

Ondo State Government of Nigeria

Citizens' Accountability Report on the implementation of the

2020 Budget: *Budget of Growth*

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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) 2020 and reports on State budget revenue and expenditure for 2020.

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 2020 Budget of Ondo State, the Budget of Growth, was passed on the 31st December 2019 and budget implementation commenced on 1st January 2020. The 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 28th July 2020.

Aggregate revenue performance was 91.2% of the budgeted N151.438 billion in the final budget this is equivalent to N18.444 billion less than the budget figure – both Federation Account revenues and Internally generated revenue performed at 90.2% and 100.8% respectively.

On the expenditure side, the actual total expenditure is about N18.443 billion (12.2%) less than the budgeted amount of N151.438 billion .

Capital Expenditure performed at 78.6% while recurrent expenditure performed at 61.16%. Much of the recurrent expenditure in 2020 was obligatory in nature so, capital expenditure was largely focussed on completing ongoing projects. Very few new projects, with the exception of those that targeted COVID-19 responsive matters, were started.

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

Some of the larger contracts were subjected to delays due to attentions given to address the effects of Covid-19 pandemic, and some amendments were made. Few citizens' projects were implemented as planned, albeit some were carried over to 2021.

The most material audit findings related to unremitted revenue, fund diversion, etc were recorded in some agencies.

Section 1 Budget Outturn

The revenue performance (outturn) which shows the aggregate revenue performance is about 91.2%; thus about 8.8% less than the anticipated revenue in the budget, this is equivalent to N13.363 billion naira. The critical causes of difference were as a result of the effect of the Covid-19 pandemic which adversely affected the performances of the Independent Revenue and revenue from other sources.

Domestic Loans performed at 94.2% because the state sought more loans to finance some critical projects within the reporting period. The State could access 100% performance due to the effect Covid-19 pandemic.

On the expenditure side, the actual total expenditure is about N132.994 billion which is 12.2% less than the budgeted amount which was N151.438 billion. Out of the total Capital expenditure budget of N51.355 billion, the actual capital expenditure was N40.368 billion. This indicates that capital expenditure witnessed 78.6% 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.

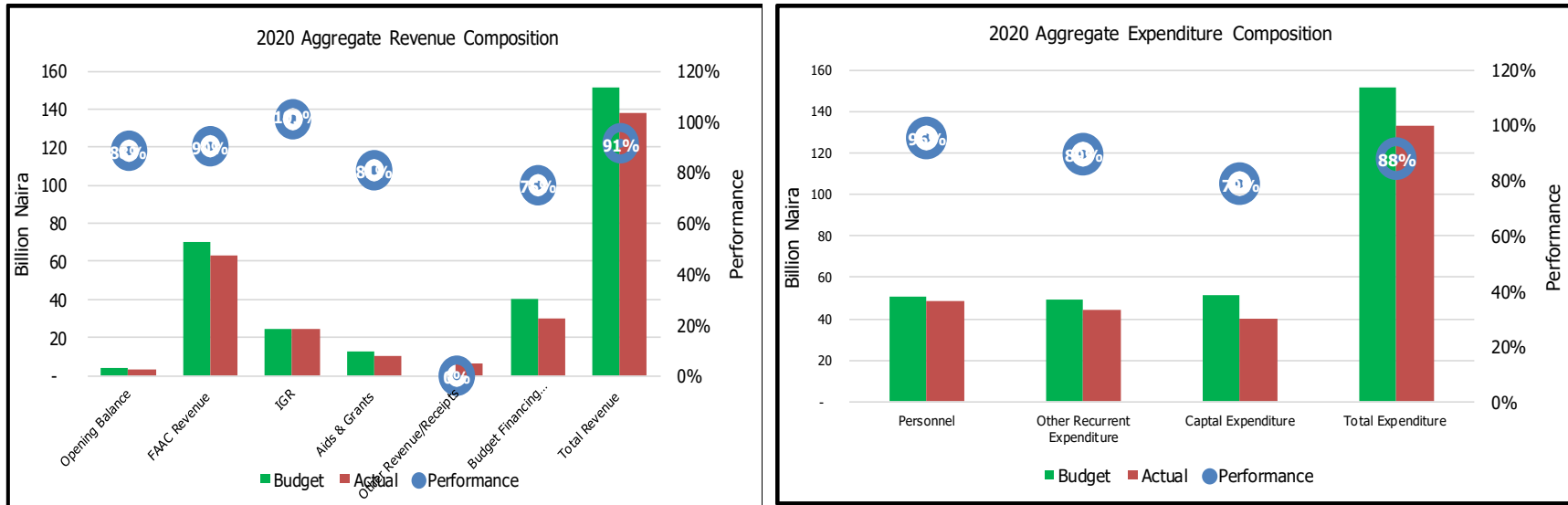
Personnel expenditure which includes employees' salaries and wages, performed at 95.1% while Social Benefits which include payment of gratuity and pension, performed at 105.4%. Conversely, all other recurrent expenditure items which include overhead cost, grants and contributions, Statutory Transfers 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 87.8%.

Table 1 Budget Outturn

Budget Outturn (Originally Approved vs Actual)					
2020 Revenue Composition Performance					
2020 Aggregate Revenue Composition	2020 Original Budget	2020 Final Budget	2020 Actual Amount	Variance*	Performance (%)*
Opening Balance	4,500,000,000	4,081,000,000	3,605,199,381	- 475,800,619	88.3%
FAAC Revenue	88,018,493,850	70,404,587,677	63,505,218,216	- 6,899,369,461	90.2%
IGR	30,107,615,000	24,244,763,855	24,450,118,528	205,354,673	100.8%
Aids & Grants	7,749,543,454	12,707,484,079	10,279,125,285	- 2,428,358,794	80.9%
Other Revenue/Receipts	-	-	36,235,693,911	36,235,693,911	
Budget Financing (Loans)	57,482,872,970	40,000,164,389	15,200,000,000	- 24,800,164,389	38.0%
Total Revenue	187,858,525,274	151,438,000,000	153,275,355,321	1,837,355,321	101.2%
2020 Expenditure Performance by Economic Type					
2020 Aggregate Expenditure Composition	2020 Original Budget	2020 Final Budget	2020 Actual Amount	Variance*	Performance (%)*
Personnel	52,900,000,000	50,710,774,548	48,450,120,182	2,260,654,366	95.5%
Other Recurrent Expenditure	54,488,481,949	49,371,936,520	44,175,687,304	5,196,249,216	89.5%
Capital Expenditure	80,470,043,324	51,355,288,932	40,368,432,840	10,986,856,092	78.6%
Total Expenditure	187,858,525,273	151,438,000,000	132,994,240,326	18,443,759,674	87.8%

* 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 126.6%. This more-than-expected performance due to the revenue arrears collected during the period under review and the autonomy given 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 138.7% and 103.1% respectively.

The critical source of Tax Revenue for ONDO State included personal taxes which recorded 159.3% performance during the period under review. A key component of the personal taxes is the PAYE which performed at 49.4%, Direct Assessment which performed at 68.1% and Other Personal Tax N.E.C which was not budgeted for, yielded N14.519 billion. As indicated in the Table 2 below, except for fees general and rent on Government Building general, the actual receipt fell short of the budgeted amount for all other revenue sources.

The State Internal Revenue Service which is the highest revenue generating institution of the state had a budget of N17.897 billion but generated N17.255 billion, equivalent to 96.5%. Strengthening the ODIRS remains pivotal to the needed upscale in the revenue generation agenda of the state. Following the ODIRS are the Ministry of Natural Resources which had a final budget in the tune of N1.059 billion while the actual realized was N0.724 billion, representing 68.4% outturn; and Ondo State Water Corporation with a budget of N2.056 billion and N513 million as actual; implying 25% performance.

Other MDAs with the highest level of outturn included Waste Management Authority 791.6%, Ondo State Pool Betting and Lotteries Board 191.3%, Ondo State Investment Promotion Agency (ONDIPA) 105% and Ministry of Finance 41.9% while the least performing MDAs included Ministry of Lands and Housing 39.1% and Ministry of Education, Science and Technology 32.3%.

This information is presented in Table 3 below.

Table 2 Revenue Outturn by Item

Internally Generated Revenue Performance					
By Item					
IGR Items	2020 Original Budget	2020 Final Budget	2020 Actual Amount	Variance*	Performance (%)*
Tax Revenue	18,301,262,902	16,001,262,902	22,192,493,585	6,191,230,683	138.7%
Personal Taxes:	15,337,912,902	13,337,912,902	21,247,301,342	7,909,388,440	159.3%
Personal Income Tax (PAYE)	13,897,912,902	12,617,912,902	6,237,708,078	6,380,204,824	49.4%
Personal Income Tax (Direct Assessment Taxes)	1,440,000,000	720,000,000	490,552,902	229,447,098	68.1%
Penalty For Offences & Interest	-	-	-	-	
Other Personal Tax N.E.C	-	-	14,519,040,362	14,519,040,362	
Other Taxes:	2,963,350,000	2,663,350,000	945,192,243	1,718,157,757	35.5%
Sales Tax	-	-	-	-	
Lottery Tax/Licence	-	-	-	-	
Property Tax	-	-	9,333,888	9,333,888	
Capital Gain Taxes	33,000,000	33,000,000	24,520,535	8,479,465	74.3%
Withholding Tax	1,537,500,000	1,537,500,000	869,174,140	668,325,860	56.5%
Other Taxes N.E.C	1,392,850,000	1,092,850,000	42,163,680	1,050,686,320	3.9%
Non-Tax Revenue:	11,806,352,098	8,243,500,953	8,495,333,022	251,832,069	103.1%
Licences General	2,077,509,000	1,307,097,000	1,249,389,587	57,707,413	95.6%
Fees – General	5,636,720,000	4,085,570,953	6,364,781,545	2,279,210,592	155.8%
Fines – General	177,280,000	112,280,000	85,387,617	26,892,383	76.0%
Sales – General	1,299,853,000	1,105,602,000	354,492,935	751,109,065	32.1%
Earnings – General	155,320,098	123,889,098	98,129,125	25,759,973	79.2%
Rent On Government Buildings – General	5,050,000	1,395,000	104,799,733	103,404,733	7512.5%
Rent on Land and Others – General	1,952,840,000	1,123,257,902	237,505,181	885,752,721	21.1%
Repayments	12,000,000	2,000,000	-	2,000,000	0.0%
Investment Income	250,000,000	265,000,000	-	265,000,000	0.0%
Interest Earned	100,000,000	66,406,000	847,299	65,558,701	1.3%
Reimbursement	139,780,000	51,003,000	-	51,003,000	0.0%
Miscellaneous Income	-	-	-	-	
Independent Revenue (IGR)	30,107,615,000	24,244,763,855	30,687,826,607	6,443,062,752	126.6%

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

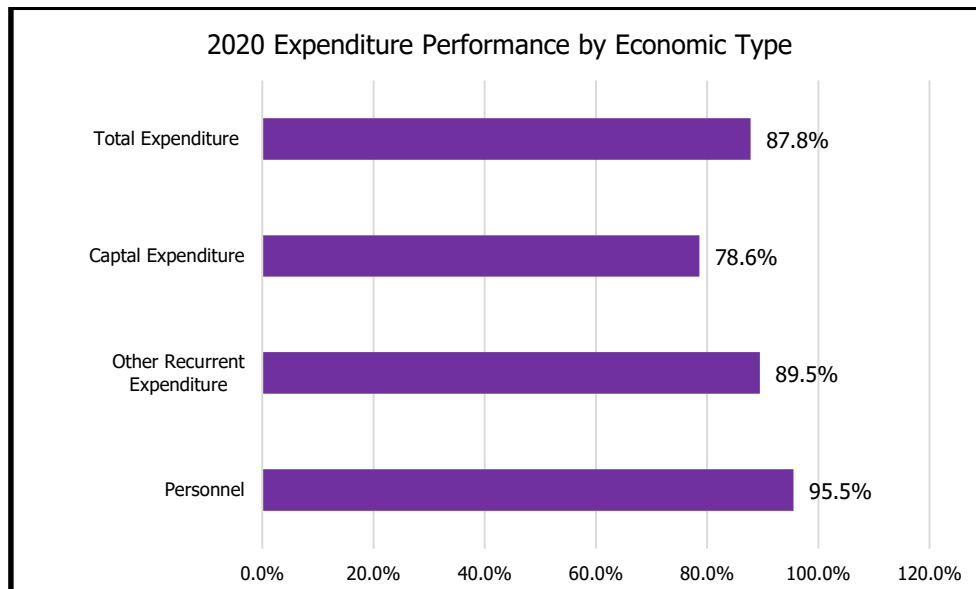
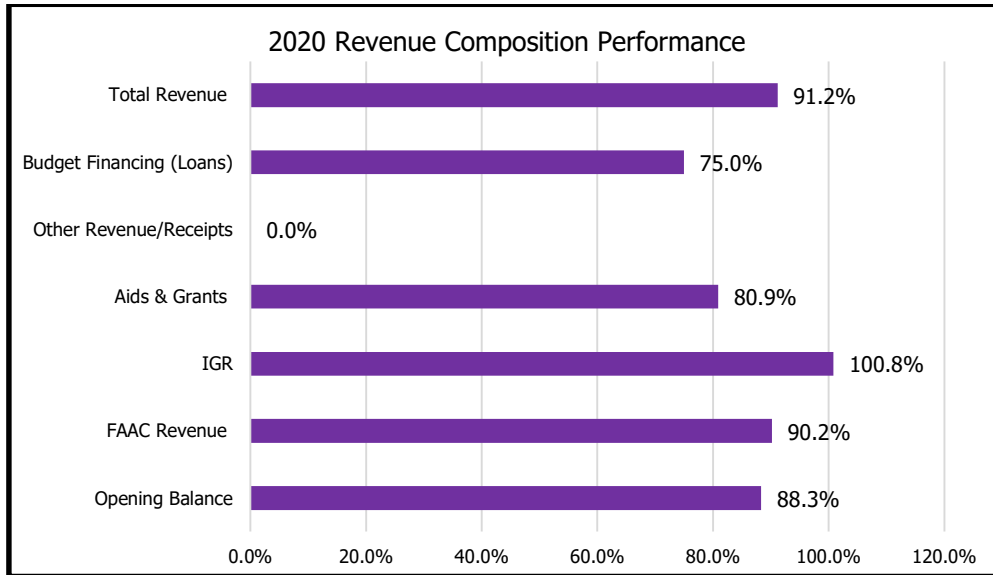


Table 3 Revenue Outturn by MDA

Internally Generated Revenue Performance					
By MDA:					
MDA	2020 Approved Budget	2020 Final Budget	2020 Actual Amount	Variance*	Performance (%)*
Ondo State Board of Internal Revenue	17,879,261,854	17,879,261,854	17,255,373,799	- 623,888,055	96.5%
Ministry of Works and Infrastructure	219,877,000	219,877,000	172,980,000	- 46,897,000	78.7%
Water Coporation	2,055,984,000	2,055,984,000	513,038,039	- 1,542,945,961	25.0%
Ministry of Natural Resources	1,059,244,000	1,059,244,000	724,014,207	- 335,229,793	68.4%
Ondo State Investment Promotion Agency	400,593,000	400,593,000	422,925,347	22,332,347	105.6%
Ondo State Pool Betting and Lotteries Board	74,355,000	74,355,000	142,266,345	67,911,345	191.3%
Ministry of Finance	553,500,000	553,500,000	231,664,806	- 321,835,194	41.9%
Ministry of Lands and Housing	550,124,000	550,124,000	214,918,844	- 335,205,156	39.1%
Ministry of Education	960,577,000	960,577,000	310,157,211	- 650,419,789	32.3%
Waste Management Authority	27,052,000	27,052,000	214,147,629	187,095,629	791.6%
Other Revenue Collecting Agencies	6,327,047,146	464,196,001	10,486,340,380	10,022,144,379	2259.0%
Independent Revenue (IGR)	30,107,615,000	24,244,763,855	30,687,826,607	6,443,062,752	126.6%

* 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 N51.355 billion 33.9% of the total budget size of N130.37 billion while recurrent expenditure was allocated N100.083 billion, equivalent to 66.1% 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 N132.994 billion was N40.368 billion representing 30% approximately while actual recurrent spending was allotted the remaining N92.626 billion which was 70% approximately.

The breakdown of recurrent expenditure shows that when compared with other recurrent items, salaries & wages received the highest share of N40.060 billion (26.5%); followed by overheads which got N15.971 billion (10.5%), debt charges which got N13.000 billion (8.6%), and then social benefits, grants, transfers and social contribution and which received N20.052 billion (20.5%).

Clearly, with the exception of overheads, debt charges and social benefits which recorded more than budget size, all other components of recurrent expenditure performed less than the final budget size or had less than a 100% release. The over performance in overhead was due to the creation of new MDAs and the unprecedented rise in most recurrent costs which was not envisaged during budget preparation. Interestingly, public debt charges received about 132.2% more than the budget target. This is in line with the state government resolve to clear backlog debt service charges, especially contractors' arrears.

Table 4 Expenditure Outturn

Expenditure: Where does the Money go?						
Aggregate Expenditure Composition as a % of Total Expenditure (Budget Vs Actuals)						
Expenditure	2020 Final Budget	Budget Share (%)	2020 Actual Amount	Actual Share (%)	Variance*	Performance (%)*
Recurrent Expenditure:						
Salaries, Wages and Allowances (inc. CRF)	40,059,974,548	26.5%	38,100,745,403	28.6%	1,959,229,145	95.1%
Social Contribution	1,000,000,000	0.7%	180,209,919	0.1%	819,790,081	18.0%
Social Benefits	9,650,800,000	6.4%	10,169,164,860	7.6%	518,364,860	105.4%
Overheads	15,970,672,857	10.5%	17,236,313,426	13.0%	1,265,640,569	107.9%
Grants and Subsidies	8,340,955,000	5.5%	5,385,433,319	4.0%	2,955,521,681	64.6%
Public Debt Charges	13,000,000,000	8.6%	17,180,762,203	12.9%	4,180,762,203	132.2%
Transfers	12,060,308,663	8.0%	4,373,178,356	3.3%	7,687,130,307	36.3%
Total Recurrent Expenditure	100,082,711,068	66.1%	92,625,807,486	69.6%	7,456,903,582	92.5%
Total Capital Expenditure	51,355,288,932	33.9%	40,368,432,840	30.4%	10,986,856,092	78.6%
Total Expenditure	151,438,000,000	100.0%	132,994,240,326	100.0%	18,443,759,674	87.8%

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

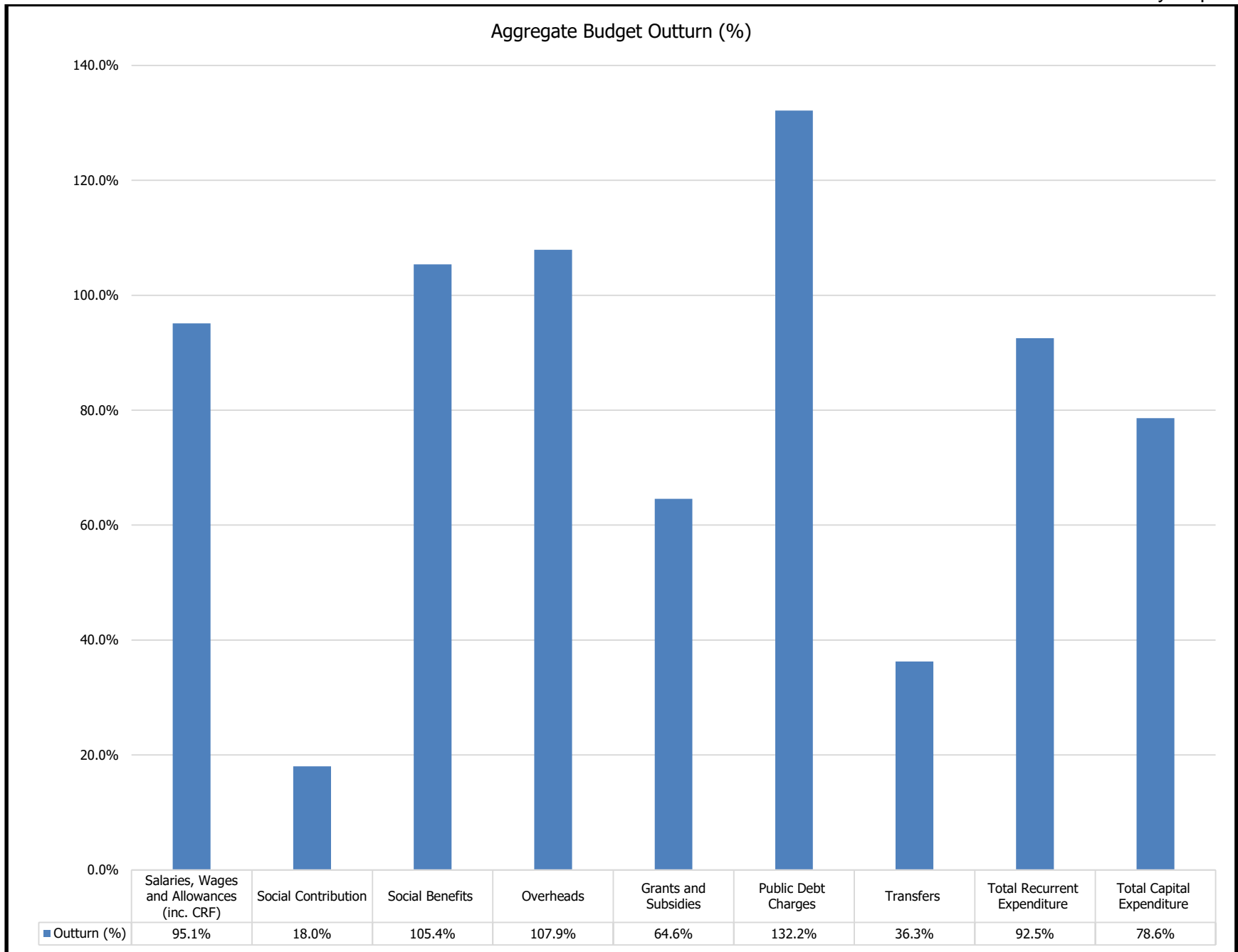
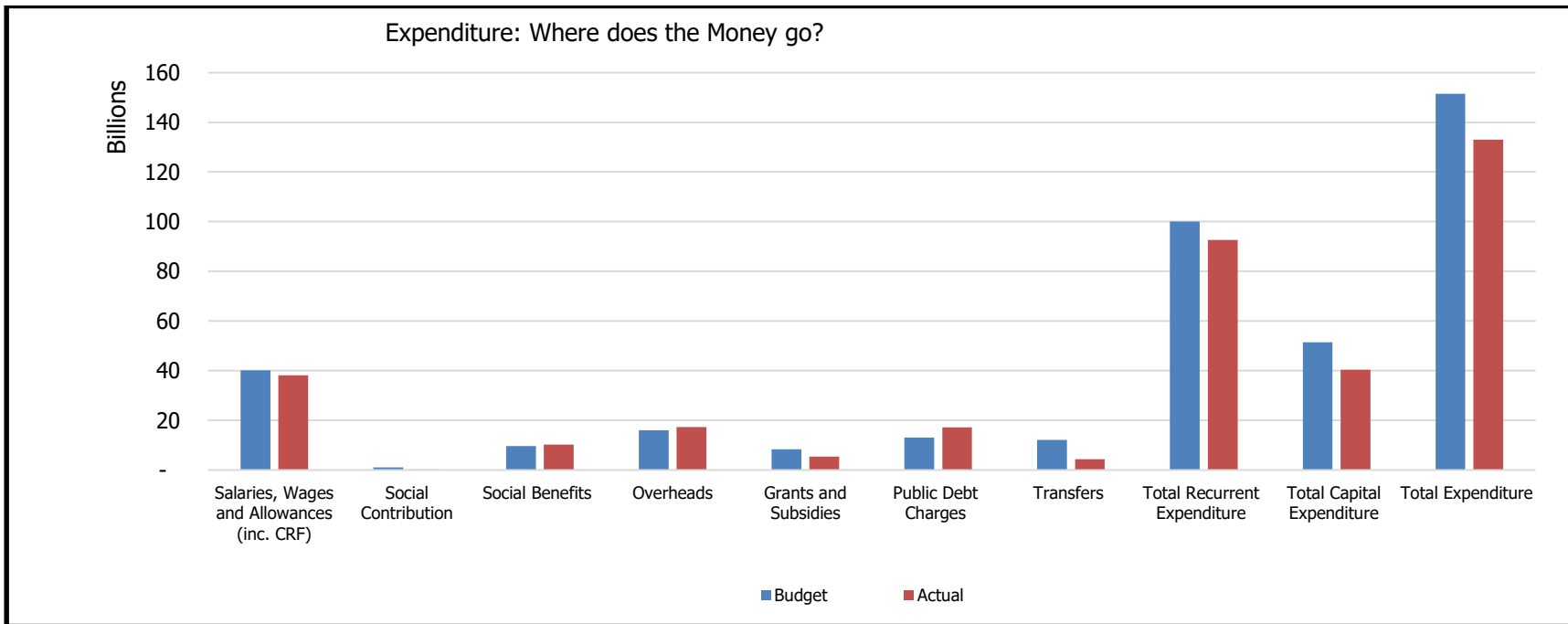
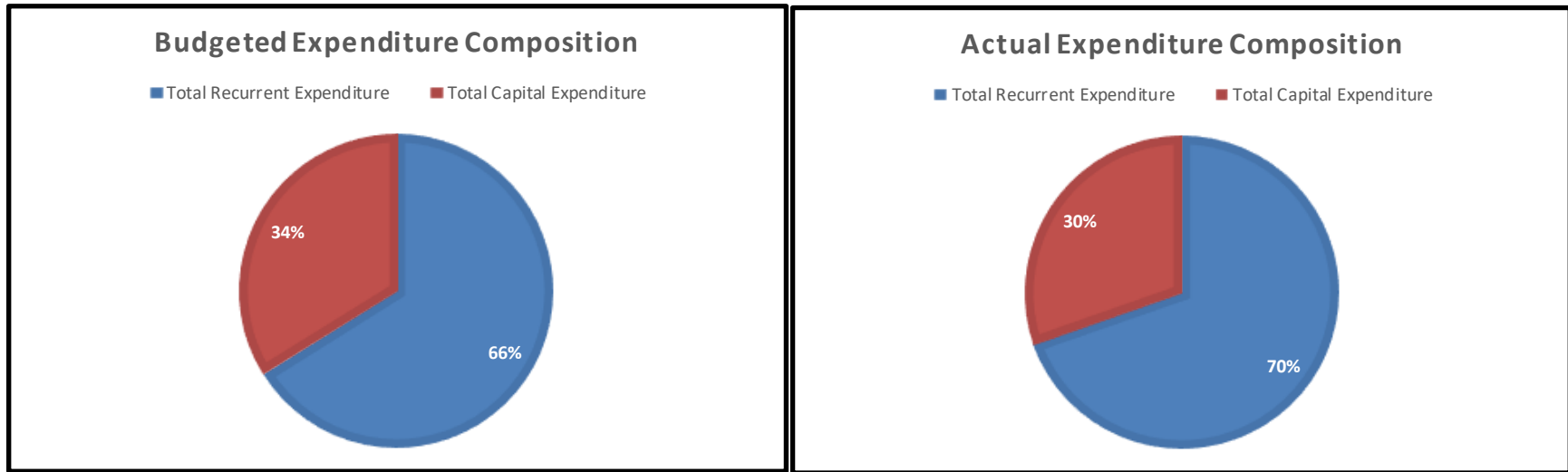
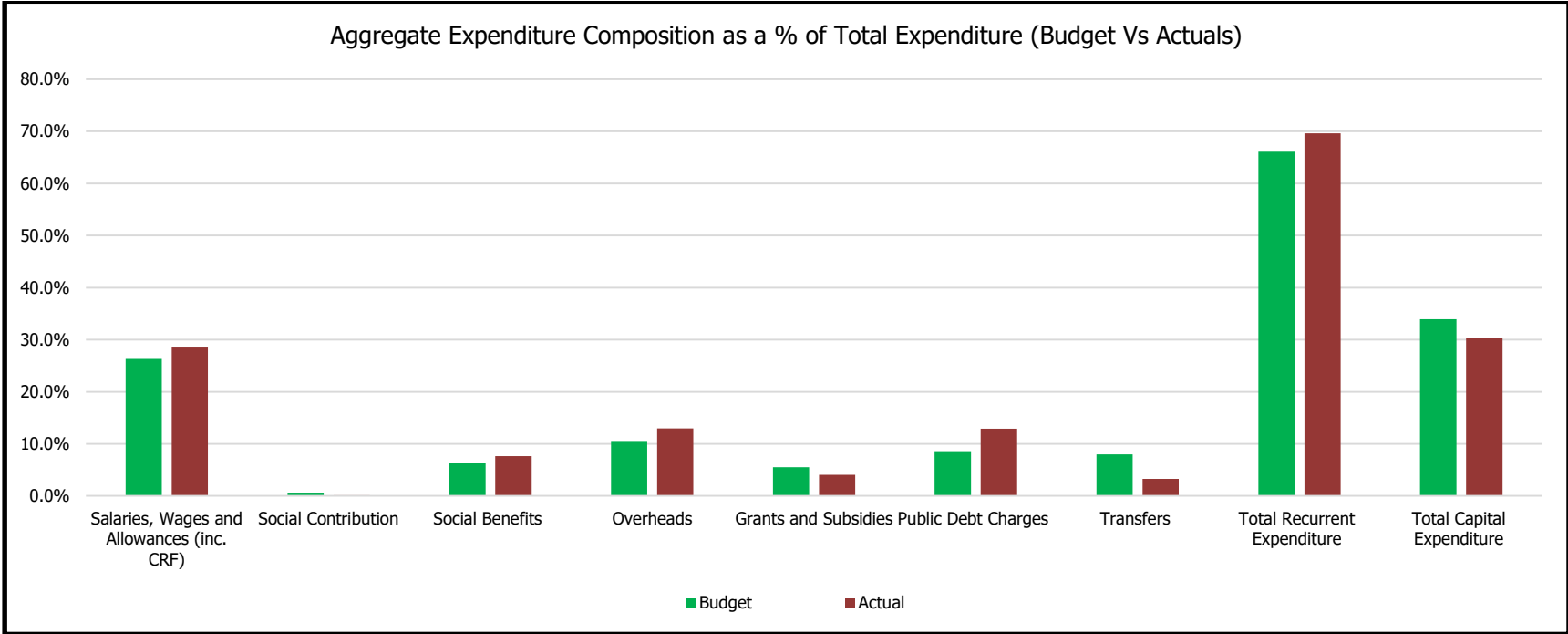


Figure 2 Expenditure Composition Budget and Actual





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 includes revenue and expenditure, audited financial statement, finding from the audit as contained in the audited financial statement.

A: REVENUE

Ondo State Development & Investment Promotion Agency and Office of Transport have unremitted revenue of about N329 million and N2.7 million respectively.

Ministry of Works & Infrastructure and Ministry of Lands & Housing have unpaid revenue due to State government. This amounts to about N81.575 million and N3.345 million respectively.

In Ministry of Environment, revenue generated from use of public toilet was not declared to the tune of N0.385 million.

B: RECURRENT EXPENDITURE PAYMENT VOUCHERS

Ministry of Justice has a diversion of fund amounting to N0.602.

C: CAPITAL EXPENDITURE PAYMENT VOUCHERS

State House of Assembly has expenditure not supported by proper records or accounts to the tune of about N26.13 million.

Rural Water Supply and Sanitation Agency did not make their vouchers available for audit examination to the tune of about N17.8 million.

Directorate of Rural and Community Development has expenditure not supported by proper records or accounts to the tune of about N12.1 million.

Ministry of Agriculture unpaid revenue for use of Sunshine Fisheries and unproduced payment vouchers to the tune of N10.16 million.

D: SUMMARY OF QUERIED PAYMENT VOUCHERS

Ten vouchers totalling N483.580 million as presented in Table 5 below.

E: ASSETS (PROPERTY, PLANT AND EQUIPMENT) REGISTER

No findings.

F: BILLS PAYABLE

No findings

G: INVESTMENTS

No findings
H: AIDS AND GRANTS No findings.
I: CONTINGENT LIABILITIES ON BANK GUARANTEES No bank guarantees were issued or outstanding during the FY 2020.
J: PERFORMANCE GUARANTEES No performance guarantees were issued or outstanding during the FY 2020.
K: ADHERENCE TO PROCUREMENT PROCEDURES All procurement procedures were duly observed during the FY 2020.

Table 5 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 Development & Investment Promotion Agency, Akure	5	Unremitted Revenue	329,080,531	329,080,531	100.0%
Ministry of Works and Infrastructure, Akure	3	Unpaid revenue due to State Government.	81,575,000	81,575,000	100.0%
Ondo State House of Assembly, Akure	1	Expenditure not supported by proper records or accounts.	26,127,833	26,127,833	100.0%
Ondo State Rural Water Supply and Sanitation Agency	1	Vouchers not made available for Audit examination.	17,805,000	17,805,000	100.0%
Directorate of Rural and Community Development, Akure	2	Expenditure not supported by proper records or accounts.	12,173,478	12,173,478	100.0%
Ministry of Agriculture	3	Unpaid revenue for use of Sunshine Fisheries and unproduced payment vouchers.	10,164,000	10,164,000	100.0%
Ministry of Lands and Housing	1	Unpaid Revenue	3,344,843	3,344,843	100.0%
Office of Transport	3	Unremitted Revenue	2,707,208	2,707,208	100.0%
Ministry of Justice	1	Diversion of Fund	601,751	601,751	100.0%
Ministry of Environment	1	Revenue generated from Public Toilet not declared.	385,000	385,000	100.0%
Total Number of Queries	20		483,579,644	483,579,644	100.0%

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 2020. Some of the highlights (major variances) are as follows:

- *Statutory Allocation performed lower than the previous year due to the fall in crude oil price and production in 2020 as a result of effect of COVID-19 and its wider global impacts.*
- *Domestic grants also performed at about 81% of the budgeted figure. This is due to the effect of COVID-19 and its wider global impacts.*
- *The draw -down of foreign loans was not actualised in the year under reporting. This is because all financial institutions and development partners were all under the effect of Covid-19 pandemic.*
- *Payment of Public debt charges (Principal & interest) increased as a result of the state government's resolve to clear backlog debt service charges, especially contractors' arrears.*
- *Expenditure was not able to perform optimally due to insufficient revenue inflow – with cuts needing to be made on some expenditure heads.*
- *The State still recorded a surplus on operating activities at the end of 2020.*
- *Total cash reserves as at the end of 2020 stood at N5.081 billion.*

Table 6 Statement of Income and Expenditure

Statement of Income and Expenditure							
Item	Previous Actual (2019)	Originally Approved 2020 Budget	2020 Supplementary Budget	2020 Final Budget	2020 Actuals	Variance*	Performance (%)*
Revenue:							
Opening Balance	3,109,114,708	4,500,000,000	- 419,000,000	4,081,000,000.00	3,605,199,381	- 475,800,619.02	88.3%
Statutory Allocation	38,310,622,771	40,267,804,826	- 13,537,190,699	26,730,614,126.83	31,553,270,373	4,822,656,246.23	118.0%
13% Derivation	13,390,210,139	13,399,732,605	- 2,453,950,675	10,945,781,929.54	10,852,424,806	- 93,357,123.25	99.1%
State Government Share of VAT	12,388,614,574	14,605,565,583	3,273,478,002	17,879,043,585.32	14,892,602,066	- 2,986,441,519.32	83.3%
Other Federation Account Distributions	2,167,297,125	6,260,437,098	8,588,710,937	14,849,148,035.37	6,206,920,971	- 8,642,227,064.57	41.8%
Independent Tax Revenue	20,271,046,440	18,301,262,902	- 2,300,000,000	16,001,262,902.00	15,954,785,505	- 46,477,396.55	99.7%
Independent Non-Tax Revenue	3,916,661,849	11,806,352,098	- 3,562,851,145	8,243,500,952.86	8,495,333,022	251,832,069.51	103.1%
Foreign Grants	825,916,000	3,948,659,375	- 2,368,659,375	1,580,000,000.00	-	- 1,580,000,000.00	0.0%
Domestic Grants	2,510,817,787	3,800,884,079	7,326,600,000	11,127,484,078.86	10,279,125,285	- 848,358,793.86	92.4%
Foreign Loans	4,106,458,584	10,075,597,970	- 1,928,492,200	8,147,105,770.25	-	- 8,147,105,770.25	0.0%
Domestic Loans	19,168,247,169	47,407,275,000	- 15,554,216,381	31,853,058,618.97	29,996,079,346	- 1,856,979,273.27	94.2%
Other Revenues	-	13,484,953,737	- 13,484,953,737	-	398,347,665	398,347,665.06	-
Transfer from other Government Entities	-	-	-	-	5,841,266,901	5,841,266,900.64	-
Total Revenue (a)	120,165,007,146.35	187,858,525,273.00	- 36,420,525,273.00	151,438,000,000.00	138,075,355,321.35	- 13,362,644,678.65	91.2%
Expenditure:							
Salaries, Wages and Allowances	34,799,528,157.00	40,000,000,000.00	59,974,547.92	40,059,974,547.92	38,100,745,402.92	1,959,229,145.00	95.1%
CRF Charges (Salary)	-	-	-	-	-	-	-
Social Contributions	56,157,274.04	1,375,000,000.00	- 375,000,000.00	1,000,000,000.00	180,209,919.00	819,790,081.00	18.0%
Social Benefits	10,153,201,141.37	11,525,000,000.00	- 1,874,200,000.00	9,650,800,000.00	10,169,164,860.00	518,364,860.00	105.4%
Overheads	18,680,017,134.02	21,370,834,943.00	- 5,400,162,086.00	15,970,672,857.00	17,236,313,425.76	1,265,640,568.76	107.9%
Grants & Contributions	6,564,474,001.69	8,429,500,000.00	- 88,545,000.00	8,340,955,000.00	5,385,433,319.28	2,955,521,680.72	64.6%
Public Debt Charges	11,005,085,755.32	10,508,246,933.90	2,491,753,066.10	13,000,000,000.00	17,180,762,202.60	4,180,762,202.60	132.2%
Transfers	2,248,155,833.61	14,179,900,072.52	- 2,119,591,409.32	12,060,308,663.20	4,373,178,356.28	7,687,130,306.92	36.3%
Capital Expenditure	35,988,072,648.16	80,470,043,323.58	- 29,114,754,391.70	51,355,288,931.88	40,368,432,839.94	10,986,856,091.94	78.6%
Total Expenditure (b)	119,494,691,945.21	187,858,525,273.00	- 36,420,525,273.00	151,438,000,000.00	132,994,240,325.78	18,443,759,674.22	87.8%
Surplus/Deficit from Operating Activities c = (a-b)	670,315,201.14	-	0.00	-	5,081,114,995.57	- 31,806,404,352.87	
Gains/Loss on Disposal of Asset	-	-	-	-	-	-	-
Gain/Loss on Foreign Exchange Transaction	-	-	-	-	-	-	-
Total Non-Operating Revenue/(Expenses)	-	-	-	-	-	-	-
Surplus/(Deficit) from Ordinary Activities	-	-	-	-	-	-	-
Net Surplus/ (Deficit) for the Period	-	-	-	-	-	-	-

* 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.

Table 7 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 2020	10,039,716,976		10,039,716,976.00
Actuarial Gains/(Losses)			-
Change in Fair Value Available-for -sale Financial Assets			-
Surplus/(Deficit) for the period	- 354,708,334		- 354,708,333.94
Balance as at 31 December 2020	9,685,008,642.06	-	9,685,008,642.06

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 Regional Development sector which has a performance of 18.1%. The level of performance is 92.5% across all the sectors and the share for each sector is similar both as a percentage of budget and actual expenditure. Apart from Debt Service, in real terms, Public Finance, Health, Infrastructure and Education sectors got more than 90% each.

Capital Expenditure - Table 9 presents capital expenditure of top 10 sectors. The sectoral capital expenditure performance shows that Infrastructure Sector had actual capital expenditure performance of 96.3% of the budgeted figure. All the sectors listed had actual capital expenditure performance of more than 50% except Legislative and Administration of Justice sectors. As indicated in the table 9, Infrastructure sector got the highest actual expenditure which is about N14.3 billion which is 35.5% of the total actual capital expenditure. Health sector received N5.8 billion, equivalent to 14.3%, Public Finance got N4.3 billion (10.7%) while Education sector got N4.2 billion (10.4%) of the actual capital expenditure.

Total Expenditure - As indicated in Table 10 for the top highest spending sectors, Education sector received the highest total actual expenditure which is about N25.5 billion (19.2%) of the total actual expenditure followed by Public Finance which got N24.3 billion (18.3%). Infrastructural Development, Health, General Administration and Agricultural Development sectors received N16.9 billion (12.7%), N16.6 (12.5%), N12.1 billion (9.1%) and N3.6 billion (2.7%) respectively.

In all, total actual expenditure stood at about N133 billion, representing 88% of the total budget figure.

Table 8 Top Ten Recurrent Expenditure Sectors / MDAs

Expenditure: Where does the Money go?						
Top Ten Recurrent Allocation by Sectors						
MDA/Sectors	2020 Final Budget	2020 Actual Amount	Variance*	Performance (%)*	Sector Share in Total Budget	Sector Share in Total Actual Expenditure
EDUCATION	23,487,646,634	21,342,252,140	2,145,394,494	90.9%	23.5%	23.0%
PUBLIC FINANCE	21,013,090,805	19,979,745,863	1,033,344,942	95.1%	21.0%	21.6%
DEBT SERVICE	13,000,000,000	18,656,677,817	- 5,656,677,817	143.5%	13.0%	20.1%
HEALTH	11,380,718,518	10,806,890,788	573,827,729	95.0%	11.4%	11.7%
GENERAL ADMINISTRATION	10,313,553,561	9,107,421,858	1,206,131,703	88.3%	10.3%	9.8%
REGIONAL DEVELOPMENT	6,378,312,772	1,152,078,611	5,226,234,160	18.1%	6.4%	1.2%
ADMINISTRATION OF JUSTICE	2,979,299,788	2,302,451,786	676,848,002	77.3%	3.0%	2.5%
INFRASTRUCTURAL DEVELOPMENT	2,708,774,730	2,566,909,842	141,864,888	94.8%	2.7%	2.8%
LEGISLATIVE ADMINISTRATION	2,670,459,080	1,510,848,764	1,159,610,316	56.6%	2.7%	1.6%
SOCIAL AND COMMUNITY DEVELOPMENT	1,857,515,220	1,116,526,133	740,989,087	60.1%	1.9%	1.2%
Other MDA Expenditure	4,293,339,961	4,084,003,884	209,336,077	95.1%	4.3%	4.4%
Total (Except Other MDA Expenditure)	95,789,371,107	88,541,803,602	7,247,567,505	92.4%	95.7%	95.6%
Total Budgeted Expenditure	100,082,711,068	92,625,807,486	7,456,903,582	92.5%		

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

Table 9 Top Ten Capital Expenditure Sectors / MDAs

Top Ten Capital Allocation by Sectors						
MDA/Sectors	2020 Final Budget	2020 Actual Amount	Variance*	Performance (%)*	Sector Share in Total Budget	Sector Share in Total Actual Expenditure
INFRASTRUCTURAL DEVELOPMENT	14,895,161,800	14,345,333,800	549,828,000	96.3%	29.0%	35.5%
HEALTH	7,687,200,000	5,779,027,240	1,908,172,760	75.2%	15.0%	14.3%
PUBLIC FINANCE	5,747,147,278	4,310,926,416	1,436,220,862	75.0%	11.2%	10.7%
AGRICULTURAL DEVELOPMENT	5,657,914,286	3,616,281,533	2,041,632,753	63.9%	11.0%	9.0%
EDUCATION	4,237,618,158	4,192,246,065	45,372,093	98.9%	8.3%	10.4%
GENERAL ADMINISTRATION	3,537,535,000	2,959,286,338	578,248,662	83.7%	6.9%	7.3%
ADMINISTRATION OF JUSTICE	2,870,600,000	882,307,853	1,988,292,147	30.7%	5.6%	2.2%
ENVIRONMENT AND SEWAGE MANAGEMENT	2,271,700,000	2,083,583,000	188,117,000	91.7%	4.4%	5.2%
LEGISLATIVE ADMINISTRATION	1,544,500,000	182,163,100	1,362,336,900	11.8%	3.0%	0.5%
TRADE AND INDUSTRY	1,410,900,000	812,754,205	598,145,795	57.6%	2.7%	2.0%
Other MDA Expenditure	1,495,012,411	1,204,856,289	290,156,122	80.6%	2.9%	3.0%
Total (Except Other MDA Expenditure)	49,860,276,521	39,163,909,550	10,696,366,971	78.5%	97.1%	97.0%
Total Budgeted Expenditure	51,355,288,932	40,368,765,839	10,986,523,093	78.6%		

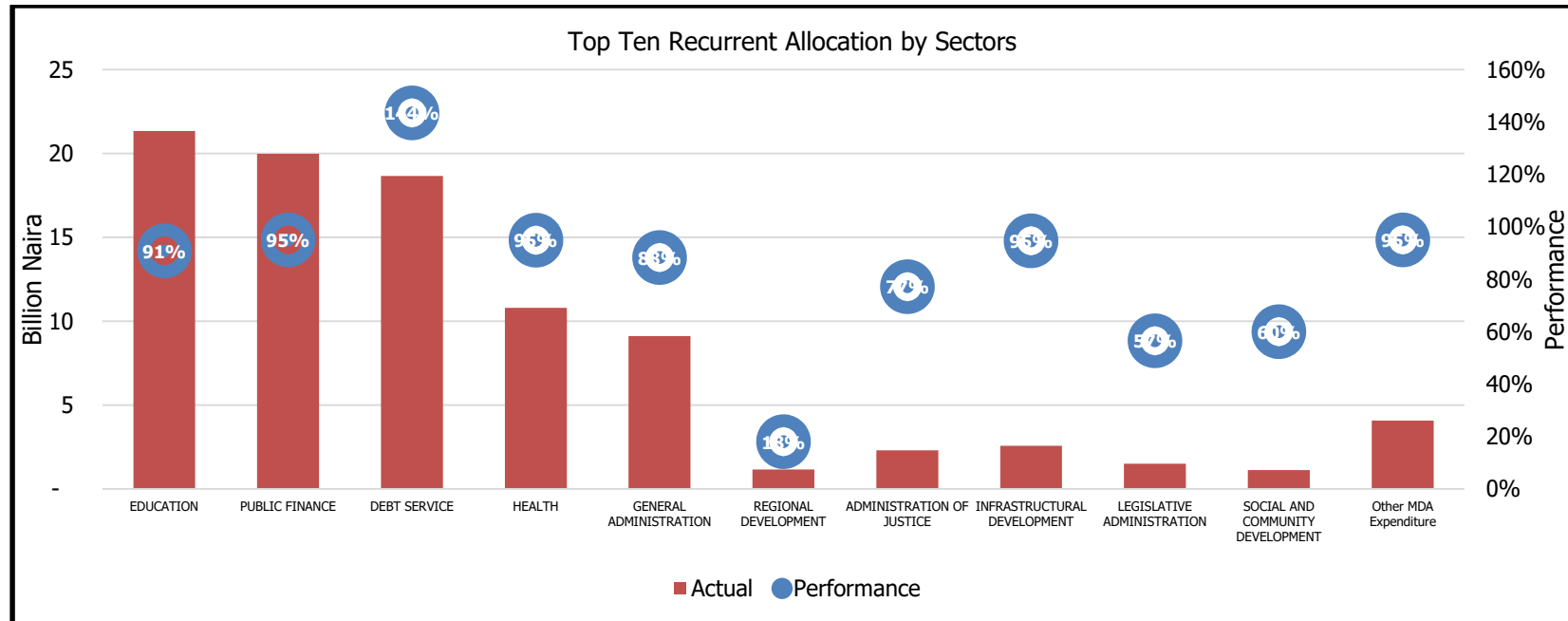
* Variance and Performance is assessed against final budget. Negative variance for expenditure items means actuals were above budget.

Table 10 Top Ten Total Expenditure Sectors / MDAs

Top Ten Total Allocation by Sectors						
MDA/Sectors	2020 Final Budget	2020 Actual Amount	Variance*	Performance (%)*	Sector Share in Total Budget	Sector Share in Total Actual Expenditure
EDUCATION	27,725,264,792	25,534,498,205	2,190,766,587	92.1%	18.3%	19.2%
PUBLIC FINANCE	26,760,238,082	24,290,672,279	2,469,565,803	90.8%	17.7%	18.3%
HEALTH	19,067,918,518	16,585,918,028	2,482,000,489	87.0%	12.6%	12.5%
INFRASTRUCTURAL DEVELOPMENT	17,603,936,530	16,912,243,642	691,692,888	96.1%	11.6%	12.7%
GENERAL ADMINISTRATION	13,851,088,561	12,066,708,196	1,784,380,365	87.1%	9.1%	9.1%
DEBT SERVICE	13,000,000,000	18,656,677,817	-5,656,677,817	143.5%	8.6%	14.0%
AGRICULTURAL DEVELOPMENT	7,213,492,570	3,616,281,533	3,597,211,037	50.1%	4.8%	2.7%
REGIONAL DEVELOPMENT	6,378,312,772	1,152,078,611	5,226,234,160	18.1%	4.2%	0.9%
ADMINISTRATION OF JUSTICE	5,849,899,788	3,184,759,639	2,665,140,149	54.4%	3.9%	2.4%
LEGISLATIVE ADMINISTRATION	4,214,959,080	1,693,011,864	2,521,947,216	40.2%	2.8%	1.3%
Other MDA Expenditure	9,772,889,307	9,301,390,511	471,498,795	95.2%	6.5%	7.0%
Total (Except Other MDA Expenditure)	141,665,110,693	123,692,849,814	17,972,260,879	87.3%	93.5%	93.0%
Total Budgeted Expenditure	151,438,000,000	132,994,240,326	18,443,759,674	87.8%		

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

Figure 3 Top Ten Recurrent Expenditure Sectors / MDAs Graph



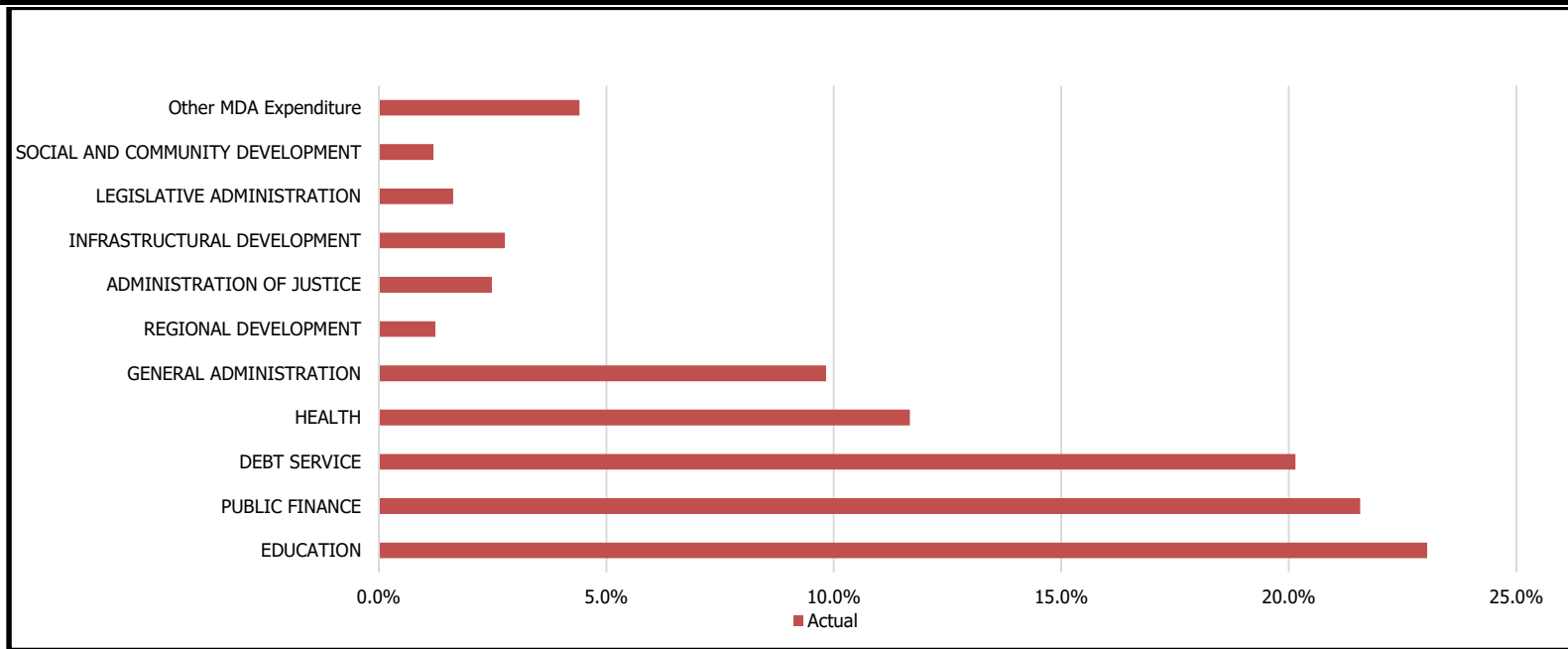
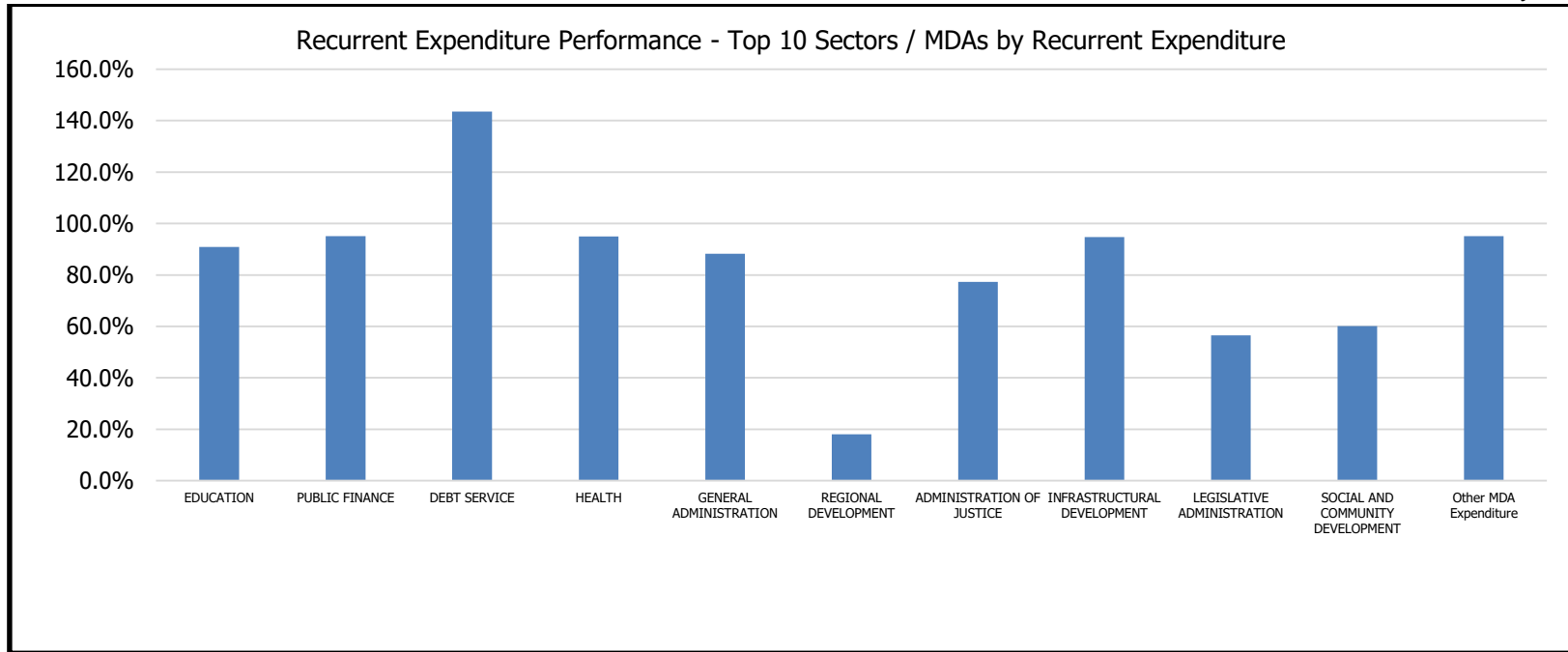
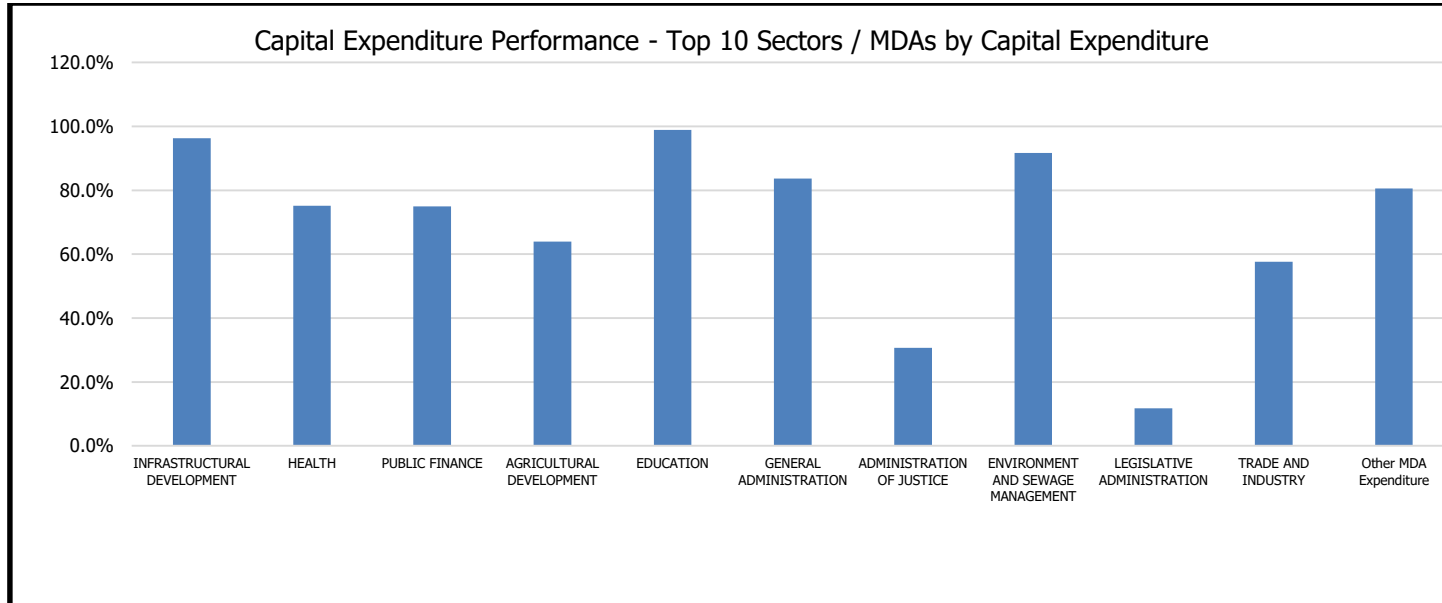
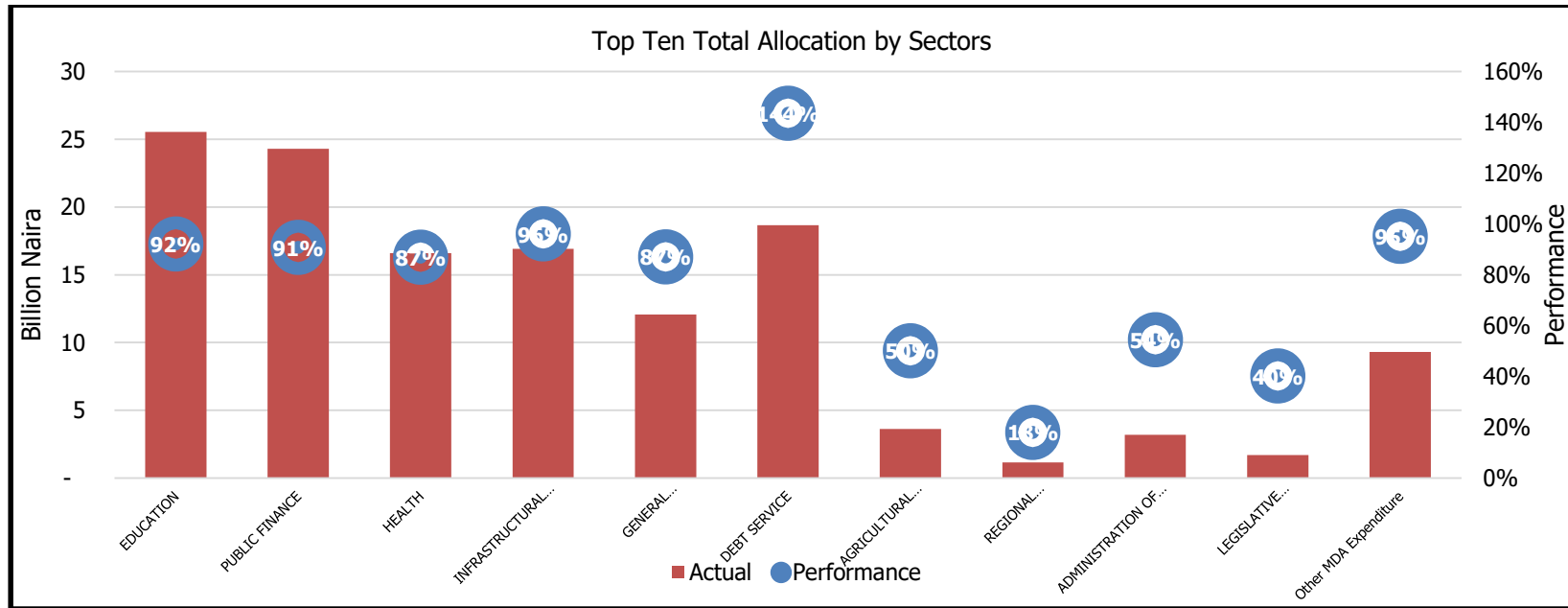


Figure 4 Top Ten Capital Expenditure Sectors / MDAs Graph



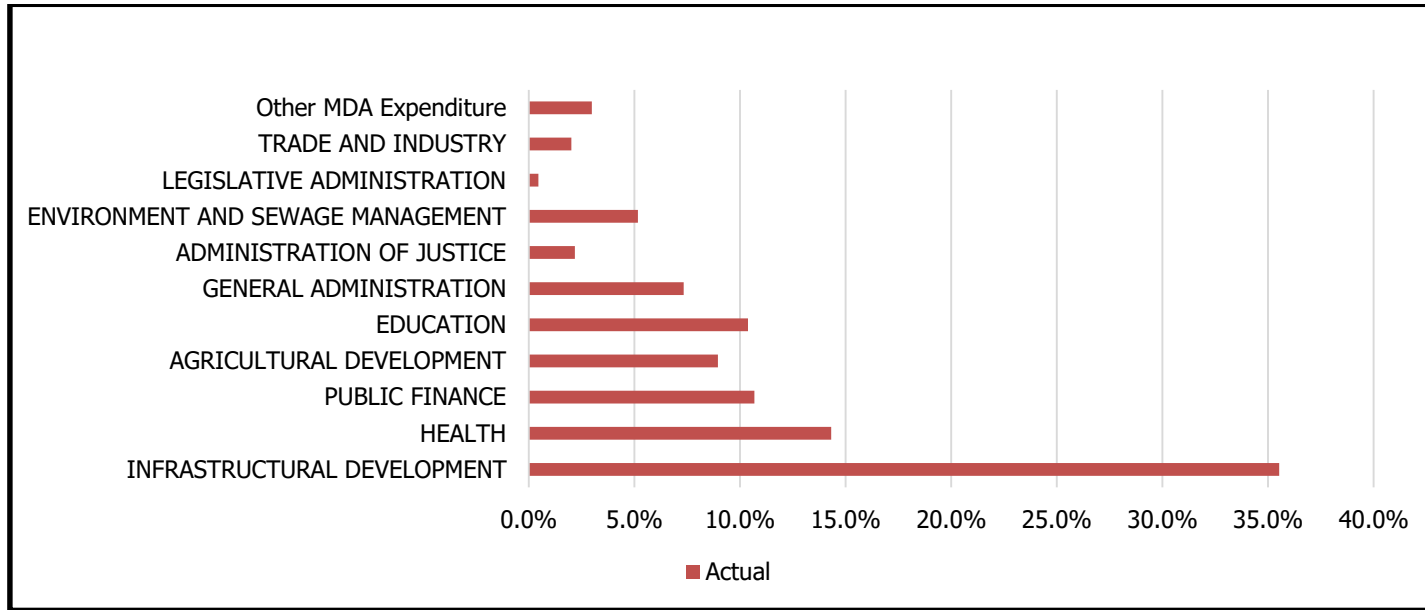
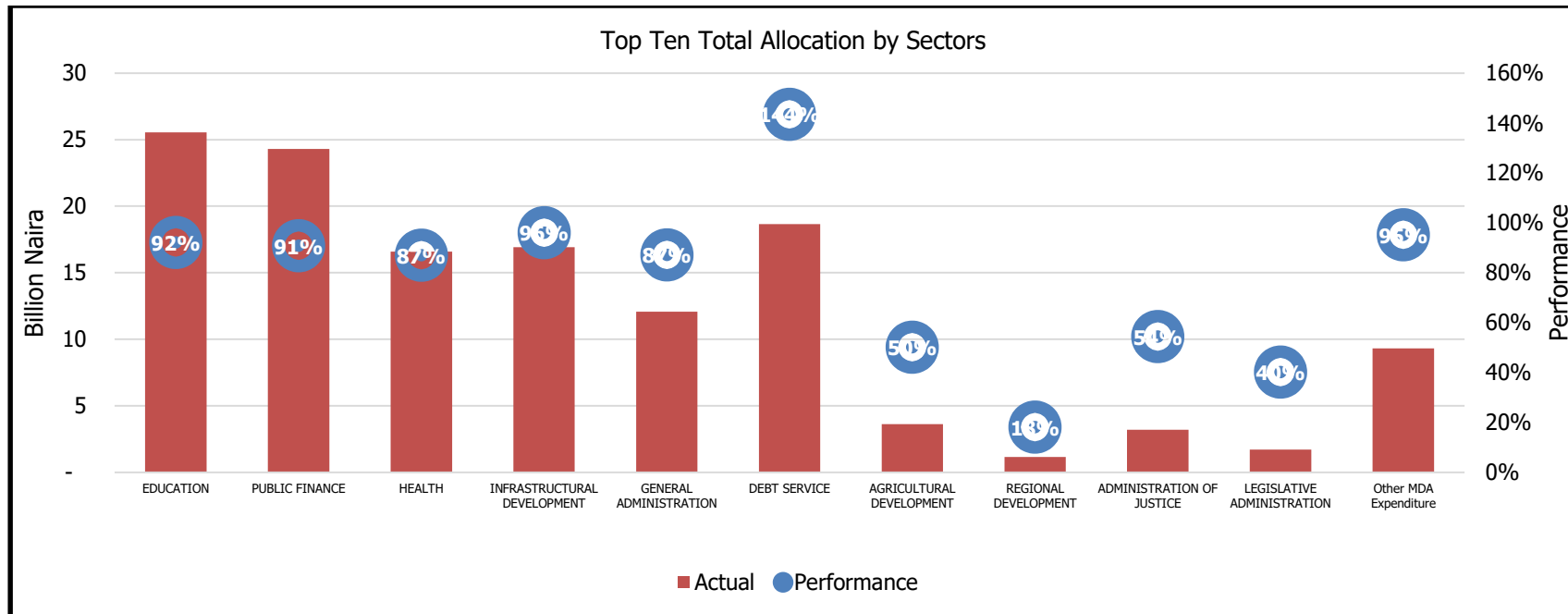
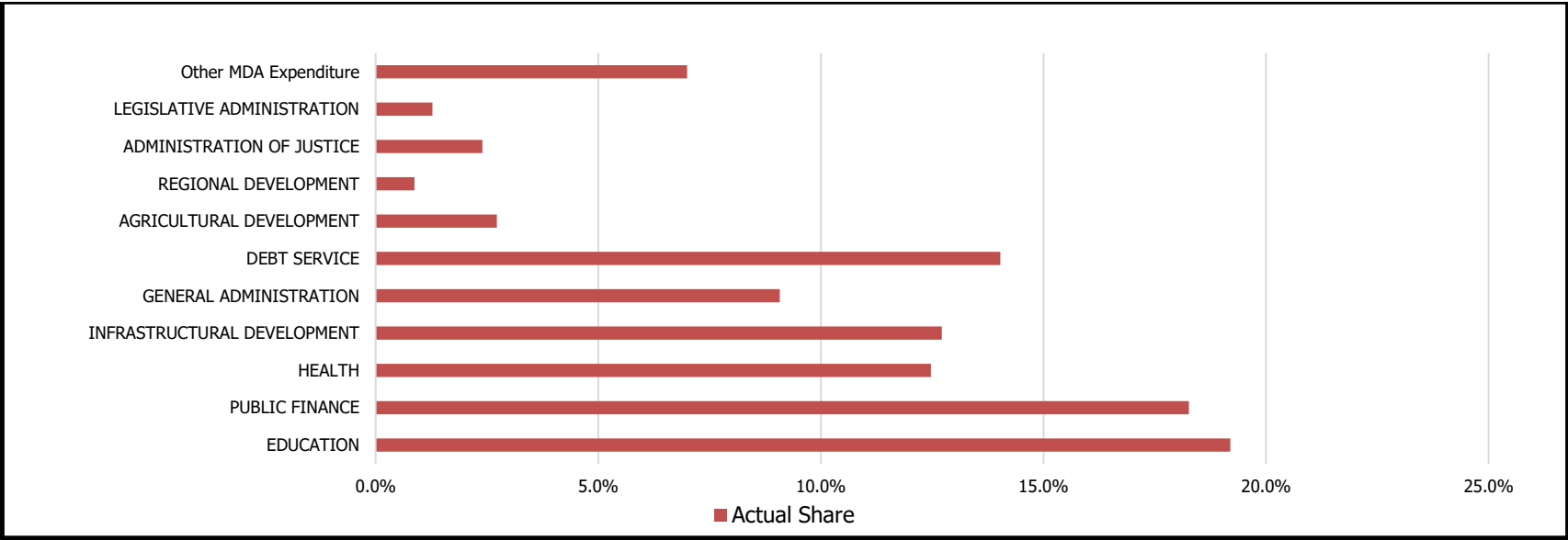
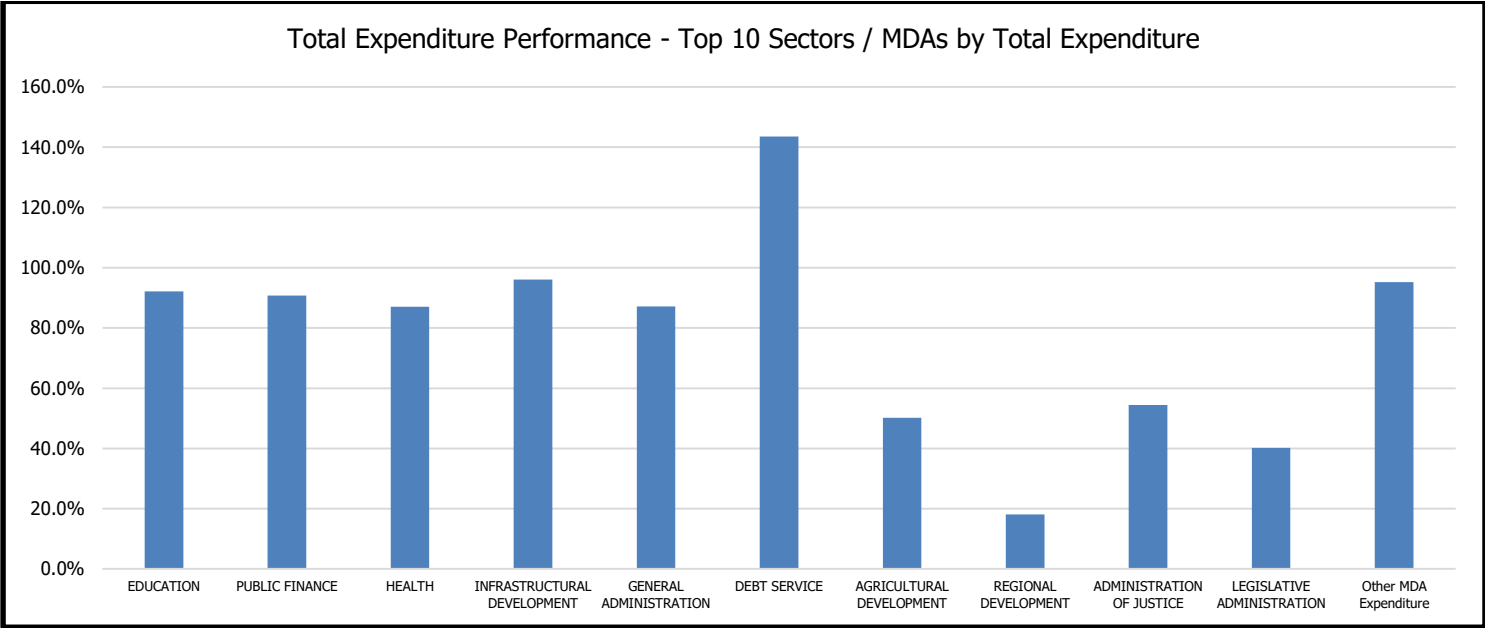


Figure 5 Top Ten Total Expenditure Sectors / MDAs Graph





7. Top Value Capital Projects

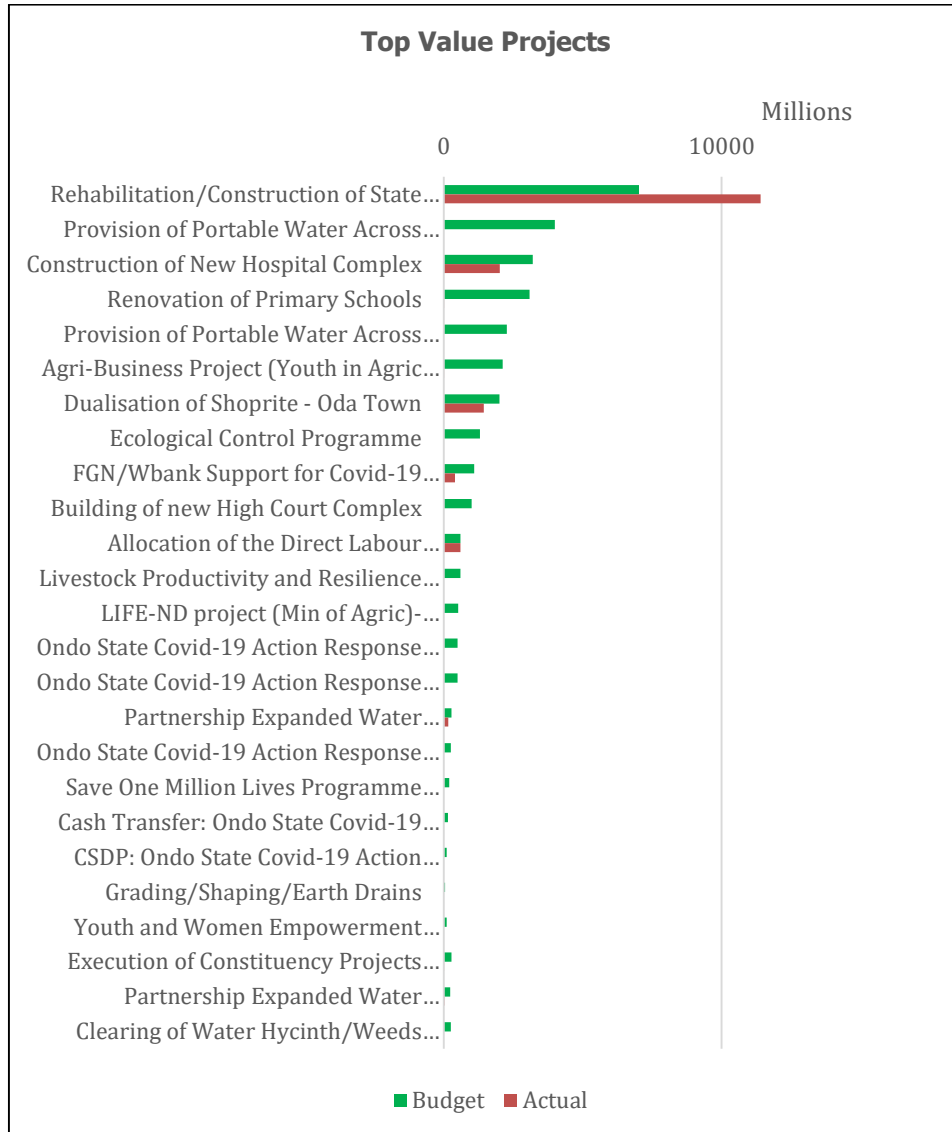
This section outlines information on the largest 15-20 capital projects included within the budget and the actual expenditure from the implementation of the fiscal year budget.

Table 11 Top Value Contracts

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	7,024,000,000	11,394,885,099	-4,370,885,099	162.2%	Ongoing
Provision of Portable Water Across the State	Statewide	10	Water Corporation	4,000,000,000	0	4,000,000,000	0.0%	Not Yet Started
Construction of New Hospital Complex	UNIMEDTH	04	Akure, Ondo	3,200,000,000	2,011,497,756	1,188,502,244	62.9%	Ongoing
Renovation of Primary Schools	SUBEB	05	Statewide	3,083,268,158	3,500,000	3,079,768,158	0.1%	Ongoing
Provision of Portable Water Across the State	Statewide	10	Water Corporation	2,268,000,000	0	2,268,000,000	0.0%	Not Yet Started
Agri-Business Project (Youth in Agric Project)	Statewide	01	OSAEC	2,125,000,000	3,314,800	2,121,685,200	0.2%	Ongoing
Dualisation of Shoprite - Oda Town	Akure, Oda	17	Works and Infrastructure	2,000,000,000	1,435,549,824	564,450,176	71.8%	Ongoing
Ecological Control Programme	Statewide	09	Newmap Office	1,301,000,000	0	1,301,000,000	0.0%	Ongoing
FGNWBank Support for Covid-19 Response	Statewide	04	Ministry of Health	1,100,000,000	400,965,483	699,034,517	36.5%	Ongoing
Building of new High Court Complex	Akure	02	Judiciary	1,000,000,000	0	1,000,000,000	0.0%	Not Yet Started
Allocation of the Direct Labour Engineering Unit (DILEU)	State wide	17	Ministry of Works and Infra	600,000,000	597,810,692	2,189,308	99.6%	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
LIFE-ND project (Min of Agric)-Drawdown	State wide	01	Ministry of Agriculture	514,285,714	0	514,285,714	0.0%	Not Yet Started
Ondo State Covid-19 Action Response and Economic	State wide	01	Ministry of Agriculture	500,000,000	0	500,000,000	0.0%	Not Yet Started
Ondo State Covid-19 Action Response and Economic	State wide	19	Micro Credit Agency	500,000,000	0	500,000,000	0.0%	Not Yet Started
Partnership Expanded Water Sanitation and Hygiene (PEWSAH)	State wide	10	RUWASSA	280,000,000	163,415,182	116,584,818	58.4%	Ongoing
Ondo State Covid-19 Action Response and Economic	State wide	01	Rural Access and Agricult	250,000,000	0	250,000,000	0.0%	Not Yet Started
Save One Million Lives Programme for Result (SOML)	State wide	04	Ministry of Health	201,600,000	0	201,600,000	0.0%	Not Yet Started
Cash Transfer: Ondo State Covid-19 Action Response	State wide	03	Inter-Governmental and M	150,000,000	0	150,000,000	0.0%	Not Yet Started
CSDP: Ondo State Covid-19 Action Response and Ec	State wide	10	Community and Social De	100,000,000	0	100,000,000	0.0%	Not Yet Started
Grading/Shaping/Earth Drains	State wide	17	Ministry of Works and Infra	50,000,000	0	50,000,000	0.0%	Not Yet Started
Youth and Women Empowerment through micro credit	State wide	03	Micro Credit Agency	100,000,000	0	100,000,000	0.0%	Not Yet Started
Execution of Constituency Projects across the three s	State wide	10	Directorate of Rural and C	276,000,000	700,000	275,300,000	0.3%	Not Yet Started
Partnership Expanded Water Sanitation and Hygiene (PEWSAH)	State wide	10	RUWASSA	230,000,000	19,810,000	210,190,000	8.6%	Not Yet Started
Clearing of Water Hycinth/Weeds along State Waterways	Ilaje, Eseodo	16	Office of Transport	256,811,800	0	256,811,800	0.0%	Not Yet Started

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

Figure 6 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 2020 Budget of which only three (3) were attempted those being publicity of government laudable programmes to the grassroots people, usage of 2020 reviewed budget to address sexual assaults, rapes, job loss owing to Covid-19 pandemic, etc and encourage SMEs' growth through uninterrupted power supply. The budget figures for the 3 programmes were N500m, N20m and N100m out of which N209,660,000, N4,000,000 and N41,056,889 were expended respectively.

The 3 projects are continuous in nature which government carries out yearly, and so were captured in the 2021 budget.

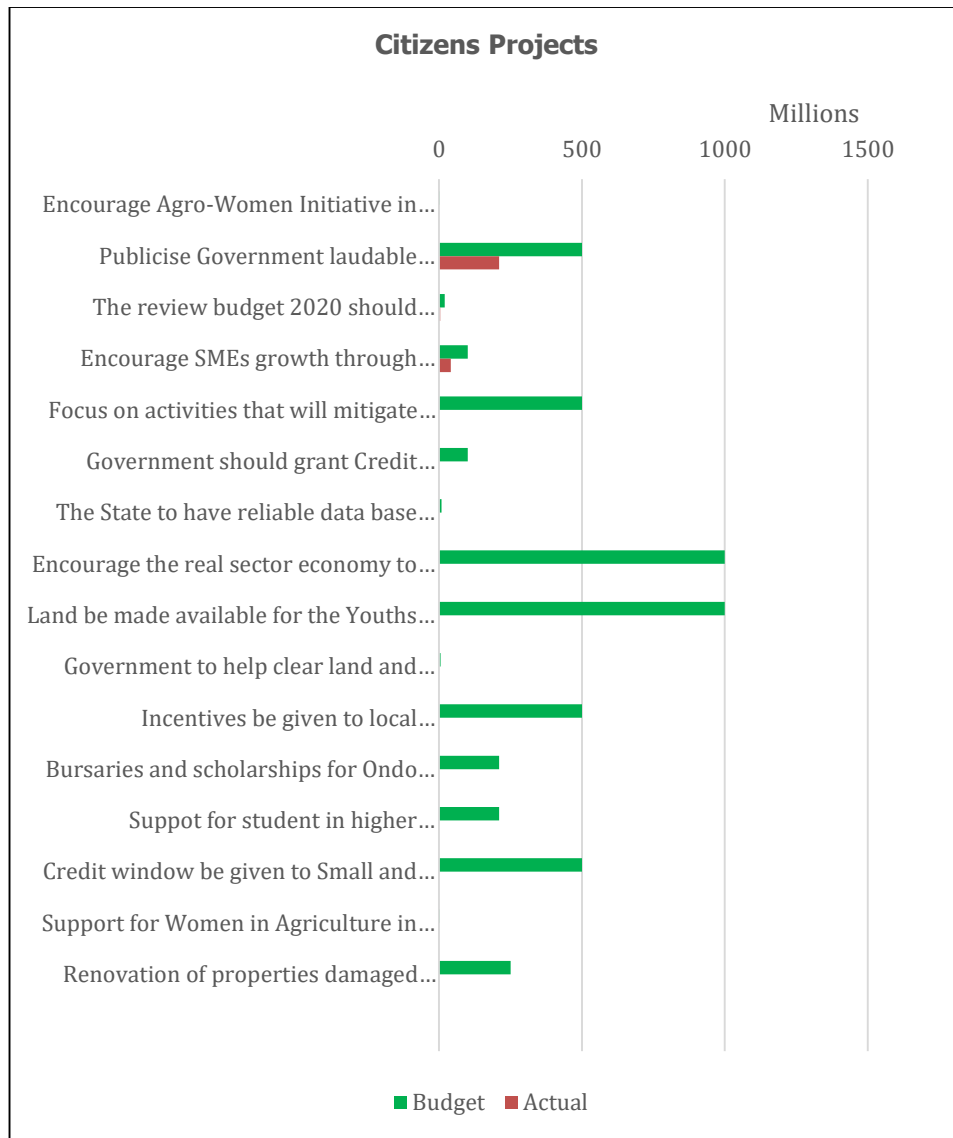
Some of the remaining 13 projects which were not attempted in year 2020 were captured in 2021 budget. For example, payment of scholarship and bursary for students in higher institutions, state having reliable data for development, etc.

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
Encourage Agro-Women Initiative in the processing of Agric pr	Statewide	01	ADP	1,500,000	0	1,500,000	0.0%	Ongoing
Publicise Government laudable programmes to the grassroots	Statewide	02	Ministry of Information	500,000,000	209,660,000	290,340,000	41.9%	Ongoing
The review budget 2020 should address sexual assaults, rapes	Statewide	07	Ministry of Women Affairs	20,000,000	4,000,000	16,000,000	20.0%	Ongoing
Encourage SMEs growth through uninterrupted power supply	Statewide	14	OSEB	100,000,000	41,056,889	58,943,111	41.1%	Ongoing
Focus on activities that will mitigate the impact of Covid-19 on	Statewide	03	Micro Credit	500,000,000	0	500,000,000	0.0%	Not Yet Started
Government should grant Credit facilities to the market women	Statewide	03	Micro Credit	100,000,000	0	100,000,000	0.0%	Not Yet Started
The State to have reliable data base for meaningful developme	Statewide	11	Bureau of Statistics/SITA	8,500,000	0	8,500,000	0.0%	Not Yet Started
Encourage the real sector economy to grow particularly, Agricu	Statewide	01	Ondo State Agri-Business Empowerment	1,000,000,000	0	1,000,000,000	0.0%	Not Yet Started
Land be made available for the Youths and Civil Servants with	Statewide	01	Ondo State Agri-business Empowerment Centre	1,000,000,000	0	1,000,000,000	0.0%	Not Yet Started
Government to help clear land and encourage mechanized farm	Statewide	01	Cocoa Revolution/OSAEC	5,000,000	0	5,000,000	0.0%	Not Yet Started
Incentives be given to local investors/SMEs	Statewide	01	Micro Credit	500,000,000	0	500,000,000	0.0%	Not Yet Started
Bursaries and scholarships for Ondo State Students in Higher	Statewide	05	Ondo State Scholarship Board	210,000,000	0	210,000,000	0.0%	Not Yet Started
Support for student in higher Institutions by giving them bursary	Statewide	05	Ondo State Scholarship Board	210,000,000	0	210,000,000	0.0%	Not Yet Started
Credit window be given to Small and Medium Enterprises (SME	Statewide	03	Micro Credit	500,000,000	0	500,000,000	0.0%	Not Yet Started
Support for Women in Agriculture in Processing of Agricultural	Statewide	01	ADP	1,500,000	0	1,500,000	0.0%	Not Yet Started
Renovation of properties damaged during the ENDSARS prote	Statewide	13	SEMA	250,000,000	0	250,000,000	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 2020 Audited Annual Financial Statements for Ondo State can be found on the State Government website, at the following specific address: www.ondostate.gov.ng

Ondo State Government published the Audited Annual Financial Statements on the 19th July 2021 after the Public Account Committee of the Ondo State House of Assembly conducted public hearing on it.

