

**AKWA IBOM STATE OF NIGERIA**

**REPORT OF THE  
AUDITOR-GENERAL**

**ON THE**

**ACCOUNTS OF  
AKWA IBOM STATE OF NIGERIA**

**FOR THE YEAR ENDED  
31<sup>ST</sup> DECEMBER, 2005**

**JANUARY 5, 2007.**

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## **PART I**

### **INTRODUCTION**

The accounts of the Government of Akwa Ibom State of Nigeria for the years ended 31<sup>st</sup> December 2005 were examined under my direction in accordance with section 125(2) of the 1999 Constitution of the Federal Republic of Nigeria and Akwa Ibom State Audit Law Section 4(3) of 1997.

#### **2. PREVIOUS AUDIT REPORTS**

Audit report on the Accounts of Akwa Ibom State Government for 2004 has Audit Report on the Akwa Ibom State House of Assembly. A timely consideration of the report will further improve on transparency.

#### **3. ANNUAL FINANCIAL STATEMENTS**

In accordance with the Audit law, the Recurrent and Capital Accounts together with the Statement of Assets and liabilities for the year ended 31<sup>st</sup> December 2005 were signed by the Accountant-General on November 15, 2006. The statements together with other supporting documents were made available for audit on the same date.

#### **4. ACCOUNTING RECORDS**

There is still need for further improvement on record keeping and accounting both in Ministries and Accounting Headquarters. Timely Reconciliation of bank Statement with Cash Balance was still not given enough attention. Stores records were still not properly maintained as items were not taken on stores ledger charge. Proper documentations were not made on cash receipts for hire of vehicle by officers. Accounts and stores personnel should be closely supervised and trained for improved performance. My above comments on the quality of accounting notwithstanding, the records maintained were generally adequate as a basis for the preparation of the Financial Statement.

#### **5. MINISTERIAL ACCOUNTS AUDIT**

Budgetary provisions were made for seventeen Ministries, fifteen extra Ministerial Department, House of Assembly, Offices and judiciary in 2005 Estimated. Disbursements to the establishment were in accordance with the 2005 approved Estimated.

## **6. LEGAL AUTHORITIES FOR 2005 EXPENDITURE**

The 2005 Estimated were prepared in accordance with the provisions of the Federal republic of Nigeria Constitution on 1999. The appropriation law, which took effect from 1<sup>st</sup> January 2005, was signed by the Executive Governor on 2<sup>nd</sup> March 2005. it appropriated N17,836,467,380.00 for Recurrent Expenditure while N62,815,080,240.00 was for capital Expenditure.

The following seven Warrants were signed during the year:

- (i) General Imprest Warrant No. AKS/GIW/1/2005
- (ii) Annual General Warrant No. AKS/AGW/2/2005 for N15,690,995,380.00
- (iii) Development Fund General Warrant No. AKS/DFGW/3/2005 for N62,815,080,240.00
- (iv) Statutory Expenditure Warrant No. AKS/SW/4/ 2005for N6,520,860,470.00
- (v) Reserved Expenditure Warrant No. AKS/REW/5/2005 for N2,145,472,000.00
- (vi) Fifty-five Virement Warrants of Various dates Nos. AK/VW/1-55?2005
- (vii) Twenty-six Development Fund Virement Warrants of various dates No. AKS/DFVW/1-26/2005.

## **7. LOSSES OF CASH AND STORES**

The loss of N185,965.00 through Armed Robbery attack was reported. The matter was reoffered to the Police. Embezzlement of N2,371,810.00 at State Primary Education Board was reported. I am yet to be informed on the outcome of the investigation. No loss of stores was however reported in 2005

## **8. ANNUAL ESTIMATES**

Printed estimates are very essential in the analysis of expenditure and revenue return particularly in the aspect of classification. They are a vital guide in the control and management of public funds as well as monitoring of budget implementation, and should be circulated early in the year.

## **9. PERFORMANCE AUDIT**

The concept of value-for-money audit (VFMA) received top-most priority in the programme of this office. Accordingly, verification was carried out in respect of significant items of Capital Expenditure. This was only possible in respect of expenditure items that were physical in nature. In the case of social services such verification could not be effectively carried out due to the nature and circumstances under which such services were rendered.

## PART II

### (i) REVENUE

#### 10. RECURRENT REVENUE

(a) A total revenue of N76,317,402,040.00 was estimated for the year of which N98,319,953,372.93 was realized. However, there was a shortfall of N1,265,261,567.77 on 73 Sub-heads as shown in appendix 'A' to this report and summarized below. Out of the amount collected, n25,000,000.00 was transferred to capital Development Fund. The Net sum of N98319,953,372.93 shown in the account was arrived at after federal Government deduction at source.

#### RECURRENT REVENUE 2005 TABLE 1

ITEM	DESCRIPTION	ESTIMATED REVENUE	ACTUAL REVENUE	EXCESS	SHORTFALL
		N	N	N	N
401	Taxes	2,903,800,010.00	4,509,135,769.99	1,605,335,759.99	-
402	Fines and Fees	382,133,450.00	165,816,390.67	-	216,317,059.33
403	Licenses	62,750,010.00	7,717,910.00	-	55,032,100.00
404	Earning and Sales	164,649,320.00	148,929,267.27	-	15,720,052.73
405	Rents on Govt. Property	42,300,010.00	13,577,249.66	-	28,722,760.34
406	Interests Receipts and Dividends	33,000,040.00	187,122,246.53	154,122,206.53	-
407	Reimbursements	50.00	21,209.90	21,159.90	-
408	Miscellaneous	10,723,350.00	1,882,483,390.22	1,871,760,040.22	-
408B	Retained Revenue from Parastatals and Boards	460,491,000.00	0.00	-	460,491,000.00
409	Statutory Revenue	8,760,372,760.00	6,914,803,434.24	3,631,239,166.64	776,282,972.40
		72,257,554,800.00	91,405,149,938.69	3,631,239,166.64	
	<b>Total</b>	<b>76,317,402,040.00</b>	<b>98,319,953,372.93</b>	<b>3,631,239,166.64</b>	<b>776,282,972.40</b>

(a) A total of N3,588,632,840.00 was estimated a Internal Revenue for the year ended 31<sup>st</sup> December 2005. The actual internal revenue of N5,032,298,834.12 exceeded the estimated by 1,443,665,994.12 or 40%. In 2004 only 70% of the estimated internal revenue was realized. However, the following revenue heads which recorded shortfalls in 2005 should be stringently controlled to avoid leakages.

ITEM	DESCRIPTION	ESTIMATED REVENUE	ACTUAL REVENUE	SHORTFALL	PENCENTAGE SHORTFALL
		N	N	N	N
402	Fines and Fees	382,133,450.00	165,816,390.67	216,317,059.33	56.6%
403	Licenses	62,750,010.00	7,717,910.00	55,032,100.00	87.7%
403	Earning and Sales	164,649,320.00	148,929,267.27	15,720,052.73	9.5%
405	Rents on Govt. Property	42,300,010.00	13,577,249.66	28,722,760.34	68.0%

(C) Total Recurrent Revenue from external sources was estimated at N72,257,554,800.00. actual collection was N91,405,938.69 recording an excess of N3,631,239,166.64 or 5% over and above the estimated figure.

## 11. CAPITAL REVENUE

The summary of Capital Revenue of Akwa Ibom State in the year 2005 submitted by the Accountant General is as shown below. Out of the estimated capital Receipt of N62,815,080,240.00 only N55,701,879,875.39 or 89% was realized. The short falls were yet to be explained.

**CAPITAL REVENUE 2005 TABLE II**

Head	Description	Estimated Capital revenue	Actual revenue	Excess	Shortfall
440	Transfers from Consolidated Revenue Fund	₦ 51,960,074,190.00	₦ 25,000,000,000.00	₦ -	₦ 26,960,074,190.00
441	Opening Balance from Previous Year	0.00	0.00	-	-
442	Transfer from general Reserve Stabilization Fund	0.00	0.00	-	-
443	Internal Bank Loans	6,000,000,000.00	30,701,000,000.00	24,701,000,000.00	-
444	External Bank Loans	2,503,506,000.00	0.00	-	2,503,506,000.00
445	Grants	1,000,000,000.00	0.00	-	1,000,000,000.00
446	Ecological Fund	50,000,000.00	290,865.39	-	49,709,134.61
447	Miscellaneous	1,301,500,050.00	589,010.00	-	1,300,911,040.00
	<b>Total</b>	<b>62,815,080,240.00</b>	<b>55,701,000,000.00</b>	<b>24,701,000,000.00</b>	<b>31,814,200,364.61</b>

## (ii) EXPENDITURE

### 12. RECURRENT EXPENDITURE

Total recurrent expenditure for the year was N73,406,487,330.50. There was no over expenditure during the year but a savings of N24,913,466,043.43 was made, when the expenditure of N73,406,487,330.50 was matched with the revenue of N98,319,953,372.93.

### 13. CAPITAL EXPENDITURE

Estimated capital Expenditure was N62,815,080,240.00 while actual expenditure amounted to N55,807,156,288.30 or 89% of the estimated figure. Performance under capital expenditure was within the budget limit. However, misclassification of votes and some omission of Authority to incur Expenditures and Virement Warrants were observed in the course of audit.

### 14. UNVOCHED EXPENDITURE

The records in respect of unvoched expenditure for the year 2005 was not yet complied by the voucher section of the Account-General's office as at the time of writing the report.

## PART III

### STATEMENT OF ASSETS AND LIABILITIES

#### (A) ASSETS

##### 15. RECURRENT REVENUE

The figure of N277,226,845.86 published by the Accountant-General which represented the total Cash balances in the cash books of Akwa Ibom State House of Assembly, Akwa Ibom State Judiciary, Auditor-General's Office (State), BIGNAR Abuja, Liaison Office Abuja, Liaison Office Lagos, Treasury Headquarters and twenty-five Sub-Treasuries was verified. The published figures however did not agree with figures in the cashbooks during physical verification. The difference was as a result of discrepancies observed in twenty-three sub-Treasuries and seven cash offices. Board of Survey reports on cash balances as at 31<sup>st</sup> December 2005 were verified. Reports in respect of Twenty Sub-Treasuries, and three cash offices and forty-one treasury Headquarters functional accounts with twenty-two banks were not received. Effective management of cash and regular reconciliation of account at all Sub-Treasuries and cash offices were recommended.

##### 16. CASH AT BANK

The figure of N11,701,001,905.65 represents the total amount kept by twenty-five Sub-Treasuries with over drafts in treasury Headquarters, Akwa Ibom State House of Assembly, Akwa Ibom State Judiciary, Auditor-General's Office (State), BIGNAR Abuja, and Liaison Office Abuja. No authority was communicated to Audit for the over drafts. Bank reconciliation statements and certificates of bank balances were not prepared and produced as at 31<sup>st</sup> December 2005 by most Sub-Treasuries, cash offices and various accounts maintained by the treasury Headquarters.

##### 17. IMPREST

The Financial Statements showed unretired Special Imprests of N3,405,44,686.83 as at 31<sup>st</sup> December 2005. Documentations of Special Imprest retirement were in progress at the time of writing this report.

**18. REMITTANCE SCCOUNT N4,845,112,204.37DR**

The Figure N4,845,112,204.37DR appearing in the Statement of Assets and liabilities could not be verified because the Accountant-General's Office could not give detailed of balances. Audit recommends the opening and maintenance of Remittance register with the relevant receipt vouchers duly posted.

**19. ADVANCES ACCOUNT IS NOT PRODUCED FOR AUDIT**

The under listed eleven advances accounts could neither be audited nor the balances verified because the relevant subsidiary books and records were not posted and summarized up to 31<sup>st</sup> December 2005.

	N
Personal Advances	222,097,977.96DR
Motor Vehicle Advances	788,642,609.36DR
Salary Advances	1,792,158.88DR
Touring Advances	102,689,462.32DR
Impersonal Advance	1,211,554.50DR
Shortages / Surcharge	1,061,233.72DR
Dishonored Cheque	7,519,383.78CR
Motor Car Bank Loan MBN	131,799.48CR
Motor Car bank Loan UBA	177,993,00CR
Gratuity Advances	178,740,004.75DR
Loss of Government Fund	86,817.16CR

Some of these balances have remained dormant for many years now. It was recommended that due process be followed to write off the balances in subsequent years Financial Statements.



(B) **LIABILITIES**

20. **DEPOSIT AND GENERAL ACCOUNTS NOT AUDITED**

The under listed Deposit and General accounts shown in the statement of Assets and liabilities could not be audited because the relevant subsidiary books and records were not posted up to date.

	₦
Deposit General	1,582,217,834.55CR
Feed Mill Trading Account	214,348.02DR
Value Added Tax	2,112,952,940.21CR
Civilian Pension Federal	90,973,574.20CR
Loans to State Companies and other Parastatals	1,778,433,941.24DR
Military Pension	818,185,979.65DR

21. **TREASURY CLEARANCE ACCOUNTS**

These are the Treasury balances of the accounts of Akwa Ibom State Government with Federal and other State Governments; one union and four Agencies of the Federal Government. The balances could not be confirmed because no reconciliation have been affected between the federal, State, Union, the Agencies and the State and Federal Accountant-General, The Accountant-General's attention was drawn to the anomaly.

Head	Treasury Station	State	Published Figure
			₦
8301	The Accountant-General	Federal	1,969.44DR
8302	-do-	Lagos	1,995,425.69DR
8303	-do-	Bendel	54,466.76DR
8304	-do-	Ondo	501,310.46CR
8305	-do-	Oyo	47,658.25CR
8306	-do-	Ogun	13,819.47DR
8307	-do-	Rivers	538,926.71DR
8308	-do-	Imo	16,096.93DR
8310	-do-	Cross River	2,405,145.95DR
8311	-do-	Kwara	1,233,081.10DR
8312	-do-	Kaduna	57,902.95DR
8313	-do-	Kano	109,169.01DR
8320	-do-	Benue	8,141.51DR
8322	Nigerian Ports Authority		3,824,636.61DR
8323	Nigerian Railway Corporation		84,315.45CR
8324	Former Cross River State		170,122.89DR
8325	Federal Radio Corporation		78,982.57CR
8342	Nigerian Union of Pensioners		<b>4,724,754.30DR</b>

## 22. GOVERNMENT INVESTMENTS

During the year, government had investment in twelve companies listed below. The share holdings were duly verified and confirm in the subsidiary records.

<b>Companies</b>	<b>No. of Shares</b>
Guinness Nig. Plc	102,960
Guaranty Trust Bank	4,461,717
Zenith Bank Plc	59,351,500
United Nig. Textile Plc	62,283
Nig Breweries Plc	3,362
Nam Pale Nig. Plc	1,539
Total Nig. Plc	1,056,000
R.T Briscoe Plc	99,000
Nig. Bottling Coy Plc	3,842
A.G. Leventiis	11,313
FCMB Plc	250,000
Celtel	75,000

## 23. INTERNAL DEBT

During the year, the State obtained loans from five Commercial Banks totaling N47,000,000,000.00. The sum of N50,064,260.45 including principal and interest element had been refunded while N6,547,825,996.62 representing principal and interest was outstanding during the period.

## 24. EXTERNAL DEBT

Deductions at source had been effected by Federal Government from Akwa Ibom State share of Statutory Allocation for settlement of External Debit. Between 1987 and 2005 a total of N4,328,354,568.45 was deducted at source and paid to donor agencies as at 31<sup>st</sup> December, 2005.

**25. GOVERNMENT CASH COUNTERPART CONTRIBUTION N144,039,169.00**

During the year Akwa Ibom State Government Contributed a total of N144,039,169.00 as its cash counterpart contribution to three Donor Agencies namely: - UNDP, UNICEF and World bank in line with work plan and memorandum of Understanding (MOU) between Akwa Ibom State and the Donor Agencies. Disbursements were verified and execution of projects carefully monitored.

**26. EXTERNAL AIDS**

External Aids from Six Donor Agencies (World Bank, Foreign Partners, UNICEF, UNDP, European Union and Mobil) totaling N1,821,571.000 were received in 1995, 45 projects were earmarked in 2005 for UNDP 6<sup>th</sup> Country Programme for the State at a contract sum of N218,344,910.00. Out of that 35 projects were executed at a total cost of N153,320.849.00 with a balance of N65,024,061.00 available to be released in 2006. implementation was made according to AK- SEEDS and Memorandum of Understanding (MOU) signed by both parties.

## AUDIT CERTIFICATE

In compliance with section 125 (2) of 1999 Constitution of the Federal Republic of Nigeria, I have examined the Accounts and the Financial Statements of Akwa Ibom State Government of Nigeria for the year ended 31<sup>st</sup> December, 2005. Proper returns were rendered by the Accounting Officers in conformity with the Public Finances (Control and management) Law of 1958 as amended. I have obtained all information and explanation necessary in the discharge of my responsibility.

I conducted the audit in accordance with the requirements of Akwa Ibom State Audit Law of 1997 and in accordance with the Public Sector Auditing Standards for Public Sector Accounts in Nigeria. Projects and programmes were verified in line with the concept of performance audit.

In my opinion, the Financial Statements, which are in agreement with the books and returns, give a true and fairs view of the financial position of the Government of Akwa Ibom State for the year ended 31<sup>st</sup> December, 2005 (subject to the observations contained in my report dated January 5, 2007)

.....  
**P.E. Okon**  
AUDITOR-GENERAL  
AKWA IBOM STATE

**GOVERNMENT OF AKWA IBOM STATE**  
**FINANCIAL STATEMENT AS AT 31<sup>ST</sup> DECEMBER, 2005**

**STATEMENT NO. 1**

**ACCOUNTANT- GENERAL RESPONSIBILITY**

I have prepared the financial Statement of AKWA IBOM STATE as at 31<sup>st</sup> December, 2005 in accordance with Generally Accepted Accounting Practice (GAAP)

I have also taken cognizance of the provision of the 1999 Constitution of the Federal Republic of Nigeria, the Finance 9Control and management) Act and the 1958 as amended, the Financial Appropriation Act and the Revised Financial Regulations. The Receipts and payment stated therein are in consonance with the Warrants issued for the accounting period under review.

**ARIT.N. IBANGA (MRS.)**  
ACCOUNTANT-GENERAL  
AKWA IBOM STATE

Dated.....

**AKWA IBOM STATE GOVERNMENT**  
**AGO-MAIN ACCOUNTS DEPARTMENT**

**NEW STATEMENT NO. 3**

**CASH FLOW STATEMENT**

(REPORT CRITERIA: FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2005)

<u>Cash Flow from operating Activities</u>	<u>YEAR ENDED</u> <u>31<sup>ST</sup> DECEMBER,</u> <u>2005</u>	<u>YEAR ENDED</u> <u>31<sup>ST</sup> DECEMBER,</u> <u>2004</u>
Receipts		
Taxes	4,509,135,769.99	21,180,253,557.17
Fines and Fees	165,816,390.67	177,801,881.22
Licenses	7,717,910.00	39,216,623.86
Earning and Sales	148,929,267.27	52,334,944.11
Reimbursements	21,20209.90	436,400.00
Miscellaneous	1,882,483,390.22	144,101,924.19
Statutory Revenue	91,405,149,938.69	33,722,854,795.87
Retained Revenue from Parastatals and Boards	0.00	3,067.26
<b>Total Receipts</b>	<b>98,119,253,876.74</b>	<b>36,317,003,193.78</b>
<u>Payments</u>		
Personal Cost	(11,545,364,919.88)	(9,689,079,381.57)
Overhead Costs	(4,619,519,678.14)	(3,448,589,837.83)
Consolidated Revenue Fund Charges	(53,610,497,525.18)	(21,606,635,698.76)
Recurrent Grants and Subventions	(3,631,105,207.30)	(2,677,955,855.83)
Transfer to capital Development Fund	(25,000,000,000.00)	0.00
<b>Total Payments</b>	<b>(98,406,487,330.50)</b>	<b>(37,422,260,773.99)</b>
<b>Net Cash Flow from Operating Activities</b>	<b>(287,233,453.76)</b>	<b>(1,105,257,580.21)</b>
 <u>Cash Flow from Investment Activities</u>		
<u>Receipts</u>		
Rents on Government Property	13,577,249.66	14,404,425.77
Interests, Receipts and Dividends	187,122,246.53	19,325,800.85
<b>Total Receipts</b>	<b>200,699,496.19</b>	<b>33,730,226.62</b>
<u>Payments</u>		
Investment Costs	0.00	0.00
Total Payments	0.00	0.00
<b>Net Cash Flow from Investing Activities</b>	<b>200,699,496.19</b>	<b>33,730,226.62</b>
 <u>Cash Flow from Financial Activities</u>		
<u>Receipts</u>		
Capital Receipts	55,701,879,875.39	26,525,530,065.39
<b>Total Receipts</b>	<b>55,701,879,875.39</b>	<b>26,525,530,065.39</b>
<u>Payments</u>		
Capital Expenditure	(55,807,156,288.30)	(34,462,091,801.89)
Total Payments	(55,807,156,288.30)	(34,462,091,801.89)
<b>Net Cash Flow from Financial Activities</b>	<b>(105,276,412.91)</b>	<b>(7,936,561,736.50)</b>
<b>Net Cash Flow from Below the Line Activities</b>	<b>(416,872,306.34)</b>	<b>8,345,292,356.71</b>
<b>Net Increase /(Decrease) in Cash Its Equivalent</b>	<b>(608,682,676.82)</b>	<b>(662,796,733.38)</b>
<b>Cash &amp; Its Equivalent at 01 – JAN-2005</b>	<b>(11,022,847,569.58)</b>	<b>(10,276,113,572.53)</b>
<b>Cash &amp; Its Equivalent at 31 – DEC – 2005</b>	<b>(11,631,530,246.40)</b>	<b>(10,938,910,305.91)</b>

**AKWA IBOM STATE GOVERNMENT****AGO-MAIN ACCOUNTS DEPARTMENT****NEW STATEMENT NO. 4****STATEMENT OF ASSETS AND LIABILITIES***(REPORT CRITERIA: FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2005)*

<u>Cash Flow from operating Activities</u>	<u>YEAR ENDED 31<sup>ST</sup> DECEMBER, 2005</u>	<u>YEAR ENDED 31<sup>ST</sup> DECEMBER, 2004</u>
<b><u>Liquid Assets</u></b>		
Cash and Bank / Balances	11,631,530,246.40	11,022,847,569.58
Imprests	(3,405,44,686.83)	(3,432,679,810.46)
Remittances in Transit	(4,845,112,204.37)	(7,626,321,242.34)
Other Liquid Assets	(3,945,614,386.26)	(2,416,082,360.35)
<b>Total Liquid Assets</b>	<b>(564,641,031.06)</b>	<b>(2,452,235,843.57)</b>
<b><u>Investments</u></b>		
Ministry of Finance Incorporated	(416,502.60)	(416,502.60)
Advances	(1,286,196,540.63)	(584,625,539.75)
Total Investments	(1,286,613,043.23)	(585,042,042.35)
<b>TOTAL ASSETS</b>	<b>(1,851,254,074.29)</b>	<b>(3,037,277,885.92)</b>
<b><u>LIABILITIES</u></b>		
Consolidated Revenue Fund	23,845,171.60	110,379,129.17
Capital Development Fund	47,950,033.86	153,226,446.77
<b>Other Government Funds</b>	568,425,11.08	585,168,729.88
Treasury Clearance Accounts	(14,441,392.59)	(11,705,424.22)
Deposit Accounts	1,582,217,834.55	2,564,128,109.11
<b>Other Accounts</b>	36,165,065.29	0.00
<b>Sub – Total</b>	<b>1,851,254,074.29</b>	<b>3,037,277,885.92</b>
Foreign Loans	0.00	0.00
Internal Loans	0.00	0.00
Development Loan Stock	0.00	0.00
<b>Sub – Total</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL LIABILITIES</b>	<b>1,851,254,074.29</b>	<b>3,037,277,885.92</b>

## DETAIL STATEMENT OF ASSETS AND LIABILITIES

(REPORT CRITERIA: FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2005)

<u>ASSETS</u>	<u>YEAR ENDED</u> <u>31<sup>ST</sup> DECEMBER,</u> <u>2005</u>	<u>YEAR ENDED</u> <u>31<sup>ST</sup> DECEMBER,</u> <u>2004</u>
<b>CASH AND BALANCES</b>		
<u>Head</u> <u>Description</u>		
8201    CASH LOCAL	11,631,530,246.40	11,022,847,569.58
	<b>11,631,530,246.40</b>	<b>11,022,847,569.58</b>
<b>IMPRESTS</b>		
<u>Head</u> <u>Description</u>		
8202    IMPRESTS	(3,405,444,686.83)	(3,432,679,810.46)
	<b>(3,405,444,686.83)</b>	<b>(3,432,679,810.46)</b>
<b>REMITTANCES IN TRANSIT</b>		
<u>Head</u> <u>Description</u>		
8204    REMITTANCES IN TRANSIT	(4,845,112,204.37)	(7,626,321,242.34)
	<b>(4,845,112,204.37)</b>	<b>(7,626,321,242.34)</b>
<b>OTHER LIQUID ASSETS</b>		
<u>Head</u> <u>Description</u>		
8203    CENTRAL BANK OF NIGERIA	(3,000.00)	(1,500.000)
8205    SPECIAL DEPOSIT WITH BANKS	(3,945,604,286.26)	(2,416,077,310.35)
8206    NIGERIAN HIGH COMMISSION IN LONDON	(7,100.00)	(3,550.000)
8221    REMITTANCES WITHIN THE STATE	0.00	0.00
8222    AKWA IBOM STATE WATER BOARD	0.00	0.00
8223    AKWA IBOM STATE HOUSE OF ASSEMBLY	0.00	0.00
	<b>(3,945,614,386.26)</b>	<b>(2,415,082,360.35)</b>
<b>MINISTRY OF FINANCE INCORPORATED</b>		
<u>Head</u> <u>Description</u>		
8426    INVESTMENT IN PUBLIC ENTERPRISES	(416,502.60)	(416,502.60)
	<b>(416,502.60)</b>	<b>(416,502.60)</b>
<b>ADVANCES</b>		
<u>Head</u> <u>Description</u>		
8371    PERSONAL ADVANCES	(222,097,977.96)	(175,649,857.96)
8372    MOTOR VEHICLE ADVANCES	(788,642,609.36)	(195,542,615.16)
8373    SALARY ADVANCES	(1,792,158.88)	(2,440,346.64)
8374    TOURING ADVANCES	(102,689,462.32)	(102,751,962.32)
8375    OTHERS	0.00	0.00
8376    IMPERSONAL ADVANCE	(1,211,554.50)	(1,855,642.31)
8377    SHORTAGES / SURCHARGE	(1,061,233.72)	1,061,233.72
8378    DISHONORED CHEQUE	(7,519,383.78)	6,606,706.10
8379    MOTOR CAR BANK LOAN -MBN	(131,799.48)	131,799.48
8382    MOTOR CAR BANK LOAN- UBA	(177,993.00)	154,659.20
8384    GRATUITY ADVANCES	(178,740,004.75)	(114,386,180.61)
8385    LOSS OF GOVERNMENT FUND	(86,817.16)	46,666.75
	<b>(1,286,196,540.63)</b>	<b>(584,625,539.75)</b>
<b>ASSETS TOTAL:</b>	<b>(1,851,254,074.29)</b>	<b>(3,037,277.885.92)</b>



## DETAIL STATEMENT OF ASSETS AND LIABILITIES

(REPORT CRITERIA: FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2005)

<u>LIABILITIES</u>		YEAR ENDED 31 <sup>ST</sup> DECEMBER, 2005	YEAR ENDED 31 <sup>ST</sup> DECEMBER, 2004
<b>CONSOLIDATED REVENUE FUND</b>			
<u>Head</u>	<u>Description</u>		
8401	CONSOLIDATED REVENUE FUNDS	23,845,171.60	110,379,129.17
		<b>23,845,171.60</b>	<b>110,379,129.17</b>
<b>CAPITAL DEVELOPMENT FUND</b>			
<u>Head</u>	<u>Description</u>		
8402	CAPITAL DEVELOPMENT FUND	47,950,033.86	153,226,446.77
		<b>47,950,033.86</b>	<b>153,226,446.77</b>
<b>OTHER GOVERNMENT FUNDS</b>			
<u>Head</u>	<u>Description</u>		
8403	RESERVED FUNDS FOR ADVANCE	0.00	0.00
8404	CONTINGENCY FUNDS	51,945,241.02	52,045,241.02
8405	MISCELLANEOUS PERSONAL ADVANCE	(94,523.93)	(94,523.93)
8406	PETROL TRADING FUND	(6,985.25)	(6,985.25)
8407	DESIEL TRADING FFUNDS	0.00	0.00
8408	STAFF HOUSING SCHEME FUND (HOUSING ADV)	(626,315,117.17)	(607,372,049.98)
8409	STAFF HOUSING SCHEME – 5% CONTRIBUTION	1,143,651,804.79	1,141,352,351.40
8410	NATIONAL HOUSING FUND 0 2.5% DEDUCTIONS	(755,302.38)	(755,302.38)
8413	SPORT APPEAL FUNDS	0.00	0.00
		<b>568,425,116.08</b>	<b>585,168,729.88</b>
<b>TREASURY CLEARANCE ACCOUNTS</b>			
<u>Head</u>	<u>Description</u>		
8301	THE ACCOUNTANT-GENERAL – FEDERAL	(1,969.44)	0.00
8302	THE ACCOUNTANT-GENERAL – LAGOS STATE	(1,995,425.69)	(1,901,455.87)
8303	THE ACCOUNTANT-GENERAL – BENDEL STATE	(54,466.76)	(35,362.62)
8304	THE ACCOUNTANT-GENERAL – ONDO STATE	(501,310.46)	331,520.22
8305	THE ACCOUNTANT-GENERAL – OYO STATE	47,658.25	49,401.64
8306	THE ACCOUNTANT-GENERAL – OGUN STATE	(13,819.47)	(13,819.47)
8307	THE ACCOUNTANT-GENERAL – RIVERS STATE	(538,926.71)	(468,165.53)
8308	THE ACCOUNTANT-GENERAL – IMO STATE	(16,096.93)	(16,096.93)
8309	THE ACCOUNTANT-GENERAL – ANAMBRA STATE	0.00	0.00
8310	THE ACCOUNTANT-GENERAL – CROSS RIVER STATE	(2,405,145.95)	(1,173,081.10)
8311	THE ACCOUNTANT-GENERAL – KWARA STATE	(1,233,081.10)	1,233,081.10
8312	THE ACCOUNTANT-GENERAL – KADUNA STATE	( 57,902.95)	( 57,902.95)
8313	THE ACCOUNTANT-GENERAL – KANO STATE	109,169.01	(109,169.01)
8314	THE ACCOUNTANT-GENERAL – PLATEAU STATE	0.00	0.00
8315	THE ACCOUNTANT-GENERAL – NIGER STATE	0.00	0.00
8317	THE ACCOUNTANT-GENERAL – SOKOTO STATE	0.00	0.00
8317	THE ACCOUNTANT-GENERAL – BAUCHI STATE	0.00	0.00
8318	THE ACCOUNTANT-GENERAL – BORNU STATE	0.00	0.00
8319	THE ACCOUNTANT-GENERAL – GONGOLA STATE	0.00	0.00
8320	THE ACCOUNTANT-GENERAL – BENUE STATE	( 8,141.51)	( 8,141.51)
8321	THE ACCOUNTANT-GENERAL – KATSINA STATE	0.00	0.00
8322	NIGERIAN PORTS AUTHORITY	(3,824,636.61)	(3,824,636.61)
8323	NIGERIA RAILWAY CORPORATION	(84,315.45)	84,315.45
8324	FORMER CROSS RIVER STATE	(170,122.89)	(117,118.64)
8325	FEDERAL RADIO CORPORATION	( 78,982.57)	(78,982.57)
8342	NIGERIAN UNION OF PENSIONIERS	(4 ,724,754.30)	(2,788,703.22)
		<b>(14,441,392.59)</b>	<b>(11,705,424.22)</b>

**AKWA IBOM STATE GOVERNMENT****AGO-MAIN ACCOUNTS DEPARTMENT****NEW STATEMENT NO. 4A****DETAIL STATEMENT OF ASSETS AND LIABILITIES***(REPORT CRITERIA: FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2005)*

<b>LIABILITIES</b>		<b>YEAR ENDED 31<sup>ST</sup> DECEMBER, 2005</b>	<b>YEAR ENDED 31<sup>ST</sup> DECEMBER, 2004</b>
<b>DEPOSIT ACCOUNTS</b>			
<u>Head</u>	<u>Description</u>		
8241	TREASURY STATION ACCOUNT	1,599,636,738.75	1,643,156,625.01
8242	FOREST ROYALTIES	25,495,439.42	25,471,739.42
8243	TRADE UNION SUBSCRIPTION	(5,947,454.77)	(8,005,540.47)
8244	SUPREME COURT	551.25	551.25
8245	HIGH COURT	3,791,714.79	3,798,114.79
8246	MAGISTRATE COURT	118,111.04	118,111.04
8247	CUSTOMARY COURT	(418,777.44)	(430,460.44)
8248	FEDERAL INLAND REVENUE 2.5% TAX	(66,196,284.11)	892,438,548.52
8249	N.P.F. CONTRIBUTION	114,371.02	114,371.02
8250	PUBLIC SERVICE CUT	450.00	450.00
8251	RESIDENTIAL RURAL & INFRASTRUCTURE A/CS	0.00	0.00
8252	RENT FROM GOVERNMENT QUARTERS	(217,492.20)	(217,492.20)
8253	CO-OPERATIVE THRIFTS AND LOAN SOCIETIES	(29,230.57)	(29,230.57)
8254	AGRIC DEVELOPMENT PROJECT	29,557,384.00	7,506,213.91
8255	AKWA ESTATE DEVELOPMENT	(2,180.82)	(2,180.82)
8256	CROSS RIVER STATE HOUSING ESTATE	5,895.67	5,895.67
8257	NIGERIA LEGION	2,668,707.46	2,668,707.46
8258	CIVIL SERVANTS MULTIPURPOSE CO-OP. SOC	(137,493.03)	(137,493.03)
8259	CO-OPERATIVE SOCIETIES	36,740.98	36,740.98
8260	STATE TECHNICAL SCHOOL BOARD	0.00	0.00
8261	STATE SECONDARY SCHOOL BOARD	146.64	146.64
8262	EDUCATION TRUST FUND	4,753.00	4,753.00
8263	BETTER LIFE PROGRAMM	0.00	0.00
8264	ASSOCIATION OF SENIOR CIVIL SERVANTS	16,449.90	16,449.90
8265	JOINT PUBLIC SERVICE NOGATIATION COUNSELS I II III	0.00	0.00
8266	JOINT PUBLIC SERVICE NOGATIATION COUNSELS	0.00	0.00
8267	DEPOSITS	5,080,311.98	5,080,311.98
8268	BANK CREDIT	0.00	0.00
8269	TENTH ANNIVERSARY HOTEL/TOWERS	(8,496,150.36)	(8,496,150.36)
8270	SAFE TRUST WELFARE ASSOCIATION	0.00	0.00
8271	P.T.F MOTOR CYCLE LOAN	(2,578,057.36)	1,315,737.10
8272	P.T.F BICYCLE LOAN	117,188.95	117,188.95
8273	5% COMPULSORY SAVINGS	(461,500.00)	(461,500.00)
8291	NIGERIAN AGRIC AND CO-OPERATIVE BANK LTD	65,907.00	65,907.00
8294	FOOD, ROADS AND RURAL INFRASTRUCTURE	0.00	0.00
8296	AGRICULTURAL LOANS BOARD	(8,407.00)	(8,407.00)
		<b>1,582,217,834.55</b>	<b>2,564,124,109.11</b>
<b>GENERAL ACCOUNTS</b>			
<u>Head</u>	<u>Description</u>		
8451	LOANS TO PRIVATE COYS AND INDIVIDUALS	0.00	0.00
8452	FEED MILL TRADING ACCOUNT - MOA	(214,348.02)	(214,348.02)
8453	POULTRY / HATCHERY TRADING ACCOUNTS	0.00	0.00
8454	V.A.T	2,112,952,940.21	2,064,002,049.18
8456	CIVILIAN PENSION - FEDERAL	90,973,574.20	158,871,565.41
8457	LOANS TO STATEE COYS AND OTHER PARASTATALS	(1,778,433,941.24)	(1,778,433,941.24)
8458	MILITARY PENSION	(818,185,979.65)	(808,144,430.12)
		<b>(392,907,754.50)</b>	<b>(363,919,104.79)</b>
<b>OTHER ACCOUNTS</b>			
<u>Head</u>	<u>Description</u>		
8351	UNSPECIFIED REVENUE	36,165,065.29	0.00
		<b>36,165,065.29</b>	<b>0.00</b>
<b>LIABILITIES TOTAL:</b>		<b>1,851,254,074.29</b>	<b>3,037,277,885.92</b>



**AKWA IBOM STATE GOVERNMENT****AGO-MAIN ACCOUNTS DEPARTMENT****NEW STATEMENT NO. 5****CONSOLIDATED REVENUE FUND***(REPORT CRITERIA: FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2005)*

<b>ACTUAL AS AT 31<sup>ST</sup> DECEMBER, 2004</b>		<b>BUDGET YEAR 2005</b>	<b>ACTUAL AS AT 31<sup>ST</sup> DECEMBER, 2005</b>	<b>VARIANCE %</b>
1,186,686,693.80	Opening Balance for the Year	0.00	110,379,129.17	
	<b>ADD: REVENUE (INCOME)</b>			
2,180,253,557.17	Taxes	2,903,800,010.00	4,509,135,769.99	55.28
177,801,881.22	Fines and Fees	382,133,450.00	165,816,390.67	(56.61)
39,216,623.86	Licenses	62,750,010.00	7,717,910.00	(87.70)
52,334,944.11	Earning and Sales	164,649,320.00	148,929,267.27	(9.65)
14,404,425.77	Rents on Govt. Property	42,300,010.00	13,577,249.66	(67.90)
19,325,800.85	Interests Receipts and Dividends	33,000,040.00	187,122,246.53	467.04
436,400.00	Reimbursements	50.00	21,209.90	42,319.80
3,067.26	Retained Revenue from Parastatals and Boards	460,491,000.00	0.00	(100.00)
33,722,854,795.97	Statutory Revenue	72,257,554,800.00	91,405,149,938.69	26.50
144,101,924.19	Miscellaneous	10,723,350.00	1,882,483,390.22	17,454.99
36,350,733,420.40	<b>Total REVENUE (a)</b>	<b>76,317,402,040.00</b>	<b>98,319,953,372.93</b>	<b>28.83</b>
	<b><u>LESS EXPENDITURE</u></b>			
(9,690,829,092.61)	Personnel Costs	(10,258,319,160.00)	(11,545,364,919.88)	12.55
(3,448,589,837.83)	Overhead Costs	(4,541,693,200.00)	(4,619,519,678.14)	1.71
(21,606,635,698.76)	Consolidated Revenue Fund Charges	(6,520,860,470.00)	(53,610,497,525.18)	722.14
(2,680,986,355.83)	Recurrent Grants and Subventions	(3,036,455,020.00)	(3,631,105,207.30)	19.58
<b>(37,427,040,985.03)</b>	<b>TOTAL EXPENDITURE (b)</b>	<b>(24,357,327,850.00)</b>	<b>(73,406,487,330.50)</b>	<b>201.37</b>
<b>(1,076,307,564.63)</b>	<b>OPERATING BALANCE (a-b)</b>	<b>51,960,074,190.00</b>	<b>24,913,466,042.43</b>	<b>(52.05)</b>
	<b><u>APPROPRIATION / TRANSFERS</u></b>			
(0.00)	Capital Development Fund	0.00	(25,000,000,000.00)	
0.00	Loan Repayment Fund	0.00	0.00	
<b>110,379,129.17</b>	<b>CLOSING BALANCE</b>	<b>51,950,079,190.00</b>	<b>23,845,171.60</b>	

**CAPITAL DEVELOPMENT FUND***(REPORT CRITERIA: FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2005)*

ACTUAL AS AT 31 <sup>ST</sup> DECEMBER, 2004		BUDGET YEAR 2005	ACTUAL AS AT 31 <sup>ST</sup> DECEMBER, 2005	VARIANCE %
8,168,945,235.90	Opening Balance for the Year	0.00	153,226,446.77	
	<b>ADD: CAPITAL RECEIPT</b>			
25,000,000,000.00	Transfers from Consolidated Revenue Fund	51,960,074,190.00	25,000,000,000.00	(51.89)
900.00	Opening Balance from Previous Year	0.00	0.00	0.00
0.00	Transfer from general Reserve Stabilization Fund	0.00	0.00	0.00
1,500,076,455.39	Internal Bank Loans	6,000,000,000.00	30,701,000,000.00	411.68
0.00	External Bank Loans	2,503,506,000.00	0.00	(100.00)
0.00	Grants	1,000,000,000.00	0.00	(100.00)
0.00	Ecological Fund	50,000,000.00	290,865.39	(99.42)
25,452,710.00	Miscellaneous	1,301,500,050.00	589,010.00	(99.95)
<b>26,525,530,065.39</b>	<b>Total CAPITAL RECEIPTS (a)</b>	<b>62,815,080,240.00</b>	<b>55,701,000,000.00</b>	<b>(11.32)</b>
	<b><u>LESS EXPENDITURE</u></b>			
	<b><u>Economic - Sector</u></b>			
(814,432,091.31)	Agriculture	(770,500,010.00)	(648,703,773.64)	(15.81)
(34,753,281.40)	Livestock and Veterinary Services	(59,800,010.00)	(13,793,798.53)	(76.93)
(11,783,000.00)	Forestry	(25,000,000.00)	(11,840,320.00)	(52.64)
(17,900,000.00)	Fisheries	(58,000,010.00)	(20,533,681.42)	(64.60)
(1,670,116,529.20)	Manufacturing Craft, Cooperative and Finance	(14,761,000,020.00)	(7,880,697,682.87)	(46.61)
(114,640,498.93)	Urban Electrification	(134,000,000.00)	(255,575,359.85)	90.73
(6,160,684,217.36)	Commerce and Tourism	(1,146,000,000.00)	(6,449,136,871.80)	462.75
(11,302,325,703.85)	Works and Transport	(10,275,000,000.00)	(12,748,938,753.93)	24.08
	<b><u>Social Service Sector</u></b>			
(510,322,203.31)	Education, Science and Technology	(5,687,500,000.00)	(4,317,394,781.50)	(24.09)
(540,237,649.61)	Health	(2,603,500,000.00)	(1,392,430,718.50)	(46.52)
(468,056,551.54)	Information and Culture	(879,000,010.00)	(450,810,743.98)	(48.71)
(46,423,000.00)	Social Development and Sports	(245,500,000.00)	(63,721,090.00)	(74.04)
(344,412,435.70)	Water Supply (Urban)	(720,000,000.00)	(476,046,511.57)	(33.88)
(226,785,585.29)	Rural Development and Utilities	(748,000,000.00)	(111,001,408.81)	(85.16)

**AKWA IBOM STATE GOVERNMENT**

**AGO-MAIN ACCOUNTS DEPARTMENT**

**NEW STATEMENT NO. 6**

**CAPITAL DEVELOPMENT FUND**

*(REPORT CRITERIA: FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2005)*

<b>ACTUAL AS AT 31<sup>ST</sup> DECEMBER, 2004</b>		<b>BUDGET YEAR 2005</b>	<b>ACTUAL AS AT 31<sup>ST</sup> DECEMBER, 2005</b>	<b>VARIANCE %</b>
	<b><u>Environmental Regional Development Sector</u></b>			
(2,232,057,070.86)	Sewage, Drainage and Refuse Disposal	(2,653,000,000.00)	(1,120,425,702.04)	(57.77)
(73,542,741.10)	Housing	(150,000,000.00)	(55,933,128.81)	(62.71)
(1,852,872,911.52)	Urban Development	(13,438,635,150.00)	(3,297,031,206.96)	(75.47)
	<b><u>Administration Sector</u></b>			
(7,003,161,001.67)	General Administration	(7,027,645,030.00)	15,594,321,530.71)	121.90
(509,089,703.99)	Judiciary – General Administration	(452,000,000.00)	(530,538,945.85)	17.38
(607,656,749.88)	House of Assembly	(981,000,000.00)	(368,280,277.53)	(62.46)
<b>(34,541,248,854.52)</b>	<b>TOTAL EXPENDITURE (b)</b>	<b>(62,815,080,240.00)</b>	<b>(55,807,156,288.30)</b>	<b>(11.16)</b>
<b>(8,015,718,789.13)</b>	<b>CLOSING BALANCE (a-b)</b>	<b>0.00</b>	<b>(105,276,412.91)</b>	
<b>153,226,446.77</b>	<b>CLOSING BALANCE</b>	<b>0.00</b>	<b>47,950,033.86</b>	

## GOVERNMENT OF AKWA IBOM STATE

### FINANCIAL STATEMENT AS AT 31<sup>ST</sup> DECEMBER, 2005.

#### STATEMENT NO. 7

#### NOTES TO THE FINANCIAL STATEMENTS:

1. **ACCOUNTING POLICIES:** Accounting Basis the Accounts are prepared on Cash basis, which means that only the actual receipts and payments are recorded in the books of Accounts.
2. **ASSETS:** The assets stated in the account do not include material assets such as roads, buildings, plant and machinery and so on, because off acquisition, irrespective of the useful life of the assets.
3. **LIABILITIES:** The liabilities of the government to her numerous Suppliers and Contractors are not stated in the accounts due to the Accounting Basis.
4. **TOTAL REVENUE:** Revenue is started gross, inclusive of all direct deduction by Federal Authorities for the state indebtedness. The direct deduction for the year 2005 was N5,517,259,781.76.
5. **FORMAT:** The format of 2005 Account is consistent with that of 2004 as this allows for ease of comparison.
6. **TRANSFER TO CAPITAL DEVELOPMENT FUND:** In the Accounting period ended 31<sup>st</sup> December, 2005, the sum of N25 billion was transferred from consolidated Revenue Fund to Capital Development fund.

## **2. PREVIOUS AUDIT REPORTS**

Audit report on the Accounts of Akwa Ibom State Government for 2004 has Audit Report on the Akwa Ibom State House of Assembly. A timely consideration of the report will further improve on transparency.

## **4. ANNUAL FINACIAL STATEMENTS**

In accordance with the Audit law, the Recurrent and Capital Accounts together with the Statement of Assets and liabilities for the year ended 31<sup>st</sup> December 2005 were signed by the Accountant-General on November 15, 2006. the statements together with other supporting documents were made available for audit on the same date.

## **4. ACCOUNTING RECORDS**

There is still need for further improvement on record keeping and accounting both in Ministries and Accounting Headquarters. Timely Reconciliation of bank Statement with Cash Balance was still not given enough attention. Stores records were still not properly maintained as items were not takes on stores ledger charge. Proper documentations were not made on cash receipts for hire of vehicle by officers. Accounts and stores personnel should be closely supervised and trained for improved performance. My above comments on the accounting not withstanding, the records maintained were generally adequate as a basis for the preparation of the Financial Statement.

## **5. MINISTERIAL ACCOUNTS AUDIT**

Budgetary provisions were made for seventeen Ministries, fifteen extra Ministerial Department, House of Assembly, Offices and judiciary in 2005 Estimated. Disbursements to the establishment were in accordance with the 2005 approved Estimated.





