



Report of the Auditor-General,
Rivers State of Nigeria on
the Accounts of the
Rivers State Government of Nigeria for the
year ended 31st December, 2017.



RIVERS STATE

Rivers State also known simply as Rivers is named after the many Rivers that border its territory. It is one of the 36 States of Nigeria with a population of 5,198,716 according to 2006 census data.

The State was part of the oil Rivers Protectorate from 1885 till 1893, when it became part of the Niger Coast Protectorate in 1900. The region was merged with the chartered territories of the Royal Niger Company to form the colony of Southern Nigeria. The State was created on the 27th of May 1967 by the then regime of General Yakubu Gowon with the split of the Eastern Region of Nigeria. Until 1996 the State contained the area now known as Bayelsa State.

Rivers State has a total area of 11,007km² (4,277m²) making it the 26th largest state in Nigeria. It is a predominantly low-lying pluvial State in Southern Nigeria, located in the eastern part of the Niger Delta on the ocean ward extension of the Benue Trough. The inland part of the State consists of the tropical rainforest and towards the coast, the typical Niger Delta environment feature many mangroves, swamps, and its topography range from flat plain with a network of rivers to tributaries. It is bounded on the south by the Atlantic Ocean, to the North by Imo and Abia State, to the east by Akwa-Ibom State and to the west by Bayelsa and Delta States.

Endowed by nature as the nation's treasure base, Rivers State is blessed with vast deposit of oil and gas, vast arable land, seaports and rivers, a vast array of wildlife



and plants. Other natural resources found within its boundaries are silica sand, glass sand, and clay. The availability of these resources has played the role of the main driver of the economic development of the state and has made the state the richest and most important section of the African Zone of the British Empire.

More than 60% of the country's output of crude oil is produced in the state thereby making it economically significant as the center of Nigeria's oil industry and a major contributor to the country's Gross Domestic Product (GDP).

Rivers State has maintained its importance as a leading supplier of wealth to the nation for centuries. In 2007, the State ranked 2nd nationwide with a Gross Domestic Product (GDP) of \$22.07 Billion and a Per Capital Income of \$3.965.

ADMINISTRATIVE STRUCTURING:

There are three tiers of government in Rivers State and they are: The Executive council, the Legislature and the Judiciary. The State Executive council is made up of the Governor, the Deputy Governor, and the Commissioners, Special Advisers, and the Secretary to the State Government. The Commissioners are the overall heads of the ministries, while the Permanent Secretaries oversees the day-to-day activities of the same ministries as Chief Accounting Officers.

The Parastatals are organs of the government charged for the establishment and running of certain key economic areas, of the State Government. They are placed under the supervision of the Governor or the Deputy Governor. The Special Advisers are assigned responsibilities in the following areas to enhance productivity and accountability; education, information, hotels and tourism etc. The Rivers State House of Assembly is the legislative (law making) arm of the



Government. The Judiciary is the body that interprets the law in the State. It is headed by the State Chief Justice. The second tier of government is the Local Government administration. This is the grass root government that is close to the people of the State. There are twenty-three (23) local government councils and each is run by its executive council and legislature.

CURRENT CABINET

The current cabinet is serving under Governor Chief (Barr) Ezenwo Wike, who assumed his first tenure in office as Governor on 29th May, 2015 with Deputy Governor Dr (Mrs) Ipalibo Harry-Banigo.

The present administration has promised to work relentlessly towards actualizing its vision and mission for a better Rivers State and as such it developed a blue print that will touch every area of life of the average Rivers citizen. The new vision that entails responsive governance spells out its mission, vision and priorities that it hope to pursue.

Mission: To actualize the aspirations of the people of Rivers State for a balanced development and an enhanced quality of live for the present and future generation through responsive governance guided by the fear of God

Vision: To build a state that is truly unite, secure and prosperous with boundless opportunities for everyone who lives in it to peacefully pursue their goals and realize their full potentials in dignity and happiness.

Priorities:

- Open, accountable and inclusive governance
- Security of life and property



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- Administration of justice
- Education
- Healthcare delivery
- Agricultural development
- Roads, drainage and transportation infrastructure
- Housing development
- Provision of water
- Energy security
- Jobs, wealth creation and economic empowerment
- Women development
- Youth development
- Sports, recreation and tourism
- Environmental protection
- Urban and rural development
- Social welfare services

BANKERS:

The 23 registered banks in Nigeria are the registered bankers of Rivers State.

AUDITORS:

The Auditor-General of Rivers State,

Office of the Auditor-General,

Point Block, State Secretariat,

Port Harcourt.



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AUDIT CERTIFICATE

The Accounts of the Government of Rivers State of Nigeria for the year ended 31st December, 2017, have been examined in accordance with Section 125 (2) of the Constitution of the federal Republic of Nigeria, 1999, and Section 24 of the Finance Control Management Act of 1958.

RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Accountant-General of Rivers State is responsible for the preparation of the Financial Statements of the Government of Rivers State. The Accountant-General has thus prepared and submitted to me for audit, the financial statements as reproduced in my report.

It is the Auditor-General's responsibility to carry-out all reasonable tests designed to establish the adequacy of the Control System in existence, giving rise to the integrity of the Financial Statements.

OPINION

I have obtained all the information and explanations that I required, and as a result of my audit, in my opinion, ***the accounting books and records were properly maintained so as to form the basis for the Statement of Assets and Liabilities, as at 31st December, 2017 and the Statement of Consolidated Revenue Fund together with the supporting statements for the year ended on that date.***

In my opinion, the Financial Statements give a true and fair view of the state of affairs of the Government of Rivers State as at 31st December, 2017, and of the financial transactions for the fiscal year ended on that date.

Akazua Elias A.O (CNA)
Ag. Auditor-General,
Rivers State.



**REPORT OF THE AUDITOR-GENERAL, RIVERS STATE ON THE ACCOUNTS OF THE
GOVERNMENT OF RIVERS STATE FOR THE YEAR ENDED 31ST DECEMBER. 2017**

PART ONE

INTRODUCTION

The Accounts of the Government of Rivers State of Nigeria for the year ended 31st December, 2017, have been examined in accordance with Section 125 (2) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended), Section 5 (1) of Audit Law (No. 10) of 1982 and Section 24 of the Finance (Control and Management) Act of 1958. I have certified the individual accounts as correct subject to the observations made in this report.

RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

In accordance with the provision of Finance (Control and Management) Act, 1958. The Accountant-General of Rivers State is responsible for the preparation of the Financial Statements. The Accountant-General is the Chief Accounting Officer for the receipts and payments of the Government of Rivers State, and has thus prepared and submitted to me for audit, the financial statements as reproduced in my report.

He is responsible for the general supervision of accounting activities in all Ministries, Departments and Agencies of the State and for the compilation of the Annual Financial Statements of Accounts and of such other Statements of Accounts as may be required by law. In so doing, he also has responsibilities for;

- Ensuring that all Ministries, Departments and Agencies keep proper books and records which disclose with reasonable assurance and accuracy the financial position of the State.



- Taking such steps as are reasonably open to him to safeguard the assets of the State and to prevent and detect fraud and irregularities.
- Establishing and maintaining an adequate system of internal control designed to provide reasonable assurance that the transactions recorded reflect the deployment of all financial resources by Government.
- Ensuring that in preparing the financial statements, he uses appropriate accounting policies consistently and supported by reasonable and prudent judgements and estimates and that all applicable accounting standards and Generally Accepted Accounting Principles (GAAP) have been followed.

RESPONSIBILITY OF THE AUDITOR-GENERAL

In accordance with Section 125 Sub-Section 2 of the Constitution of the Federal Republic of Nigeria 1999 (as amended), it is the responsibility of the Auditor-General to express an independent opinion on the financial statements of the Accountant-General based on his audit.

The Auditor-General is responsible for the audit of accounts of all accounting Officers and all persons entrusted with the collection, receipt, custody and issue or payment of public moneys or with the receipt, custody, issue, sale, transfer or delivery of any stamps, securities, stores or other Government property and for the certification of Accountant-General's Annual Financial Statements and Annual Appropriation Accounts of all Ministries, Departments and Agencies.

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.

REVIEW AND VERIFICATION OF ACCOUNTANT-GENERAL'S DRAFT REPORTS

The Accounts of the Government of Rivers State of Nigeria for the Year ended 31st December, 2017, have been examined under my directions in accordance with the provision of Section 125(2) of the Constitution of the Federal Republic of Nigeria 1999 (as amended). The draft annual report and accounts together with the Financial Statement was received from the Office of the Accountant-General, *necessary adjustments were made and the Accounts have been certified as provided in Section 4(4) of the Audit Law (Cap.(14)) of the Laws of Rivers State of Nigeria, (1999) and Section 2(C) of the Finance (Control and Management) Act of 1958, subject to the observations made herein.*



PART TWO

RIVERS STATE GOVERNMENT OF NIGERIA

GENERAL PURPOSE FINANCIAL STATEMENTS (GPFS)

STATEMENT OF ACCOUNTING POLICIES

INTRODUCTION

In line with the adoption of the International Public Sector Accounting Standards (IPSAS) in Nigeria, a Standardized Chart of Account (COA) alongside a set of General Purpose Financial Statements (GPFS) have been designed and introduced for adoption by Rivers State Government. The standardized COA and the GPFS have become necessary to ensure uniformity in public sector accounting reporting in Nigeria which is a fundamental prerequisite towards adoption of IPSAS.

In order to ensure an effective and efficient utilization of the COA and GPFS, Accounting Policies have been developed by the State government as a set of guidelines to direct the Processes and Procedures relating to financial reporting in the State government financial statements.

The General Purpose Financial Statements (**GPFS**) comprised Statements of Financial Position, Statements of Financial Performance, Cash Flow, Net Assets/Equity and other underlying records that disclose additional information about the Revenues, Expenditures and Balances controlled by the State government and the accompanying accounting policies and notes.

The following Financial Statements (IPSAS Cash Basis) were prepared and submitted by the Accountant-General.

Statement No.	Details
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- No. 1 *Statement of Cash Receipts and Payments***
- No. 2 *Statement of Comparison of Budget and Actual Amounts***
- No. 3 *Cash Flow Statement for the Year Ended 31st December, 2017***
- No. 4 *Statement of Assets and Liabilities as at 31st December, 2017***
- No. 5 *Statement of Consolidated Revenue Fund***
- No.6 *Statement of Capital Development Fund***

Notes and Schedules are:

- Notes to Financial Statements for the year ended 2017***
- Summary of Gross/Net Receipts from FAAC, January to December, 2017***
- Share of Statutory Allocation***
- Capital Receipts for the Periods January to December 2017***
- Summary of Gross Receipts of Internally Generated Revenue, 2017***
- Summary of Personnel Emolument (Salaries), January to December 2017***
- Summary of Overhead for the Period January to December 2017***
- Summary of Consolidated Revenue Fund Charges (CRFC)***
- Capital Receipts for the Periods***
- Capital Expenditures for the Periods, January to December 2017***
- Capital Releases to MDAs, January to December 2017***
- Summary of Funds Released to MDAs for Capital Expenditure, 2017***
- Bank Balances as at 31st December, 2017***
- List of Rivers State Government Owned Companies and Portfolio Investments***
- Statement of Comparison of Budget and Actual Amount for 2017***
- Statement of Cash Receipts and Payments for 2017***
- Notes***

Basis of Preparation and Legal Provisions

The State Government General Purpose Financial Statements are prepared under the historical cost convention and in accordance with International Public Sector Accounting Standards (IPSAS) and other applicable standards as defined by Fiscal Responsibility Act



(FRA) and the Financial Reporting Council of Nigeria. In addition the GPFS are compliant with the provisions of the Finance (Control and Management) Act 1958 now CAP 144LFN, 1990, the Financial Instructions (1978) and other known legal requirements.

1. Accounting Period

The Accounting year of the State Government Financial Statements (fiscal year) is from 1st January to 31st December. Each accounting year is divided into 12 calendar months (periods) and are set up as such in the accounting system.

2. Reporting Currency

The General Purpose GPFS are prepared in Nigerian Naira.

3. MDA for Consolidation

The Consolidation of the GPFS are based on the financial transactions of all Ministries, Departments and Agencies (MDAs) of the State Government except Government Business Enterprises (GBEs).

4. Comparative Information

The General Purpose Financial Statements GPFS has been designed to disclose all numerical information relating to previous period (at least one year).

5. Budget Figures

These are figures from the approved annual budget and supplementary/revised Budget as approved in accordance with the Appropriation Law of the State Government for the current year.

6. Revenues

These are cash inflows within the financial Year. They comprise receipts from

- Statutory Allocation (FAAC) and Internal Revenue.
- External Assistance (Bilateral and Multilateral Agencies), Other Aids and Grants, other borrowings,
- Capital receipts (sale of Government Assets etc),



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- Receipt from trading activities and other incomes. These items have been disclosed at the face of the Consolidated Revenue Fund for the year in accordance with the standardized Notes to GPFS.

7. **External Assistance**

Receipts from loans are funds received from external sources to be paid back at an agreed period of time. They are categorized either as Bilateral or Multilateral.

External Loans receipts are disclosed separately under Consolidated Revenue Fund for the year.

8. **Other Borrowings / Grants & Aid Received**

These are categorized as either short or long term loans. Short-term loans are those repayable within one calendar year, while long-term loans and debts fall due beyond one calendar year. Such Loans balances are separately disclosed under Statement of Assets and Liabilities for the year.

9. **Interest Received**

Interest actually received during the financial year are treated as a receipt under item 'other receipt'

10. **Government Business activities**

Cash Revenues from trading activities are received net (after deducting direct expenses). The Total revenues from all trading activities are disclosed in the Statement of Cash Receipts and Payments under the 'trading activities'.

Where gross revenue is received, corresponding payments are charged under a corresponding payment item in the Statement of Consolidated Revenue Fund.

11. **Payments**



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These are Recurrent and Capital cash outflows made during the financial year and are categorized either by function and/or by sector in the Statement of Consolidated Revenue Fund and Capital Development Fund. Payments for purchase of items of capital nature (PPE) are treated as Fixed Assets in the Statement of Assets and Liabilities in the year. At the end of the financial year, a schedule of Fixed Assets has been provided as part of the Notes to GPFS.

12. Loans Granted

Payments to other Government and Agencies in form of Loans during the year have been shown separated in the Statement of Assets and Liabilities. Amount disclosed are the actual amount paid during the year.

13. Loans Payment

Revenues from loans granted to other agencies and government have been classified under loan repayments in the Statement of Assets and Liabilities. Amount disclosed are the actual amount received during the year.

14. Interest on Loans:

Actual Interest on loans and other bank commissions charged on Bank Accounts during the year have been treated as payments and disclosed under interest payment in Statement of Consolidated Revenue Fund.

15. Foreign Currency transactions:

Foreign currency transactions throughout the year have been converted into Nigeria Naira at the ruling (Central Bank of Nigeria – CBN) rate of exchange at the dates of the transactions. Foreign currency balances, as at the year end are translated at the exchange rates prevailing on that date.

At the end of the financial year, additional amounts (in cash or at bank) arising out of Foreign Exchange gain/losses were recognized in the



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statement of Consolidated Revenue Fund either as Revenue and Expenditures respectively.

16. **Prepayments.**

Prepaid expenses are amounts paid in advance for receipt of goods or services and are charged directly to the respective expenditure item.

17. **Investments:**

Cash Payments made for investment purpose such as purchase of Government Stock, Treasury Bills and Certificates of Deposit are capital costs and are disclosed as purchase of financial instruments. They were separately disclosed in the GPFS as Investment balances.

18. **Leases**

Cash payment for Finance leases, which effectively transfer to the Government substantially all the risk and benefits incidental to ownership of the leased item, are treated as capital payments which are disclosed in the Statement of Capital Development Fund.

19. **Property, Plants & Equipments (PPE)**

All property, Plants & Equipments (PPE) are stated at historical cost, accumulated depreciation and any impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

The cost of an item of PPE shall comprise: Its purchase price, including import and non-recurring costs and any directly attributable costs of bringing the assets to its location and working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

20. **Cash Balances**



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This includes cash at hand, at Bank and cash equivalents at the end of the financial year. These various balances have been disclosed in their respective Bank accounts.

21. **Advances**

The State Government policy specifically states that all advances shall be retired before the end of the financial year. However when circumstances occur (including an Emergency) where either an advance is given out close to the financial year end or an advance already given could not be accounted for in the financial statements such an advance (or balance outstanding) is treated in its cash equivalent for the period.

The Accountant-General's Draft Financial Statement for the year 2017 is hereby reproduced.



**ACCOUNTANT-GENERAL
DRAFT FINANCIAL STATEMENTS
REPRODUCED**



STATEMENT No. 1
STATEMENT OF CASH FRECEIPTS & PAYMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2017

	Notes	Receipts controlled by entity	Receipts for/by third parties
<i>(amounts in millions of naira)</i>			
RECEIPTS			
Statutory Allocation	1	170,216,256,988.14	18,665,637,229.19
Taxation			
Income Tax	2	83,558,772,646.35	
Licences, Fines & Fees	3	1,827,504,523.72	
Trading Activities			
Proceeds from trading activities	4	9,303,320,302.07	
Other Receipts	5	11,426,081,081.08	
Total Receipts		276,331,935,541.36	18,665,637,229.19
PAYMENTS			
Operations			
Salaries, Wages, & Employee Benefits	6	64,210,646,689.16	
Operating Costs	7	12,533,595,498.00	3,731,478,231.57
CAPITAL EXPENDITURES			
Purchase/Construction of property, plant & equipment	8	155,059,705,787.38	
LOANS & INTEREST REPAYMENTS			
Repayment of borrowings & interest charges(Internal)	9	18,149,498,680.40	4,993,205,313.71
Total Payments		249,953,446,654.94	8,724,683,545.28
Decrease in cash during the period			
Cash as at 1st January 2017		3,611,576,385.72	
Cash as at 31st December 2017		4,662,093,844.96	



STATEMENT No. 2
STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS
BUDGET APPROVED ON THE CASH BASIS
CLASSIFICATION OF PAYMENTS BY NATURE OF THE EXPENSE

	Notes	Actual Amounts	Final Budget	Difference: Final Budget & Actual
<i>(amounts in millions of naira)</i>				
RECEIPTS				
Statutory Allocation	1	188,881,894,220.28	220,000,000,000.00	- 31,118,105,779.72
Taxation	2,3	85,328,206,444.97	149,857,926,276.00	- 64,529,719,831.03
Trading Activities	4	7,194,509,039.91	19,000,000,000.00	- 11,805,490,960.09
Other Receipts	5	11,426,081,081.00	65,000,000,000.00	- 3,454,044,068.47
Total Receipts		292,830,690,786.16	453,857,926,276.00	- 110,907,360,639.31
PAYMENTS				
Operations				
Salaries, Wages, & Employee Benefits	6	64,210,646,689.16	90,475,356,274.00	- 26,264,709,584.84
Operating Costs	7	16,265,073,729.57	18,899,956,295.00	- 2,765,343,378.16
Purchase/Construction of property, plant & equipment	8	155,059,705,787.38	303,700,000,000.00	- 148,640,294,212.62
Repayment of borrowings & interest charges	9	30,050,399,857.29	48,345,000,000.00	- 25,202,296,006.01
Total Payments		265,585,826,063.40	461,420,312,569.00	- 202,872,643,181.63



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STATEMENT NO. 3

RIVERS STATE GOVERNMENT OF NIGERIA

CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2017

ANNUAL BUDGET 2017		COA	NOTES	ACTUAL YEAR 2017	ACTUAL YEAR 2016
N	CashFlows from Operating Activities:				N
	Receipts:				
203,400,000,000.0	Statutory Allocations:FAAC		1	170,614,641,882.80	106,973,005,519.95
16,600,000,000.00	Value Added Tax Allocation		1	18,267,252,337.48	12,615,182,734.77
220,000,000,000.0	Sub-total - Statutory Allocation			188,881,894,220.28	119,588,188,254.72
134,857,926,276.0	Direct Taxes		2	83,558,772,646.35	84,654,162,644.59
3,000,000,000.00	Licences		2	58,070,725.05	560,947,740.88
5,000,000,000.00	Fines		2	707,773,519.50	686,462,143.89
7,000,000,000.00	Fees		2	1,061,660,279.12	1,029,693,265.85
2,000,000,000.00	Earnings		2	40,264,278.15	162,403,226.05
750,000,000.00	Sales		2	26,842,852.10	112,650,709.07
150,000,000.00	Rent of Government Buildings		2	94,631,797.76	4,513,291.13
8,000,000,000.00	Investment Income		2	7,194,509,039.91	6,578,431,025.86
160,757,926,276.0	Sub-total - Independent Revenue			92,742,525,137.94	93,789,264,047.32
8,100,000,000.00	Other Revenue Sources of the Rivers State Government		3	2,508,772,334.15	5,993,510,096.79



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769,615,852,552.0 0	Total Receipts			284,133,191,692. 37	219,370,962,39 8.83
	Payments:				
62,000,000,000.00	Personnel Costs		4	63,914,041,239.8 5	65,725,567,904. 93
5,000,000,000.00	States Govt Contribution to Pension:		5	-	-
17,000,000,000.00	Overhead Charges:		6	12,533,595,498.0 0	11,230,004,186. 00
	CRFC:				
900,000,000.00	Pension Parastatals		7	1,062,023,194.87	1,378,933,131.4 2
1,500,000,000.00	Death Benefit		7	-	285,719,679.32
20,000,000,000.00	Bank Charges/ Interest on loans		7	14,084,033,314.4 6	14,208,808,340. 14
393,205,064.04	Pension & Gratuity		7	9,059,777,106.40	9,844,875,294.4 1
2,175,356,274.00	Consolidated Salaries		7	296,605,449.31	417,448,276.44
-	Subvention to Parastatals:		8	-	-
-	Other Operating Activities			-	-
-	Other Transfers			-	-
108,968,561,338.0 4	Total Payments			100,950,075,802. 89	103,091,356,81 2.66
	Net Cash Flow from Operating Activities			183,183,115,889. 48	116,279,605,58 6.17
	CashFlows from Investment Activities:				
14,160,000,000.00	Capital Expenditure:Administrative Sector:		11	64,855,670,412.1 4	61,593,963,165. 06
115,245,000,000.0	Capital Expenditure: Economic Sector:		11	62,724,207,736.1 8	54,813,146,948. 10



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3,050,000,000.00	Capital Expenditure: Law and Justice:	11	1,851,337,858.60	2,804,573,475.49
125,630,000,000.00	capital expenditure: Social Service Sector:	11	25,628,489,780.46	17,186,779,039.01
45,615,000,000.00	Capital Expenditure: Funded from Aid and Grants:	10	-	-
303,700,000,000.00	Net Cash Flow from Investment Activities:		155,059,705,787.38	136,398,462,627.66
	CashFlows from Financing Activities:			
-	Proceeds from Aid and Grants	10	-	-
-	Proceeds from External Loan :	19	-	-
-	Proceeds from Internal Loans: FGN/Treasury Bonds :	20	6,555,000,000.00	27,503,000,000.00
-	Proceeds from Internal Loan: NTBs etc	21	4,871,081,081.08	10,000,000,000.00
-	Proceeds from Development of Nat Resources	23	-	-
-	Proceeds of Loans from Other Funds	24	-	-
300,000,000.00	Repayment of External Loans (Principal)	19	376,980,364.96	-307,286,703.66
3,000,000,000.00	Repayment of FGN/Treasury Bonds :	20	1,171,365,729.00	-1,140,006,906.00
15,000,000,000.00	Repayment of Internal Loan-NTBs	21	18,149,498,680.40	-18,232,859,214.00
-	Repayment of Loans from Development of Nat Resources	23	-	-
10,000,000,000.00	Repayment of Loans from Other Funds (FAAC)	24	11,577,996,178.14	-17,213,393,585.60
28,300,000,000.00	Net Cash Flow from Financing Activities:		19,849,759,871.42	609,453,590.74
	Movement in Other Cash Equivalent Accounts			
	(Increase)/ Decrease in Investments			
	Net (Increase)/Decrease in Other Cash Equivalents:		8,273,650,230.60	19,509,403,450.-



REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2017 ACCOUNT

					75
-	Total Cashflow from other Cash equivalent Accounts				-
	Net Cash for the year			8,273,650,230.60	19,509,403,450.75
	Cash & Its Equivalent as at 1st January, 2017			- 3,611,576,385.72	15,897,827,065.03
	Cash & Its Equivalent as at 31st December, 2017			4,662,073,844.96	- 3,611,576,385.72



STATEMENT NO. 4

STATEMENT OF ASSETS AND LIABILITIES AS AT 31/12/ 2017

	NOTE	CURRENT YEAR 2017	PREVIOUS YEAR 2016
ASSETS:-		N	N
Liquid Assets:-			
Cash Held by AG:			
CRF Bank Balance(CBN/ CRF Bank):		-	-
Pension Account (CBN/ Bank):		-	-
Other Bank of the Treasury		-	-
Cash Balances of Trust & Other Funds of the States:	12	1,400,000,000.00	1,400,000,000.00
Cash Balances with Federal Pay Offices/ Sub-Treasury:	13	-	-
Cash Held by Ministries, Department & Agencies:-	14	4,662,073,844.96	3,611,576,385.72
Remmitances	13A	-	-
Cash -in - Transit:-	13 B	-	-
TOTAL LIQUID ASSETS		6,062,073,844.96	2,211,576,385.72
Investments and Other Cash Assets:			
State Government Investments	15	43,875,773,119.00	43,875,773,119.00
Imprests:-	16	-	-
Advances:-	17	-	-
Revolving Loans Granted:-	18	-	-
Intangible Assets			



REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2017 ACCOUNT

TOTAL INVESTMENTS AND OTHER CASH ASSETS		43,875,773,119.00	43,875,773,119.00
TOTAL ASSETS		<u>49,937,846,963.96</u>	<u>41,664,196,733.28</u>
<u>LIABILITIES:-</u>			
<u>PUBLIC FUNDS</u>			
Consolidated Revenue Fund:		9,684,910,964.54	10,044,808,095.10
Capital Development Fund:		14,000,000,000.00	8,000,000,000.00
Trust & Other Public Funds:	12		
Police Reward Fund			
TOTAL PUBLIC FUNDS		<u>23,684,910,964.54</u>	<u>18,044,808,095.10</u>
<u>EXTERNAL AND INTERNAL LOANS</u>			
External Loans:FGN/States/ LGC	19	5,324,011,160.35	5,700,991,525.30
FGN/ States/LGC Bonds & Treasury Bonds.	20	54,935,084,990.00	49,551,450,719.00
Nigerian Treasury Bills (NTB)	21	-	-
Development Loan Stock	22	-	-
Other Internal Loans(Promissory Notes)	23	-	-
Internal Loans from Other Funds	24	22,736,736,335.68	36,015,153,935.00
TOTAL EXTERNAL AND INTERNAL LOANS		<u>82,995,832,486.03</u>	<u>91,267,596,179.30</u>
<u>OTHER LIABILITIES</u>			
Deposits:-	25		



REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2017 ACCOUNT

Un-remitted Taxes:-With-holding Tax:	29	-	-
:Value Added Tax:	30	-	-
: Pay As You Earn (PAYE):	31	-	-
Un-remitted Sundry Deductions:Union Dues:-	32	-	-
National Housing Fund:	33	-	-
Co-operative Societies:	34	-	-
Staff Housing Loans:	35	-	-
National Health Insurance Scheme:	36	-	-
Pension Deductions:	37	-	-
Other Deductions:-	38	-	-
TOTAL LIABILITIES		<u>106,680,743,450.57</u>	<u>109,312,404,274.</u> <u>40</u>



REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2017 ACCOUNT

STATEMENT NO. 5
STATEMENT OF CONSOLIDATED REVENUE FUND

ACTUAL YEAR 2016		NOT E	ACTUAL YEAR 2017	FINAL BUDGET 2017	VARIANCE ON FINAL BUDGET
			N	N	%
11,718,806,985. 99	Opening Balance:		10,044,808,095.10		
	<u>ADD: REVENUE</u>				
106,973,005,51 9.95	Statutory Allocations:FAAC	1	170,614,641,881.8 0	203,400,000,000 .00	
12,615,182,734. 77	Value Added Tax Allocation	1	18,267,252,337.48	16,600,000,000. 00	
	Sub-Total - Statutory Allocation		188,881,894,219.2 8		
84,654,162,644. 59	Direct Taxes	2	83,558,772,646.35	134,857,926,276 .00	
560,947,740.88	Licences	2	58,070,725.05	3,000,000,000.0 0	
686,462,143.89	Fines	2	707,773,519.50	5,000,000,000.0 0	
1,029,693,265.8 5	Fees	2	1,061,660,279.12	7,000,000,000.0 0	
162,403,226.05	Earnings	2	40,264,278.15	2,000,000,000.0 0	
112,650,709.07	Sales	2	26,842,852.10	750,000,000.00	
451,329.13	Rent of Government Buildings	2	94,631,797.76	150,000,000.00	



REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2017 ACCOUNT

6,578,431,025.8 6	Investment Income	2	7,194,509,039.91	8,000,000,000.0 0	
	Sub-Total - Independent Revenue		92,742,525,137.94		
5,993,510,096.7 9	Other Revenue Sources of the Rivers State Government	3	2,508,772,334.15	8,100,000,000.0 0	
225,092,197.32 6.03	TOTAL REVENUE:		291,669,227,452.3 2	388,857,926,276 .00	
	<u>LESS:EXPENDITURE</u>				
65,725,567,904. 93	Personnel Costs	4	63,914,041,239.85	62,000,000,000. 00	
-	States Govt Contribution to Pension:	5	-	5,000,000,000.0 0	
11,230,004,186. 00	Overhead Charges:	6	12,533,595,498.00	17,000,000,000. 00	
	<u>CRFC:</u>				
1,378,933,131.4 2	Pension Parastatals	7	1,062,023,194.87	-	
285,719,679.32	Death Benefit	7	-	900,000,000.00	
14,208,808,340. 14	Bank Charges	7	14,208,808,340.14	1,500,000,000.0 0	
9,844,875,294.4 1	Pension & Gratuity	7	9,059,777,106.40	20,000,000,000. 00	



REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2017 ACCOUNT

417,448,276.44	Consolidated Salaries	7	296,605,449.31	393,205,064.00	
-	Subvention to Parastatals: (Harmonization)	8	-	2,175,356,274.00	
	OTHER RECURRENT PAYMENTS/EXPENDITURE:				
307,286,703.65	Repayments: External Loans: FGN/States/ LGC	19	376,980,364.96	300,000,000.00	
1,140,006,906.00	Repayments: FGN/ States/LGC Bonds & Treasury Bonds.	20	1,171,365,729.00	-	
18,232,859,214.00	Repayments : Nigerian Treasury Bills (NTB)	21	18,149,498,680.40	15,000,000,000.00	
-	Repayments: Development Loan Stock	22	-	-	
-	Repayments: Other Internal Loans (Promissory Notes)	23	-	-	
-	Repayments: Internal Loans from Other Funds		-	-	
17,213,393,585.60	FAAC Deductions at source	24	11,577,996,178.14	10,000,000,000.00	
139,984,903,221.91	TOTAL EXPENDITURE:		132,350,691,781.07	108,968,561,338.00	
85,107,294,104.12	OPERATING BALANCE:		159,318,535,671.25		



REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2017 ACCOUNT

	<u>APPROPRIATIONS</u> <u>/TRANSFERS:</u>				
75,062,486,009. 02	Transfer to Capital Development Fund:	9	149,633,624,706.7 1		
10,044,808,095. 10	Closing Balance:		9,684,910,964.54		



REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2017 ACCOUNT

STATEMENT NO. 6

STATEMENT OF CAPITAL DEVELOPMENT FUND FOR THE YEAR ENDED 31ST DECEMBER, 2017

		NOTE	TOTAL CAPITAL EXPENDITURE 2017	FINAL BUDGET 2017	PERFORMA NCE ON TOTAL
			N	-	%
31,832,976,618.64	Opening Balance:		8,000,000,000.00		
	ADD: REVENUE				
75,062,486,009.02	Transfer from Consolidated Revenue Fund:	9	149,633,624,706.71		
-	Aid and Grants	10	-	-	
-	External Loans:FGN/States/ LGC	19	-	345,000,000.00	
27,503,000,000.00	FGN/ States/LGC Bonds & Treasury Bonds.	20	6,555,000,000.00	35,000,000,000.00	
10,000,000,000.00	Nigerian Treasury Bills (NTB)	21	4,871,081,081.08	3,000,000,000.00	
-	Development Loan Stock	22			
-	Other Internal Loans(Promissory Notes)	23			
-	Internal Loans from Other Funds	24			
144,398,462,627.66	TOTAL REVENUE AVAILIABLE:		169,059,705,787.79	38,345,000,000.00	
	LESS: CAPITAL EXPENDITURE				
TOTAL	Capital Expenditure:Administrative Sector:	11	64,855,670,412.14	14,160,000,000.00	459
TOTAL	Capital Expenditure: Economic Sector:	11	62,724,207,736.59	115,245,000,000.00	54.4
TOTAL	Capital Expenditure: Law and Justice:	11	1,851,337,858.60	3,050,000,000.00	60
TOTAL	Capital Expenditure: Social Service Sector:	11	25,628,489,780.46	125,630,000,000.00	20.4
	Capital Expenditure: Funded from Aid and Grants:	10	-	45,615,000,000.00	100
-	TOTAL CAPITAL EXPENDITURE:		155,059,705,787.79	303,700,000,000.00	
	Intangible Assets				
144,398,462,627.66	CLOSING BALANCE:		14,000,000,000.00		



REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2017 ACCOUNT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2017

NOTE	Details	Ref. Note	Amount	Amount		Remarks
1	A- Share of Statutory Allocation from FAAC		N	N	-	
	Net Share of Statutory Allocation from FAAC	A	12,817,801,155.28			
	Add :Deduction at source for Loan Repayment	B	18,665,637,232.14	31,483,438,387.42		
	Share of Statutory Allocation - Other Agencies	C		139,131,203,494.38		
	Share of Federal Accounts Allocation- Excess Crude Oil	D		-		
	Total(GROSS) FAAC Allocation to SG			170,614,641,881.80		
	B. Value Added Tax					
	Share of Value Added Tax (VAT)	E		18,267,252,337.48		
2	Internally Generated Revenue (Independent Revenue)	F	Actual	Budget	% Variance	
	Direct Taxes		83,558,772,646.35	134,857,926,276.00	61.9	
	Licences		58,070,725.05	3,000,000,000.00	193	
	Fines		707,773,519.50	5,000,000,000.00	14.2	
	Fees		1,061,660,279.12	7,000,000,000.00	14.2	
	Earning		40,264,278.15	2,000,000,000.00	2	
	Sales		26,842,852.10	750,000,000.00	3.6	
	Rent of Government Buildings		94,631,797.76	150,000,000.00	63	
	Investment Income		7,194,509,039.91	8,000,000,000.00	88.7	



REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2017 ACCOUNT

3	Other Revenue Sources of the Rivers State Government	G				
	Total Other Revenue Sources		2,508,772,334.15		100	
4	A - Total Personnel Costs (Including Salaries directly charged to CRF in Note 4B below):	H	Actual	Total Budget	Variance	
	List of MDA: Administrative Sector		2,052,123,929.74	3,581,114,890.00	57.1	CRF Charges in Note 3
	List of MDA: Economic Sector		4,316,561,678.89	3,543,202,487.00	122	
	List of MDA: Law and Justice Sector		2,115,857,694.25	2,310,225,528.00	91.3	
	List of MDA: Social Sector		55,429,497,937.03	52,565,457,095.00	105	
	Total Personnel Cost		63,914,041,239.91	62,000,000,000.00		
	B- Salaries directly charged to CRF					
	List of Parastatals and Agencies:					
	Auditor-General (LG)		6,613,710.96	6,613,710.96	-	
	Auditor-General (State)		6,613,710.96	6,613,710.96	-	
	Body of Appeal		-	93,945,214.96	100	
	Civil Service Commission		34,748,488.20	34,748,488.20	-	
	Customary Court of Appeal		9,788,987.04	9,788,987.04	-	
	Judiciary		75,197,300.16	75,197,300.16	-	
	RSHASC		29,198,379.10	29,198,379.10	-	
	RSIEC		64,506,637.44	64,506,637.44	-	
	LGSC		42,410,763.45	42,410,763.45	-	
	Judicial Service Commission		27,527,472.00	27,527,472.00	-	
	Total		296,605,449.31	390,550,664.27		



REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2017 ACCOUNT

5	Employers Contribution to Pension according to Sector	J	Actual	Total Budget	Variance	
	List of MDA: Administrative Sector		-	1,000,000,000.00	100	
	List of MDA: Economic Sector		-	1,000,000,000.00	100	
	List of MDA: Law and Justice Sector		-	1,000,000,000.00	100	
	List of MDA: Regional Sector		-	1,000,000,000.00	100	
	List of MDA: Social Sector		-	5,000,000,000.00	100	
	Total Employers Contribution to Pension		-	9,000,000,000.00		
6	Overhead Costs	K	Actual	Total Budget	Variance	
	List of MDA: Administrative Sector		8,420,062,314.00	11,423,273,887.00	73.7	
	List of MDA: Economic Sector		433,766,880.00	974,280,095.00	44.5	
	List of MDA: Law and Justice Sector		2,222,156,232.00	3,227,628,980.00	68.7	
	List of MDA: Social Sector		1,457,610,072.00	1,374,817,038.00	107	
	Total Overhead Cost		12,533,595,498.00	17,000,000,000.00		
7	Consolidated Revenue Fund Charges (Incl. Service Wide Votes)		Actual	Total Budget	Variance	
	Death Benefit	L	-	900,000,000.00	100	
	Pensions/Gratuity		9,059,777,106.40	20,000,000,000.00	45	
	Pensions (Parastatals)		1,062,023,194.87	-	-100	
	Bank Charges	M	14,084,033,314.46	4,075,356,274.00	350	



REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2017 ACCOUNT

	Total Consolidated Revenue Fund Charges		24,205,833,615.73	24,975,356,274.00		
8	Subventions to Parastatals (According to Sectors-List)		Actual	Total Budget	Variance	
	List of MDA: Administrative Sector		-	-		
	List of MDA: Economic Sector		-	-		
	List of MDA: Law and Justice Sector		-	-		
	List of MDA: Regional Sector		-	-		
	List of MDA: Social Sector		-	-		
	Total Subventions to Parastatals		-	-		
9	Transfer to Capital Development Fund (According to Sectors)		Actual	Total Budget	Variance	
	List of MDA: Administrative Sector		64,855,670,412.14	14,160,000,000.00	459	
	List of MDA: Economic Sector		62,724,207,736.59	115,245,000,000.00	54.4	
	List of MDA: Law and Justice Sector		1,851,337,858.60	3,050,000,000.00	60	
	List of MDA: Regional Sector		-	45,615,000,000.00	100	
	List of MDA: Social Sector		25,628,489,780.46	125,630,000,000.00	20.4	
	Total Transfer to Capital Development Fund		155,059,705,787.79	303,700,000,000.00		
10	Details of Aid & Grants Received		Actual	Total Budget	Variance	



REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2017 ACCOUNT

	<i>Bilateral</i>		-	-	-	
	<i>Multi Lateral</i>		-	-	-	
	<i>ETC</i>		-	65,000,000,000.00	100	
	Total Details of Aid & Grants Received		-	65,000,000,000.00	100	
11	A - Details of Total Capital Expenditures (According to Sectors)		Actual	Total Budget	Variance	
	List of MDA: Administrative Sector		64,855,670,412.14	14,160,000,000.00	459	
	List of MDA: Economic Sector		62,724,207,736.59	115,245,000,000.00	54.4	
	List of MDA: Law and Justice Sector		1,851,337,858.60	3,050,000,000.00	60	
	List of MDA: Social Sector		25,628,489,780.46	125,630,000,000.00	20.4	
	Special Votes		-	45,615,000,000.00	100	
	Total Details of Capital Expenditures		155,059,705,787.79	303,700,000,000.00		
	B - Details of Capital Expenditures of Parastatals (Included in 11A above)		Actual	Total Budget	Variance	
	List of MDA: Administrative Sector		-	-		
	List of MDA: Economic Sector		-	-		
	List of MDA: Law and Justice Sector		-	-		
	List of MDA: Sector Sector		-	-		
	Total Details of Capital Expenditures of Parastatals		-	-	-	



REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2017 ACCOUNT

12	CLOSING BOOK BALANCES OF OTHER FUNDS OF THE GOVERNMENT		Amount 2017	Amount 2016
	Reserve Fund		1,400,000,000.00	1,400,000,000.00
			1,400,000,000.00	1,400,000,000.00

13	CLOSING CASH BOOK BALANCE OF FEDERAL PAY OFFICES/SUB-TREASURY OFFICES		Amount 2017	Amount 2016
	List all the FPO/Sub-Treasuries Cash Book Balances		-	-

14	CLOSING CASH BOOK BALANCE OF MINISTRIES, DEPARTMENTS (By Sectors)		Amount 2017	Amount 2016
	List of MDA: Administrative Sector		4,662,073,844.96	3,611,576,385.72
	List of MDA: Economic Sector			
	List of MDA: Law and Justice Sector			
	List of MDA: Regional Sector			



REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2017 ACCOUNT

	List of MDA: Sector Sector			
	Total Details of Cash Book Balances		4,662,073,844.96	3,611,576,385.72
15 INVESTMENTS				
			Amount 2017	Amount 2016
	Investments in Quoted Companies		43,875,773,119.42	43,875,773,119.42
	Investments in unQuoted Companies			
	Loans to Government Companies			
	Loans to Other Government			
	Total Investments		43,875,773,119.42	43,875,773,119.42
16 LIST OF OUTSTANDING IMPRESTS				
			Amount 20XX-2	Amount 20XX-1
	List of MDA: Administrative Sector			
	List of MDA: Economic Sector			
	List of MDA: Law and Justice Sector			
	List of MDA: Regional Sector			
	List of MDA: Sector Sector			
	Total Outstanding Imprests		-	-
17 LIST OF OUTSTANDING ADVANCES				
			Amount 20XX-2	Amount 20XX-1
	List of MDA: Administrative Sector			
	List of MDA: Economic Sector			
	List of MDA: Law and Justice Sector			



REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2017 ACCOUNT

	List of MDA: Regional Sector					
	List of MDA: Sector Sector					
	Total Outstanding Advances		-		-	
18 Revolving Loan Account						
	List the Loans		Balance as at 1/1/2017	Additional Loan	Loan Paid Back	Balance as at 31/12/2017
	Loan 1					
	Loan 2					
	Loan 3					
	Loan 4					
	Total		-	-	-	-
19 External Loans:FGN/States/ LGC						
	List the Loans		Balance as at 1/1/2017	Additional Loan	Loan Paid Back	Balance as at 31/12/2017
	Loan 1		5,700,991,525.30	-	376,980,364.96	5,324,011,160.35
	Loan 2					
	Loan 3					
	Loan 4					
	Total		5,700,991,525.30	-	376,980,364.96	5,324,011,160.35
20 FGN/ States/LGC Bonds & Treasury Bonds.						
	List the Loans		Balance as at 1/1/2017	Additional Loan	Loan Paid Back	Balance as at 31/12/2017
	FGN Bond		22,952,588,670.00	-	295,122,144.00	22,657,466,526.00
	FGN Excess crude Facility		9,199,601,165.00	-	686,152,953.00	8,513,448,212.00



REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2017 ACCOUNT

	FGN Salary Bailout Facility		9,896,260,884.00	-	190,090,632.00	9,706,170,252.00
	FGN Budget Support Facility		7,503,000,000.00	6,555,000,000.00		14,058,000,000.00
	Total		49,551,450,719.00	6,555,000,000.00	1,171,365,729.00	54,935,084,990.00

21	Nigerian Treasury Bills (NTB)		Amount 20XX-2	Amount 20XX-1
	Opening balance at as 1st january, 20XX			
	Add: Additional NTB Issued			
	Less: NTB Repaid			
	Loans as at 31st December, 20XX		-	-

22	Development Loan Stock					
	List the Loans		Balance as at 31/12/20x2	Additional Loan	Loan Paid Back	Balance as at 31/12/20x1
	Loan 1					
	Loan 2					
	Loan 3					
	Loan 4					
	Total		-	-	-	-

23	Other Internal Loans(Promissory Notes)		Balance as at 31/12/20x2	Additional Loan	Loan Paid Back	Balance as at 31/12/20x1
	List the Loans:					
	Loan 1					
	Loan 2					
	Loan 3					



REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2017 ACCOUNT

	Loan 4					
	Total		-	-	-	-
24	Internal Loans from Other Funds					
	List the Loans		Balance as at 1/1/2017	Additional Loan	Loan Paid Back	Balance as at 31/12/2017
	Access Bank		13,513,513,514.00	-	6,540,762,170.00	6,972,751,344.00
	Zenith Bank		22,501,640,421.00	2,871,081,081.08	11,608,736,510.40	13,763,984,991.68
	Loan 3		-	-	-	-
	Loan 4: Microfinance		-	2,000,000,000.00	-	2,000,000,000.00
	Total		36,015,153,935.00	4,871,081,081.08	18,149,498,680.40	22,736,736,335.68

25	Schedule of Deposit		Amount 2017	Amount 2016
	List of MDA: Administrative Sector			
	List of MDA: Economic Sector			
	List of MDA: Law and Justice Sector			
	List of MDA: Regional Sector			
	List of MDA: Sector Sector			
	Total Outstanding Deposits		-	-

26	CONTINGENT LIABILITES AS AT YEAR END		Amount 2017	Amount 2016	
	E.G.				List All the Contigent Liabilities
	Pension and Gratuity Due				
	Outstanding Contractors Liabilities (According to				



REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2017 ACCOUNT

	MDA)					
	Pending Litigations (According to MDA)					
	Guarantees (According to MDA)					
	Others					
	Total Contigent Liabilities		-	-		



NOTES TO THE ACCOUNT
RIVERS STATE GOVERNMENT CASH BASIS IPSAS FINANCIAL STATEMENT

Notes	Description	Amount (N)
1	Statutory allocations	
	Allocation from Federation Account	31,483,438,387.42
	Allocation from other agencies	139,131,203,495.38
	Value Added Tax allocation	18,267,252,337.48
	Total allocation received in cash	<u>188,881,894,220.28</u>
	Deduction at source to repay loan by FGN	18,665,637,232.14
2	Taxes	
	Direct taxes	83,558,772,646.35
3	Licences, fees and fines	
	Licences	58,070,725.05
	Fines/Fees	1,769,433,798.67
		<u>1,827,504,523.72</u>
4	Proceeds from trading activities	
	Sales/Earnings	67,107,130.25
	Rent on Government buildings	94,631,797.76
	Revenue from other sources	2,508,772,334.15
	Investment Income	7,194,509,039.91
		<u>9,865,020,302.07</u>



REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2017 ACCOUNT

5	Other receipts	
	Internal Loans	4,871,081,081.08
	FGN Bonds/Support	6,555,000,000.00
		<u>11,426,081,081.08</u>
6	Salaries, wages and employee benefits	
	Personnel costs	64,210,646,689.16
	Government contribution to pension	-
	Death Benefit	-
	Pensions/Gratuity	9,059,777,106.40
	Pensions (Parastatals)	1,062,023,194.87
		<u>74,332,446,990.43</u>
7	Operating expenses	
	Overhead charges	12,533,595,498.00
	Bank Charges	3,731,478,231.57
		<u>16,265,073,729.57</u>
8	Purchase/construction of PPE	
	Land and Buildings	95,035,287,830.22
	Infrastructure	21,547,875,093.46
	Plant and machinery	8,579,040,478.94
	Transport Assets	3,098,595,223.95
	Office Equipment	19,042,325,767.92
	Furniture and Equipment	1,479,652,665.65
	Heritage Assets	6,276,928,727.15



REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2017 ACCOUNT

		<u>155,059,705,787.29</u>
9	Repayment of borrowings	
	Repayment of external loans	376,980,364.96
	Repayment of loans from other funds	18,149,498,680.40
	Repayment of FGN Bond	1,171,365,729.00
	Interest & Fees on external loans	251,320,243.30
	Interest & Fees on loans from other funds	4,993,205,313.59
	Interest & Fees on FGN Bond	5,108,029,526.00
		<u>30,050,399,857.25</u>
10	Cash Balances	
	Treasuries and bank accounts as at 1/1/2017	-
	Treasuries and bank accounts as at 31/12/2017	3,611,576,385.72
		4,662,073,844.96



AUDIT OBSERVATIONS, COMMENTS AND RECOMMENDATIONS

INTERNALLY GENERATED REVENUE

Rivers State is naturally endowed. The resources both (human and material) if properly harnessed would yield an IGR that the state can survive on even without Federal Allocation. Although the state has maintained its importance as a leading supplier of wealth to the nation, more income can still be derived if other areas of revenue generation can be exploited by the state government.

The state government can take advantage of the over-whelming population, its rich cultural heritage, the mangrove forest, the swamps, the rivers and the beaches, serene environment for hospitality etc, and set up institutions or revive ailing ones that would make adequate use of these abundant resources to yield revenue for the state.

BIOMETRICS

The Rivers State government in 2016 embarked on a comprehensive biometric exercise for the confirmation of all civil servants in the state as a measure to block all existing revenue leakages in the system. The exercise was really aimed at getting the actual population of the civil servants in the state for effective planning. We recommend that the government should put in mechanism to check the cost and benefit of the exercise.

EFFECT OF STAFF RETIREMENT IN THE WAGE BILL OF THE STATE

Despite the effort of the State Government in reducing wage bill, not much has been achieved in this regard, given the extent of retirement in the past few years, there should be a reduction in the wage bill but on the contrary, the wage bill has been on



the rise. There is need for the government to put in strategy to check non-salary items, inclusion of ghost names, falsification of grade levels, inclusion of retired and dead workers in the salary vouchers, through-the-back-door employment etc., as causes to salary leakages.

PAYROLL/SALARY VERIFICATION

We recommend an intensive pre and post salary verification exercise to be conducted by the state government in order to reduce or completely eliminate discrepancies and anomalies in the wage bill.

RECONCILIATION OF INTERNALLY GENERATED REVENUE OF MDAs WITH REVENUE COLLECTING BANKS AND THE INTERNAL REVENUE BOARD

The revenue generating MDAs should keep proper record of how much is being generated through their activities to the internal revenue board through the revenue collecting banks. The MDAs should also ensure proper reconciliation of these figures and get supporting documents and copies of tellers/evidence of monies paid to the revenue collecting banks on their behalf. This will help the MDAs as well as the office of the Auditor-General in determining the contribution of the concerned MDAs to the total revenue of the state.

RETIREMENT OF ADVANCES BY MDAs

It has been observed that MDAs do not retire advances given to key staff. For proper accountability and stewardship, this is a poor practice. We recommend that the Directors of Finance and other accounting officers should encourage their staff to retire advances and imprest given to them for specific official assignment.

TRACKING DOWN REMITTANCES MADE BY REVENUE COLLECTING BANKS



It is important that the state government monitors and tracks down remittances made by the revenue collecting banks

TENDERS BOARD

We recommend that the Tenders Board of all MDAs be properly instituted to formulate requirements for intended purchase of goods and services for the MDAs and properly liaise with BOPP for contract transactions. This is to ensure due process in the procurement activities of the MDAs through competition, transparency and achievement of value for money in budget implementation.

DEDUCTION FROM CIVIL SERVANTS OCCUPYING GOVERNMENT QUARTERS

The law demands that a given percentage be deducted as source from the housing allowance given to civil servants occupying state government quarters but it has been observed that the deductions are not regular, uniform and sometimes not deducted at all. We recommend that this anomaly be corrected.

DEDUCTIONS AND REMITTANCES OF TAXES TO RELEVANT TAX AUTHORITIES

Late filling of returns attracts a penalty which is a drain on government revenue. Hence we recommend that all deductions made should be properly and timely remitted to the appropriate tax authorities. Also, deductions and remittances made on behalf of MDAs should be appropriately communicated to them.

INTERNAL CONTROL SYSTEM

Internal controls are deliberate steps and actions taken by an organization, ministry, department and agencies to ensure the safe-guard of assets. It incorporates internal checks and internal audit. There is a serious need to improve the internal control system in the Ministry and Extra- ministerial departments to minimize the risk of



errors, mis-statement, frauds and irregularities. A sound internal control system also ensures that expenditures are incurred through due process. The workability of this system is the responsibility of the Accounting officers of the various MDAs.

POOR RECORD KEEPING BY MDAs

The standard of book-keeping and financial control has been very poor over the years and despite all audit queries, there has been no significant improvement. Most MDAs do not maintain all the required accounting books and the skeletal accounting records maintained are not kept to date. We would recommend once again, that qualified, experienced and dedicated personnel should be put in place to handle financial book keeping and that the Accountant-General should have a closer supervision of these officers. The importance of good book-keeping cannot be over emphasized in the Accounting process.

For proper auditing we recommend amongst others the following books; cash book, vote book, asset register, tender document etc.

PENSION GRATUITY AND DEATH BENEFITS VERIFICATION:

It is the statutory duty of the Auditor-General for state to certify all pension, gratuity and death benefits payments. Part of this duty is to be sure monies so certified have been paid as authorized. In accordance with Financial Regulation No 72 vol. 96 2009 Edition 109 paragraph g, the Auditor-General shall have the power to carry out Pre and Post auditing of the payment of pensions and gratuity including death benefits payments.

Pension/gratuity payments are made up as follows:



- i. Monthly pensions for those already on pension*
- ii. Initial payments of pension and gratuity for those initially scheduled for payment of pension with arrears of pensions from the effective date of retirement to when payment is to be made.*
- iii. Payment of gratuities*
- iv. Death benefits comprising of pension and gratuity*

The following were the annual certified pensions and gratuity for initial payments for three years:

<i>2014</i>	<i>-</i>	<i>10,264,606,223.90</i>
<i>2015</i>	<i>-</i>	<i>13,611,838,575.75</i>
<i>2016</i>	<i>-</i>	<i><u>12,885,020,602.00</u></i>
<i>Total</i>	<i>-</i>	<i><u>36,761,465,401.65</u></i>

The Auditor-General had written to the Accountant-General requesting schedule for payments with accompanying cheque stubs in 2014 and 2015 respectively but the requests were not met.

We are not certain and cannot confirm the actual payments as reported in the financial statement of 2017, as the verifications of the payments were not done by the Auditor-General.

TERTIARY INSTITUTIONS

The Rivers State Government need to initiate deliberate efforts to determine the actual level of revenue generated by her tertiary institutions internally, and



subsequently ensure that there is value for money spent at source by these institutions from internally generated revenue.

GOVERNMENT INVESTMENTS

The State Government should develop a profile of all her investments, showing details of the various category of investments and use it as a tool for monitoring returns on investment.

It is recommended that a back duty confirmation of returns on investment be conducted to be sure that the State Government recovers all returns on investment – rent, interest, dividend, shares, etc.