Finance and Office of the Accountant-General. In the response, it was stated that it was agreed that the revenue under reference should be kept in a dedicated bank account with the Office of the Accountant-General. Audit is of the opinion that any letter requesting to know the State IGR will be forwarded to the State Internal Revenue Service and not the Accountant-General's Office. Therefore, all data on State IGR should be made available to SIRS for record purposes by the Treasury or any other special Agency that collect any revenue in the State on monthly or quarterly basis.

6.8.1 **RECOMMENDATION:**

Submission of all data on State IGR to SIRS is germane to declaration of accurate and correct IGR figure for the State.

6.9 **OUTSTANDING STATUTORY DEDUCTIONS:**

It was reported in 2015 Auditor-General's Report that statutory deductions amounting to N1,218,861,341.27 deducted from contractors and other procurements made in the year 2014 was still outstanding as at 31st December, 2015. No evidence was presented that the amount had been paid during the year under review.

6.9.1 **RECOMMENDATION:**

Urgent steps should be taken to revalidate and settle the outstanding deductions to avoid payment of penalty on them.

6.10 **OUTSTANDING LOSSES:**

Outstanding losses which amounted to N89,974,799.20 and reported as **Appendix 'A'** were yet to be attended to by some of the affected MDAS despite repeated comments on the issue in past reports. The Accounting Officers of the affected MDAS had made no effort to recover the losses. The Public Accounts Committee is urged to take necessary action as recommended in **Appendix 'A'**

6.11 **DISPOSAL OF UNSERVICEABLE ITEMS IN THE STATE:**

Following the approval of His Excellency, the Governor of Ekiti State, Dr Peter Ayodele Fayose, some unserviceable items were disposed off in some MDAS in the year under reference. It was observed that a total sum of N8, 830,974.00 was realised from the sale of these unserviceable items out of which the sum of N596,186.00 was paid as Auctioneer commission and the balance of N8,234,788.00 was paid to different bank accounts of the Government.

The actual number of vehicles and other items disposed off at the Ekiti State House of Assembly and the sales proceed could not be ascertained by the Audit as all efforts made to collect a complete report of Board of Survey from the Ekiti State House of Assembly were to no avail.

However, the sales of unserviceable items were not reflected in the 2016 final accounts of the State even though the proceeds of sales were deposited into Government accounts.

6.11.1 **RECOMMENDATIONS:**

- (i) There is the need to strike a balance between the disposal and acquisition of vehicles for Government use. Vehicles are now very expensive, hence the need for deep thought before public assets are disposed.
- (ii) The Director of Administration and Supply (DAS) of Ekiti State House of Assembly should forward a complete report of all items sold by the Board of Survey to the Ekiti State Auditor-General without further delay.
- (iii) The State Internal Revenue Service should ensure that IGR platform capture this Revenue Head.

6.12 **STATE INVESTMENTS:**

The management of Government stock had been transferred to Fountain Holding Limited since year 2011. Financial Reports of the Accountant-General since then had not showed any contribution by the Holding Company to the State IGR in the form of dividend or returns on investment.

Audit investigation revealed that various dividends declared by some of the companies in which the State Government had investment for the year 2016 was N41,470,868.19. This gave a total of N206,725,446.89 when added to the sum of N165,254,578.70 reported in last year Auditor-General's Report. (See **Appendix 'B'** for details)

The calculation was based on the original no of shares transferred to the Fountain Holdings without considering the bonus and scrip issue of shares declared by the companies. (See **Appendix 'C'** for schedule of Government stock transferred).

The audited Financial Statements of the Holdings had not been submitted to my Office since inception.

6.12.1 **RECOMMENDATIONS:**

- (i) There is an urgent need to conduct a forensic investigation on the organization since inception.
- (ii) The Public Accounts Committee of Ekiti State House of Assembly should take a critical look at the case of Fountain Holdings for appropriate action.
- (iii) The enterprise should be repositioned to become a viable organization that will professionally manage Government securities to generate earnings and harness the economic potentials of the State for revenue enhancement and employment generation.

6.13 **E-PAYMENT OF SALARY**

It was reported in the last year Auditor-General's Report that for the period of 2012-2014 a sum of N80,231,650.89 was paid to a set of Retired, Absconded and Dead Officers while cases of double payment of salaries to staff discovered in the payroll amounted to N1,464,471.42.

Out of this amount , the sum of N1,234,112.18 had been paid back to the State Treasury by 8 retirees while the lists containing the balance sum of N78,997,538.71 were forwarded to Pension Commission by the Accountant-General's Office for recovery from the monthly pension of the affected officers.

No recovery had been made on N1,464,471.42 discovered to be double payment of salaries to staff. The response of Accountant-General's Office was that the list of affected officers had been sent to TESCO and it is being addressed.

Audit also had confirmed the recovery of overpayment to NIBSS to the tune of N4,471,870.82 as reported in the previous report of Auditor-General.

In the year under review, Audit discovered two ghost workers in the Public Secondary Schools. The detail is given below:

NAME	PARTICULARS	SCHOOL	SALARY RECEIVED IN OCTOBER, 2016 ₦
Akinyemi Temitope Olusola	EKSG0001770 GL4/13 A/C No 2622616078	Corpus Christ's College, Ilawe- Ekiti.	24,307.60
Aderuku Sunday Ademola	EKSG/0001767 GL 02/7 A/C No 0000323650	Corpus Christ's College, Ilawe- Ekiti.	14,506.19

Audit investigation to determine the amounts collected so far by the culprits is ongoing while the Teaching Service Commission has been mandated to remove their names from the payroll.

6.13.1 **RECOMMENDATIONS:**

- (i) As recommended in the last year Auditor-General's Report, there is need to beef up the Internal Control System on the E-payment of salaries to prevent future recurrence of staff collecting salaries without working.
- (ii) The office of Accountant-General should ensure the recovery of the sum of N1,464,471.42 being excess salary paid to some teachers .

6.14 **OUTSTANDING LIABILITIES:**

The outstanding Gratuities stood at N9,431,267,206.37 as at 31st December, 2016. This and other liabilities like contractual obligations, unpaid salaries at the period stated above stood at N14,551,583,077.02 as disclosed in the Financial Report for the year 2016.

6.14.1 **RECOMMENDATION:**

The State could establish a Retirement Sinking Fund where a fixed sum could be invested monthly for a period for the purpose of payment of outstanding gratuities.

6.15 **IKUN DAIRY FARM**

The balance of ₦2,700,000.00 owed Ekiti State Government by Shonga Farms Limited on the sales of the animals at the defunct Ikun Dairy Farm is yet to be recovered.

6.15.1 **RECOMMENDATION:-**The Ministry of Trade, Investments and Innovation should write the consultant/buyer to pay the outstanding amount to Government Treasury without further delay.

6.16 **BOND MANAGEMENT**

The total Bond obtained by the State Government was ₦25 billion in two tranches of ₦20 billion and ₦5 billion secured in October, 2011 and December, 2013 respectively. The interest payable on ₦20 billion and ₦5 billion Bonds are ₦13,364,531,872 and ₦3,606,472,100.84 respectively, making a total loan repayable of ₦1,971,003,872.84 on the ₦25 billion Bond.

As at 31st December, 2016 the sum of ₦28,711,892,000.00 had been paid on the two bonds to the Bond Sinking Fund Accounts leaving a balance of ₦13,259,114,852.81 to be paid. However, a sum of ₦2,268,494,000.00 was still standing in the Bond Sinking Fund Accounts as balance yet to be paid to principal and coupon Bond Holders.

The Four Million Naira (N4M) reported to be an overcharge on trustee Annual Fee in previous reports was discovered to be payment of 5% VAT charges on the Trustee Annual Fee for Four (4) Years.

6.16.1 **RECOMMENDATION:**

The Joint Trustees should forward the official receipt of VAT paid on behalf of the State Government to the Ministry of Finance.

6.17 **FOREIGN LOANS:**

It was reported in 2013 Auditor-General's Report and subsequently that the foreign debt of the State was overstated by \$3,819,960.63 as revealed by the Financial Statement. However, Statement of the State's External Debt Stock from Debt Management Office, Abuja for the years 2011 and 2012 reviewed by Audit had shown that the overstatement reported was due to an error in the Financial Statements of the State for the year 2012. This error had now been corrected. Hence, it would not be necessary to send a team to Abuja on this issue.

It is pertinent to mention here that these documents (statement of the State External Debt Stock for years 2011 and 2012) were not presented to Audit Staff who reviewed the Financial Statements for that year.

6.17.1 RECOMMENDATION:

All the documents necessary to verify and confirm assertions made in the Financial Statements should always be made available during audit exercise.

6.18 REVIEW OF THE FINANCIAL ADMINISTRATION:

There is the need to review the current Financial Administration being used in the State to reflect the newly introduced Accounting Standards and establishment of Central Internal Audit. It is observed that copies of the current Financial Administration are no longer available as those who wanted to buy could not get them at Civil Service Commission or at Office of Establishments and Training.

6.18.1 RECOMMENDATIONS:

Copy of the present Financial Administration could be made available on the website of Ekiti State Government for any user to download.

6.19 INTERNAL CONTROL SYSTEM

The Internal Control System could not be adjudged adequate particularly in the area of Internal Audit. The expectation that internal audit will reduce the scope of external Audit would appear to be far from being a reality.

It was observed that the usual monthly internal audit evaluation reports from MDAS were not uniform in terms of subject matters discussed in the reports. While some reports would include IGR and Assets of the MDAS, others would exclude these subject matters. In most cases, number of retired, dead and absconded officers were not included in the reports.

6.19.1 RECOMMENDATIONS:

- (i) A standard report format should be adopted for the monthly internal audit evaluation reports which should contain relevant subject matters to be reported on by the Internal Auditors.
- (ii) The recommendation that the Headquarters of the unit should coordinate the reports of its field officers to come out with a single monthly report on payment of salaries in the State had not been implemented. The Headquarter of Central Internal Audit should take note of this.

6.20 OUTSTANDING ISSUES IN PREVIOUS AUDITOR-GENERAL'S REPORT:

Most issues raised and recommendations made in the 2015 Auditor-General's Report had been responded to by the Ministry of Finance and Office of the Accountant-General.

It is surprising to note that almost all issues raised and recommendations made in the report as affecting Ministry of Budget, Economic Planning and Service Delivery were ignored. Therefore, nearly all errors pointed out in last year report were repeated in the current year. The Ministry is advised to give prompt attention to issues and recommendations made in Auditor-General's Report.

6.21 PAYE TAX DEDUCTIONS:

It was observed that the State owned Tertiary Institutions have not been deducting Tax from Staff salaries in accordance with Personal Income Tax Act 2011 (PITA). This has led to a situation where Civil Servants who are less paid pay more Tax than workers in the Tertiary Institutions who are better paid. The concomitant effect is a serious shortfall in taxes collected leading to reduced Internally Generated Revenue. By my estimates, the State stands a chance of collecting over N22 Million more from Ekiti State University and over N80 Million from all Tertiary Institutions in the State monthly if PITA is correctly applied.

6.21.1 **RECOMMENDATIONS:**

- (i) The Ministry of Finance should issue another letter to supersede the one purportedly issued by the last Administration and which is the basis of the wrong deduction.
- (ii) PAYE Taxes should be based on PITA (2011) as amended.

6.22 **POSITION OF ACCOUNTS IN EDUCATIONAL INSTITUTIONS /PUBLIC SECONDARY SCHOOLS.**

The accounts of Two Hundred and Eleven (211) Public Secondary, Technical and Special Schools for the year 2015/2016 had been checked with the necessary corrections made by this Office.

Out of Two Hundred and Eleven (211) public schools in the State, One Hundred and Five (105) schools had been audited. Work is in progress on the auditing of Fifty Two (52) schools, while Fifty Four (54) schools were yet to be audited as at the time of writing this report.

However, most of the anomalies mentioned in paragraph (2) of the 2008 Auditor-General's Report still remain.

It is equally sad to note that no effort was made to recover the outstanding amount of ₦11,271,572.70 being loss of fund reported in paragraph a (b) of the 2009 Auditor-General's Report and included in this Report as **Appendix 'D'** while **Appendix 'E'** contains the current position of the accounts of all Public Secondary Schools in the State.

6.23 TERTIARY INSTITUTIONS

The state of the accounts of the Tertiary Institutions in the State is as listed below:

S/N	INSTITUTION	PERIOD
1	Ekiti State University, Ado-Ekiti	31 st December, 2015
2	College of Education, Ikere-Ekiti	31 st December, 2014
3	College of Health, Science & Technology, Ijero	31 st December, 2015

6.24 GOVERNMENT CORPORATIONS AND AGENCIES:

Despite repeated comments in previous Auditor-General's Reports the accounts of the following Corporations/Agencies had not been audited.

1. State Universal Basic Education Board
2. EKiti State Electricity Board
3. Ekiti State Water Corporation
4. Fountain Holdings Ltd.
5. EKiti State Housing Corporation
6. Ekiti State Sports Council

The position of Accounts of the various Parastatals is contained in **Appendix 'F'** to this report.

6.25 BAILOUT FUND

The State received a sum of N9,604,430,000.00 as bailout loan at 9% interest rate in the year 2015 from the Federal Government out of which the sum of N991,036,972.45 was paid to Local Government leaving a balance of N8,613,393,027.55 as State Component of the Loan.

The sum of N8,338,797,358.71 was expended on outstanding Salaries, Leave Bonus and Subventions in the year 2015 leaving a balance of N274,595,668.84.

However, in the year 2016, additional expenditure amounting to N260,792,816.02 was made on outstanding salaries , subvention and leave bonus leaving a balance of N13,802,852,852.82 as at 31st December, 2016. See Appendix 'G' for details.

6.26 ISSUES REQUIRING GOVERNMENT ATTENTION IN THE OFFICE OF THE STATE AUDITOR-GENERAL.

6.26.1 AUDIT STAFF TRAINING AND DEVELOPMENT

Staff training and development is essential to enhance the productivity of any establishment as employees learn specific knowledge or skills to improve performance. To keep staff abreast of innovations in Accounting and Auditing, Government should train more staff especially in the area of ICT, Forensic Audit, IPSAS Accrual, Risk based Auditing, Taxation, Project Monitoring and overseas training organised by INTOSAI to update their knowledge. I wish to acknowledge here that the Office is now deriving benefits from the training provided for few members of staff. The trained staffs are adding value to the Office.

6.26.2 FINANCE:

The Office of the State Auditor-General was not adequately funded in the year under review and this had affected the capacity of the Office to discharge its duties efficiently.

There is no doubting the fact that Audit stands at the interface between the Government and the Public. Audit is the only constitutionally established to give

Credibility to the Finances of the Government before the Public. Therefore, such an office should be adequately funded for efficiency and effectiveness.

My Office should be funded in equal monthly instalments once budget is approved by the House of Assembly to guarantee some level of financial independence as being practiced by other States.

6.26.3 **AUDIT LAW**

Good governance has its bedrock in accountability and independent audit institutions empower accountability.

Though, the Office of the Auditors-General in Nigeria have independence based on the provisions of sections 85 and 125 of the 1999 Constitutions as amended, but much still has to be done in giving effect to the spirit of the Constitution. This can be achieved if the Office of the Auditor-General has an Audit Law that provides for its Financial and Administrative Independence which is a requirement of INTOSAI, the practice in advanced economies and a demand by foreign partners and donors.

The State Government took the right step towards the passage of Audit Bill into Law in 2014. Whatever expedient reviews that have to be carried out on the Law to allow for its full implementation should be speedily concluded. Without the full implementation of the Audit Law, the Auditor-General lack the practical independence.

Daniel A. Kayode (FCNA,FCFIP,ACTI)
Auditor-General,
Ekiti-State.

APPENDIX 'A'

DETAILS OF LOSS OF FUND AS AT 31ST DECEMBER, 2009.

MINISTR/AGENCY	Ref NO	AMOUNT INVOLVED	AMOUNT RECOVERED	OUTSTANDING BALANCE	NAMES OF OFFICER INVOLVED	REMARKS
		₦	₦	₦		
MINISTRY OF JUSTICE	EK/GJS/2/1	103,942.00	-	103,942.00	Mr.FemiOmotayo	No recovery
MINISTRY OF JUSTICE	EK/GL/MJS/1/5	214,927.61	-	214,927.61	Mr.FemiOmotayo	No recovery
EKITI SPEB	EK/GL/ESTAB/1/3	41,000.00	-	41,000.00	Mr.E.O.Alo	No recovery
BULK PURCHASE VENTURES	EK/GL/BPV/1/3	660,950.00	-	660,950.00	Mr. P.O. Orimolade	No recovery
BULK PURCHASE VENTURES	EK/ GL/BPV/2/4	98,970.00	-	98,970.00	Mr M.A Alade	No recovery
OFFICE OF MILITRY ADMINISTRATION	EK/ GL /GKP/1/29	210,980.00	-	210,980.00	Mr.O.OOluyede	No recovery
MINISTRY OF WORKS AND TRANSPORT	EK/ GL/SHLB /1	1,529,267.03	-	1,529,267.03	Mr.O.OOluyede	No recovery
MINISTRY OF EDUCATION	EK/GL/MED/1/97	250,000.00	-	250,000.00	Mr. C. O Afolayan	Under correspondence
B.S.E.S	EK/ GL /BSES/1/2003	46,176.00	-	46,176.00	Mr OluAkerere	Under correspondence
B.S.E.S	EK/ GL /BSES/5/2003	615,000.00	-	615,000.00	Messer Martins Ayoola and Others	Full Recovery
B.S.E.S	EK/ GL /BSES/6/3002	521,000.00	-	521,000.00	Mr Abiodun Ola Ofe	No recovery
C.U.D.A	EK/GL/CUDA/1/3	8,096,217.96	-	8,096,217.96	Messer I.A Ilori and Others	No recovery
C.U.D.A	EK/GL/CUDA/14/4	5,201,642.08	-	5,201,642.08	Mrs Falodun And Mr Akinyemi	No recovery
MIN.OF EDUCATION	EK/GL/MED/2	1,041,730.00	-	1,041,730.00	Mr.K Boluwade	No recovery
ACC. GEN. OFFICE	EK/GMD/AG/6/84	2,767,901.00	-	2,755,901.00	Mr P. Adeniyi	Not fully recovered
ACC. GEN. OFFICE	EK/GMD/AG/6/84	449,500.33	191,756.00	257,744.33	Mr. J.O Ajayi	Not fully recovered
ACC. GEN. OFFICE	EK/GMD/AG/6/84	723,942.66	150,000.00	573,942.66	Mr. J.O Olofin	Not fully recovered
ACC. GEN. OFFICE	EK/GMD/AG/6/84	284,366.89	32,000.00	252,366.89	Mr. J.O Ogunmiloye	Not fully recovered
ACC. GEN. OFFICE	EK/GMD/AG/6/84	361,965.51	12,000.00	349,965.51	Mr. J.A Morakinyo	Not fully recovered

ACC. GEN. OFFICE	EK/GMD/AG/6/84	1,105,000.00	-	1,105,000.00	Mr. Omotoso P	Not fully recovered
ACC. GEN. OFFICE	EK/GMD/AG/6/84	608,052.00	100,000.00	508,052.00	Mr E.T Olaiya	Not fully recovered
ACC. GEN. OFFICE	EK/GMD/AG/6/84	55,000.00	20,000.00	35,000.00	Mr S.A. Ojo	Not fully recovered
ACC. GEN. OFFICE	EK/GMD/AG/6/84	1,211,756.41	400,000.00	811,756.41	Mr. Omoloje	Not fully recovered
ACC. GEN. OFFICE	EK/GMD/AG/6/84	50,000.00	42,000.00	8,000.00	Mr. E. Abiodun	Not fully recovered
ACC. GEN. OFFICE	EK/GMD/AG/6/84	76,000.00	60,000.00	16,000.00	Mr. N.A Adegbaje	Not fully recovered
B.I.R	EK/GL/BIR/2006	3,417,567.72	996,000.00	2,421,509.72	Mr. S.O. Abe	Not fully recovered
GAD	EK/GLS/GAD/02/2007	10,000,000.00	-	10,000,000.00	Pastor F.I Akinluyi	No recovery
GAD	EK/GLS/GAD/03/2007	47,550,000.00	-	47,550,000.00	Pastor F.I Akinluyi	No recovery
EKROMA	EK/GL/EKROMA/1/2006	4,700,000.00	-	4,700,000.00	Mr. Tayo Oke	No recovery
	TOTAL	91,991,555.20	206,756.00	89,974,799.20		

APPENDIX 'B'

DETAILS OF DIVIDENDS DECLARED FROM 2012-2016

S/N	NAME	2016	UNIT ACQUIRED	TOTAL DIVIDEND 2016	ACCUMULATED DIVIDEND 2012-2015 ₦	ACCUMULATED DIVIDEND 2012-2016
1	ACCESS BANK	0.40	1,617,000	646,800.00	2,910,600.00	3,557,400.00
2	ASHAKA CEMENT	0.15	389,333	58,400.00	657,972.77	716,372.77
3	DIAMOND BANK	N/A	6,721,000	-	2,688,400.00	2,688,400.00
4	FIRST BANK	N/A	215,295	-	452,119.50	452,119.50
5	GUARANTY TRUST BANK	1.75	1,250,000	2,187,500.00	5,437,500.00	7,625,000.00
6	NAHCO	0.20	1,000,000	220,000.00	800,000.00	1,020,000.00
7	SKYE BANK	N/A	5,141,388	-	5,655,526.80	5,655,526.80
8	STERLING BANK	-	2,242,393	-	1,367,859.73	1,367,859.73
9	UBA	0.55	703,125	386,718.75	1,125,000.00	1,511,718.75
10	UNILEVER	0.10	70,000	7,000.00	199,500.00	206,500.00
11	VITAL FOAM	0.12	298,975	35,877.00	388,667.50	424,544.50
12	ZENITH BANK	1.77	21,428,572	37,928,572.44	143,571,432.40	181,500,004.84
	TOTAL	5.06	41,077,081	41,470,868.19	165,254,578.70	206,725,446.89

APPENDIX 'C'

SCHEDULE OF GOVERNMENT STOCK TRANSFERRED BY MINISTRY OF FINANCE

AND MANAGED BY FOUNTAIN HOLDINGS LTD AS AT 31ST DECEMBER, 2011.

S/N	STOCK	UNIT ACQUIRED	VALUE /UNIT	COST ACQUISITION OF	CURRENT MARKET PRICE/UNIT	CURRENT VALUE
1	ASHAKA CEMENT PLC	389,333	13.82	5,380,313.35	11.30	8,845,162.85
2	DANGFLOUR	1,000,000	16.70	16,703,875.65	5.00	15,650,320.00
3	DANGFLOUR	1,000,000	17.39	17,393,717.24	4.70	12,588,726.15
4	DIAMOND BANK	6,721,000	14.50	97,469,460.00	1.92	33,856,679.61
5	EQUITY ASUR	250,000	4.13	1,031,372.01	0.50	122,268.13
6	GUARANTY	1,250,000	12.76	15,947,175.28	14.25	19,049,373.88
7	LASACO	200,000	4.75	950,611.20	0.50	97,814.50
8	UNILEVER	70,000	23.05	1,613,500.00	29.00	1,848,694.05
9	UBN	2,243,558	12.17	27,301,174.83	10.60	5,925,217.61
10	OLUWA GLASS	22,142,508	-	-	4.47	-
11	UBA	703,125	8.65	4,459,960.00	2.59	3,878,956.27
12	FBN	1,000,000	13.35	13,347,945.74	8.90	12,226,807.91
13	FLOURMILL	1,833	-	-	65.45	170,329.28
14	SOVERN TRUST	64,043,571	4.21	269,400,000.00	0.50	31,321,949.38
15	STERLING BANK	2,242,393	1.92	4,305,394.56	1.01	4,081,155.26
16	UAC-PROD	1,324	-	-	12.00	26,840.00
17	NAHCO	1,000,000	9.93	9,932,475.27	5.14	7,336,087.50
18	ACCESS	1,617,000	12.73	20,580,000.00	4.80	11,229,789.30
19	FIRST BANK PLC	215,295	19.65	4,229,940.00	8.90	356,688.40
20	UBN	26,047	21.83	568,664.04	10.60	1,000,882.06
21	VITA FORM	298,975	4.41	1,318,928.22	5.06	10,124,778.90
22	WEMA BANK PLC	178,889	3.17	566,344.68	0.57	155,731.65
23	BANK PHB	1,882,000	17.00	31,994,000.00	-	2,319,494.80
24	AFRI-BANK	4,200,000	1.98	8,316,000.00	-	102,900.00
25	SKYE BANK PLC	5,141,388	38.90	200,000,000.00	8.59	44,164,522.92
26	FIRST INLAND BANK	21,052,632	9.50	200,000,000.00	-	-
27	ZENITH BANK PLC	21,428,572	14.00	300,000,000.00	-	-
	TOTAL			1,252,810,852.07		236,677,270.41

APPENDIX 'D'

OVERLOADING OF SALARY PAYMENT VOUCHERS OF PUBLIC SECONDARY SCHOOLS IN EKITI STATE

S/NO	NAME OF SCHOOL	PERIOD OF LOSS	AMOUNT INVOLVED ₦	TOTAL RECOVERY ₦	AMOUNT OUT-STANDING ₦	PRINCIPAL'S NAME	BURSAR'S NAME	REMARK
1	Osi Jnr. H/S, Osi-Ekiti	Nov.- Dec.,2006	94,000.00	-	-	Mr. F.A. Ogunnike	Mr.Abolarin	
2	Elo Jnr. H/S, AiyetoroEkiti	Apr.- Jun.,2008	90,000.00	90,000.00	-	Mr.Adeosun	Mr. B. E. Oye	
3	Ojo-Ugbole Jnr. H/S, IgboleEkiti	June,2008	42,174.58	-	42,174.58	Mr.C.A. Ajiniran	Miss Isiaka S. B.	
4	Orin Jnr. H/S, Orin Ekiti	Apr.-Jun., 2008	78,700.68	-	-	Mr.J.K. Adeleye	Mr.Abolarin O.	
5	Arinjale Com. Jnr H/S, IseEkiti	May- Jun.,2008	64,960.00	64,960.00	-	-	Mr.O.J.Ojo	
6	Obada Jnr. H/S, IseEkiti	Jan., 2008	40,999.99	-	40,999.99	-	Mr. S. K. Oni	
7	United Comp. Snr. H/S, IseEkiti	Apr.,2006- Jun.,2008	1,755,017.13	-	1,755,017.13	Mr.S.S. Alarde	Mr. Y. A. Adegbola	
8	United Comp. Jnr. H/S, IseEkiti	Jul.2007- Jun.,2008	731,907.07	-	731,907.07	Mr.M.A. Abegunde	Mr.C. Owonifari	
9	Ise Comp. Snr. H/S, IseEkiti	Apr.2006- Jul.,2008	1,247,932.45	-	1,247,932.45	Mr. S. Olowolafe	Mr.S. Ekundayo	
10	OgbeseSnr. H/S, IseEkiti	Dec.2006- Jun.2008	3,029,276.47	-	3,029,276.47	Mr. O. Faturoti	Mr.M. A. Afuye	
11	Ise Comp. Jnr. H/S	Mar. 2008	27,759.61	-	27,759.61	Mr E.O.Ojo	Mr. E.M Asubiojo	
12	Akinluse Com. Snr. H/S, IseEkiti	Feb. – Mar. 2008	136,486.69	96,000.00	40,486.69	Mr.B.O. Alabi	Mr.Anjorin	
13	Comm. Snr. OrunEkiti	May 2008	20,000.00	20,000.00	-	Mr.Oyebanji	Mr. S.M Faaji	
14	Comm. Ser. H/S, AyegbajuEkiti	July 2006	81,724.16	82,210.00	(484.84)	Mr. M.A Onurin	Mr.Owolabi	Rec. 31/11/06
15	Itaji Comm. Snr. Girl/S, ItajiEkiti	Apr. – Jun. 2008	300,464.08	300,000.00	464.08	Mr.Ogunleye	Mr.Odeyemi	
16	St. Augustine Com. OyeEkiti	April 2008	46,264.26		46,264.26	Mr. A.T. Ogunraku	D.O. Fashiku	
17	Unity Jnr. H/S, OgotunEkiti	Nov. 2006	23,989.24	24,000.00	(11.00)	Mr Ayeni	Mr.Ayeni	Rec. 25

18	Omoeleye Jnr. H/S, IgbaraOdoEkiti	Jun. 2008	201,000.00	202,000.00	(1,000.00)	Mr. G.A. Jegede	Mr.Akinluya	Rec
19	IlaweSnr. H/S, IlaweEkiti	May 2008	59,029.78	50,000.00	9,029.78	Mr. F.B. Babalola	Mr.Ogunleye	
20	Mary Hill Boys H/S, Ado Ekiti	Mar.2006- Mar. 2008	112,773.91		112,773.91	-	Mr R.O.Fajenbola	
21	Ikere Jnr. H/S, IkereEkiti	Jul-Dec. 2007	302,080.68	101,700.00	200,380.68	Mr.Olatunji& Mr.Olajide	Amos Kolawole	
22	A.C. Comp. Jnr. H/S, IkereEkiti (I)	Mar – Jun. 2008	482,896.89	255,140.00	227,756.89	Mrs. F.W. Anifowose	Mr H.F Balogun	
23	A.C Comp. Jnr. H/S IkereEkiti (II)	Apr. 2006 – Feb. 2008	822,451.02	-	822,451.02	Mrs. F.W. Anifowose	Mr H.F Balogun	
24	Emure Model Jnr. H/S, EmureEkiti	Mar. – May 2008	178,663..50	150,000.00	28,663.50	-	Mrs. W.O. Arinde	
25	EporoSnr. H/S, EporoEkiti	May 2008	43,510.00	60,000.00	(16,490.00)	-	Mr. E.A Oyewole	
26	IjalokeSnr. H/S, EmureEkiti	Feb. 2008	20,290.00	20,000.00	290.00	-	Mr.Ogundare	
27	St Michael's Cath. Jnr. G/S, EfonEkiti	Feb – May 2008	239,996.52	-	239,996.52		Mr.T.T. Oladeji	
28	EfonSnr. H/S, EfonEkiti	Feb-May 2008	275,880.98	275,000.00	(111.02)	Mr.Adeniyi	Mr.O. Adesola	
29	Iloro Com. Jnr. H/S, IloroEkiti	2006 L/B & Feb. 2008	37,004.44	-	37,004.44	Mr F.F. Ojo	Mr.D.O. Adeosun	
30	Ekamefa Com. Snr. H/S, Ape AraEkiti	June, 2008	60,748.38	61,000.00	(251.62)	Mr. S.A Ogunleye	Mr.J.O. Faola	
31	Odoowa Com. H/S, OdoowaEkiti	May – June 2008	199,007.17	-	199,007.17	Mr. J.O. Kolawole	Mr.I.OAfplabi	
32	Ipoti Jnr. H/S, IpotiEkiti	May - June 2008	129,952.22	-	129,952.22	Chf. J.A.Ajiteru	Mr.J.O. Adeogun	
33	IpotiSnr. H/S, IpotiEkiti	June 2008	76,314.55	-	76,314.55	Mr. W.B. Ojo	Mr.L.OAgunbiade	
34	Ijanmodu Comp. H/S, IjanEkiti	Jan. 2007	25,017.02	-	25,017.02	Mr.Oguntimehin	Mrs.O.AAki nyede	
35	Aisegba Com. Jnr. H/S, AisegbaEkiti	May 2007 – Mar. 2008	1,140,074.18	189,000.00	951,074.18	Mr.Aruleba	Mr.F. Asepari	
36	Ileowuro Jnr H/S AgbadoEkiti	Jul. 2006	80,484.74	-	80,484.74	Mr. J.O. Agbebami	Mr.A. Adaramodu	

37	Ayeteju Com. Jnr. H/S, IroEkiti	Feb. – Jul. 2007	226,678.64	-	226,678.64	-	-	
38	Edu Jnr. H/S, ErioEkiti	May 2008	50,000.00	-	50,000.00	Mr.Onipede	Mrs.Omotola	
39	Edu Jnr. H/S, ErioEkiti	May 2008	18,317.39	20,000.00	(1,682.61)	Rev. E.A. Ige	Mr.W.O. Fagbamila	
40	Aramoko Jnr. H/S, Aramoko	May 2008	50.000	-	50.000	?	?	
41	OloketuyiMem. Jnr. H/S, IgbemoEkiti	Sept. 2006	16,286.71	-	16,286.71	Mrs. Awe	Mrs.R.SOjo	
42	Egirioko Jnr. H/S, IyinEkiti	Jun. 2007 – Mar. 2008	312,260.67	-	312,260.67	Elder Fadore	AdemiluaOjo	
43	Eyemote Jnr H/S, IyinEkiti	May, 2008	44,112.36	-	44,112.36	Mrs.Adewale	Mrs.Aluko	
44	Iworoko CHS, IworokoEkiti	Mar. 2008	71,916.34	-	71,916.34	Chf. Bamigboye	Mrs.Aguda	
45	Ekiti Bapt. Jnr H/S IgedeEkiti	Apr. – May 2008	300,000.00	300,000.00	-	Mrs M.A. Jegede	Adeosun	
46	AmunuSnr. H/S, OmuoEkiti	Oct. 2006 – Jan.	50,672.30	-	50,672.30	-	Mr.Fadipe	
47	Ekamefa Comp. Jnr. H/S, IlasaEkiti	May 2006, Nov. 2007 & Oct. 2008	47,362.66	-	47,362.66	Mr.Bolarinwa	J.B. Aladesuyi	
48	Obedu Com. Snr. H/S, IsinbodeEkiti	Jan. 2007 & Feb. 2008	71,880.94	-	71,880.94	Mr.Oloodoye	Mr.Odetoye	
49	OmuokeSnr. H/S, OmuoEkiti	Nov – Dec. 2006	75,262.30	-	75,262.30	-	Mr.P.S. Akeju	
	TOTAL		13,633,582.70	2,361,010.00	11,271,572.70			

APPENDIX 'E'

LIST OF AUDITED SCHOOLS 2015/2016 ACADEMIC SESSION

S/NO	NAMES OF SCHOOLS	DATE
1	Ado Grammar School, Ado-Ekiti	31 st August, 2016
2	Mary Immaculate Grammar School, Ado-Ekitii	31 st August, 2016

3	Christ School, Ado-Ekiti	31 st August, 2016
4	Christ Girls School, Ado-Ekiti	31 st August, 2016
5	All Souls Anglican Comp. High School, Ado-Ekiti	31 st August, 2016
6	Ola-Oluwa Muslim Grammar School , Ado-Ekiti	31 st August, 2016
7.	Ado Community High School, Ado-Ekiti	31 st August, 2016
8	A.U.D. High School, Ado-Ekiti	31 st August, 2016
9	Eyemote High School, Iyin Ekiti	31 st August, 2016
10	Ekiti Baptist H/S, Igede Ekiti	31 st August, 2016
11	Okunsusi Jemiriye High School, Igede-Ekiti	31 st August, 2016
12	Iropora High School, Iropora Ekiti	31 st August, 2016
13	Iworoko Comm. H/S, Iworoko-Ekiti	31 st August, 2016
14	Are/Afao Comp. High School, Are-Ekiti	31 st August, 2016
15	Muslim Grammar School, Ado-Ekiti	31 st August, 2016
16	Eyio Comm, High School, Eyio-Ekiti	31 st August, 2016
17	Oloketuyi Memorial Grammmar School, Igbemo-Ekiti	31 st August, 2016
18	Ikingbisin/Olorunda Comm Sec. School, Ado-Ekiti	31 st August, 2016
19	Esure Comm. Gramm. Schl., Esure-Ekiti	31 st August, 2016
20	Anglican High Schl., Efon Alaaye	31 st August, 2016
21	Erin Ayonigba Comp. High Schl., Erinjiyan-Ekiti	31 st August, 2016
22	Efon High School, Efon-Alaaye Ekiti	31 st August, 2016
23	Ikogosi Grammar School, Ikogosi-Ekiti	31 st August, 2016
24	Ipole/ Iloro Comm. H/S Ipole/Iloro-Ekiti	31 st August, 2016
25	St Micheal Catholic School, Efon Alaaye-Ekiti	31 st August, 2016
26	Doherty Memorial Gramm. School, Ijero-Ekiti	31 st August, 2016
27	C.A.C High School, Ijero-Ekiti	31 st August, 2016
28	Babatope Mem. High School, Ikoro-Ekiti	31 st August, 2016

29	Ipoti Comm. High School, Ipoti-Ekiti	31 st August, 2016
30	Oke Oro/Iroko Comp. H/S., Oke Oro-Ekiti	31 st August, 2016
31	Iloro Comm. High School, Iloro-Ekiti	31 st August, 2016
32	Odo-Owa Comp. H/S., Odo-Owa	31 st August, 2016
33	African Church Comp. H/S., Ikere	31 st August, 2016
34	Annunciation High School, Ikere	31 st August, 2016
35	St Louis Gramm. School, Ikere	31 st August, 2016
36	Irepodun High School, Ikere	31 st August, 2016
37	A.U.D High School, Ikere	31 st August, 2016
38	Eleyo High School, Ikere	31 st August, 2016
39	Amoye High School, Ikere	31 st August, 2016
40	Ajalogun High School, Ikere	31 st August, 2016
41	Orun Community High School, Orun	31 st August, 2016
42	Obada High School, Ise-Ekiti	31 st August, 2016
43	Adetunji Ajayi High School, Ise	31 st August, 2016
44	United High School, Ise	31 st August, 2016
45	Arinjale High School, Ise	31 st August, 2016
46	Akinluse Comp. H/S., Ise	31 st August, 2016
47	Emure Model High School, Emure	31 st August, 2016
48	Ijaloke High School, Emure	31 st August, 2016
49	Orija High School, Emure	31 st August, 2016
50	Eporo High School, Eporo	31 st August, 2016
51	Ajebamidele Comm. H/S, Emure	31 st August, 2016
52	Corpus Christ's Gramm School, Ilawe	31 st August, 2016
53	Alarelu High School, Igbara Odo	31 st August, 2016
54	Ilawe Gramm. School, Ilawe-Ekiti	31 st August, 2016

55	Community High School, Igbara Odo	31 st August, 2016
56	Oniwe Community High School, Ilawe	31 st August, 2016
57	Ogotun Unity Secondary School, Ogotun	31 st August, 2016
58	Omuo Comp. High School, Omuo	31 st August, 2016
59	Omuo-Oke High School, Omuo-Oke	31 st August, 2016
60	Omuo Ore Secondary School, Omuo Ore	31 st August, 2016
61	Community Grammar School, Omuo	31 st August, 2016
62	Ekamefa Comp. High School, Ilasa-Ekiti	31 st August, 2016
63	Ijanmodu Comp. H/S, Ijan-Ekiti	31 st August, 2016
64	Iluomoba Community High School, Iluomoba-Ekiti	31 st August, 2016
65	Aisegba Comm. H/S, Aisegba-Ekiti	31 st August, 2016
66	Ojugbaye H/S, Imesi-Ekiti	31 st August, 2016
67	New Era High School, Ode-Ekiti	31 st August, 2016
68	Ileowuro High School, Agbado-Ekiti	31 st August, 2016
69	Ayo Daramola Grammar School, Ijan-Ekiti	31 st August, 2016
70	Ujilogun High School Ilupeju Ijan-Ekiti	31 st August, 2016
71	Aisegba Comp. High School, Aisegba-Ekiti	31 st August, 2016
72	St Augustine Comp. H/S, Oye-Ekiti	31 st August, 2016
73	Oye Egbo High School, Oye-Ekiti,	31 st August, 2016
74	Ayegbaju Community H/S, Ayegbaju-Ekiti	31 st August, 2016
75	Ayede Grammar School, Ayede-Ekiti	31 st August, 2016
76	Ilupeju Community High School, Ilupeju	31 st August, 2016
77	Obalatan Comp. H/S, Ilupeju	31 st August, 2016
78	Ekiti Parapo College, Ido	31 st August, 2016
79	Methodist Girls Gramm. School, Ifaki	31 st August, 2016
80	Oganganmodu Grammar School, Ido-Ekiti	31 st August, 2016

81	Elo High School, Ayetoro-Ekiti	31 st August, 2016
82	A.U.D High School, Ikole.	31 st August, 2016
83	Fiyin-Folu Comp. High School, Ayedun	31 st August, 2016
84	Itapaji High School Itapaji-Ekiti	31 st August, 2016
85	Orin-Odo High School, Ikole	31 st August, 2016
86	Moba Grammar School, Otun-Ekiti	31 st August, 2016
87	Eyemojo Comp. High Osan-Ekiti	31 st August, 2016
88	Ifelodun Comm. High School,	31 st August, 2016
89	Ikosu Grammar School, Ikosu	31 st August, 2016
90	Amure High School, Ikun-Ekiti	31 st August, 2016
91	Ijesamodu Comp. High School, Ijesamodu	31 st August, 2016
92	Iludun Grammar School, Iludun	31 st August, 2016
93	Government College, Ado-Ekiti	31 st August, 2016
94	Government Technical College, Ado	31 st August, 2016
95	Government College, Efon Alaaye	31 st August, 2016
96	Government Science College, Emure Ekiti	31 st August, 2016
97	Government College, Usi-Ekiti	31 st August, 2016
98	School for Physically Challenged, Ido-Ekiti	31 st August, 2016
99	School for the Deaf, Ikoro-Ekiti	31 st August, 2016
100	Government College, Ikere-Ekiti	31 st August, 2016
101	Govt. Science College, Iyin-Ekiti	31 st August, 2016
102	Govt. Science College, Ayede-Ekiti	31 st August, 2016
103	Govt. College, Oye-Ekiti	31 st August, 2016
104	School for the Blind, Ikere-Ekiti	31 st August, 2016
105	Mary Hill Boys H/S, Ado-Ekiti.	31 st August, 2016

LIST OF OUTSTANDING SCHOOLS 2015/2016 ACADEMIC SESSION

WORK IN PROGRESS

S/NO	NAMES OF SCHOOLS
1	Mary Hill High School, Ado
2	Baptist High School, Ado
3	Egiri-oke High School, Iyin
4	Igbemo Community High School, Igbemo
5	C.A.C Grammar School, Ado-Ekiti
6	Angilican Grammar SchoolAdo
7	Aramoko District Comm. H/S, Aramoko
8	Aramoko Community High School, Aramoko
9	Ajinare High School, Ido-Ile
10	Apostle Babalola High School,
11	Community High School, Okemesi
12	Community High School, Erinjiyan
13	Ile Ona Community High School,Aramoko
14	Okemesi Grammar School. Okemesi
15	Ojorube High School, Ogotun
16	United High School, Ilawe
17	Omoleye High School, Igbara Odo
18	Ogotun Community H/S, Ogotun

- 19 Amunu Comp. High School,
- 20 Esedo Community High School,
- 21 Methodist High School, Isinbode
- 22 Ayeteju Grammar School Iro-Ayeteju
- 23 Itaji Community High School, Itaji
- 24 Itapa / Osin Community High School, Itapa
- 25 Osin Community High School, Osin
- 26 Ogunnire Comp. H/S, Ire-Ekiti
- 27 A.U.D High School, Ire-Ekiti
- 28 Orin High School, Orin
- 29 Ojo Ugbole High School,
- 30 Ifaki Grammar School, Ifaki
- 31 Notre Dame High School, Usi
- 32 Ifinsin Community H/S, Ifinsin
- 33 Osi Community H/S, Osi
- 34 Ora Community H/S, Ora
- 35 Usi High School, Usi
- 36 Ayebode High School, Ayebode
- 37 Egbeoba High School, Ikole
- 38 Holy Apostolic High School, Ikole
- 39 Ifelodun High School, Ipao-Ekiti
- 40 Ijesa-Isu Comp. High School,
- 41 Ikole City College. Ikole
- 42 Odundun High School, Odo-Ayedun
- 43 St Mary Ang. Girls Gramm. Schl, Ikole
- 44 Saliu Adeoti Memorial Gramm.Schl, Otun
- 45 Erinmope High School, Erinmope Ekiti
- 46 Ilejemeje Community High School, Iye
- 47 Oniyo Grammar School, Eda Oniyo
- 48 Eso-Obe Comp. H/S, Ikoro-Ekiti
- 49 Ara Comp. H/S, Ara Ijero-Ekiti
- 50 Ekameta Comm. H/S, Epe-Ekiti

- 51 Ilukuno Comm. High School, Ilukuno-Ekiti
- 52 Methodist High School, Ode-Ekiti

LIST OF SCHOOLS NOT AUDITED 2015/2016 ACADEMIC SESSION.

S/NO	NAMES OF SCHOOLS
1	Awo Community Comp. High School, Awo
2	Esure community Comp. H/S, Esure
3	Alamoye Grammar School Aramoko
4	C.A.C Grammar School, Aramoko
5	Edu High School Erio-Ekiti
6	Ijero High School, Ijero
7	Orisunmibare Community H/S Ijero
8	Ijunrin Comp. H/S Ijunrin-Ekiti
9	Ipoti High School, Ipoti-Ekiti
10	Ayetoro Iloro High School
11	Ayegunle Temidire Comp. H/S
12	Ikere High School, Ikere
13	Ise Comp. High School, Ise
14	Ogbese High School,
15	Ifelodun Comm. Gramm. Ikun/Araromi
16	Obedu High School Isinbode
17	Eda Ile High School
18	Sola Babalola Memorial H/S, Iro

- 19 Ode High School, Ode Ekiti
- 20 Omu /Ijelu High School, Omu/Ijelu-Ekiti
- 21 Isan Secondary School, Isan-Ekiti
- 22 Ilogbo High School, Ilogbo-Ekiti
- 23 Methodist High School, Aaye-Ekiti
- 24 Ara Community H/S, Ara-Ekiti
- 25 Community High School , Irele-Ekiti
- 26 Community High School, Oke Ako-Ekiti
- 27 Iyemero Community High School,
- 28 Odo-Oro High School, Odo-Oro-Ekiti
- 29 Osun Grammar School, Osun
- 30 Epe High School, Epe-Ekiti
- 31 Aaye Oja Grammar School, Aaye Oja-Ekiti
- 32 Igogo Commercial High School,
- 33 Ewu comp. High School, Ewu
- 34 Ipere Comp. High School, Ipere
- 35 Govt. Technical College, Ijero
- 36 Govt. Technical College, Ikole
- 37 Govt. Technical College, Otun
- 38 Govt. Technical College, Igbara Odo-Ekiti
- 39 Govt. Remedial College, Ado
- 40 Govt. Remedial College, Efon
- 41 Govt. Remedial College, Omuo
- 42 Govt. Remedial College, Ilawe
- 43 Govt. Remedial College, Aramoko
- 44 Govt. Remedial College, Emure
- 45 Govt. Remedial College, Ode
- 46 Govt. Remedial College, Ido
- 47 Govt. Remedial College, Ijero
- 48 Govt. Remedial College, Ikere
- 49 Govt. Remedial College, Ikole
- 50 Govt. Remedial College, Iye

- 51 Govt. Remedial College, Igede
- 52 Govt. Remedial College, Ise
- 53 Govt. Remedial College, Otun
- 54 Govt. Remedial College, Oye

APPENDIX 'F'

OFFICE OF THE STATE AUDITOR-GENERAL

CORPORATIONS AND GOVERNMENT AGENCIES

CORPORATIONS AND AGENCIES	POSITION OF ACCOUNTS
1. EDUCATION ENDOWMENT FUND	DEC. 2016
2. PENSION BOARD	“
3. PRIMARY HEALTH CARE DEVELOPMENT AGENCY	“
4. URBAN RENEWAL AGENCY	”
5. BOARD OF INTERNAL REVENUE	“
6. EKITI STATE HOUSING BOARD	“
7. CHRISTIAN PILGRIMS WELFARE BOARD	“
8. EKITI STATE LIBRARY BOARD	“
10. EKITI STATE TRAFFIC MANAGEMENT AGENCY	“
11. EKITI STATE ENTERPRISE DEVELOPMENT AGENCY	“
12. BROADCASTING SERVICE OF EKITI STATE	DEC. 2014

13.	EKITI STATE ELECTRICITY BOARD	DEC.2012
14	EKITI SPORTS COUNCIL	DEC. 2015
16.	TEACHING HOSPITAL	DEC. 2015
17.	MUSLIM PILGRIMS WELFARE BOARD	DEC. 2016
18.	WASTE MANAGEMENT BOARD	DEC. 2015
19.	MULTIPURPOSE CREDIT AGENCY	DEC. 2016
20	STATE ACTION COMMITTEE ON AIDS	DEC. 2016
21.	HOUSING CORPORATION	DEC. 2012
22.	EKITI STATE FISCAL RESPONSIBILITY COMMISSION	DEC. 2015
23	EKITI STATE SCHOLARSHIP BOARD	DEC. 2016
24	EKITI STATE ADULT EDUCATION	DEC. 2015
26	EKITI STATE JOB CREATION	DEC. 2015
27	SURE-P	N/A
28	PETROLEUM CONSUMER PROTECTION AGENCY	N/A
29	FADAMA	
30	ADP	DEC. 2015
31	DIRECTORATE OF FARM SETTLEMENT AND PEASANT FAR, DEV.	DEC.2015
33	CENTRAL MEDICAL STORE	DEC. 2016
34	GOVERNMENT PRINTING PRESS	DEC. 2012
35.	STATE UNIVERSAL BASIC EDUCATION BOARD	DEC. 2015
36	STATE INDEPENDENT ELECTORAL COMMISSION	April. 2017
37	FOUNTAIN AGRIC MARKETING AGENCY	DEC. 2016
38	WATER CORPORATION	DEC. 2012
39.	FOUNTAIN HOLDINGS LTD	N/A
40	SCHOOL ENTERPRISES	DEC. 2016

41	BOARD FOR TECHNICAL	DEC. 2016
42.	EKITI STATE RURAL WATER SUPPLY AGENCY	DEC. 2015
43.	EKSDA EKITI STATE	DEC. 2015
44	EKITI STATE BOUNDARY COMMISSION	DEC. 2016
45	SEPIP	DEC. 2015
46	STATE EMERGENCY MGT. AGENCY	DEC. 2016
47	PENSION COMMISSION	NOT AUDITED SINCE INCEPTION

APPENDIX 'G'

APPLICATION OF BAILOUT FUND

	N : K
Balance as at 31st December, 2015	274,595,668.84
Payment of September 2014 outstanding Salaries	(283,472.91)
Payment of 2014 outstanding Leave Bonus	(509,343.11)
Payment of 2016 EKSU Subvention	(260,000,000.00)
Balance as at 31 st December, 2016	<u>13,802,852.82</u>

ANNEXURE I

FINANCIAL REPORT OF THE ACCOUNTANT-GENERAL EKITI STATE

**FOR THE YEAR ENDED
31ST DECEMBER, 2016**

REPORT OF THE ACCOUNTANT - GENERAL, EKITI STATE OF
NIGERIA WITH FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST DECEMBER, 2016.

INTRODUCTION

In accordance with this administration's policies of transparency and accountability, I have the honour to present the audited report on the accounts of the Government of Ekiti State of Nigeria for the Year Ended 31st December, 2016 alongside with the notes to the accounts.

STATEMENT OF ACCOUNTING POLICIES

1. **BASIS OF PREPARATION AND LEGAL PROVISIONS**

The General Purpose Financial Statements (GPFS) are prepared under the historical cost convention and in accordance with International Public Sector Accounting Standard (IPSAS) cash basis. The cash basis of accounting recognizes transactions only when cash or cash equivalents are received or paid. In addition the GPFS are prepared in compliance with the provisions of the Finance (Control and management) Act 1958 now CAP 144LFN, 1990 and Other Financial Regulations.

2. **INVESTMENTS**

Shares held under MOFI (Ministry of Finance Incorporated) are currently held by Ekiti Fountain Holding Ltd.

3. **CAPITAL COSTS**

These are recognized in the year of their occurrences only.

4. **ASSETS AND LIABILITIES**

These are stated at their net book values.

5. **FOREIGN CURRENCIES** Liabilities denominated in foreign currencies are translated to naira at the prevailing exchange rate as at 31st December, 2016.

RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Ekiti State Government Financial Statements for the period under review complied with the Generally Accepted Accounting Principles and Practice (GAAPP) and other government accounting regulations and pronouncements.

These Financial Statements include the Financial Highlights, Statement of Cash flows, Statement of Assets and Liabilities, Statement of Consolidated Revenue Fund, Statement of Capital Development Fund and Notes to the Accounts.

In fulfilling accounting and reporting responsibility, the Accountant-General should establish and maintain an adequate 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 Government.

Efforts were made to ensure that these financial statements fairly reflect the financial position of Government as at 31st December, 2016 and its operations for the period ended on that date.

CONCLUSION

I wish to express my appreciation to all officers of the Main Accounts Directorate for their loyalty and dedication throughout the reporting period. My gratitude to all Accounts Officers in the Ministries, Departments and Agencies (MDAs) who supplied and defended the data. My gratitude also goes to the Audit Staff of the State Auditor-General's Office for their co-operation during the audit of this report.

The support of the State Government for the kind consideration of all our requests is highly appreciated.

O. O. OWOLABI (MRS) FCNA, FCE, FIICA

FRC/2016/ANAN/00000015218

ACCOUNTANT-GENERAL & PERMANENT SECRETARY

EKITI STATE

OFFICE OF THE STATE AUDITOR-GENERAL

All Communication should be addressed to the
Auditor-General quoting:
Our Ref No.

Your ref. No.
TELEGRAMS: EKITI AUDIT

State Audit Headquarters
P.M.B. 5354,
Ado-Ekiti,
Ekiti State.
Nigeria.
030-250717

AUDIT CERTIFICATE

I have examined the Financial Statements of Ekiti State Government as at 31st December, 2016 in accordance with Section 125(2) of the Constitution of the Federal Republic of Nigeria, 1999. I have obtained information and explanations that I required for my audit. The preparation and presentation of the Financial Statements were prepared in accordance with circular No TRY/A48BA/2013/OAGF/CAD/026/Vol.1/190 of May, 2013 with respect to cash IPSAS compliant, while migration to IPSAS Accrual Basis is in progress. In my opinion, the Financial Statements and the supporting Accounts and Statements give a true and fair view of the state of affairs of Ekiti State Government as at 31st December, 2016 subject to further observations in my Reports.

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