



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, 2018.





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 overseas 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 second tenure in office as Governor on 29th May, 2019 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
- 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:

Ag. Auditor-General of Rivers State,

Office of the Auditor-General,

Point Block, State Secretariat,

Port Harcourt.





**REPORT OF THE AUDITOR-GENERAL, RIVERS STATE ON THE ACCOUNTS OF THE
GOVERNMENT OF RIVERS STATE FOR THE YEAR ENDED 31ST DECEMBER. 2018**

PART ONE

INTRODUCTION

The Accounts of the Government of Rivers State of Nigeria for the year ended 31st December, 2018, 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.





AUDITOR-GENERAL'S REPORT/AUDIT CERTIFICATE

The Accounts of the Government of Rivers State of Nigeria for the year ended 31st December, 2018, 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 and Management) Act of 1958.

BASIS OF OPINION:

The Audit was conducted in accordance with International Auditing Standard, Generally Accepted Auditing Standards 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 General Purpose Financial Statements (GPFS) which was prepared in accordance with IPSAS.

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 my independent opinion.

OPINION

In my opinion the General Purpose Financial Statements (GPFS) which include Consolidated Statement of Financial Position, Consolidated Statement of Financial Performance, Statement of Cashflow, Consolidated Statement of Charges in Net Assets/Equity, Notes to the Accounts and Accounting Policies/explanatory Notes present fairly, in all material respect, the financial position of Rivers State Government as at 31st December 2018. The Financial Statements which were prepared in accordance with International Public Sector Accounting Standards (IPSAS) – Cash give a true and fair view of the State of affairs of Rivers State Government as at 31st December 2018.





AKAZUA, ELIAS A. O. (CNA)

Acting Auditor-General,

Rivers State

September, 2019





PART TWO

RIVERS STATE GOVERNMENT OF NIGERIA

GENERAL PURPOSE FINANCIAL STATEMENTS (GPFS)

STATEMENT OF ACCOUNTING POLICIES

(TRANSITING INTO IPSAS ACCRUAL)

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-Transiting into Accrual) were prepared and submitted by the Accountant-General.

3.1 **Statement No. Details**

- 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, 2018
- No. 4 Statement of Assets and Liabilities as at 31st December, 2018 – Consolidated Statement of Financial Position
- No. 5 Statement of Consolidated Revenue Fund – Statement of Recurrent Financial Performance
- No.6 Statement of Capital Development Fund – Statement of Capital Financial Performance

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),
- Receipt from trading activities and other incomes. These items have been disclosed at the face of the Statement of Financial Performance 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 Statement of Performance 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 Financial Position 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 Financial Performance under the 'trading activities'.

Where gross revenue is received, corresponding payments are charged under a corresponding payment item head 'Government Business activities' in the Statement of Financial Performance

11. Payments

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 Financial Performance and Financial Position. Payments for purchase of items of capital nature (PPE) are treated as Fixed Assets in the Statement of Financial position 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





Financial Position. 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 Financial Position. 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 Financial Performance.

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 statement of Financial Performance 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 (Statement of Financial Position) 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 Financial Performance.

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

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 2018 is hereby reproduced.

**ACCOUNTANT-GENERAL
DRAFT FINANCIAL STATEMENTS
REPRODUCED**



**STATEMENT OF CASH RECEIPTS & PAYMENTS (STATEMENT No. 1)**

	Notes	Receipts controlled by entity	Receipts for/by third parties
<i>(amounts in millions of naira)</i>			
RECEIPTS			
Statutory Allocation	1	182,832,196,176.66	13,505,717,953.69
Value added tax (VAT)	1	17,228,646,210.30	
Total FAAC		200,060,842,386.96	
Taxation			
Income Tax	2	102,596,269,287.93	
Licences, Fines & Fees	3	1,070,685,565.83	
Trading Activities			
Proceeds from trading activities	4	9,104,962,333.37	
Other Receipts	5	34,455,150,921.40	
Total Receipts		347,287,910,495.49	13,505,717,953.69
PAYMENTS			
Operations			
Salaries, Wages, & Employee Benefits	6	76,280,628,973.67	
Operating Costs	7	16,444,527,510.78	3,459,150,476.78
CAPITAL EXPENDITURES			
Purchase/Construction of property, plant & equipment	8	224,745,802,746.41	
LOANS & INTEREST REPAYMENTS			
Repayment of borrowings & interest charges	9	41,201,359,874.26	9,113,480,729.56
Total Payments		358,672,319,105.12	13,964,294,656.83
Decrease/Increase in cash during the period			
Cash as at 1st January 2018		4,662,073,844.96	
Cash as at 31st December 2018		(5,722,609,118.21)	





STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS (STATEMENT No. 2)
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	200,060,842,386.96	164,700,000,000.00	(35,360,842,386.96)
Taxation	2,3	103,666,954,853.76	129,000,000,000.00	25,333,045,146.24
Trading Activities	4	9,104,962,333.37	18,850,000,000.00	9,745,037,666.63
Other Receipts	5	34,455,150,921.40	49,450,000,000.00	14,994,849,078.60
Total Receipts		347,287,910,495.49	362,000,000,000.00	14,712,089,504.51
PAYMENTS				
Operations				
Salaries, Wages, & Employee Benefits	6	76,280,628,973.67	112,476,932,596.00	36,196,303,622.33
Operating Costs	7	16,444,527,510.78	17,525,380,000.00	1,080,852,489.22
Purchase/Construction of property, plant & equipment	8	224,745,802,746.41	349,997,687,404.00	125,251,884,657.59
Repayment of borrowings & interest charges	9	41,201,359,874.26	30,000,000,000.00	(11,201,359,874.26)
Total Payments		358,672,319,105.12	510,000,000,000.00	151,327,680,894.88





STATEMENT NO. 3				
CASHFLOW STATEMENT FOR THE YEAR ENDED 31/12/ 2018				
ANNUAL BUDGET 2018		NOTES	ACTUAL YEAR 2018	ACTUAL YEAR 2017
N			N	N
	CashFlows from Operating Activities:			
	Receipts:			
196,000,000,000.00	Statutory Allocations:FAAC	1	182,832,196,175.66	170,614,641,882.80
13,700,000,000.00	Value Added Tax Allocation	1	17,228,646,209.30	18,267,252,337.48
209,700,000,000.00	Sub-total - Statutory Allocation		200,060,842,384.96	188,881,894,220.28
120,000,000,000.00	Direct Taxes	2	102,596,269,286.93	83,558,772,646.35
2,000,000,000.00	Licences	2	10,941,249.00	58,070,725.05
3,000,000,000.00	Fines	2	423,897,725.33	707,773,519.50
4,000,000,000.00	Fees	2	635,846,588.50	1,061,660,279.12
4,000,000,000.00	Earnings	2	52,860,697.60	40,264,278.15
2,700,000,000.00	Sales	2	52,845,131.40	26,842,852.10
150,000,000.00	Rent of Government Buildings	2	86,529,767.89	94,631,797.76
12,000,000,000.00	Investment Income	2	6,049,544,007.39	7,194,509,039.91
147,850,000,000.00	Sub-total - Independent Revenue		109,908,734,454.04	92,742,525,137.94
4,150,000,000.00	Other Revenue Sources of the Rivers State Government/Paris Club	3	19,331,990,461.94	2,508,772,334.15
	Total Receipts		329,301,567,300.94	284,133,191,692.37
	Payments:			
61,974,620,000.00	Personnel Costs	4	62,287,592,471.70	63,914,041,239.85
3,000,000,000.00	States Govt Contribution to Pension:	5	-	-
17,025,380,000.00	Overhead Charges:	6	12,985,377,015.00	12,533,595,498.00
	CRFC:			
-	Pension Parastatals	7	1,167,872,313.94	1,062,023,194.87
900,000,000.00	Death Benefit	7	-	-
500,000,000.00	Bank Charges	7	3,459,150,493.78	14,084,033,314.46
22,000,000,000.00	Pensions (Mainstream)	7	11,528,114,888.64	9,059,777,106.40





REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2018 ACCOUNTS

2,575,312,596.00	Consolidated Salaries	7	297,323,648.99	296,605,449.31
-	Subvention to Parastatals:	8	-	-
107,975,312,596.00	Total Payments		91,725,430,832.05	100,950,075,802.89
	Net Cash Flow from Operating Activities			
	CashFlows from Investment Activities:			
23,307,500,000.00	Capital Expenditure:Administrative Sector:	11	72,666,299,717.50	64,855,670,412.14
123,591,462,404.00	Capital Expenditure: Economic Sector:	11	96,772,558,034.06	62,724,207,736.60
4,350,000,000.00	Capital Expenditure: Law and Justice:	11	2,550,773,585.54	1,851,337,858.60
150,283,725,000.00	Capital expenditure: Social Service Sector:	11	39,247,453,451.71	25,628,489,780.46
-	Deduction at Source		13,505,717,952.61	-
301,532,687,404.00	Net Cash Flow from Investment Activities:		224,742,802,741.42	155,059,705,787.80
	CashFlows from Financing Activities:			
-	Proceeds from Aid and Grants	10	-	-
-	Proceeds from External Loan :	19	-	-
-	Proceeds from Internal Loans: FGN/ Bonds :	20	1,699,999,999.00	6,555,000,000.00
-	Proceeds from Internal Loan: NTBs etc	21	16,286,343,182.55	4,871,081,081.08
-	Proceeds from Development of Nat Resources	23	-	-
-	Proceeds of Loans from Commercial Banks	24	-	-
500,000,000.00	Repayment of External Loans	19	670,161,597.63	376,980,364.96
10,000,000,000.00	Repayment of FGN/Treasury Bonds :	20	6,279,395,253.56	1,171,365,729.00
15,000,000,000.00	Repayment of Internal Loan-Commercial Banks	21	34,251,803,020.01	18,149,498,680.40
-	Repayment of Loans from Development of Nat Resources	23	-	-
25,500,000,000.00	Net Cash Flow from Financing Activities:		(23,215,016,791.65)	(19,849,759,871.42)
	Movement in Other Cash Equivalent Accounts			
	(Increase)/ Decrease in Investments			
	Net (Increase)/Decrease in Other Cash Equivalents:		10,384,682,964.17	8,273,650,230.60
	Total Cashflow from other Cash equivalent Accounts			
	Net Cash for the year			8,273,650,230.60
	Cash & Its Equivalent as at 1st January, 2018		4,662,073,843.96	(3,611,576,385.72)
	Cash & Its Equivalent as at 31st December, 2018		(5,722,609,119.21)	4,662,073,844.96





STATEMENT NO. 4

STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST DECEMBER, 2018

	NOTES	CURRENT YEAR 2018	PREVIOUS YEAR 2017
<u>ASSETS:-</u>			
<u>Liquid Assets:-</u>			
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	(5,722,609,118.21)	4,662,073,844.96
Remmitances	13A	-	-
Cash -in - Transit:-	13 B	-	-
TOTAL LIQUID ASSETS		(4,322,609,118.21)	6,062,073,844.96
<u>Investments and Other Cash Assets:</u>			
State Government Investments	15	43,875,773,119.00	43,875,773,119.00
Imprests:-	16	-	-
Advances:-	17	-	-
Revolving Loans Granted:-	18	-	-
Intangible Assets		-	-
TOTAL INVESTMENTS AND OTHER CASH ASSETS		43,875,773,119.00	43,875,773,119.00
TOTAL ASSETS		39,553,164,000.79	49,937,846,963.96
<u>LIABILITIES:-</u>			
<u>PUBLIC FUNDS</u>			
Consolidated Revenue Fund:		3,716,853,097.92	9,684,910,964.54
Capital Development Fund:		31,989,343,188.54	14,000,000,000.00
Trust & Other Public Funds:	12	-	-
Police Reward Fund		-	-
TOTAL PUBLIC FUNDS		35,706,196,286.46	23,684,910,964.54
<u>EXTERNAL AND INTERNAL LOANS</u>			
External Loans:FGN/States/ LGC	19	4,921,914,201.17	5,324,011,160.35
FGN/ States/LGC Bonds & Treasury Bonds.	20	55,252,122,747.00	54,935,084,990.00
Nigerian Treasury Bills (NTB)	21	-	-





STATEMENT NO. 5

STATEMENT OF CONSOLIDATED REVENUE FUND

	NOTES	ACTUAL YEAR 2018	FINAL BUDGET 2018	VARIANCE ON FINAL BUDGET
		N	N	%
Opening Balance:		9,684,910,964.54		
<u>ADD: REVENUE</u>				
Statutory Allocations:FAAC	1	182,832,196,176.66	196,000,000,000.00	92.3
Value Added Tax Allocation	1	17,228,646,210.30	13,700,000,000.00	125.7
Sub-Total - Statutory Allocation		200,060,842,386.96	209,700,000,000.00	95.4
Direct Taxes	2	102,596,269,287.93	120,000,000,000.00	85.5
Licences	2	10,941,250.00	2,000,000,000.00	0.55
Fines	2	423,897,726.33	3,000,000,000.00	14.1
Fees	2	635,846,589.50	4,000,000,000.00	15.9
Earnings	2	52,860,698.60	4,000,000,000.00	1.3
Sales	2	52,845,132.40	2,700,000,000.00	1.9
Rent of Government Buildings	2	86,529,768.89	150,000,000.00	57.7
Investment Income (Dividend)	2	6,049,544,008.39	12,000,000,000.00	50.4
Other Revenue Sources of the Rivers State Government	3	19,331,990,462.94	4,150,000,000.00	46.5
Other Capital receipts		-		
Sub-Total (Revenue)		129,240,724,924.98		
TOTAL REVENUE:		338,986,478,276.48		
<u>LESS:EXPENDITURE</u>				
Personnel Costs	4	62,287,592,472.70	61,974,620,000.00	1.07
States Govt Contribution to Pension:	5	-	3,000,000,000.00	100
Overhead Charges:	6	12,985,377,016.00	17,025,380,000.00	76.2





REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2018 ACCOUNTS

CRFC:				
Pension Parastatals	7	1,167,872,314.94	2,000,000,000.00	58.4
Death Benefit	7	-	900,000,000.00	100
Bank Charges	7	3,459,150,494.78	500,000,000.00	69.2
Pension	7	11,528,114,889.64	20,000,000,000.00	57.6
Gratuity		-	-	0
Consolidated Salaries	7	297,323,649.99	2,575,312,596.00	11.5
Subvention to Parastatals:	8	-		
		91,725,430,838.05	107,975,312,596.00	
OTHER RECURRENT PAYMENTS/EXPENDITURE:				
Repayments: External Loans: FGN/States/ LGC (Interest)	19	268,064,639.45	500,000,000.00	53.6
Repayments: FGN/ States/LGC Bonds & Treasury Bonds (Interest)	20	4,896,433,010.56	10,000,000,000.00	48.9
Repayments : Nigerian Treasury Bills (NTB)	21	-	-	0
Repayments: Development Loan Stock	22	-	-	0
Repayments: Other Internal Loans(Promissory Notes)	23	-	-	0
Repayments: Internal Loans from Commercial Banks (Interest)		3,948,983,079.55	15,000,000,000.00	26.3
TOTAL EXPENDITURE:		100,838,911,567.61		
OPERATING BALANCE:		228,462,655,844.33		
APPROPRIATIONS/TRANSFERS:				
Transfer to Capital Development Fund:	9	224,745,802,746.41		
Closing Balance:		3,716,853,097.92		





STATEMENT NO. 6

STATEMENT OF CAPITAL DEVELOPMENT FUND FOR THE YEAR ENDED 31ST DECEMBER, 2018

	NOTES	TOTAL CAPITAL EXPENDITURE 2018	FINAL BUDGET 2018	PERFORMANCE ON TOTAL
		N	-	%
Opening Balance:		14,000,000,000.00		
<u>ADD: REVENUE</u>				
Transfer from Consolidated Revenue Fund:	9	224,745,802,746.41	-	100
Aid and Grants	10	-	500,000,000.00	100
External Loans:FGN/States/ LGC	19	-	-	0
FGN/ States/LGC Bonds & Treasury Bonds.	20	1,700,000,000.00	10,000,000,000.00	17
Nigerian Treasury Bills (NTB)	21	-	3,000,000,000.00	100
Development Loan Stock	22	-	-	0
Other Internal Loans(Promissory Notes)	23	-	-	0
Internal Loans from Commercial Banks	24	16,286,343,183.55	15,000,000,000.00	108
TOTAL REVENUE AVAILABLE:		256,732,145,929.96	28,500,000,000.00	90.01
<u>LESS: CAPITAL EXPENDITURE</u>				
Capital Expenditure:Administrative Sector:	11	72,666,299,718.50	23,307,500,000.00	31.1
Capital Expenditure: Economic Sector:	11	110,278,275,988.67	123,591,462,404.00	89.2
Capital Expenditure: Law and Justice:	11	2,550,773,586.54	4,350,000,000.00	58.6
Capital Expenditure: Social Service Sector:	11	39,247,453,452.71	150,283,725,000.00	26.1
Capital Expenditure: Funded from Aid and Grants: (ISPO+Transfers)	10	-	-	0
TOTAL CAPITAL EXPENDITURE:		224,742,802,746.42	301,532,687,404.00	74.5
Intangible Assets				
CLOSING BALANCE:		31,989,343,183.54		

**RIVERS STATE GOVERNMENT OF NIGERIA****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2018**

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	4,052,202,204.94			
	Add :Deduction at source for Loan Repayment	B	928,980,770.77	4,981,182,975.71		
	Share of Statutory Allocation - Other Agencies	C				
	Share of Federal Accounts Allocation- Excess Crude Oil	D				
	Total(GROSS) FAAC Allocation to SG					
	B. Value Added Tax					
	Share of Value Added Tax (VAT)	E		1,426,613,301.46		
2	Internally Generated Revenue (Independent Revenue)	F	Actual	Budget	% Variance	
	Direct Taxes		-	120,000,000,000.00		
	Licences		635,846,589.50	2,000,000,000.00		
	Fines		-	3,000,000,000.00		
	Fees		423,897,726.33	4,000,000,000.00		





REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2018 ACCOUNTS

	Earning		10,941,250.00	4,000,000,000.00		
	Sales		52,860,698.60	2,700,000,000.00		
	Rent of Government Buildings		52,845,132.40	150,000,000.00		
	Investment Income		9,104,962,333.37	12,000,000,000.00		
3	Other Revenue Sources of the Rivers State Government	G	34,455,150,921.40	4,150,000,000.00		
	Total Other Revenue Sources					
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		2,134,436,711.99	3,522,195,616.00	60.6	CRF Charges in Note 3
	List of MDA: Economic Sector		4,102,112,517.10	3,144,930,103.00	130.4	
	List of MDA: Law and Justice Sector		3,118,543,230.71	2,248,662,371.00	94.2	
	List of MDA: Social Sector		54,935,966,174.76	53,058,831,910.00	103.5	
	Total Personnel Cost		63,291,058,634.56	61,974,620,000.00		
	B- Salaries directly charged to CRF					
	List of Parastatals and Agencies:					
	Auditor-General (LG)		7,087,292.76	6,613,711.00	107.2	
	Auditor-General (State)		5,081,314.68	6,613,711.00	76.8	
	Body of Appeal		-	93,945,214.00	100	





REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2018 ACCOUNTS

	Civil Service Commission		33,692,491.20	34,748,488.00	96.9	
	Customary Court of Appeal		13,422,936.00	9,788,987.00	137.1	
	Judiciary		56,172,000.00	75,197,302.00	76.7	
	RSHASC		33,034,469.39	34,748,484.00	95.1	
	RSIEC		63,785,634.84	64,506,638.00	98.9	
	LGSC		49,611,049.32	46,266,288.00	107.2	
	Judicial Service Commission (JSC)		35,436,462.00	27,527,472.00		
	Total		297,323,650.19	399,956,295.00	128.7	
5	Employers Contribution to Pension according to Sector	J	Actual	Total Budget	Variance	
	List of MDA: Administrative Sector		-	300,000,000.00	100	
	List of MDA: Economic Sector		-	350,000,000.00	100	
	List of MDA: Law and Justice Sector		-	150,000,000.00	100	
	List of MDA: Regional Sector		-	-	0	
	List of MDA: Social Sector		-	2,200,000,000.00	100	
	Total Employers Contribution to Pension		-	3,000,000,000.00	100	
6	Overhead Costs	K	Actual	Total Budget	Variance	
	List of MDA: Administrative Sector		8,599,443,832.00	11,439,977,887.00	75.2	
	List of MDA: Economic Sector		685,766,880.00	974,280,095.00	70.4	
	List of MDA: Law and Justice Sector		2,237,156,232.00	3,227,628,980.00	69.3	
	List of MDA: Social Sector		1,463,010,072.00	1,383,493,038.00	105.7	
	Total Overhead Cost		12,985,377,016.00	17,025,380,000.00		





REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2018 ACCOUNTS

7	Consolidated Revenue Fund Charges (Incl. Service Wide Votes)		Actual	Total Budget	Variance	
	Death Benefit					
	Pensions/Gratuity	<i>L</i>	11,528,114,681.93	20,902,000,000.00	55.1	
	Pensions (Parastatals)		1,167,872,314.94	-	100	
	Service Wide Vote	<i>M</i>	3,459,150,495.15	15,500,000,000.00	69.2	
	Total Consolidated Revenue Fund Charges		16,155,137,492.02	21,402,000,000.00		
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		72,666,299,718.50	23,307,500,000.00	31.7	
	List of MDA: Economic Sector		110,278,275,988.67	123,591,462,000.00	89.2	
	List of MDA: Law and Justice Sector		2,550,773,586.54	4,350,000,000.00	58.6	





REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2018 ACCOUNTS

	List of MDA: Social Sector		39,247,453,452.74	150,283,725,000.0 0	26.1	
	List of MDA: Regional Sector		-	-	0	
	Total Transfer to Capital Development Fund		224,745,802,742.35	316,532,687,404.0 0		
10	Details of Aid & Grants Received		Actual	Total Budget	Variance	
	<i>Bilateral</i>		-	61,000,000,000.00	100	
	<i>Multi Lateral</i>		-	-	0	
	<i>ETC</i>		-	87,000,000,000.00	100	
	Total Details of Aid & Grants Received		-	148,000,000,000.0 0	100	
11	A - Details of Total Capital Expenditures (According to Sectors)		Actual	Total Budget	Variance	
	List of MDA: Administrative Sector		72,666,299,718.50	23,307,500,000.00	31.7	
	List of MDA: Economic Sector		110,281,275,413.59	123,591,462,404.0 0	89.2	
	List of MDA: Law and Justice Sector		2,550,773,586.54	4,350,000,000.00	58.6	
	List of MDA: Social Sector		39,247,454,023.72	150,283,725,000.0 0	26.1	
	Total Details of Capital Expenditures		224,745,802,742.35	316,532,687,404.0 0		
	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		-	-		





REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2018 ACCOUNTS

	List of MDA: Law and Justice Sector			-	-		
	List of MDA: Sector Sector			-	-		
	Total Details of Capital Expenditures of Parastatals			-	-		

12	CLOSING BOOK BALANCES OF OTHER FUNDS OF THE GOVERNMENT			Amount 2018	Amount 2017
	Reserve Fund			-	-
				-	-
				-	-
				-	-
				-	-
				-	-

13	CLOSING CASH BOOK BALANCE OF FEDERAL PAY OFFICES/SUB- TREASURY OFFICES			Amount 2018	Amount 2017
				-	-
				-	-
				-	-
				-	-
	List all the FPO/Sub- Treasuries Cash Book Balances			-	-

14	CLOSING CASH BOOK BALANCE OF MINISTRIES, DEPARTMENT S (By Sectors)			Amount 2018	Amount 2017
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REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2018 ACCOUNTS

	List of MDA: Administrative Sector		-	4,662,073,844.96
	List of MDA: Economic Sector		-	-
	List of MDA: Law and Justice Sector		-	-
	List of MDA: Regional Sector		-	-
	List of MDA: Sector Sector		-	-
	Total Details of Cash Book Balances		-	4,662,073,844.96

15	INVESTMENTS		Amount 2018	Amount 2017
	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 OUTSTANDIN G IMPRESTS		Amount 2018	Amount 2017
	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 OUTSTANDIN G ADVANCES		Amount 2018	Amount 2017
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REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2018 ACCOUNTS

	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 Advances		-	-

18	Revolving Loan Account					
	List the Loans		Balance as at 1/1/2018	Additional Loan	Loan Paid Back	Balance as at 31/12/2018
	Loan 1		-	-	-	-
	Loan 2		-	-	-	-
	Loan 3		-	-	-	-
	Loan 4		-	-	-	-
	Total		-	-	-	-

19	External Loans:FGN/Sta tes/ LGC					
	List the Loans		Balance as at 1/1/2018	Additional Loan	Loan Paid Back	Balance as at 31/12/2018
	Loan 1		5,324,011,160.35	-	402,096,959.18	4,921,914,201.1 7
	Loan 2		-	-	-	-
	Loan 3		-	-	-	-
	Loan 4		-	-	-	-
	Total		5,324,011,160.35	-	402,096,959.18	4,921,914,201.1 7

20	FGN/ States/LGC Bonds & Treasury Bonds.					
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REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2018 ACCOUNTS

	List the Loans		<i>Balance as at 1/1/2018</i>	<i>Additional Loan</i>	<i>Loan Paid Back</i>	<i>Balance as at 31/12/2018</i>
	FGN Bond		22,657,466,526.00	-	341,989,635.00	22,315,476,891.00
	FGN Excess crude Facility		8,513,448,212.00	-	815,664,223.00	7,697,783,989.00
	FGN Salary Bailout Facility		9,706,170,252.00	-	225,308,385.00	9,480,861,867.00
	FGN Budget Support Facility		14,058,000,000.00	1,700,000,000.00	-	15,758,000,000.00
	Total		54,935,084,990.00	1,700,000,000.00	1,382,962,243.00	55,252,122,747.00

21	Nigerian Treasury Bills (NTB)		Amount 2018	Amount 2017
	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		<i>Balance as at 31/12/2018</i>	<i>Additional Loan</i>	<i>Loan Paid Back</i>	<i>Balance as at 31/12/2017</i>
	Loan 1		-	-	-	-
	Loan 2		-	-	-	-
	Loan 3		-	-	-	-
	Loan 4		-	-	-	-
	Total		-	-	-	-

23	Other Internal Loans (Promissory Notes)		Balance as at 31/12/2018	Additional Loan	Loan Paid Back	Balance as at 31/12/2017
	<i>List the Loans:</i>		-	-	-	-





REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2018 ACCOUNTS

	Loan 1		-	-	-	-
	Loan 2		-	-	-	-
	Loan 3		-	-	-	-
	Loan 4		-	-	-	-
	Total		-	-	-	-

24	Internal Loans from Other Funds					
	List the Loans		Balance as at 1/1/2018	Additional Loan	Loan Paid Back	Balance as at 31/12/2018
	Access Bank		6,972,751,344.00	-	7,361,647,362.00	388,896,017.00
	Zenith Bank		13,763,984,991.68	16,286,343,183.55	20,941,172,581.96	9,109,155,593.27
	Loan 3		-	-	-	-
	Loan 4		2,000,000,000.00	-	2,000,000,000.00	-
	Total		22,736,736,335.68	16,286,343,183.55	30,302,819,943.96	8,720,259,576.27

25	Schedule of Deposit		Amount 2018	Amount 2017
	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 LIABILITIES AS AT YEAR END		Amount 2018	Amount 2017	
	E.G.				List All the Contigent Liabilities





REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2018 ACCOUNTS

	Pension and Gratuity Due		-	-	-	-
	Outstanding Contractors Liabilities (According to 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	RECEIPTS:	Amount (N)
1	Statutory allocations	
	Allocation from Federation Account	59,363,280,269.93
	Allocation from other agencies	123,468,915,906.73
	Value Added Tax allocation	17,228,646,210.30
	Total allocation received in cash	<u>200,060,842,386.96</u>
	Deduction at source (Refunds)	<u>13,505,717,953.69</u>
2	Taxes	
	Direct taxes	102,596,269,287.93
3	Licences, fees and fines	
	Licences	10,941,250.00
	Fines	423,897,726.33
	Fees	<u>635,846,589.50</u>
	Total	<u>1,070,685,565.83</u>
4	Proceeds from trading activities	
	Sales	52,845,132.40
	Earnings	52,860,698.60
	Rent on Government buildings	86,529,768.89
	Revenue from other sources	2,863,182,725.09
	Investment Income (Dividend)	<u>6,049,544,008.39</u>





	Total	<u>9,104,962,333.37</u>
	Paris Club	16,468,807,737.85
5	Other Capital Receipts	
	Internal Loans (Commercial Banks)	16,286,343,183.55
	FGN Bonds	1,700,000,000.00
	TOTAL (Other Receipts)	<u>17,986,343,183.55</u>
	GRAND TOTAL (RECEIPTS/REVENUE)	<u>347,287,910,495.49</u>

PAYMENTS

6	Salaries, wages and employee benefits	
	Personnel costs	63,584,641,769.09
	Government contribution to pension	-
	Death Benefit	-
	Pensions (Main stream)	11,528,114,889.64
	Gratuity	-
	Pensions (Parastatals)	<u>1,167,872,314.94</u>
	Total	<u>76,280,628,973.67</u>
7	Operating expenses	
	Overhead charges	12,985,377,016.00
	Bank Charges	<u>3,459,150,494.78</u>
	Total	<u>16,444,527,510.78</u>
8	Purchase/construction of PPE	
	Land and Buildings	6,291,131,916.13





REPORT OF THE AUDITOR-GENERAL OF RIVERS STATE ON THE 2018 ACCOUNTS

	Infrastructure	108,779,938,937.11
	Plant and machinery	14,545,051,039.70
	Transport Assets	64,639,319,843.14
	Office Equipment	18,294,216,606.20
	Furniture and Fittings	12,196,144,404.13
	Heritage Assets	-
	Total	<u>224,745,802,746.41</u>
		-
9	Repayment of borrowings	
	Repayment of external loans (Principal)	402,096,959.18
	Repayment of loans from Commercial Banks	30,302,819,941.52
	Repayment of FGN Bond	1,382,962,244.00
	Interest & Fees on external loans	268,064,639.45
	Interest & Fees on loans from Commercial Banks	3,948,983,079.55
	Interest & Fees on FGN Bond	4,896,433,010.56
		<u>41,201,359,874.26</u>
	TOTAL PAYMENTS	<u>338,830,528,961.42</u>
10	Cash Balances	
	Treasuries and bank accounts as at 1/1/2018	4,662,073,844.96
	Treasuries and bank accounts as at 31/12/2018	(5,722,609,118.21)





OBSERVATIONS, COMMENTS AND RECOMMENDATIONS

INDEPENDENT REVENUE SOURCES (IGR)

The State recorded an 18.5% increase in total independent revenue from N92,742,525,137.94 in 2017 to N109,908,734,454.04 in 2018. However, this represents 85% performance when compared to the final budget estimate of N129,000,000,000.00. Generally, the increase in total independent revenue could be traced to increase in Personal Income Taxes, Earnings, Sales and other miscellaneous income. However, despite the increase, the State is still advised to tap other sources of revenue which have not been exploited in the past, in order to further boost Internal Revenue of the State.

DEPENDENT SOURCES (FEDERAL ACCOUNT ALLOCATION SOURCES)

There was significant shortfall in Value Added Tax Allocation in 2018 compared to 2017, recording a shortfall of N1,038,606,128.18. Other areas with budgetary provision but with no performance at all included Budget Augmentation and Fund advanced by Federal Government to State.

RECURRENT EXPENDITURE

The State recorded about 9% decrease in the total recurrent expenditure from N100,950,075,802.89 in 2017 to N91,725,430,820.03 for the year ended 31st December, 2018 as obtained in the General Purpose Financial Statement. More so, this is lower than the projected recurrent expenditure of N107,975,312,596.00. Hence recording a saving of N16,249,881,775.97 for the period.





COMPARATIVE ANALYSIS OF CAPITAL EXPENDITURE

In the GPFS, major areas of Actual Capital Expenditure are itemized.

Administrative Sector accounts for 32% of the total expenditure. While Economic, Law/Justice and Social Services Sectors account for approximately 49%, 1% and 18% respectively.

Investigation and physical project inspection exercise shows that the significant expenditure on developmental projects across the State accounts for the Economic Sector-skewed Capital Expenditure.

BIOMETRICS EXERCISE AND EFFECT ON WAGE BILL

The Rivers State government embarked on a comprehensive biometric exercise for the confirmation of all civil servants in the State as one of the measures to block all existing revenue leakages in the system. The effect of this exercise resulted in a 2.5% decrease of N1,626,448,768.15 in the wage bill as compared to that of 2017.

To further enhance the efforts of the State Government, we further recommend an intensive pre and post salary verification exercise to be conducted in order to reduce or completely eliminate discrepancies and anomalies in the wage bill.

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, Section 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.





However, the figure below represent the amounts duly certified by the Auditor General as Pension, Gratuity and Death benefits of staff of the State for the periods of January – December, 2017 and January – December 2018.

SCHEDULE OF CERTIFIED PENSIONS LIABILITY 2017

MONTH	NO. OF FILES CERTIFIED	PENSION(₦)	GRATUITY(₦)
JANUARY	130	215,240,895.41	730,054,947.99
FEBRUARY	132	236,739,471.76	635,351,294.89
MARCH	79	163,215,197.33	431,594,249.47
APRIL	79	119,021,682.58	369,477,399.55
MAY	134	251,146,981.62	647,412,645.21
JUNE	144	288,869,660.34	847,611,471.53
JULY	70	128,098,148.14	375,671,752.17
AUGUST	123	224,165,744.05	615,756,176.12
SEPTEMBER	144	254,411,538.70	736,740,573.34
OCTOBER	172	304,346,451.59	718,002,593.54
NOVEMBER	101	226,632,438.92	504,251,041.85
DECEMBER	103	204,635,369.50	545,492,541.14
	1,411	2,616,523,579.94	7,157,416,686.80

SCHEDULE OF CERTIFIED PENSIONS LIABILITY 2018

MONTH	NO. OF FILES CERTIFIED	PENSION(₦)	GRATUITY(₦)
JANUARY	116	219,174,680.12	637,554,945.38
FEBRUARY	79	37,004,460.76	85,220,819.37
MARCH	118	206,335,211.72	695,445,149.47
APRIL	117	238,569,966.12	677,112,535.18
MAY	173	372,607,630.43	1,022,140,357.70
JUNE	141	248,946,750.63	750,150,924.58
JULY	121	11,850,670.31	41,850,074.80
AUGUST	126	287,250,894.75	770,100,892.87
SEPTEMBER	86	24,237,828.92	80,036,821.38
OCTOBER	92	636,494,941.10	680,481,951.19
NOVEMBER	150	263,731,421.48	831,372,246.93
DECEMBER	159	269,041,879.86	771,600,851.51
	1,478	2,815,246,336.20	7,043,067,570.36





Note that these figures do not represent the actual amounts paid out by Government of Rivers State but only certified cases.

The following were summary of the annual certified pensions and gratuity for initial payments for the periods 2017 and 2018:

2017	-	N9,773,940.266.74
2018	-	<u>N9,858,313,906.56</u>
Total	-	<u>N19,632,254,173.20</u>

This presentation does not also have anything to do with various Pension adjustments/increases and harmonization exercises (if any) over this period of 2017 – 2018.

We are not certain and cannot confirm the actual payments as reported in the financial statement of 2018, as the verifications of the payments were not done by the Auditor-General.

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.

