

**REPORT OF THE ACCOUNTANT-GENERAL ON THE GPFS FOR THE YEAR ENDED 31<sup>ST</sup>,  
DECEMBER, 2019**

**A. INTRODUCTION:**

I am honoured to present the Report on the Accounts of the Oyo State Government, Nigeria, for the Year ended 31<sup>st</sup> December, 2019.

The preparation was in accordance with Section 101 of the Financial Regulations, the Provisions of the Finance (Control and Management) Act, 1958 Cap.105, the provisions of the Fiscal Responsibility Act 2007 (Part XI, 49 (1&3)) and the approval of the Federal Executive Council (FEC) for the adoption of the *International Public Sector Accounting Standards (IPSAS)* in Nigeria. Furthermore, in line with the adoption of IPSAS, a standardized National Chart of Accounts (COA) have been adopted and domesticated by the Oyo State Government in the preparation of the General Purpose Financial Statements (GPFS) and the Notes thereon.

**B STATEMENT OF ACCOUNTING POLICIES**

The Summary of the Significant Accounting Policies adopted in the Preparation of the Accounts for Year 2019 is as follows:

**1. Basis of Preparation and Legal Provisions**

The GPFS were prepared under the Historical Cost Convention and in accordance with IPSAS, also, other applicable Standards as mentioned in the *'INTRODUCTION'* and other known legal requirements were adhered to.

**2. Cash Basis of Accounting**

The Cash basis of Accounting recognizes transactions and events only when Cash (including Cash equivalents) is received or paid by the entity. GPFS prepared under the Cash basis provide information about the sources of Cash raised during the period, the purposes for which Cash was used and the Cash balances at the reporting date. The measurement focus in the GPFS was balances of Cash and changes therein.

**3. General Purpose Financial Statements (GPFS)**

Generally, the GPFS comprise of Statement of Cash Receipts and Payments and other Statements that disclose additional information about the Cash Receipts, Payments and Balances controlled by the entity and Accounting policies and notes. The GPFS presented in this Report are:

- (i) Statement 1- Cash Flow Statement
- (ii) Statement 2- Statement of Assets and Liabilities
- (iii) Statement 3- Statement of Consolidated Revenue Fund
- (iv) Statement 4- Statement of Capital Development Fund
- (v) Notes to the Accounts : Additional disclosures to explain the GPFS
- (vi) Accounting policies and explanatory notes.

**4. Accounting Period**

The accounting year (fiscal year) is from 1<sup>st</sup> January-31<sup>st</sup> December.

**5. Reporting Currency**

The GPFS were prepared in Nigerian Naira.

**6. Investments**



Cash payments made for Investment purposes such as purchase of Government Stock, Treasury Bills and Certificates of Deposit were Capital Costs and disclosed as purchase of Financial Instruments or were given an appropriate name as the case may be.

**7. Foreign Currency transactions**

Foreign Currency transactions were converted into Nigerian Naira at ruling rate of exchange at the dates of transactions.

**8. Inflation**

No adjustment was made to reflect the impact of changes in the general price level in the GPFS.

**9. Depreciation**

The GPFS were prepared on Cash basis and as such no provisions for depreciation of assets was done. Assets were written off in the year of purchase.

**10. Unallocated/Unclassified Credits.**

These were Government Revenues, already paid/transferred into Government Accounts by (sometimes) unidentified tax payers but without relevant/adequate descriptions and proper Revenue Codes to enable proper Classification and/or Categorization, thus, it is a lump sum captured as Miscellaneous.

**C. THE BUDGET**

Nigeria's Annual 2019 real GDP growth rate stood at 2.27% compared to 2.3% estimated for the year and marginally higher than 1.9% in 2018.

The 2019 Fiscal Year had original approved Revenue Budget of Two Hundred and Eighty-five Billion, One Hundred and Fifty-One Million, Two Hundred and Forty-Eight Thousand, One Hundred and Ninety Naira, Forty-Eight Kobo Only (#285,151,248,190.48).

However in an attempt to achieve a realistic Budget in Oyo state, the Revenue Budget had been downwardly reviewed to One Hundred and Eighty-Two Billion, Three Hundred and Eighty-Nine Million, Four Hundred and Thirty-Four Thousand, Four Hundred and Five Naira, Fifty-Two Kobo Only (182,389,434,405.52). Detailed analysis can be found in (i) and (ii) below:

**(i) BUDGETED RECURRENT RECEIPTS**

One Hundred and Forty-Two Billion, Three Hundred Million, Eight Hundred and Seventeen Thousand, Four Hundred and Twelve Naira, Fifty-Two Kobo Only (#142,300,817,412.52) was Recurrent Receipt. The components of the amount were as follow:-

(i)	Internally Generated Revenue	#51,701,583,001.00
(ii)	Federal Statutory Allocation	#55,000,000,000.00
(iii)	Value Added Tax	#20,599,234,411.52
(iv)	Others	#15,000,000,000.00
	<b>Sub-Total</b>	<b>#142,300,817,412.52</b>

**(ii) BUDGETED CAPITAL RECEIPTS**

The total of Forty Billion, Eighty-Eight Million, Six Hundred and Sixteen Thousand, Nine Hundred and Ninety-Three Naira Only (#40,088,616,993.00) was Capital Receipts for the Year 2019. The details were as follow:

(i)	Internal Loans	#15,000,000,000.00
(ii)	External Loans	#5,000,000,000.00
(iii)	Bonds	#4,800,000,000.00
(iv)	Aid & Grants	#200,000,000.00
(v)	Public Private Partnership	#15,088,616,993.00



Sub-Total	<u>#40,088,616,993.00</u>
<b>TOTAL</b>	<u><b>#182,389,434,405.52</b></u>

As expected, on the other Side was the **Reviewed Expenditure Budget** totaling One Hundred and Eighty-Two Billion, Three Hundred and Eighty-Nine Million, Four Hundred and Thirty Four Thousand, Four Hundred and Five Naira, Fifty-Two kobo Only (**#182,389,434,405.52**) broken down into (iii) and (iv) below:

**(iii) BUDGETED RECURRENT EXPENDITURE**

In year 2019, **Reviewed Budgeted Recurrent Expenditure** was Ninety-Eight Billion, Seven Hundred and Sixty-Nine Million, Thirty-Four Thousand, Two Hundred and Two Naira, three Kobo Only (**#98,769,034,202.03**), below is the breakdown of this Figure:

(i)	Personnel Costs	<u>#42,296,196,041.34</u>
(ii)	Overhead Costs	<u>#22,740,886,905.48</u>
(iii)	CRFC	<u>#33,731,951,255.21</u>
		<u><b>#98,769,034,202.03</b></u>

**(iv) BUDGETED CAPITAL EXPENDITURE**

**Reviewed Budgeted Capital Expenditure** was Eighty-Three Billion, Six Hundred and Twenty Million, Four Hundred Thousand, Two Hundred and Three Naira, Forty-Nine Kobo Only (**#83,620,400,203.49**).

<b>BUDGETED CAPITAL EXPENDITURE</b>	<u><b>#83,620,400,203.49</b></u>
<b>TOTAL</b>	<u><b>#182,389,434,405.52</b></u>

**D. YEAR 2019 BUDGET PERFORMANCE REVIEW**

**(i) RECURRENT RECEIPTS**

One Hundred and Forty-Two Billion, Three Hundred Million, Eight Hundred and Seventeen Thousand, Four Hundred and Twelve Naira, Fifty-Two Kobo Only (**#142,300,817,412.52**) was **budgeted** compared with **Actual Receipt** of One Hundred and Four Billion, Five Hundred and Twenty-Eight Million, Nine Hundred and Ninety-One Thousand, Six Hundred and Four Naira, Thirty-Six Kobo Only (**#104,528,991,604.36**), this translated to budget performance of just **73.46%**.

**(ii) CAPITAL RECEIPTS**

The sum ~~budgeted as Capital Receipts~~ was Forty Billion, Eighty-Eight Million, Six Hundred and Sixteen Thousand, Nine Hundred and Ninety-Three Naira Only (**#40,088,616,993.00**) while **Actual Capital Receipt** for Year 2018 was Twenty-Five Billion, Two Hundred and Twelve Million, five Hundred and Three Thousand, One Hundred and Seven Naira, Twenty-Four Kobo Only (**#25,212,503,107.24**). This translated to **62.89%** Budget Performance for the Year.

**(iii) RECURRENT EXPENDITURE**

The amount **Budgeted as Recurrent Expenditure** was Ninety-Eight Billion, Seven Hundred and Sixty-Nine Million, Thirty-Four Thousand, Two Hundred and Two Naira, three Kobo Only



(#98,769,034,202.03), and in comparison with **Actual Expenditure** of One Hundred and Three Billion, Six Hundred Fifty-Eight Million, One Hundred and Eighty-Six Thousand, Five-Hundred and Forty-Four Naira, Eighty One Kobo Only (#103,658,186,544.81), this indicates that 104.95% budget performance was achieved.

(iv) **CAPITAL EXPENDITURE**

The approved Budgeted **Capital Expenditure** was Eighty- Three Billion, Six Hundred and Twenty Million, Four Hundred Thousand, Two Hundred and Three Naira, Forty-Nine Kobo Only (#83,620,400,203.49). **Actual Capital** expended was Twenty-Three Billion, Seven Hundred and Ninety Four Million, Five Hundred and Ten Thousand, Three Hundred and Thirty-Six Naira, Sixty-Six Kobo Only (#23,794,510,336.66), this represented 28.46% Budget Performance.

**E. APPRECIATION**

God Almighty had been our sustenance, for this, we are very much thankful and we appreciate Him for His mercies on us.

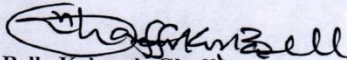
My deep appreciation goes to His Excellency, Engr. Seyi Makinde, the Executive Governor, Oyo State.

Staff of the Final Accounts Department, Office of the Accountant-General, Oyo State, Nigeria deserves encomium to be poured on them for the achievement of yet another landmark publication which is the sixth in the series of the *International Public Sector Accounting Standards (IPSAS) Cash* compliant Financial reports, this had been done **without any assistance from engaged consultants**, this has also enabled Oyo State Government not to lag behind in the committee of States in Nigeria.

Ministries, Departments and Agencies and other critical stakeholders have supported us immensely, I thank them all, and wish them success in their future endeavors, Amen.

**F. CONCLUSIONS**

The financial analysis contained in this report shows clearly Government's efforts at delivering on its promises to the masses and impacting their lives positively.

  
Bello Kolawole Ghaffar (FCA, FCIT),  
Accountant-General,  
Oyo State, Nigeria.



## **AUDIT CERTIFICATION OF ACCOUNTS**

The attached Financial Statements of Oyo State Government of Nigeria for the year ended 31<sup>st</sup> December 2019 prepared in accordance with Section 36(1) Cap 133 part 7(a) – (f) of the Public Administration Law of Oyo State Government of Nigeria 2000 have been examined under my direction as required by Section 125(2) of the Constitution of the Federal Republic of Nigeria (as amended). I have obtained all information and explanations as required and I certify as a result of my Audit that, in my opinion, the Financial Statements are correctly stated to show a true and fair view of the state of affairs of the Oyo State Government of Nigeria as at 31<sup>st</sup> December 2019 subject to the observations in the Audit report.



**I.A. Adewola,  
Auditor –General,  
Oyo State**

**Office of the Auditor-General,  
P.M.B 5123,  
Secretariat,  
Ibadan.**

---