

# Ondo State Government of Nigeria



Citizens' Accountability Report  
on the implementation of the

*2021 Budget: Budget of Hope*

*Published: 30/08/2022*

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**About the Citizens Accountability Report**

*A Citizens' Accountability Report (CAR) is a series of graphic and tabular illustrations of the contents of the Audited Financial Statements prepared by the Office of the Accountant General, State Auditor General's Office and Ministry of Economic Planning and Budget on behalf of Ondo State Government to the citizens to ensure accountability of public funds. This report details the government's performance in carrying out the duties assigned to it and the utilization of funds in the coffers of the government. This accountability report is based on the financial statements for the Financial Year (FY) 2021 and reports on State budget revenue and expenditure for 2021.*

**Explanation of Key Terms used in this Report:**

- ❖ *Budget – unless otherwise stated, the budget refers to the Final Budget (i.e. the original budget, plus any adjustments that have been made via a supplementary budget / revised budget).*
- ❖ *Actual – this is the actual amount of revenue collected or expenditure incurred over the course of the year.*
- ❖ *Variance – for revenue items, this is calculated as Actual minus budget - a negative variance for revenues and inflows means actuals fell below budget, and vice versa for a positive variance. For expenditure, variance is calculated as budget minus actual - a negative variance for expenditures means actual expenditure was above budget, and vice versa.*
- ❖ *Performance – this refers to the actual revenue / expenditure as a percentage of the budget. A performance of 100% means the full budgetary allocation was collected (revenue) or spent (expenditure). A performance of less than 100% means the full level of revenue collection or expenditure was not achieved. A performance of more than 100% means more revenue was collected than anticipated, or more money was spent than anticipated in the budget*

## Executive Summary

*The 2021 Budget of Ondo State, the Budget of Hope, was passed on the 18<sup>th</sup> December 2020 and budget implementation commenced on 1st January 2021. The post COVID-19 pandemic and the ensuing global economic downturn, including the reduction in crude oil price and production, was so significant that a revised budget was prepared and passed on the 18th November, 2021.*

*Aggregate revenue performance was N136,278 billion which is 77.9% of the budgeted N174.873 billion in the final budget this is equivalent to N38.595 billion less than the budget figure – both Federation Account revenues and Internally generated revenue performed at 77.1% and 124.2% respectively. The reason for the significant rise in IGR was due to the new IGR drive initiative implemented by the state. The SFTAS Grant (aid & grant) also contributed 37.6% in the aggregate revenue performance.*

*On the expenditure side, the actual total expenditure is about N119.461 billion (31.6%) less than the budgeted amount of N174.873 billion.*

*Capital Expenditure performed at 57.2% while recurrent expenditure performed at 75.7%. Much of the recurrent expenditure in 2021 was obligatory in nature so, capital expenditure was largely focused on completing ongoing projects. Very few new projects, with the exception of those that targeted post COVID-19 responsive matters, were started.*

*We observe that personnel related expenditures which includes employees' salaries and wages fared better in term of outturn. This is due to a more realistic projection as well as the state government policy on reduction of payroll frauds.*

*Education and Public Finance sectors enjoyed the highest proportion of recurrent expenditure, whilst Infrastructure and Education received the highest proportion of capital expenditure.*

*Some of the larger contracts were subjected to delays due to weather and funding of some other activities to address the effects of post Covid-19 pandemic. Few citizens' projects were implemented as planned, albeit some were carried over to 2022.*

*The most material audit findings related to wrong classification of expenditure, extra budgetary spending, etc were recorded in some agencies.*

## Section 1 Budget Outturn

*The revenue performance (outturn) which shows the aggregate revenue performance is about 77.9%; thus about 22.10% less than the anticipated revenue in the budget, this is equivalent to N38.595billion naira. The critical causes of difference were as a result of the effect of the post Covid-19 pandemic which adversely affected the performances of revenue and receipt from other sources.*

*On the expenditure side, the actual total expenditure is about N119.461 billion which is about 31.8% less than the budgeted N174.873 billion. Out of the total Capital expenditure budget of N69.915 billion, the actual capital expenditure was N39.977billion. This indicates that capital expenditure witnessed 57.2% performance. The inability of the state to access the desired level of financing on time resulted in the non-utilization of all the loans to execute critical projects within the fiscal year, hence a rollover to the next year.*

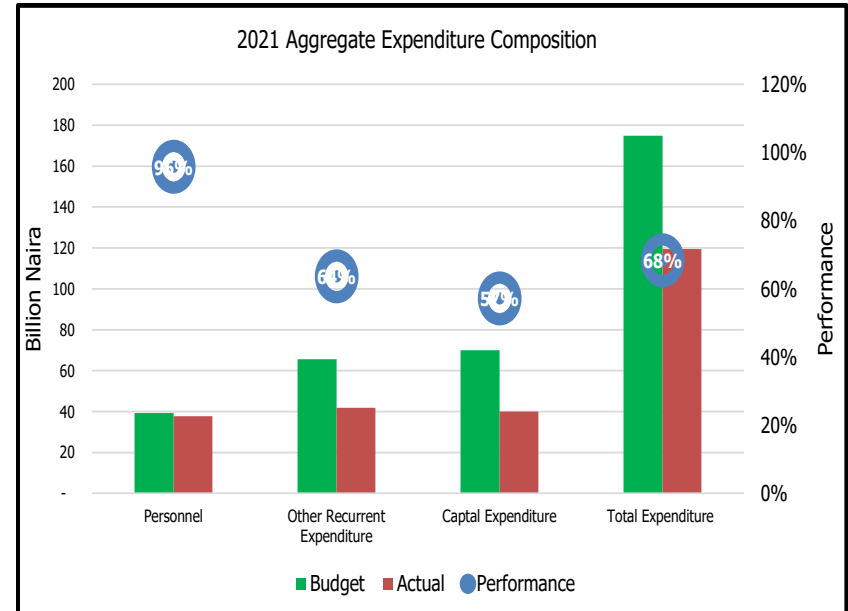
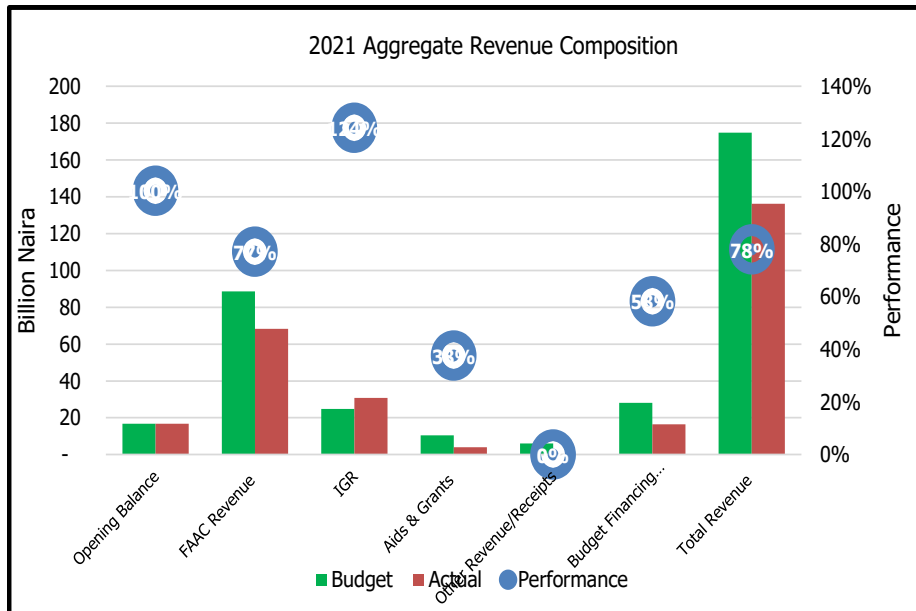
*Personnel expenditure which includes employees' salaries and wages, performed at 95.9% while Social Benefits which include payment of gratuity and pension, performed at 91.7%. Conversely, all other recurrent expenditure items which include overhead cost, grants and contributions, Statutory Transfers all performed well against the budget target due to creation of new MDAs which increased the running cost for the state government. In all, expenditure performance stood at 68.3%*

**Table 1 Budget Outturn**

<b>Budget Outturn (Originally Approved vs Actual)</b>					
<b>2021 Revenue Composition Performance</b>					
<b>2021 Aggregate Revenue Composition</b>	<b>2021 Original Budget</b>	<b>2021 Final Budget</b>	<b>2021 Actual Amount</b>	<b>Variance*</b>	<b>Performance (%)</b>
Opening Balance	16,763,282,735	16,763,282,735	16,817,622,791	54,340,056	100.3%
FAAC Revenue	88,622,821,398	88,622,821,398	68,334,009,535	- 20,288,811,863	77.1%
IGR	28,778,132,249	24,778,132,249	30,786,624,679	6,008,492,430	124.2%
Aids & Grants	10,475,715,004	10,475,715,004	3,936,555,258	- 6,539,159,746	37.6%
Other Revenue/Receipts	6,090,000,000	6,090,000,000	-	- 6,090,000,000	0.0%
Budget Financing (Loans)	24,143,354,140	28,143,354,140	16,403,798,294	- 11,739,555,846	58.3%
<b>Total Revenue</b>	<b>174,873,305,526</b>	<b>174,873,305,526</b>	<b>136,278,610,557</b>	<b>- 38,594,694,969</b>	<b>77.9%</b>
<b>2021 Expenditure Performance by Economic Type</b>					
<b>2021 Aggregate Expenditure Composition</b>	<b>2021 Original Budget</b>	<b>2021 Final Budget</b>	<b>2021 Actual Amount</b>	<b>Variance*</b>	<b>Performance (%)</b>
Personnel	42,227,913,105	39,345,528,105	37,713,162,350	1,632,365,755	95.9%
Other Recurrent Expenditure	62,729,908,065	65,612,293,065	41,770,981,109	23,841,311,956	63.7%
Capital Expenditure	69,915,484,356	69,915,484,356	39,976,844,306	29,938,640,050	57.2%
<b>Total Expenditure</b>	<b>174,873,305,526</b>	<b>174,873,305,526</b>	<b>119,460,987,765</b>	<b>55,412,317,761</b>	<b>68.3%</b>

\* Variance and Performance is assessed against final budget. Negative Variance for Revenues items means revenue actuals were below budget. Negative variance for expenditure items means actuals were above budget.

**Figure 1 Budget Outturn Graphs**



## Section 2 Revenue Outturn

*Table 2 below shows the approved and actual revenue generated internally by the State and disaggregated by sources while Table 3 outlines the revenue information from 10 performing revenue agencies in the State.*

*The state government has continued to spur the fiscal space in a manner that would enhance Independent Revenue (IR)/Internally Generated Revenue (IGR) growth. Consequently, various IGR drive initiatives have been implemented by the State. These efforts are expected to buffer revenue available for the execution of the annual and effective delivery of services to the citizens of the state.*

*The total IGR performance in the last completed fiscal year was 124.2%. This is more-than-expected performance due to the revenue arrears collected during the period under review and the autonomy given to the Ondo State Internal Revenue Service (ODIRS) which gave it more power to function. The IGR has two broad categories, namely the Tax Revenue and Non-tax Revenue. The outturn for the tax and non-tax revenue was 123% and 127% respectively. These shows that the non-tax revenue composition performed better than tax revenue.*

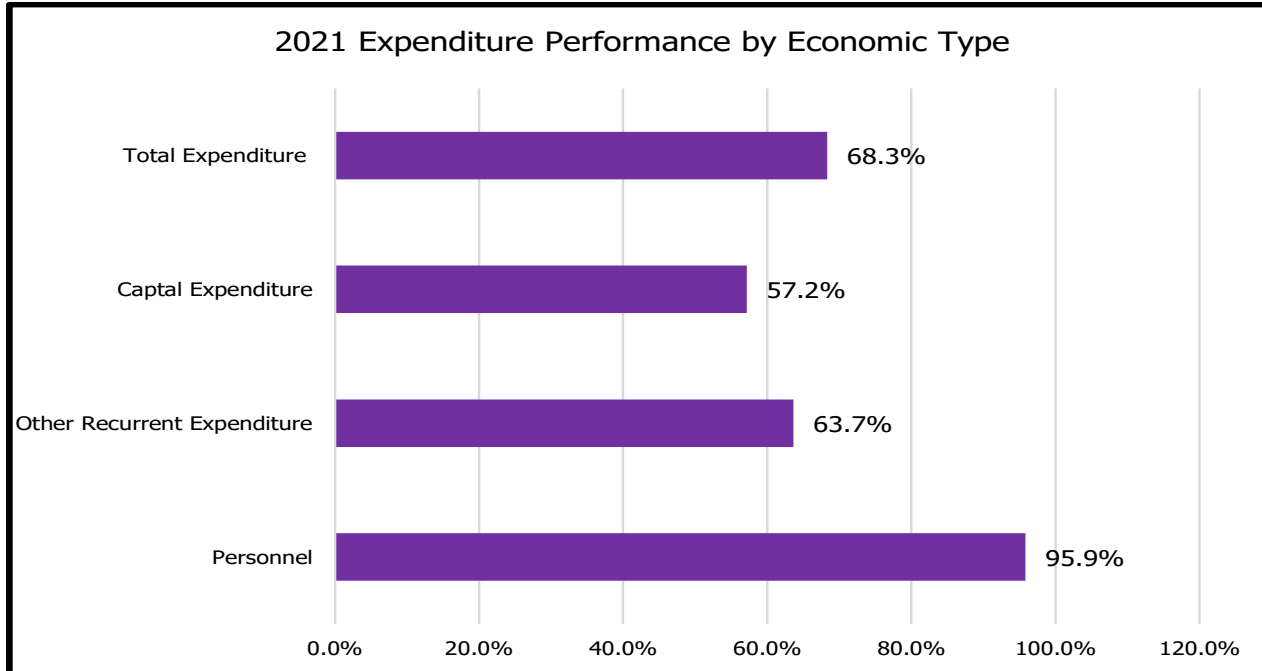
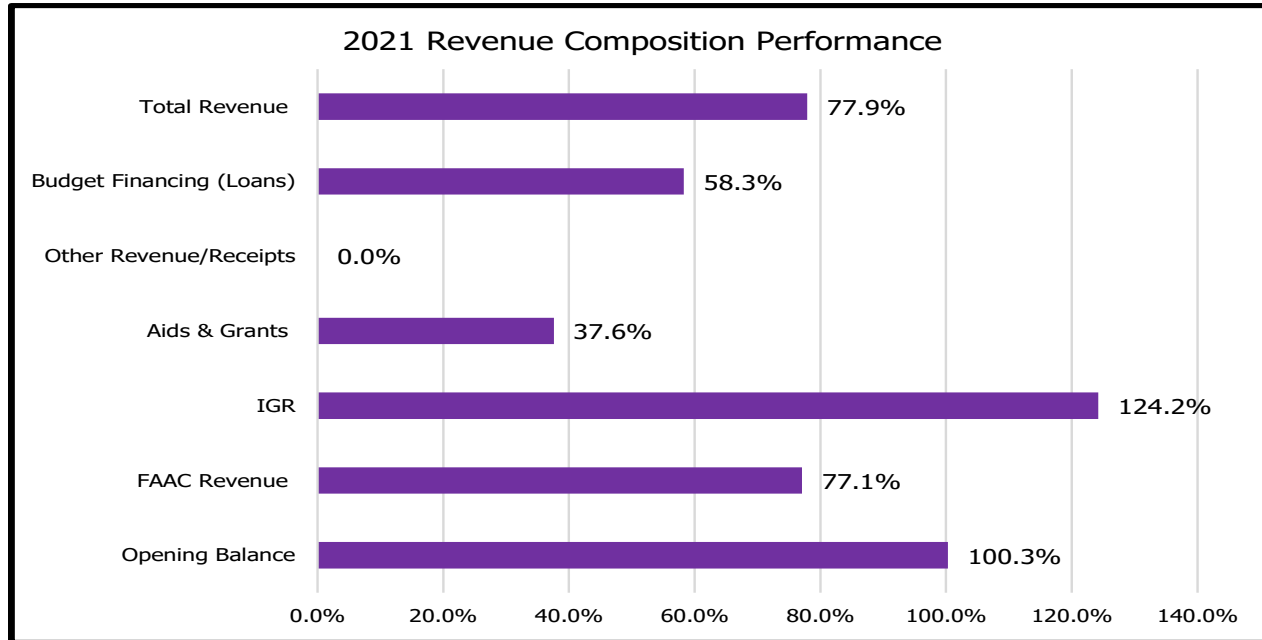
*The critical source of Tax Revenue for ONDO State included personal taxes which recorded 129% performance during the period under review. A key component of the personal taxes is the Personal Income Tax (Direct Assessment Tax) which performed at 141%, PAYE which performed at 71%, withholding tax at 83% and Other Personal Tax N.E.C which was not budgeted for, yielded N7.44billion under non tax revenue, investment income 110%, Fines/General performed at 106% interest earned at 129% as indicated in the Table 2 below, the following revenue sources realized shortfall of the budget amount : Property Tax, Earning General and Repayment General with Nil performance.*

*The State Internal Revenue Service which is the highest revenue generating institution of the state had a budget of N19.154 billion but realized N20.403 billion, equivalent to 106.5%. This good performance is expected to be sustained. The State Government should sustain the tempo of up scaling performance in the revenue generation agenda of the state. Then the following MEDAs had the best outturn of 2822.7%, 709.3%, 568.7%, and 246.6%, they are: Water Corporation, Ministry of Works and Infrastructure, Waste Management and Ondo State Pool betting & Lotteries Board respectively. The only MEDA with decrease in Outturn is Ministry of Education at 45.5%. The other revenue collecting agencies had a final budget of ₦2.419 billion and actual amount of N6.498 billion implying outcome of 268.6%.*

**Table 2 Revenue Outturn by Item**

<b>Internally Generated Revenue Performance</b>					
<b>By Item</b>					
<b>IGR Items</b>	<b>2021 Original Budget</b>	<b>2021 Final Budget</b>	<b>2021 Actual Amount</b>	<b>Variance*</b>	<b>Performance (%)*</b>
Tax Revenue	19,200,937,000	15,200,937,000	18,648,913,732	3,447,976,732	122.7%
Personal Taxes:	16,450,937,000	13,450,937,000	17,335,479,767	3,884,542,767	128.9%
Personal Income Tax (PAYE)	16,000,000,000	13,000,000,000	9,254,311,239	- 3,745,688,761	71.2%
Personnal Income Tax (Direct Assessment Taxes)	450,937,000	450,937,000	637,689,659	186,752,659	141.4%
Penalty For Offences & Interest				-	
Other Personal Tax N.E.C			7,443,478,869	7,443,478,869	
Other Taxes:	2,750,000,000	1,750,000,000	1,313,433,965	- 436,566,035	75.1%
Sales Tax	-	-	-	-	
Lottery Tax/Licence	-	-	-	-	
Property Tax	50,000,000	50,000,000	13,007,400	- 36,992,600	26.0%
Capital Gain Taxes	100,000,000	100,000,000	48,474,872	- 51,525,128	48.5%
Withholding Tax	2,400,000,000	1,400,000,000	1,161,642,557	- 238,357,443	83.0%
Other Taxes N.E.C	200,000,000	200,000,000	90,309,136	- 109,690,864	45.2%
Non-Tax Revenue:	9,577,195,248	9,577,195,248	12,137,710,949	2,560,515,701	126.7%
Licences General	1,654,947,893	1,654,947,893	1,029,901,162	- 625,046,731	62.2%
Fees – General	3,842,012,259	3,842,012,259	2,073,971,978	- 1,768,040,281	54.0%
Fines – General	86,026,200	86,026,200	91,436,578	5,410,378	106.3%
Sales – General	2,673,929,008	2,673,929,008	1,221,269,196	- 1,452,659,812	45.7%
Earnings – General	94,405,100	94,405,100	11,617,278	- 82,787,822	12.3%
Rent On Government Buildings – General	1,860,000	1,860,000	564,069,742	562,209,742	30326.3%
Rent on Land and Others – General	855,598,788	855,598,788	676,487,928	- 179,110,860	79.1%
Repayments	2,145,000	2,145,000	-	- 2,145,000	0.0%
Investment Income	265,000,000	265,000,000	290,617,711	25,617,711	109.7%
Interest Earned	25,000,000	25,000,000	32,188,243	7,188,243	128.8%
Reimbursement	76,271,000	76,271,000	-	- 76,271,000	0.0%
Miscellaneous Income			6,146,151,133	6,146,151,133	
<b>Independent Revenue (IGR)</b>	<b>28,778,132,248</b>	<b>24,778,132,248</b>	<b>30,786,624,681</b>	<b>6,008,492,433</b>	<b>124.2%</b>

\* Variance and Performance is assessed against final budget. Negative Variance for Revenues items means revenue actuals were below budget.





**Table 3 Revenue Outturn by MDA**

<b>Internally Generated Revenue Performance</b>					
<b>By MDA:</b>					
<b>MDA</b>	<b>2021 Approved Budget</b>	<b>2021 Final Budget</b>	<b>2021 Actual Amount</b>	<b>Variance*</b>	<b>Performance (%)*</b>
Ondo State Board of Internal Revenue	23,154,209,400	19,154,209,400	20,402,805,029	1,248,595,629	106.5%
Ministry of Works and Infrastructure	90,000,000	90,000,000	638,400,000	548,400,000	709.3%
Water Coporation	20,500,000	20,500,000	578,659,931	558,159,931	2822.7%
Ministry of Natural Resources	1,006,282,000	1,006,282,000	862,985,712	- 143,296,288	85.8%
Ondo State Investment Promotion Agency	500,000,000	500,000,000	443,832,647	- 56,167,353	88.8%
Ondo State Pool Betting and Lotteries Board	100,000,000	100,000,000	246,600,386	146,600,386	246.6%
Ministry of Finance	293,500,000	293,500,000	272,642,000	- 20,858,000	92.9%
Ministry of Lands and Housing	450,000,000	450,000,000	307,489,175	- 142,510,825	68.3%
Ministry of Education	706,945,848	706,945,848	321,788,892	- 385,156,956	45.5%
Waste Management Authority	37,498,000	37,498,000	213,267,515	175,769,515	568.7%
Other Revenue Collecting Agencies	2,419,197,000	2,419,197,000	6,498,153,392	4,078,956,392	268.6%
<b>Independent Revenue (IGR)</b>	<b>28,778,132,248</b>	<b>24,778,132,248</b>	<b>30,786,624,679</b>	<b>6,008,492,431</b>	<b>124.2%</b>

\* Variance and Performance is assessed against final budget. Negative Variance for Revenues items means revenue actuals were below budget.

## Section 3 Expenditure Outturn

Table 4 below looks at the expenditure outturn, how much expenditure was allocated to each main classification, and how much was actually spent. Broadly, capital expenditure got N69.915 billion 40% of the total budget size of N174.873 billion while recurrent expenditure was allocated N104.958 billion, equivalent to 60% of the total budget size. It should be observed that the recurrent expenditure had a higher percentage than capital expenditure because of the quantum of personnel cost (wages and salaries) and backlog of unpaid pensions and gratuities captured in the year. Consequently, the share of actual capital expenditure in the total expenditure of N119.461 billion was N39.977 billion representing 33.5% approximately while actual recurrent expending was allotted the remaining N79.484 billion which was 66.5% approximately.

The breakdown of recurrent expenditure shows that when compared with other recurrent items, salaries & wages received the highest share of N39.346 billion (22.5%); followed by overheads which got N18.984 billion (10.9%), debt charges which got N13.633 billion (7.8%), and then social benefits, grants, transfers and which received N32.995 billion (31.4%).

Clearly, all other components of recurrent expenditure performed below budget size with some having very low performance. For example, public debt charges and transfer which recorded less than budget value at 35% and 33% respectively.

**Table 3 Expenditure Outturn**

Expenditure: Where does the Money go?						
Aggregate Expenditure Composition as a % of Total Expenditure (Budget Vs Actual)						
Expenditure	2021 Final Budget	Budget Share (%)	2021 Actual Amount	Actual Share (%)	Variance*	Performance (%)
<b>Recurrent Expenditure:</b>						
Salaries, Wages and Allowances (inc. CRF)	39,345,528,105	22.5%	37,713,162,350	31.6%	1,632,365,755	95.9%
Social Contribution	-	0.0%	-	0.0%	-	
Social Benefits	10,915,880,000	6.2%	10,009,645,189	8.4%	906,234,811	91.7%
Overheads	18,984,569,750	10.9%	13,994,818,787	11.7%	4,989,750,963	73.7%
Grants and Subsidies	9,838,400,000	5.6%	9,048,249,872	7.6%	790,150,128	92.0%
Public Debt Charges	13,632,855,035	7.8%	4,458,799,093	3.7%	9,174,055,942	32.7%
Transfers	12,240,588,290	7.0%	4,259,468,168	3.6%	7,981,120,122	34.8%
<b>Total Recurrent Expenditure</b>	<b>104,957,821,180</b>	<b>60.0%</b>	<b>79,484,143,459</b>	<b>66.5%</b>	<b>25,473,677,721</b>	<b>75.7%</b>
Total Capital Expenditure	69,915,484,356	40.0%	39,976,844,307	33.5%	29,938,640,049	57.2%
<b>Total Expenditure</b>	<b>174,873,305,536</b>	<b>100.0%</b>	<b>119,460,987,765</b>	<b>100.0%</b>	<b>55,412,317,770</b>	<b>68.3%</b>

\* Variance and Performance is assessed against final budget. Negative variance for expenditure items means actuals were above budget.

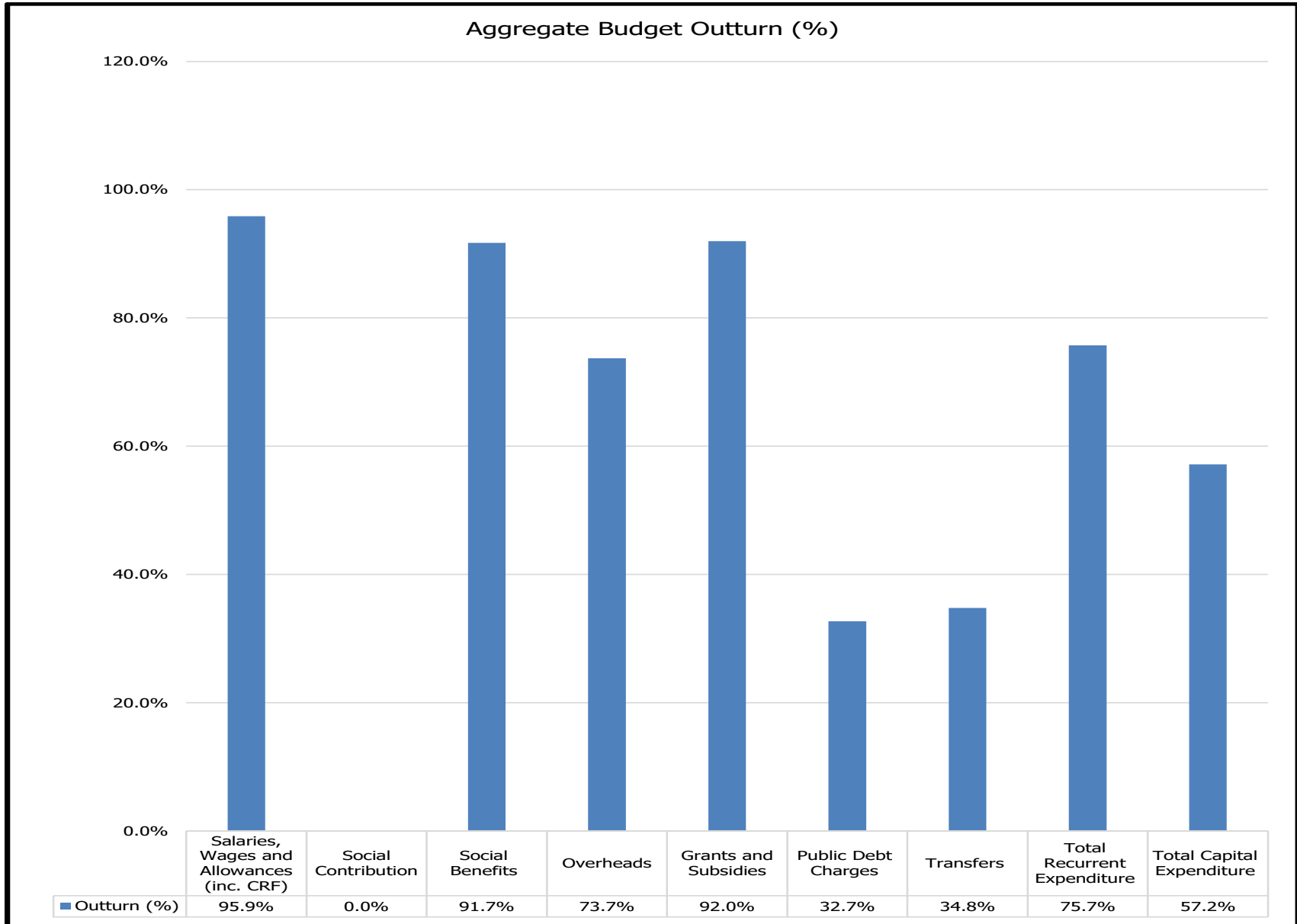
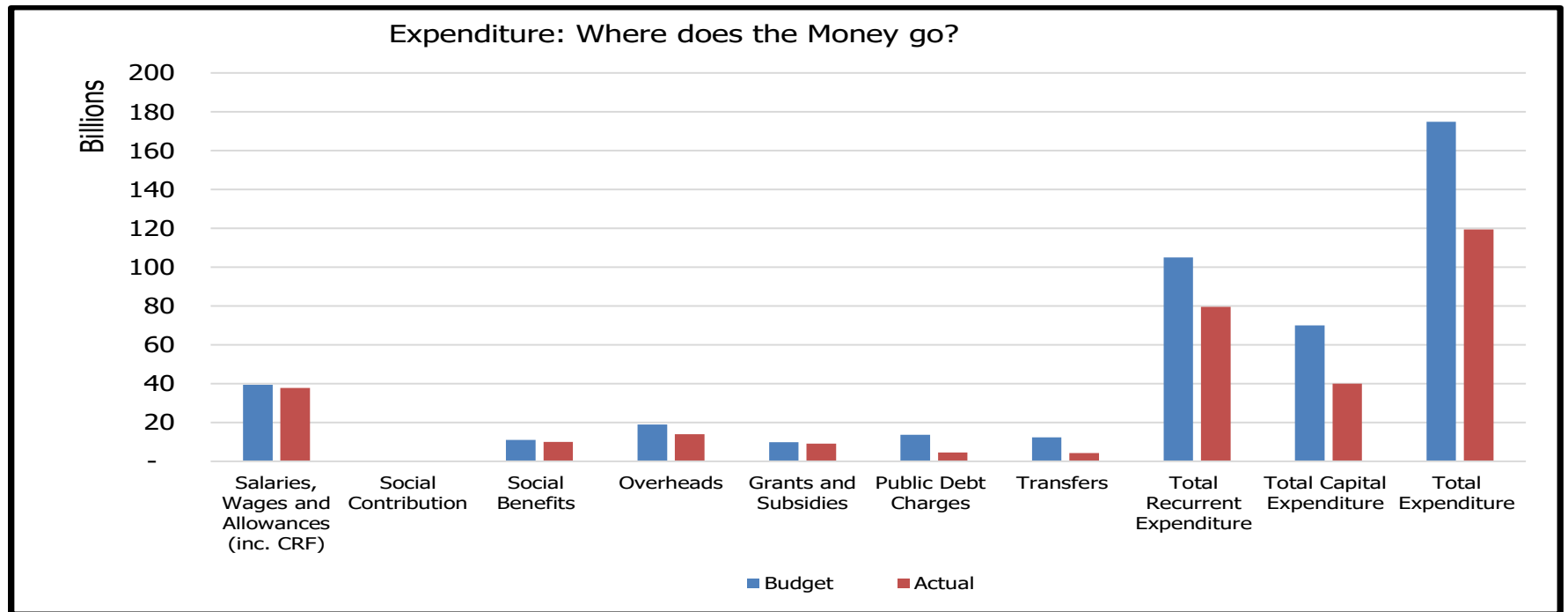
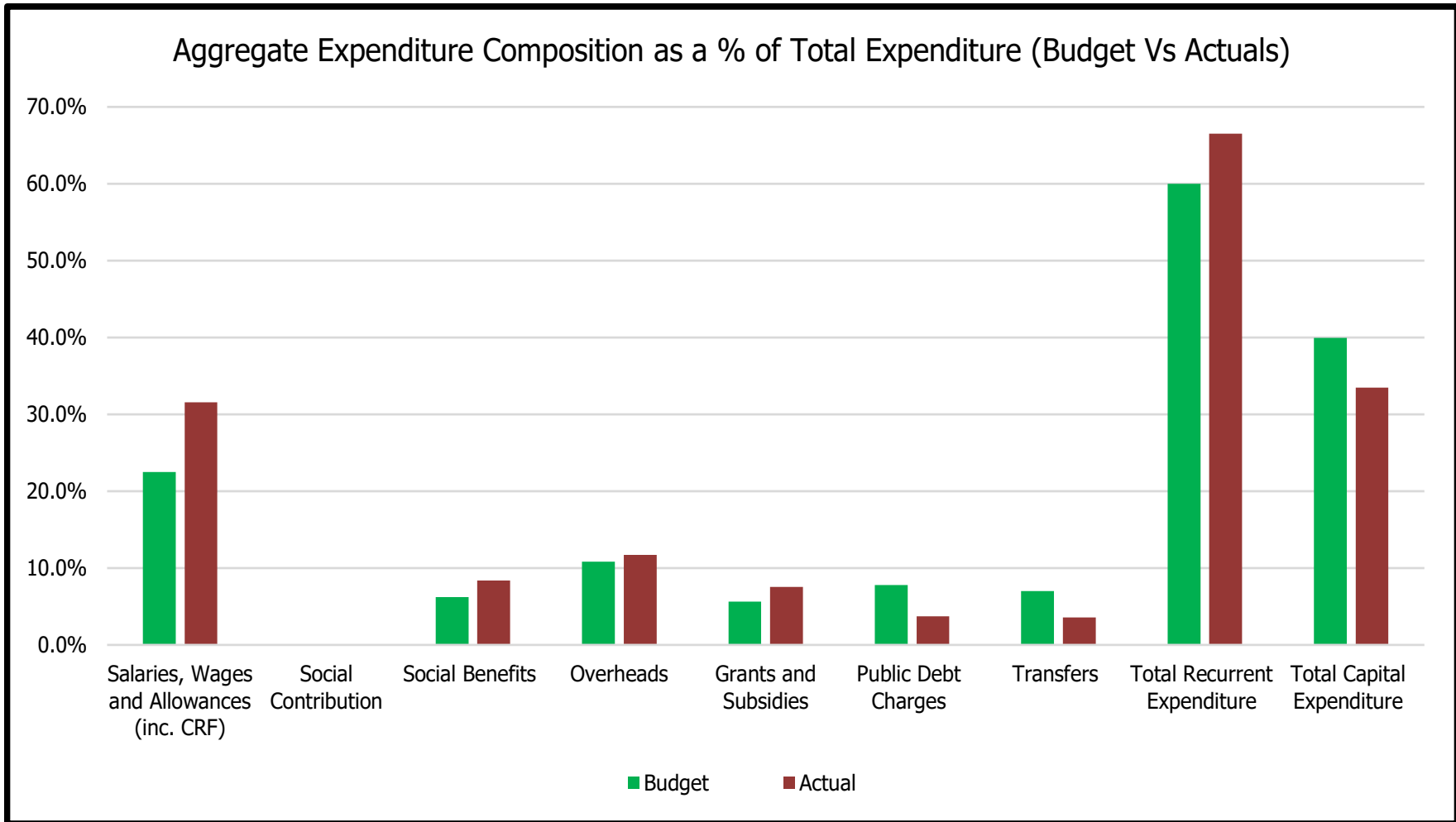


Figure 2 Expenditure Composition Budget and Actual





## Section 4 Audit Findings

*This section outlines the findings from the Audit process on fiscal year budget implementation, including queries, unremitted funds, government property sales, etc. The Auditor General's Statement should include revenue and expenditure, audited financial statement, finding from the audit as contained in the audited financial statement.*

### **A: RECURRENT EXPENDITURE PAYMENT VOUCHERS**

Ondo State Judiciary, House of Assembly, Public & Intergovernmental Relation, and Signage & Advertisement Agency had a total extra budgetary spending on Salary to the tune of N588.737Million. TESCO had N1.821Million as excess payment on salary.

### **B: CAPITAL EXPENDITURE PAYMENT VOUCHERS**

SITA has a wrong economic code classification of expenditure as Biological Asset to the tune of N1.605Million. Public Utility has a wrong economic code classification of expenditure as Biological Asset to the tune of N0.644Million. Special Duties has a wrong economic code classification of expenditure as Research & Development cost to the tune of N0.9Million. Scholarship Board has a wrong economic code classification of expenditure as Research & Development cost to the tune of N0.503Million. Cocoa Revolution has a wrong economic code classification of expenditure as Research & Development cost to the tune of N0.346Million.

### **C: SUMMARY OF QUERIED PAYMENT VOUCHERS**

Ten Vouchers totalling N594.211 Million as presented in Table 5 below.

### **D: ASSETS (PROPERTY, PLANT AND EQUIPMENT) REGISTER**

No findings

### **E: BILLS PAYABLE**

No findings

### **F: INVESTMENTS**

No findings

### **G: AIDS AND GRANTS**

No findings

### **H: CONTINGENT LIABILITIES ON BANK GUARANTEES AND**

<b>No bank guarantees were issued or outstanding during the FY 2021.</b>
<b>I: PERFORMANCE GUARANTEES</b> <b>No performance guarantees were issued or outstanding during the FY 2021</b>
<b>I: ADHERENCE TO PROCUREMENT PROCEDURES</b> <b>All procurement procedures were duly observed during the FY 2021.</b>

**Table 4 Top Ten Audit Queries**

Top Ten Audit Queries					
Details of Expenditure	No. of Queries	Nature of Queries	Amount Queried	Total Cash Expenditure	Percentage (%)
Ondo State Judiciary	1	Extra budgetary spending of Salary expenditure	557,591,031	557,591,031	100.0%
House of Assembly	1	Extra budgetary spending of Salary expenditure	2,371,456	2,371,456	100.0%
Public & Intergovernmental Relation	1	Extra budgetary spending of Salary expenditure	14,823,783	14,823,783	100.0%
Signage & Advertisement Agency	1	Extra budgetary spending of Salary expenditure	13,951,414	13,951,414	100.0%
Tescom	2	Excess Payment of Salary	1,821,989	1,821,989	100.0%
SITA	2	Wrong classification of Expenditure as Biological Assets	1,605,000	1,605,000	100.0%
Public Utility	2	Wrong classification of Expenditure as Biological Assets	644,000	644,000	100.0%
Special Duties	2	Wrong classification of Expenditure as Research & Development Cost	900,000	900,000	100.0%
Scholarship Board	2	Wrong classification of Expenditure as Research & Development Cost	503,000	503,000	100.0%
Cocoa Revolution	2	Wrong classification of Expenditure as Research & Development Cost	346,000	346,000	100.0%
<b>Total Number of Queries</b>	<b>14</b>		<b>594,211,673</b>	<b>594,211,673</b>	<b>100.0%</b>

## Section 5 Audited Financial Statements

*This section outlines a breakdown on the state's audited public expenditure and revenue for the fiscal year in review. The expenditure budget figures, consolidated revenue fund and audited cash flow statement based on the audited financial statement are represented here for citizens' understanding.*

*The tables provide a more detailed breakdown of revenues and expenditures in 2021. Some of the highlights are as follows;*

- *Statutory Allocation performed lower than the previous year due to fall in crude oil production and its wider global effects. However, it attained 55.3% of the budget while share of VAT recorded a good performance of 165.5%*
- *There was 37.6% performance on Domestic grants, this is due to access to the grant from SFTAS to the tune of N3.936 Billion.*
- *The draw- down of foreign loans was not actualised in the year under review.*
- *There was a nil performance on domestic loans due to technical delay*
- *Generally, Expenditure was relatively high due to increase in revenue performance.*
- *The State still recorded a surplus as operating activities at the end of 2021*



**Table 5 Statement of Income and Expenditure**

Statement of Income and Expenditure							
Item	Previous Actual (2020)	Originally Approved 2021 Budget	2021 Supplementary Budget	2021 Final Budget	2021 Actuals	Variance*	Performance (%)*
<b>Revenue:</b>							
Opening Balance	3,605,199,381	16,763,282,735		16,763,282,735.00	16,817,622,791	54,340,056.27	100.3%
Statutory Allocation	31,553,270,373	64,113,267,659		64,113,267,659.23	35,442,992,288.52	- 28,670,275,370.71	55.3%
13% Derivation	10,852,424,806	11,583,777,563		11,583,777,563.23	11,504,678,077	- 79,099,486.23	99.3%
State Government Share of VAT	14,892,602,066	12,925,776,176		12,925,776,176.00	21,386,339,169	8,460,562,992.54	165.5%
Other Federation Account Distributions	6,206,920,971	22,853,282,735		22,853,282,735.00	-	- 22,853,282,735.00	0.0%
Independent Tax Revenue	15,954,785,505	15,200,937,000		15,200,937,000.00	18,648,913,729	3,447,976,729.13	122.7%
Independent Non-Tax Revenue	8,495,333,022	9,287,195,248		9,287,195,248.00	11,814,904,996	2,527,709,747.76	127.2%
Foreign Grants				-	-	-	-
Domestic Grants	10,279,125,285	10,475,715,003		10,475,715,003.00	3,936,555,258	- 6,539,159,745.00	37.6%
Foreign Loans				-	-	-	-
Domestic Loans	29,996,079,346			-	-	-	-
Other Revenues	398,347,665	28,433,354,140		28,433,354,140.32	16,726,604,248	- 11,706,749,892.31	58.8%
Transfer from other Government Entities	5,841,266,901			-	-	-	-
<b>Total Revenue (a)</b>	<b>138,075,355,321.00</b>	<b>191,636,588,259.78</b>	<b>-</b>	<b>191,636,588,259.78</b>	<b>136,278,610,556.23</b>	<b>- 55,357,977,703.55</b>	<b>71.1%</b>
<b>Expenditure:</b>							
Salaries, Wages and Allowances	38,100,745,403.00	39,345,528,104.57		39,345,528,104.57	37,713,162,350.00	1,632,365,754.57	95.9%
CRF Charges (Salary)				-	-	-	-
Social Contributions	180,209,919.00			-	-	-	-
Social Benefits	10,169,164,860.00	10,915,880,000.00		10,915,880,000.00	10,009,645,189.00	906,234,811.00	91.7%
Overheads	17,236,313,426.00	18,984,569,750.00		18,984,569,750.00	13,994,818,786.63	4,989,750,963.37	73.7%
Grants & Contributions	5,385,433,319.28	9,838,400,000.00		9,838,400,000.00	9,048,249,872.00	790,150,128.00	92.0%
Public Debt Charges		13,632,855,035.00		13,632,855,035.00	4,458,799,093.00	9,174,055,942.00	32.7%
Transfers	4,373,178,356.28	12,240,588,290.00		12,240,588,290.00	4,259,468,168.00	7,981,120,122.00	34.8%
Capital Expenditure	40,368,432,839.94	69,915,484,356.00		69,915,484,356.00	39,976,844,306.83	29,938,640,049.17	57.2%
<b>Total Expenditure (b)</b>	<b>115,813,478,123.50</b>	<b>174,873,305,535.57</b>	<b>-</b>	<b>174,873,305,535.57</b>	<b>119,460,987,765.46</b>	<b>55,412,317,770.11</b>	<b>68.3%</b>
<b>Surplus/Deficit from Operating Activities</b>	<b>22,261,877,197.50</b>	<b>16,763,282,724.21</b>	<b>-</b>	<b>16,763,282,724.21</b>	<b>16,817,622,790.77</b>	<b>- 110,770,295,473.66</b>	<b>100.3%</b>
Gains/Loss on Disposal of Asset				-	-	-	-
Gain/Loss on Foreign Exchange Transaction				-	-	-	-
Total Non-Operating Revenue/(Expenses)				-	-	#VALUE!	-
Surplus/(Deficit) from Ordinary Activities				-	-	-	-
Net Surplus/(Deficit) for the Period				-	-	-	-

\* Performance is assessed against final budget. Negative Variance for Revenues items means revenue actuals were below budget. Negative variance for expenditure items means actuals were above budget.

**Table 6 Statement of Changes in Net Assets**

Statement of Changes in Net Assets			
Item	Accumulated Surplus	Available for sale Reserve	Total reserve
Opening Balance as at 1 January 2021	9,685,008,642		9,685,008,642.00
Actuarial Gains/(Losses)			-
Change in Fair Value Available-for-sale Financial Assets			-
Surplus/(Deficit) for the period	7,793,938,628		7,793,938,628.03
Balance as at 31 December 2021	17,478,947,270.03	-	17,478,947,270.03

## Section 6 Top Sectoral Allocation

*Tables 8, 9 and 10 outline the financial information on top Ministries, Department Agencies/Sector allocation and the actual expenditure from the implementation of the fiscal year budget.*

**Recurrent Expenditure** - Presented in Table 8 is data on recurrent expenditure of top sectors. It was observed that for all the sectors listed, actual expenditures were more than 50% except Legislative Administration and other MEDAs expenditure which have performance of 38.6%, 34.7% respectively. The level of performance is 75.7% across all the sectors and the share for each sector is similar both as a percentage of budget and actual expenditure. Apart from Education, Health, General administration of Justice, Infrastructure, Agricultural Development Project and information got more than 75.7% while other got less than 75.7%.

**Capital Expenditure** - Table 9 presents capital expenditure of top 10 sectors. The sectorial capital expenditure performance shows that Infrastructural development Sector, Public Finance, General Administration and Education had actual capital expenditure performance of 80.5%, 99.8%, 53.9% and 80.7% respectively of the budgeted figure. All the sectors listed had actual capital expenditure performance of more than 50% except Environment and Sewage, Trade and Industries, Administrative of Justice, Health, Information and Agriculture sectors. Infrastructural development got the highest actual expenditure which is about 27.63 billion of the total capital expenditure, Education got ₦5.663 million equivalent to 14.2% of the sector share in total actual expenditure.

**Total Expenditure** - As indicated in Table 10 for the top highest spending sectors, Infrastructure sector received the highest total actual expenditure which is about N29.745 billion (24.9%) of the total actual expenditure followed by Education which got 29.570 billion (24.8%), Public Finance 19.627 billion (16.4%), Health 12.728 billion (10.7%), General Administration 11.484 billion (9.6%) and Administration of Justice sectors N2.718 billion (2.3%).

*In all, total actual expenditure stood at about N119.461 billion, representing 68.3% of the total budget figure.*

**Table 7 Top Ten Recurrent Expenditure Sectors / MDAs**

Expenditure: Where does the Money go?						
Top Ten Recurrent Allocation by Sectors						
MDA/Sectors	2021 Final Budget	2021 Actual Amount	Variance*	Performance (%)*	Sector Share in Total Budget	Sector Share in Total Actual Expenditure
EDUCATION	26,534,715,050	23,907,253,707	2,627,461,343	90.1%	25.3%	30.1%
HEALTH	12,108,288,876	12,019,871,509	88,417,366	99.3%	11.5%	15.1%
PUBLIC FINANCE	22,064,646,434	17,007,643,729	5,057,002,704	77.1%	21.0%	21.4%
GENERAL ADMINISTRATION	9,981,884,630	9,698,062,557	283,822,073	97.2%	9.5%	12.2%
ADMINISTRATION OF JUSTICE	3,258,131,079	2,409,005,979	849,125,100	73.9%	3.1%	3.0%
INFRASTRUCTURE	2,772,511,678	2,141,351,449	631,160,229	77.2%	2.6%	2.7%
AGRICULTURAL DEVELOPMENT	1,555,976,377	1,399,410,169	156,566,207	89.9%	1.5%	1.8%
LEGISLATIVE ADMINISTRATION	3,818,963,753	1,474,531,058	2,344,432,695	38.6%	3.6%	1.9%
SOCIAL AND COMMUNITY DEVELOPMENT	2,061,807,774	1,416,083,470	645,724,303	68.7%	2.0%	1.8%
INFORMATION	1,238,693,367	1,230,935,042	7,758,325	99.4%	1.2%	1.5%
Other MDA Expenditure	19,562,202,154	6,779,994,790	12,782,207,364	34.7%	18.6%	8.5%
<b>Total (Except Other MDA Expenditure)</b>	<b>85,395,619,016</b>	<b>72,704,148,669</b>	<b>12,691,470,347</b>	<b>85.1%</b>	<b>81.4%</b>	<b>91.5%</b>
<b>Total Budgeted Expenditure</b>	<b>104,957,821,170</b>	<b>79,484,143,459</b>	<b>25,473,677,711</b>	<b>75.7%</b>		

\* Variance and Performance is assessed against final budget. Negative variance for expenditure items means actuals were above budget.

**Table 8 Top Ten Capital Expenditure Sectors / MDAs**

Top Ten Capital Allocation by Sectors						
MDA/Sectors	2021 Final Budget	2021 Actual Amount	Variance*	Performance (%)*	Sector Share in Total Budget	Sector Share in Total Actual Expenditure
INFRASTRUCTURAL DEVELOPMENT	34,275,606,485	27,603,513,943	6,672,092,542	80.5%	49.0%	69.0%
PUBLIC FINANCE	2,623,766,709	2,619,764,709	4,002,000	99.8%	3.8%	6.6%
GENERAL ADMINISTRATION	3,316,400,000	1,786,337,631	1,530,062,369	53.9%	4.7%	4.5%
EDUCATION	7,014,829,349	5,663,112,122	1,351,717,226	80.7%	10.0%	14.2%
ENVIRONMENT/SEWAGGE MGT	2,295,000,000	591,742,826	1,703,257,174	25.8%	3.3%	1.5%
TRADE AND INDUSTRY	2,996,400,000	278,952,354	2,717,447,646	9.3%	4.3%	0.7%
ADMINISTRATIVE OF JUSTICES	1,419,000,000	309,022,812	1,109,977,188	21.8%	2.0%	0.8%
HEALTH	5,861,875,000	708,570,842	5,153,304,158	12.1%	8.4%	1.8%
INFORMATION	457,000,000	182,812,303	274,187,697	40.0%	0.7%	0.5%
AGRILCULTURE	6,881,406,813	122,744,267	6,758,662,547	1.8%	9.8%	0.3%
Other MDA Expenditure	2,774,200,000	110,270,498	2,663,929,502	4.0%	4.0%	0.3%
<b>Total (Except Other MDA Expenditure)</b>	<b>67,141,284,355</b>	<b>39,866,573,809</b>	<b>27,274,710,547</b>	<b>59.4%</b>	<b>96.0%</b>	<b>99.7%</b>
<b>Total Budgeted Expenditure</b>	<b>69,915,484,355</b>	<b>39,976,844,306</b>	<b>29,938,640,049</b>	<b>57.2%</b>		

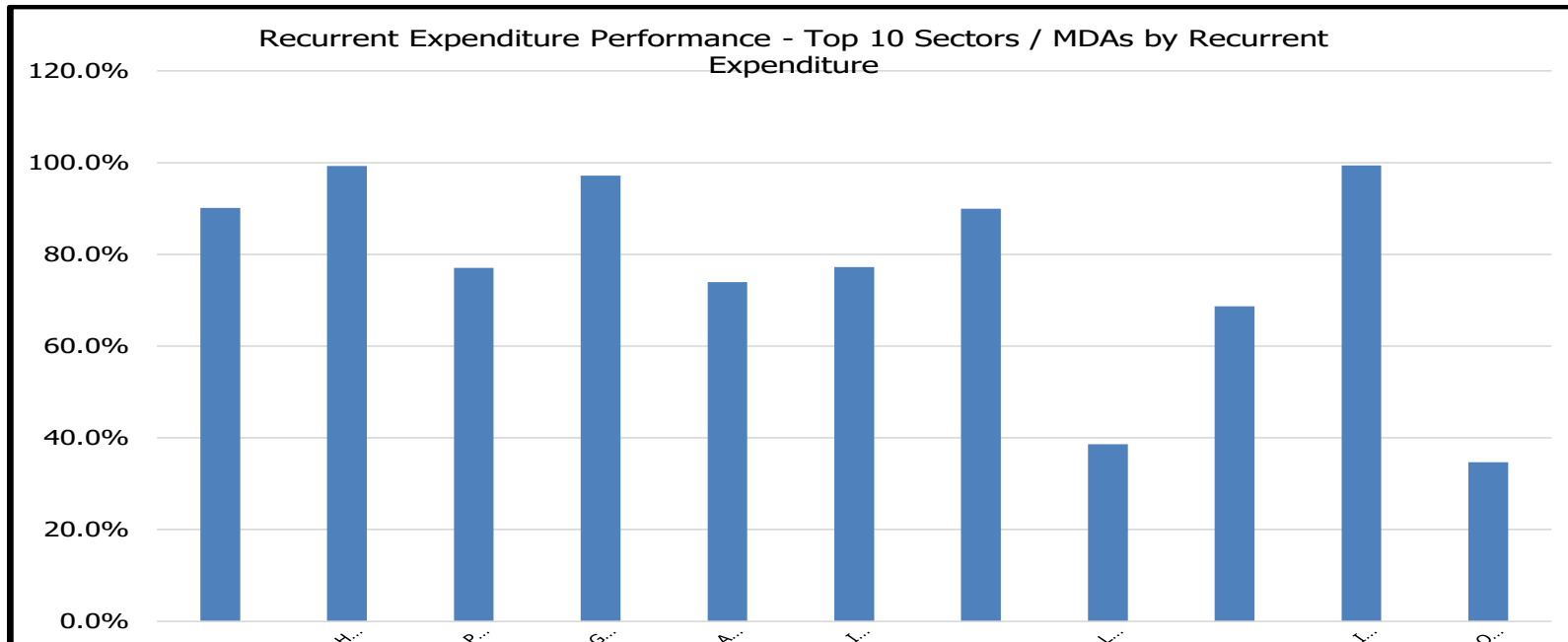
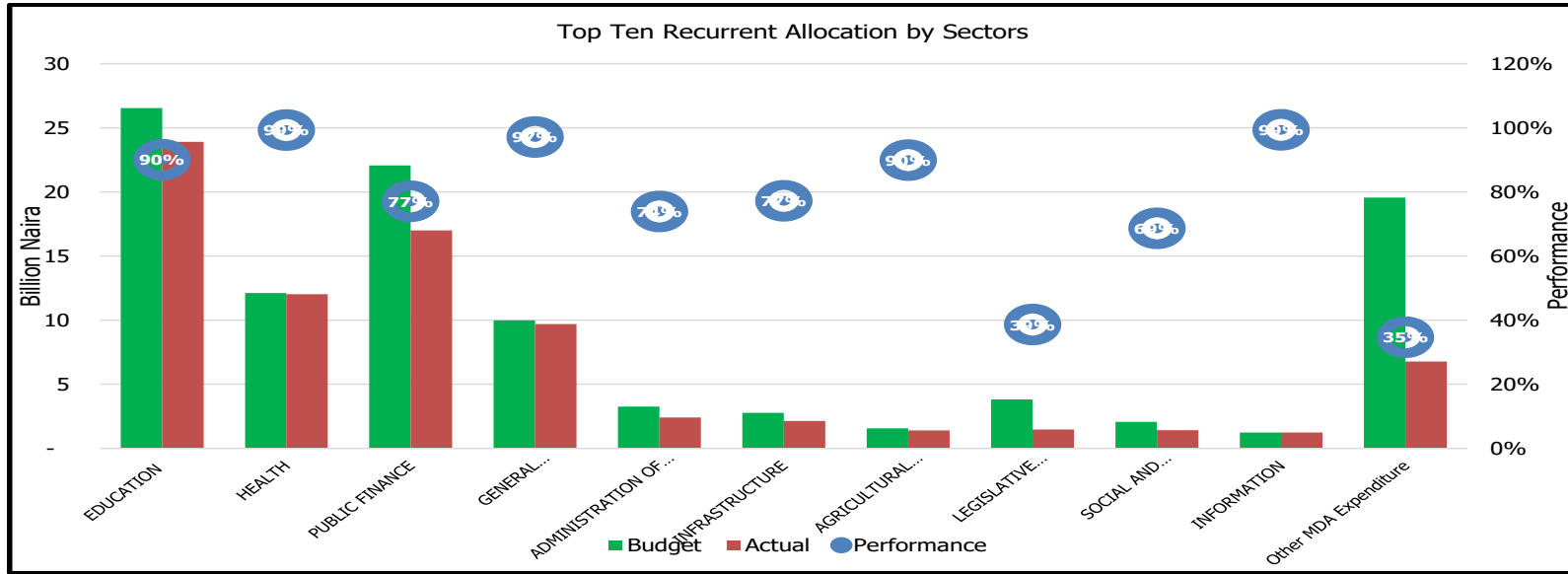
\* Variance and Performance is assessed against final budget. Negative variance for expenditure items means actuals were above budget.

**Table 9 Top Ten Total Expenditure Sectors / MDAs**

Top Ten Total Allocation by Sectors						
MDA/Sectors	2021 Final Budget	2021 Actual Amount	Variance*	Performance (%)*	Sector Share in Total Budget	Sector Share in Total Actual Expenditure
EDUCATION	33,549,544,399	29,570,365,829	3,979,178,570	88.1%	19.2%	24.8%
INFRASTRUCTURE	37,048,118,163	29,744,865,392	7,303,252,771	80.3%	21.2%	24.9%
PUBLIC FINANCE	24,688,413,143	19,627,408,438	5,061,004,704	79.5%	14.1%	16.4%
HEALTH	17,970,163,876	12,728,442,351	5,241,721,524	70.8%	10.3%	10.7%
GENERAL ADMINISTRATION	13,298,284,630	11,484,400,188	1,813,884,442	86.4%	7.6%	9.6%
ADMINISTRATION OF JUSTICE	4,677,131,079	2,718,028,791	1,959,102,288	58.1%	2.7%	2.3%
AGRICULTURAL DEVELOPMENT	8,437,383,190	1,522,154,436	6,915,228,754	18.0%	4.8%	1.3%
LEGISLATIVE ADMINISTRATION	4,681,263,753	1,510,817,598	3,170,446,155	32.3%	2.7%	1.3%
INFORMATION	1,695,693,367	1,413,747,345	281,946,022	83.4%	1.0%	1.2%
ENVIRONMENT AND SEWAGE MGT	2,800,355,718	928,785,172	1,871,570,547	33.2%	1.6%	0.8%
Other MDA Expenditure	26,026,954,209	8,211,972,227	17,814,981,981	31.6%	14.9%	6.9%
<b>Total (Except Other MDA Expenditure)</b>	<b>148,846,351,317</b>	<b>111,249,015,539</b>	<b>37,597,335,777</b>	<b>74.7%</b>	<b>85.1%</b>	<b>93.1%</b>
<b>Total Budgeted Expenditure</b>	<b>174,873,305,525</b>	<b>119,460,987,766</b>	<b>55,412,317,759</b>	<b>68.3%</b>		

\* Variance and Performance is assessed against final budget. Negative variance for expenditure items means actuals were above budget.

Figure 2 Top Ten Recurrent Expenditure Sectors / MDAs Graph



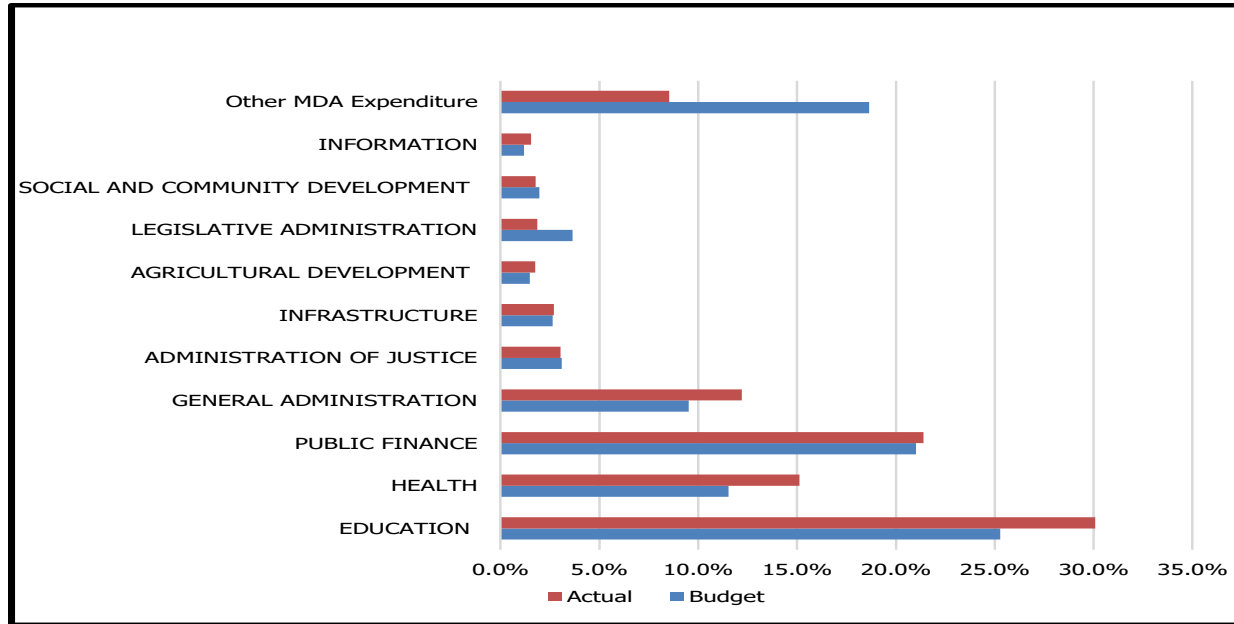
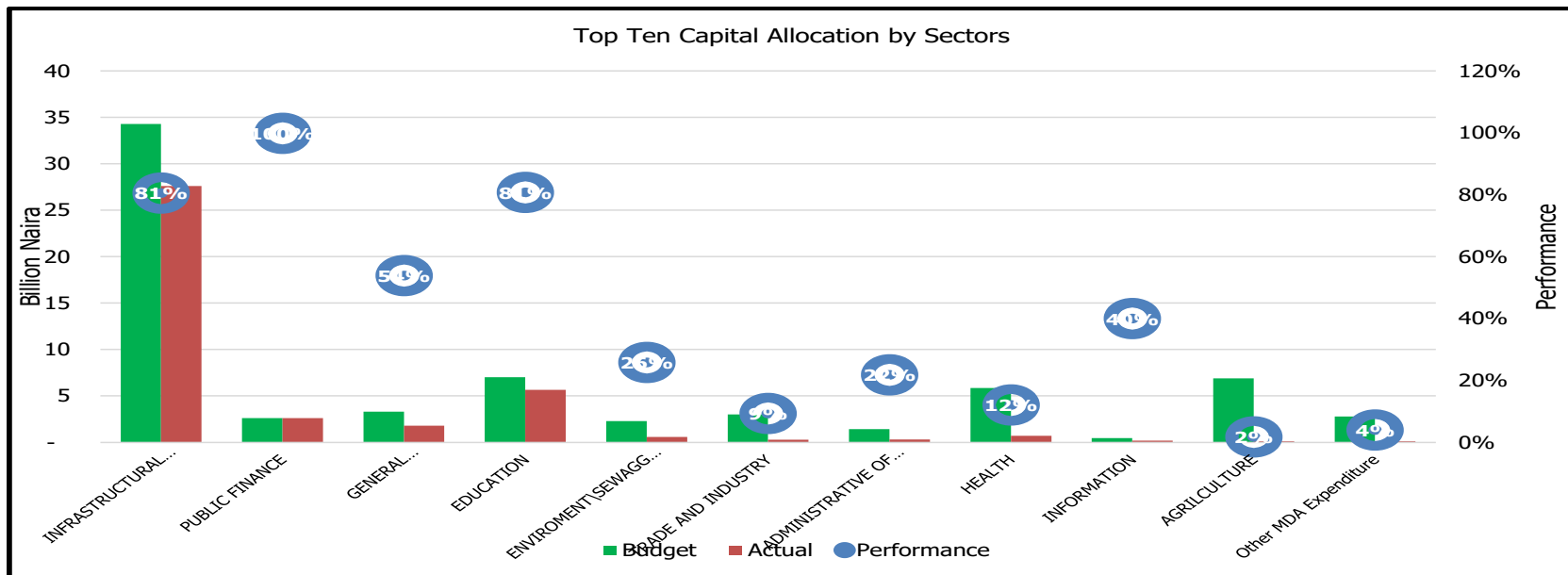


Figure 3 Top Ten Capital Expenditure Sectors / MDAs Graph



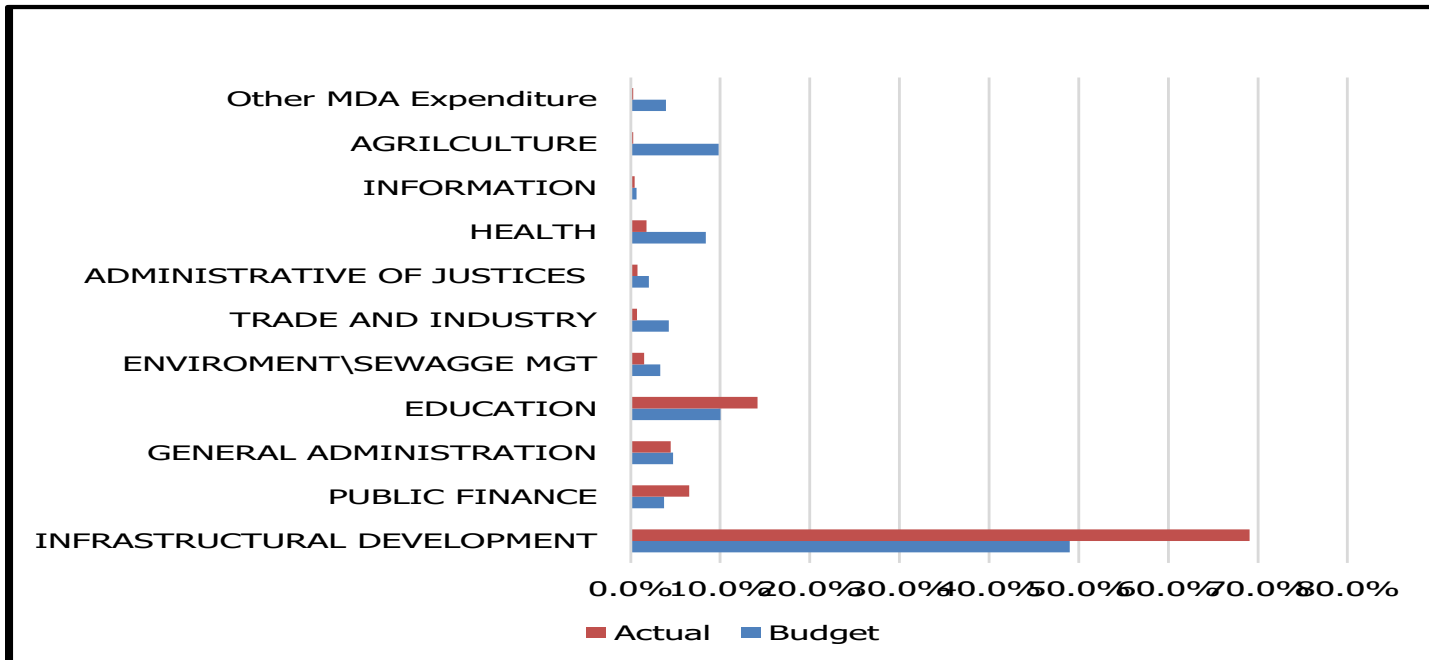
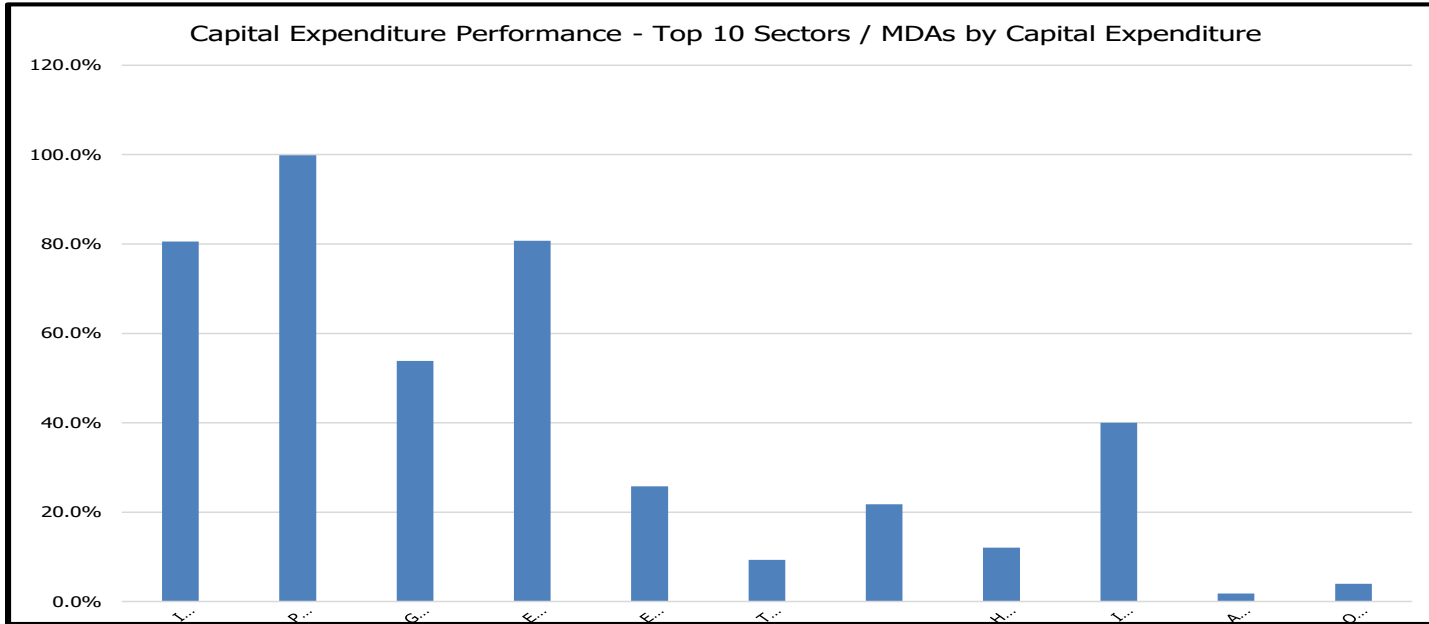
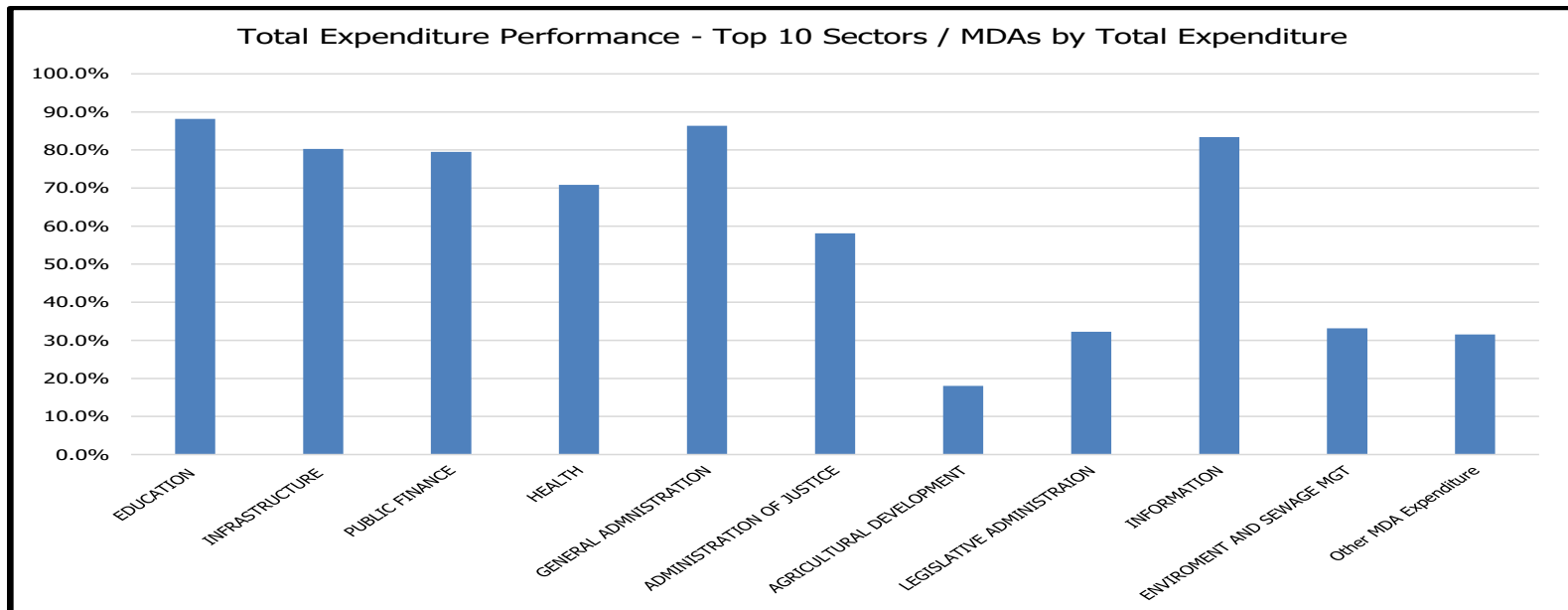
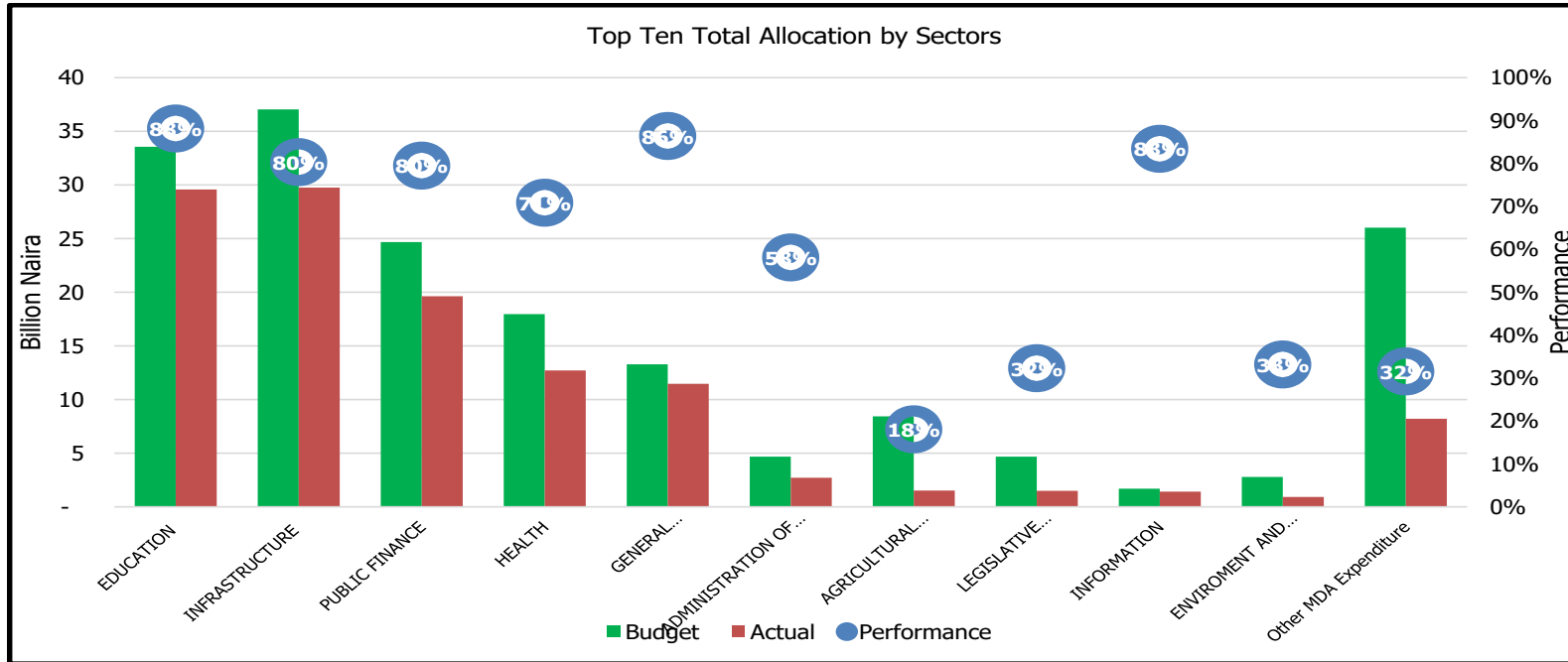
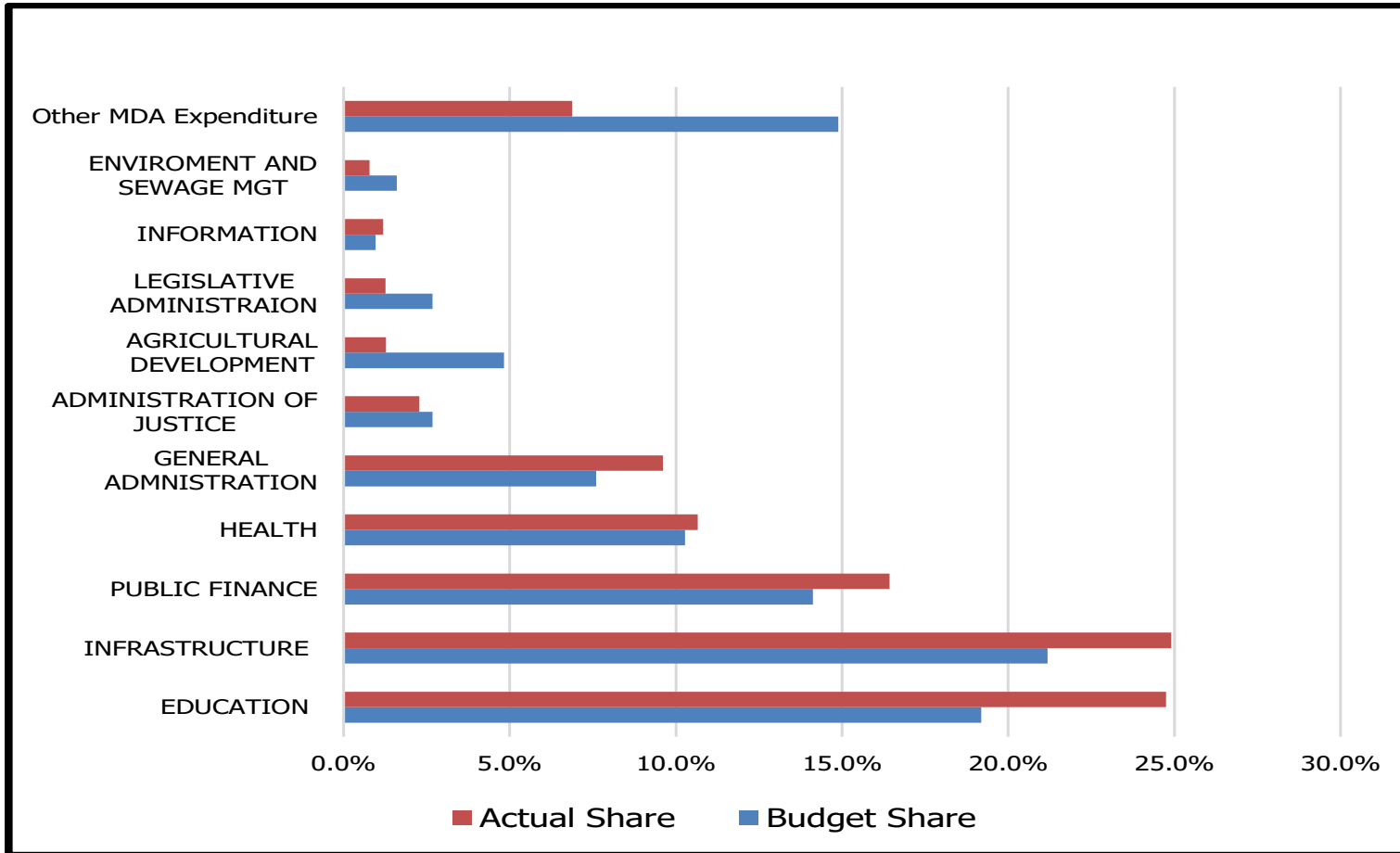


Figure 4 Top Ten Total Expenditure Sectors / MDAs Graph







## Section 7 Top Value Capital Projects

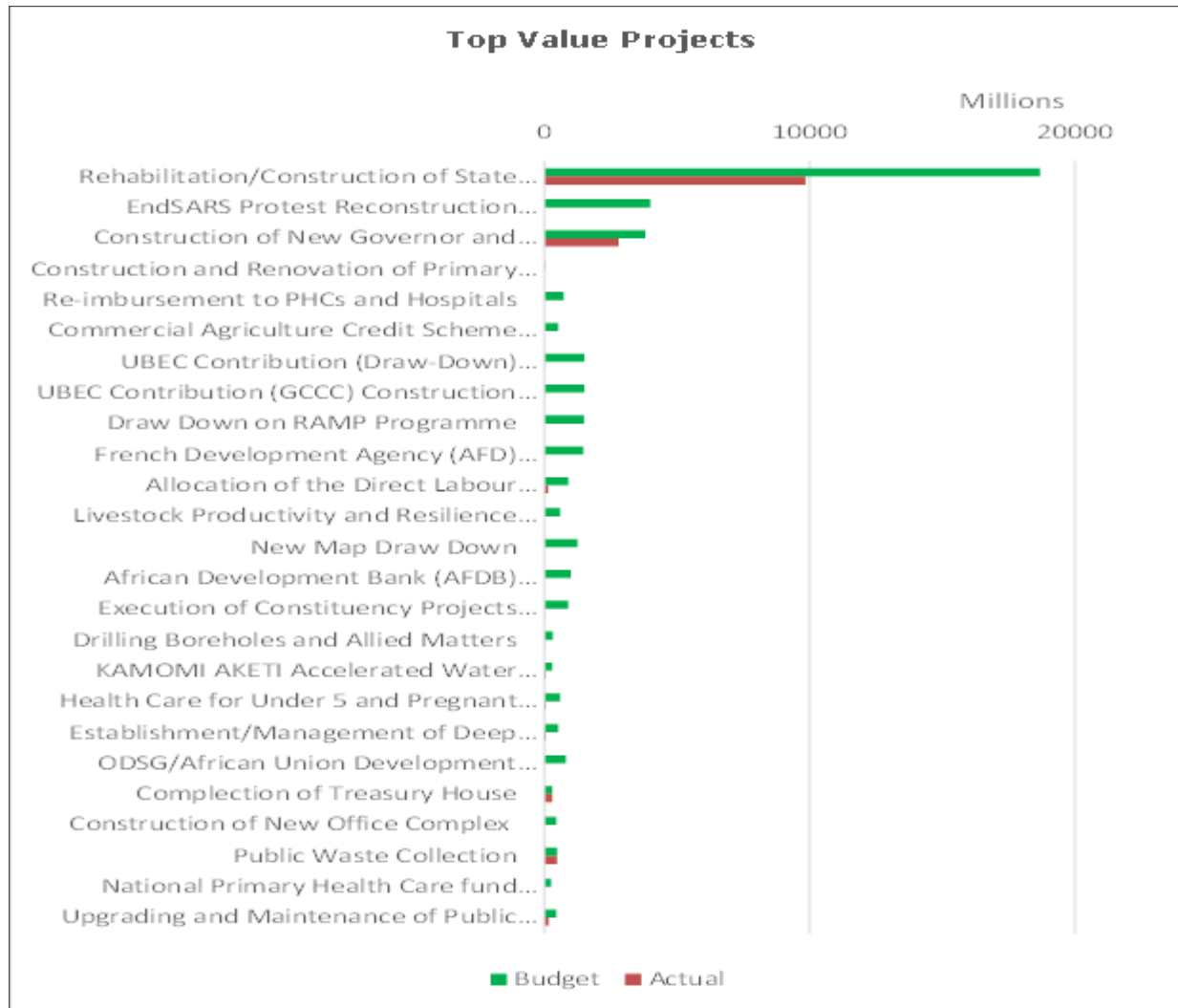
This section outlines information on the largest 15-20 capital projects included within the budget and the actual expenditure from the implementation of the fiscal year budget.

**Table 10 Largest Projects**

Top Value Projects								
Project	Project Location	Programme Code	MDA Responsible	2020 Final Budget	2020 Actual Amount	Variance*	Performance (%)*	Completion Status
Rehabilitation/Construction of State Highways	Statewide	17	Works and Infrastructure	18,681,000,000	9,850,213,242	8,830,786,758	52.7%	Ongoing
EndSARS Protest Reconstruction Programme	Statewide	0	Ministry of Lands and Housing	4,000,000,000	0	4,000,000,000	0.0%	Ongoing
Construction of New Governor and Deputy Governor L	Akure	0	Ministry of Lands and Housing	3,800,000,000	2,800,372,481	999,627,519	73.7%	Ongoing
Construction and Renovation of Primary Schools	Statewide	05	SUBEB	28,000,000	0	28,000,000	0.0%	Not Yet Started
Re-imbursement to PHCs and Hospitals	Statewide	0	Contributory Health Commission	728,000,000	0	728,000,000	0.0%	Not Yet Started
Commercial Agriculture Credit Scheme (CACs)	Statewide	01	OSAFEC	520,306,813	0	520,306,813	0.0%	Not Yet Started
UBEC Contribution (Draw-Down) Construction and Re	Statewide	5	SUBEB	1,510,664,674	605,000	1,510,059,674	0.0%	Ongoing
UBEC Contribution (GCCC) Construction and Renova	Statewide	5	SUBEB	1,513,664,674	10,000,000	1,503,664,674	0.7%	Ongoing
Draw Down on RAMP Programme	Statewide	0	RAMP Office	1,500,000,000	0	1,500,000,000	0.0%	Not Yet Started
French Development Agency (AFD) Water Facility	Statewide	02	Water Corporation	1,465,732,111	0	1,465,732,111	0.0%	Not Yet Started
Allocation of the Direct Labour Engineering Unit(DILEU	State wide	17	Ministry of Works and Infrastructure	900,000,000	147,711,365	752,288,635	16.4%	Ongoing
Livestock Productivity and Resilience Support (L-PRES	State wide	01	Ministry of Agriculture	600,000,000	0	600,000,000	0.0%	Not Yet Started
New Map Draw Down	State wide	0	New Map Project Office	1,250,000,000	0	1,250,000,000	0.0%	Not Yet Started
African Development Bank (AFDB) Water Facility (Dra	State wide	2	Water Corporation	1,000,000,000	0	1,000,000,000	0.0%	Not Yet Started
Execution of Constituency Projects across the three se	State wide	0	Directorate of Rural and Community Dev	900,000,000	700,000	899,300,000	0.1%	Ongoing
Drilling Boreholes and Allied Matters	State wide	10	RUWASSA	306,016,496	4,810,000	301,206,496	1.6%	Ongoing
KAMOMI AKETI Accelerated Water Scheme	State wide	10	RUWASSA	302,000,000	58,038,773	243,961,227	19.2%	Ongoing
Health Care for Under 5 and Pregnant women	State wide	0	Contributory Health Commission	600,000,000	50,000,000	550,000,000	8.3%	Ongoing
Establishment/Management of Deep Sea Port	Ilaje, Eseodo	0	ONDIPA	525,000,000	60,405,738	464,594,262	11.5%	Ongoing
ODSG/African Union Development Agency-NEPAD Pr	State wide	0	OSAFEC	800,000,000	0	800,000,000	0.0%	Not Yet Started
Completion of Treasury House	Office of the State A	0	Ministry of Lands and Housing	300,000,000	300,000,000	-	100.0%	Ongoing
Construction of New Office Complex	Akure	0	Contributory Health Commission	450,000,000	0	450,000,000	0.0%	Not Yet Started
Public Waste Collection	State wide	0	Waste Management Agency	468,000,000	468,000,000	-	100.0%	Complete
National Primary Health Care fund Drawdown	State wide	0	Primary Health Care Development Board	251,500,000	0	251,500,000	0.0%	Not Yet Started
Upgrading and Maintenance of Public Building includi	Statewide	0	Ministry of Lands and Housing	450,000,000	160,365,940	289,634,060	35.6%	Ongoing

\* Variance and Performance is assessed against final budget. Negative variance for expenditure items means actuals were above budget.

Figure 5 Largest Projects Graph



## Section 8 Citizen-Nominated Projects - Implementation Status Report

*This section outlines the financial information on top Ministries, Department and Agencies/Sector allocations to projects nominated by the citizens and the actual expenditure from the implementation of the fiscal year budget.*

*Only sixteen citizens nominated projects were included in the 2021 Budget of which only six (6) were attempted being issue about gendered-based violent, implementation of free health services for Persons living with disabilities by the State Government, collaboration of the Ministry of Information with National Orientation Agency should be engaged to further take government's programmes to the rural communities especially to the youth, Health Insurance Scheme in the State for the benefit of pregnant women and children under five years in the State should be strengthened and be made accessible, provision of overhead bridge linking Agadagba Obon to Arogbo Main Town should be constructed by the State. The budget figures for the six (6) programmes were N20m, N10m, N300m, N300m, N2m and N18.681m out of which N7.44m, N6.80m, N178.11m, N50m, N0.6m and N9.850m were expended respectively.*

*The six (6) projects are continuous in nature which government carries out yearly, which were to be captured in the 2022 budget.*

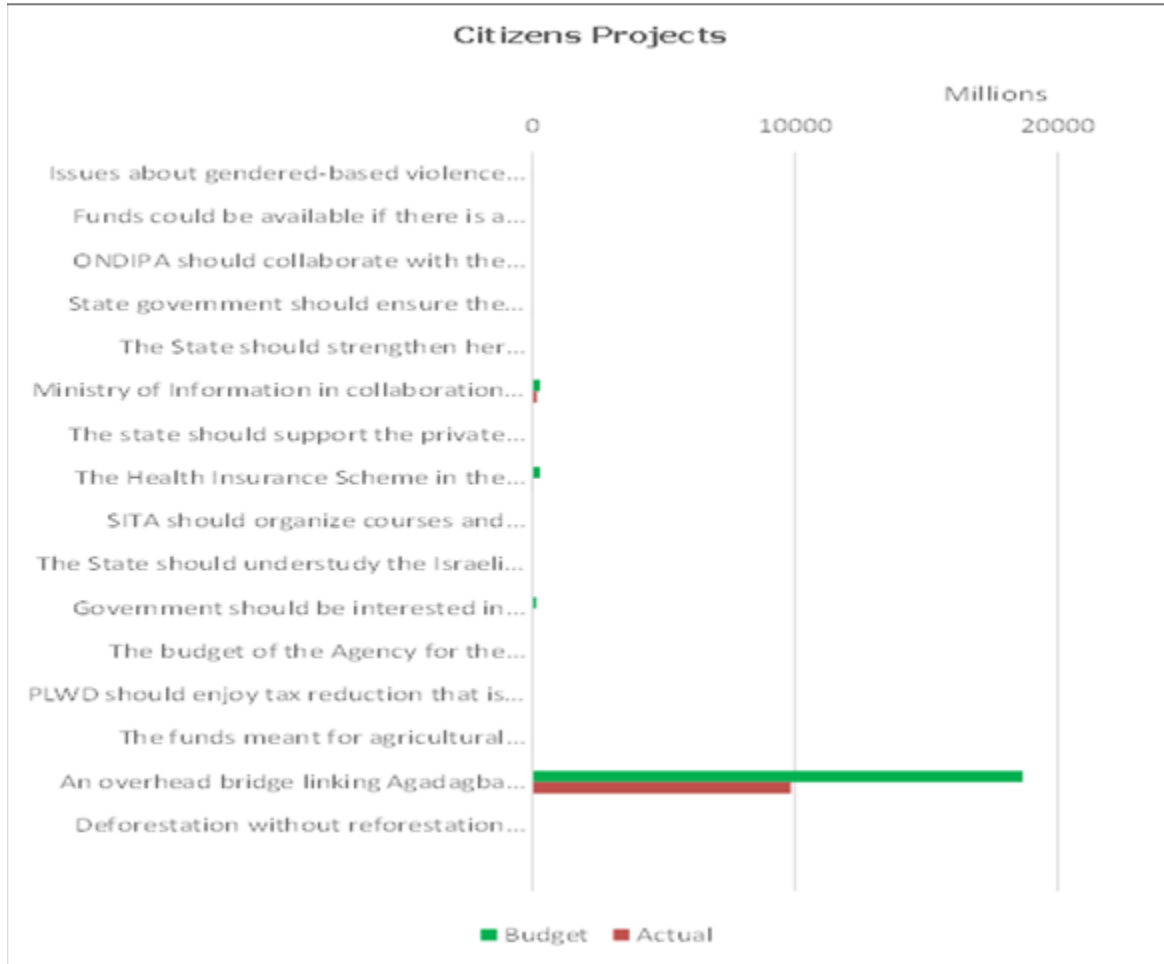
*Necessary preparation and plan were made for some of the remaining ten (10) projects which did not require monetary budgetary provision; for example, collaboration of ONDIPA with the Local Private Sector NGOs and discouragement of deforestation without reforestation at the government forest reserve. Request for the upward review of the budget of the Agency for the Welfare of Persons Living with Disabilities was attended to during the preparation of 2022 budget, etc;*

**Table 12 Citizens Nominated Projects**

Citizens Nominated Projects								
Project	Project Location	Programme Code	MDA Responsible	2020 Final Budget	2020 Actual Amount	Variance*	Performance (%)*	Completion Status
Issues about gendered-based violence should be given the appropriate attention in the budget. Gender	Statewide	22100701	Women Affairs/MEPB	20,000,000	7,439,306	12,560,694	37.2%	Ongoing
Funds could be available if there is a reduction in the Cost of Governance	Statewide	22100678	EXCOs/MEPB	10,000,000	0	10,000,000	0.0%	Not Yet Started
ONDIPA should collaborate with the Local Private Sector NGOs	Statewide	2120001110104	ONDIPA	10,000,000	0	10,000,000	0.0%	Not Yet Started
State government should ensure the implementation of free health services	Statewide	22100520	Agency for the Welfare of the Physically Challenged	10,000,000	6,796,000	3,204,000	68.0%	Ongoing
The State should strengthen her relationships with Development Partners	Statewide	22100446	MEPB	8,000,000	0	8,000,000	0.0%	Not Yet Started
Ministry of Information in collaboration with National Orientation Agency	Statewide	22100320	Ministry of Information	300,000,000	178,110,450	121,889,550	59.4%	Ongoing
The state should support the private sector in organizing trade fairs	Statewide	01030002370108	Ministry of Commerce, Industries and	10,000,000	0	10,000,000	0.0%	Not Yet Started
The Health Insurance Scheme in the State for the benefit of pregnant women	Statewide	04040004740101	Contributory Health Commission	300,000,000	50,000,000	250,000,000	16.7%	Ongoing
SITAs should organize courses and programmes that could fetch revenue	Statewide	1110001650101	SITA	3,500,000	0	3,500,000	0.0%	Not Yet Started
The State should understudy the Israeli farmers for improved agricultural practices	Statewide	0101000410145	Ministry of Agriculture	5,000,000	0	5,000,000	0.0%	Not Yet Started
Government should be interested in enhancing the productive capacity of small businesses	Statewide	01030002370105	Industries and Cooperatives	150,000,000	0	150,000,000	0.0%	Not Yet Started
The budget of the Agency for the Welfare of Persons living with Disabilities	Statewide	22100519	Agency for the Welfare of the Physically Challenged	10,000,000	0	10,000,000	0.0%	Not Yet Started
PLWD should enjoy tax reduction that is lower than their able-bodied counterparts	Statewide	02120001140103	ONDIPA	20,000,000	0	20,000,000	0.0%	Not Yet Started
The funds meant for agricultural practices should be made to reach the farmers	Statewide	1010002320101	Ministry of Agriculture	2,000,000	600,000	1,400,000	30.0%	Ongoing
An overhead bridge linking Agadagba Obon to Arogbo Main Town	Statewide	02170001300106	Ministry of Works and Infrastructure	18,681,000,000	9,850,213,242	8,830,786,758	52.7%	Ongoing
Deforestation without reforestation should be discouraged at the grass roots	Statewide	1090000090107	Ministry of Natural Resource	1,500,000	0	1,500,000	0.0%	Not Yet Started

\* Variance and Performance is assessed against final budget. Negative variance for expenditure items means actuals were above budget.

Figure 7 Citizens Nominated Projects Graph



## Section 9 Public Consultations with Citizens presenting the Annual Financial Statements

*The FY 2021 Audited Annual Financial Statements for Ondo State can be found on the State Government website, at the following specific address: [www.ondostate.gov.ng](http://www.ondostate.gov.ng).*

*Ondo State Government published the Audited Annual Financial Statements on the 28th June 2022 after the Public Account Committee of the Ondo State House of Assembly conducted public hearing on it.*