Adoption of IPSAS Accrual Accounting

It would be recalled that the three tiers of government in Nigeria adopted the IPSAS Cash Basis of Accounting effective January 1, 2014 and Accrual Basis of Accounting from January 1, 2016. In implementing the reforms, the state adopted phased implementation with the IPSAS cash basis of accounting effect January 1, 2017 and accrual accounting effect fiscal year 2020.

Therefore, in preparation to migrate to the IPSAS Accrual Basis of Accounting in the ensuing year (2020), the 2019 cash based accounts have been restated in line with IPSAS accrual based accounts going forward. It is imperative to note that the migration to accrual accounting was pursuant to our commitment to full disclosure of the financial affairs of the state as demonstrated by government in its quest for accountability and transparency in public affairs.

In restating the 2019 Financial Statements to accrual based, the 2018 Statement of Assets and Liabilities (Statement 2) was converted to Opening Statement of Financial Position in line with the provisions of IPSAS 33 - Guidelines for First Time adoption of IPSAS Accrual Basis of Accounting. Thus, giving the state an advantage of having its reports for 2019 and immediate previous period cash based while the 2020 report would equally have similar comparative figures accrual based.

While all Assets acquired within the year 2019 were recognized in the year of acquisition, legacy assets acquired prior to 2019 shall be recognized in the books of accounts within the three years window provided by IPSAS 33 under reference. This shall be done in accordance with the accrual accounting manual issued by the Office of the Accountant-General of the Federation within the three years window beginning 2019. Accordingly, the report of the following year shall bring to book legacy assets, inventory items, debts, contingent assets and liabilities among others.

It is my pleasure to assure you that we shall dedicate our energy and resources at our disposal to render accrual based report that meet your information requirements that is accurate, reliable and transparent now and beyond, God willing. Indeed, with the support enjoyed in this direction from the Executive Governor and his Deputy, we are spurred to maintain the momentum and improve on our reportage to keep the citizen and development partners informed transparently.

Responsibility for the Financial Statements.

These General Purpose Financial Statements have been prepared in accordance with the provisions of the Finance (Control and Management) Act 1958 now CAP F26 LFN 2004. Furthermore, the provisions of Section 49 (3) of Fiscal Responsibility Act 2007 which states that:

"The publication of general standards for the consolidation of public accounts shall be the responsibility of the Office of the State Accountant-General" was adhered to.

To fulfill Accounting and Reporting responsibilities, the State Accountant-General is responsible for establishing and maintaining an adequate system of internal controls designed to provide reasonable assurance that the transactions recorded are within statutory authority and adequately disclose the use of all public resources of the State Government.

Responsibility for the integrity and objectivity of the Financial Statements rests entirely with the State Government. These Financial Statements reflect government operations and financial position of Government as at 31st December, 2019.

Aminu Sule, *CNA*
State Accountant-General
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