

AUDITED FINANCIAL STATEMENT FOR THE YEAR ENDED,
31st DECEMBER 2018



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018.

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Corporate Information

Corporate Address: 11, Sokode Crescent, Off Dalaba Street, Zone 5, Wuse, Abuja.

NIMC Management Team:	Designation
Engr. Aliyu A. Aziz	Director General/ CEO
Ibrahim Abdullahi	GM, CS
Hadiza Ali Dagabana	GM, LR & CS
Abdulhamid Umar	GM, Ops
Chuks Onyepunuka	GM, IT/IDD
Peter Wegbu	DGM/Head, CMS
Carolyn Folami	DGM/Head, BDCS
Elias Okafor	DGM/Head, ESNI
Akinola Abolaji	AGM/Head, Finance & Investment
Rhoda Jackden	AGM, Human Capital Management

Auditors: Amedu Onekpe & Co,
(Chartered accountants),
4, Marte Close, off Misau Crescent,
Garki 2, Abuja.

Bankers: Central Bank of Nigeria

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018.

Governing Board's Report

The Governing Board of the Commission has the pleasure to present its Annual Report on the affairs of National Identity Management Commission (the commission) together with the Financial Statements and Audited Report for the year ended 31st December 2018.

1. LEGAL FORM, PRINCIPAL ACTIVITIES AND OPERATIONS REVIEW.

The Commission is a public sector entity established pursuant to the NIMC (Establishment) Act No. 23 of 2007 of Nigeria's National Assembly. The principal activities of the commission since inception and pursuant to the 2007 Act have centred on the following three (3) major action tracks;

- 1.1 Establishing the National Identity Management Commission as the primary, legal, regulatory and institutional mechanism for implementing Government reforms in the Identity Sector.
- 1.2 Winding-up and taking over the assets and liabilities of the former DNCR- including the associated human capital all over the country.
- 1.3 Establishing, operating and managing the National Identity Management Systems (NIMS) as well as fostering the orderly development of the identity sector in Nigeria. From Inception, the commission has been undergoing transition and institutional strengthening in readiness to begin full operation as appropriate.

The Commission's Principal Activities have begun to focus on enrolling Nigerian Citizens and Legal residents on to the National Identity database of the National Identity Management System (NIMS) as well as on the development of the Identity sector in Nigeria on a sustainable basis.

2. POST BALANCE SHEET EVENTS

In the Opinion of the board, there have been no events of material significance that may impact negatively on the state of affairs of the commission.

3. RESPONSIBILITY FOR ANNUAL FINANCIAL STATEMENTS

Sections 12 and 13 of the NIMC Act require the commission to prepare Financial Statements that give a true and fair view of the state of affairs of the commission at the end of the preceding Calendar year. These responsibilities include:

- 3.1 "Keep proper accounts and proper records in a form that conforms to accepted accounting standards". These require that the financial statements are prepared using "suitable accounting policies and supported by reasonable and prudent judgements and estimations that are consistently applied.

The Governing Board of the Commission accepts responsibilities for the Annual Financial Statements, which have been prepared using appropriate accounting policies, supported by reasonable and prudent judgements and estimations in conformity with:

- International Public Sector Accounting Standards (IPSAS), and



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018.

- Requirements of the NIMC Act No.23 of 2007

The Board affirms that the Financial Statements give true and fair view of the state of the financial affairs of the commission and the cash and bank balance for the year. The Board further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of the Internal Control.

Nothing has come to the attention of the Board to indicate that the commission will not remain a going concern for at least 12 months from the date of this statement.

4. AUDITORS RE-APPOINTMENT

Amedu Onekpe & Co. being eligible, offer themselves willingly to be re-appointed as the External Auditors to the Commission by the Board.

Bello Ibrahim Gwandu, MFR

Ag Chairman of the Board

Date...12/1/2020

Engineer Aliyu A. Aziz

Director General/CEO

Date...18.12.19

Report of the Independent Auditors to the Governing Board of National Identity Management Commission

Report on the Financial Statements

We have audited the accompanying financial statements of National Identity Management Commission (“the Commission”) for the year ended December 31, 2018, which comprise the statement of financial performance, a statement of financial position, a statement of changes in net assets/equity, a statement of cash flows and a summary of significant accounting policies and other explanatory information as set out on pages 13 to 16.

Governing Board’s Responsibility for the Financial Statements

In accordance with the extant laws and regulations, the Commission’s Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. This is in accordance with sections 12(1-3) and 13 of National Identity Management Commission Act No. 23 of 2007.

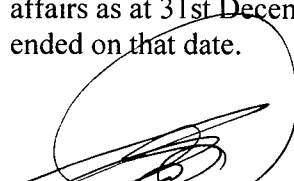
Auditor’s Responsibility

Our responsibility is to express an independent opinion on the financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

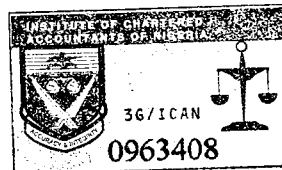
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements which have been prepared in accordance with International Public Sector Accounting Standards give a true and fair view of the Commission’s financial affairs as at 31st December 2018 and of its financial performance and Statement of Cash Flow for the year ended on that date.



Sunday Amedu Onekpe
FRC/2012/ICAN/00000000246
For: Amedu Onekpe & Co.
Chartered Accountants



June, 2019
Abuja, Nigeria



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018.

Statement of Significant accounting policies

Statement of compliance and basis of preparation – IPSAS 1

The Commission's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Naira, which is the functional and reporting currency of the Commission. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The financial statements are prepared on accrual basis.

Property, plant and equipment – IPSAS 17

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items

Inventories – IPSAS 12

Inventory is measured at cost upon initial recognition and thereafter, at the lower of cost and net realizable value. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Commission.

Foreign currency transactions – IPSAS 4

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at the Central Bank of Nigeria at the end of the financial year, Capital (GIFMS) and TSA (REMITA)

Depreciation

Depreciation is provided on a straight –line bases to write off the cost of non-current assets over their estimated useful lives at the following annual rate:

Land and Building	5%
Motor Vehicle	25%



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018.

ICT/Computer	33.33%
Plant and Machinery	12.50%
Furniture & Fittings	20%

Revenue

Revenue are annual releases by Federal Government classified under three headings: Overhead Fund, Personnel Fund and Capital Development Fund. However, during the year, the Commission earned and received some Internally Generated Revenue, Contingency fund and Special Intervention fund.



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018.

Financial Statements

**National Identity Management Commission (NIMC)
Statement of Financial Position as at 31 December 2018**

Assets	Notes	2018	2017
Non-Current Assets		₦	₦
Plant, Property & Equipment	1	7,904,830,211	5,368,897,856
Total Non-Current Asset (A)		<u>7,904,830,211</u>	<u>5,368,897,856</u>
Current Assets			
Other receivables and prepayments	2	3,728,690	17,624,785
Inventory	3	110,105,488	44,453,838
Electronic I.D Cards (Blank card and chips)	4	718,849,794	1,046,716,634
Cash and Cash Equivalent	5	<u>74,075,009</u>	<u>3,087,243,072</u>
Total Current Assets (B)		<u>906,758,982</u>	<u>4,196,038,329</u>
Total Assets (C) = (A + B)		<u>8,811,589,193</u>	<u>9,564,936,185</u>
Liabilities			
Current liabilities			
Payables and other accrued expenses	6	3,496,227,801	4,488,362,212
Tax Liabilities	7	<u>275,278,455</u>	<u>328,569,442</u>
Total Current liabilities (D)		<u>3,771,506,256</u>	<u>4,816,931,654</u>
Accumulated fund (F)	8	5,040,082,937	4,748,004,531
Total Net Assets and Liabilities (G) =(D)+(F)		<u>8,811,589,193</u>	<u>9,564,936,185</u>

The notes set out on pages 13 to 16 form an integral part of the Financial Statements



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018.

Statement of Financial Performance for the Year ended 31 December 2018

	Notes	2018 ₦	2017 ₦
Revenue			
FGN Grants	9	3,308,624,595	8,302,859,475
Special Intervention Fund	10	5,000,000,000	
Sundry Receipts	11	<u>264,310,359</u>	<u>240,191,530</u>
Total Revenue (A)		<u>8,572,934,953</u>	<u>8,543,051,005</u>
Expenses			
Operations/Administration Expenses	12	5,094,158,035	5,826,669,766
Cost of E- I.D card consumed	4	700,139,438	322,887,651
Depreciation and amortization expense	13	<u>2,258,795,712</u>	<u>1,801,858,164</u>
Total Expenses (B)		<u>8,053,093,185</u>	<u>7,951,415,581</u>
Surplus/(Deficit) for the period (A) - (B)		<u>519,841,768</u>	<u>591,635,424</u>

The notes set out on pages 13 to 17 form an integral part of the Financial Statements



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018.

**National Identity Management Commission (NIMC)
Statement of Cash Flow for the year ended December 31 2018**

	2018	2017
	₱	₱
Cash Flow From Operating Activities		
Surplus/(Deficit) of Receipts over Payment	519,841,768	591,635,424
Add back: Depreciation	<u>2,258,795,712</u>	<u>1,801,858,164</u>
Net Cash generated from Operations	2,778,637,481	2,393,493,588
Adjustments to Reconcile Excess Receipts with Net Cash:		
(Increase)/decrease in Receivables and Advances	12,658,094	(13,967,955)
(Increase)/decrease in Accounts stocks/inventory	(65,651,650)	7,757,063
(Increase)/decrease in Inventory (e-Cards)	327,866,840	322,887,651
Increase/(decrease) in Account Payables	(1,045,425,398)	360,535,164
Net Cash flow from Operating Activities	2,008,085,366	3,070,705,511
 Cash flow From Investing Activities		
Purchase of PPE	<u>(4,955,480,246)</u>	<u>(161,487,286)</u>
Net Cash flow from Investing activities	(4,955,480,246)	(161,487,286)
 Cash flow from Financing Activities		
Refund to Treasury	<u>(65,773,183)</u>	<u>(16,213,960)</u>
Net Cash Flow from Financing Activities	(65,773,183)	(16,213,960)
 (Increase)/(decrease) in Cash equivalents	(3,013,168,063)	2,893,004,265
Cash and Cash Equivalents at the beginning of the year	<u>3,087,243,072</u>	<u>194,238,807</u>
Cash and Cash Equivalents at the end of the year	<u>74,075,009</u>	<u>3,087,243,072</u>



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018.

**National Identity Management Commission (NIMC)
Statement of Change in Net Assets/ Equity**

	2018	2017
	₦	₦
Balance at 1st January 2018	4,748,004,531	4,126,555,518
Prior year adjustment	<u>(161,990,179)</u>	<u>46,027,549</u>
Restated Balance	4,746,766,531	4,172,583,067
Surplus/(Deficit) for the year	519,841,768	591,635,424
Refund to Treasury	<u>(65,773,183)</u>	<u>(16,213,960)</u>
Balance at 31st December, 2018	<u>5,040,082,937</u>	<u>4,748,004,531</u>



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018.

Notes to the Accounts

1 PPE Schedule 2018

	Land & Building (₦)	Motor Vehicles (₦)	ICT/Computer (₦)	Plant & Machinery (₦)	Furniture & Fittings (₦)
Depreciation Rate	5%	25%	33.33%	12.50%	20%
Cost					
As at January 1 2018	8,003,095,371	120,743,051	14,349,117,356	8,821,364,270	512,276,519
Additions during the year	842,640,352	102,457,000	3,407,947,467	121,098,867	181,356,474
Disposal in the year	-	-	-	-	-
As at Dec 31 2018	8,845,735,723	223,157,027	17,757,064,823	8,942,463,137	693,632,993
Depreciation					
As at January 1 2018	3,896,250,496	20,743,000	14,192,783,497	7,923,500,694	465,173,161
Depreciation for the year	428,573,850	57,821,357	836,571,072	901,924,346	33,834,578
As at 31 Dec 2018	4,324,824,346	78,564,357	15,029,354,570	8,825,425,040	499,007,739
Carrying Amount					
As at 31 Dec 2018	<u>4,520,911,378</u>	<u>144,592,670</u>	<u>2,727,710,253</u>	<u>117,038,097</u>	<u>194,625,254</u>
As at 31 Dec 2017	<u>4,106,844,875</u>	<u>166,543,340</u>	<u>156,333,859</u>	<u>897,863,576</u>	<u>47,103,358</u>

2 Other receivables and prepayments

2018	2017
₦	₦
3,728,690	17,624,785

3 Inventories

	2018	2017
Stationery and Consumables	110,105,488	44,453,837
	<u>110,105,488</u>	<u>44,453,837</u>

Stationeries and Consumables

	2018
Opening Balance as at January 1 2018	44,453,838
Purchases during the year	86,968,147
	131,421,985
Cost of consumables used during the year	<u>(21,316,496)</u>
Balance as at December 31 2018	<u>110,105,488</u>



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018.

	2018	2017
4 Electronic Blank Card	₦	₦
Balance brought forward 01 January, 2018)	1,046,716,634	1,324,426,746
Prior Year Adjustment	-	45,177,539
Re-stated Balance	<u>1,046,716,634</u>	<u>1,369,604,285</u>
Addition during the year	372,272,598	
Total available Card for the year	1,418,989,232	1,369,604,285
Cost of card used during the year	<u>(700,139,438)</u>	<u>(322,887,651)</u>
Balance as at December 31 2018	<u>718,849,794</u>	<u>1,046,716,634</u>
5 Cash and Cash Equivalents	₦	₦
CBN FOREX	20,028,445	69,463,037
Capital (GIFMS)	19,333,009	3,000,475,405
TSA (Remita)	34,713,555	17,304,630
As at 31st Dec 2018	<u>74,075,009</u>	<u>3,087,243,072</u>
6 Payables and Other accrued expenses	₦	₦
Local Contractors	51,625,812	85,885,439
Accrued PAYE Tax (2014)	-	197,000,000
Other accrued expenses	3,422,601,989	4,170,476,773
Accrued audit fees	<u>22,000,000</u>	<u>35,000,000</u>
	<u>3,496,227,801</u>	<u>4,488,362,212</u>
7 Tax Payables	₦	₦
Value Added Tax-Payable	157,766,200	184,150,842
Withholding Tax-Payable	<u>117,512,255</u>	<u>144,418,600</u>
	<u>275,278,455</u>	<u>328,569,442</u>
8 Accumulated Funds	₦	₦
Accumulated Funds B/F	4,748,004,531	4,126,555,518
Prior year adjustment	(161,990,179)	46,027,549
Restated Balance	4,746,766,531	4,172,583,067
Net surplus /(Deficit) for the year	519,841,768	591,635,424
Refund to treasury-capital fund	<u>(65,773,183)</u>	<u>(16,213,960)</u>
	<u>5,040,082,937</u>	<u>4,748,004,531</u>



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018.

	Prior year adjustment	₦	₦
	Overstatement of Prepayment in 2017 Account		
	Balance brought forward for receivables	16,386,785	
	Amount recognized in 2017 Financial Statement	17,624,785	
	Overstated amount		(1,238,000)
	Adjustment in Accumulated depreciation (PPE)		<u>(160,752,179)</u>
			<u>(161,990,179)</u>
9	FGN Grants/Allocations	2018	2017
		₦	₦
	Capital Grants	283,500,000	4,076,661,002
	Recurrent Subvention Personnel	2,794,014,371	3,995,088,249
	Recurrent Subvention Overhead	<u>231,110,223</u>	<u>231,110,223</u>
	Total	<u>3,308,624,595</u>	<u>8,302,859,474</u>
10	Special Intervention Fund	2018	2017
		₦	₦
		<u>5,000,000,000</u>	-
11	Sundry Receipts/ Other Revenue	2018	2017
		₦	₦
	(Private Sponsorship / Grants / Donations)(ID4AFRICA)	23,212,446	170,685,166
	Modification	78,854,516	
	Verification	85,547,060	
	Sundry Income (REFUNDS)	15,418,905	65,318,864
	Local Contractors Debt	46,960,402	
	Auction Sales		4,187,500
	Net Inflow from ID4 AFRICA	<u>14,317,029</u>	
		<u>264,310,359</u>	<u>240,191,530</u>
	Contingency (ID4 AFRICA	₦	
	Inflow	300,000,000	
	Outflow (Expenditure)	<u>(285,682,971)</u>	
	Net Balance	<u>14,317,029</u>	



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12	Overhead Expenses	2018	2017
		₦	₦
	Biometrics activity	494,402,536	609,116,269
	Enrolment Centre Expenses	236,635,037	92,716,665
	Medical Services	4,170,573	4,465,294
	Terminal/Burial Benefit	923,000	7,274,000
	Special Project Expenses	49,692,805	
	NYSC & IT Allowance	6,065,000	8,805,000
	Local Travels and Transport	108,969,732	100,041,014
	International Travels & Transport	-	3,674,410
	Utilities-General	767,800	
	Electricity Charges	49,163,719	24,618,660
	Telephone charges	9,020,392	17,005,441
	Internet Access Charges	93,515,202	50,201,271
	Office Material and Supplies	21,316,496	149,337,711
	Computer materials & Supplies	81,556,662	
	Printing	23,526,500	
	Maintenance of Motor Vehicles	13,346,395	12,813,975
	Maintenance of Office Furniture	2,385,760	2,512,500
	Maintenance of Building Office	16,415,466	12,449,897
	Maintenance of Plants/Generator	59,950,865	56,995,534
	Repairs and Maintenance General.	31,121,463	26,429,689
	Licenses and Permits	190,908,154	98,595,302
	Local Training	206,483,812	23,054,700
	Security services	84,891,390	69,898,248
	Cleaning and Fumigation service	29,198,467	22,531,660
	Office accommodation rent	2,815,000	14,445,000
	Professional Services	238,171,002	182,625,455
	Audit Fees	22,000,000	
	Bank Charges	13,193,735	6,221,044
	Insurance Charges/Premium	11,788,033	
	Motor Vehicle Fuel Cost	1,173,420	1,776,500
	Generator Fuel Cost	160,851,143	175,301,350
	Publicity & Advertisement	175,630,338	14,996,752
	Refreshment and meals	18,925,620	17,715,030
	Postage & Courier Services	4,700,257	2,283,223
	Board & Mgt Meeting Expenses	29,286,515	21,564,100
	Welfare	19,926,500	
	Other Operating Expenses		10,977,771
	Payroll Expenses	<u>2,581,269,249</u>	<u>3,985,951,300</u>
		<u>5,094,158,035</u>	<u>5,826,394,766</u>
		2018	2017
		₦	₦
		<u>2,258,795,712</u>	1,801,858,164
		<u>2,258,795,712</u>	<u>1,801,858,164</u>
13	Depreciation Charges (See PPE Schedule)		