**2019 BUDGET ANALYSIS (FIRST QUARTER)**

# REVENUE PERFORMANCE JANUARY-MARCH, 2019

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| S/N | Items of Revenue | Estimates 2019 | Pro-Rata Estimates | TOTAL JAN-MAR | % on Pro- Rata | % onApproved Estimates |
| 1 | **IGR** | 121,914,080,425.31 | 30,478,520,106.33 | 6,461,556,647.38 | 21.20 | 5.30 |
| 2 | **Statutory Allocation** | 60,000,000,000.00 | 15,000,000,000.00 | 10,636,955,536.92 | 70.91 | 17.73 |
| 3 | **VAT** | 25,000,000,000.00 | 6,250,000,000.00 | 4,991,474,958.41 | 79.86 | 19.97 |
| 4 | **Others** | 32,000,000,000.00 | 8,000,000,000 | 3,968,910,725.47 | 49.61 | 10.91 |
|  | **Total Recurrent** | **238,914,080,425.31** | **59,728,520,106.33** | **26,058,897,868.18** | 43.63 | 11.66 |
| 5 | **Capital Receipts** | 46,237,167,765.17 | 11,559,291,941.29 | 680,553,826.05 | 5.89 | 1.47 |
|  | **Total** | **285,151,248,190.48** | **71,287,812,047.62** | **26,739,451,694.23** | **37.51** | **9.38** |

2019 **REVENUE APPRAISAL**

* By First Quarter, revenue ought to have performed at least **25%** of the Approved Budget but rather it performed at **9.38%** while on Pro – rata, it performed at **37.51**% instead of **100%**;
* Breakdown of revenue performance: -
* Recurrent revenue - **₦26,058,897,868.18**
* Capital receipt - **₦ 680,553,826.05**

From total revenue, only the sum of **₦6,461,556,647.38** representing **24.17%** was internally generated revenue (IGR) while Statutory Allocation, VAT, Others, of the sum **₦19,597,341,220.80** representing **(73.29%)** and capital Receipts. **₦680,553,826.05 (2.54%)** This shows that the State still depends largely on External Sources for its Revenue.

# SUMMARY OF EXPENDITURE JANUARY-MARCH,2019

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **S/N** | **ITEMS OF EXPENDITURE** | **APPROVED****ESTIMATES** | **PRO-RATA****ESTIMATES** | **ACTUAL** | **%** | **%** |
| **2019** | **JAN-MARCH** | **JAN-MARCH** | **PER** | **APPROVED****ESTIMATES** |
| 1 | Personnel Costs | 41,296,196,041.34 | 10,324,049,010.34 | 4,643,929,287.54 | 44.98 | 11.25 |
| 2 | Overhead Costs | 28,657,532,820.67 | 7,164,383,205.17 | 2,853,053,143.82 | 39.82 | 9.96 |
| 3 | Consolidated Revenue Fund Charges |  |  |  |  |  |
|  | (i) Salaries | 90,000,000.00 | 22,500,000.00 | 12,211,994.68 | 54.28 | 13.57 |
|  | (ii) Pension | 18,000,000,000.00 | 4,500,000,000.00 | 2,627,565,350.87 | 58.39 | 14.60 |
|  | (iii) Gratuities | 5,933,066,030.35 | 1,483,266,507.59 | - | - | - |
|  | (iv) Security Votes | 8,500,000,000.00 | 2,125,000,000.00 | - | - | - |
|  | (v) Public Debt Charges | 5,227,200,000.00 | 1,306,800,000.00 | 2,054,100,037.12 | 157.19 | 39.30 |
|  | (vi) Repayment of loan &other settlement | 7,335,818,721.88 | 1,833,954,680.47 | - | - | - |
|  | (vii) Settlement ofoutstanding C.C. | - | - | - | - | - |
|  | (ix) State ShareContributory pension | 2,500,000,000.00 | 625,000,000.00 | 306,364,024.50 | 49.02 | 12.25 |
|  | (x) State Share Contributionto L.G. Pension | 350,000,000.00 | 87,500,000.00 | 87,000,000.00 | 99.43 | 24.86 |
|  | (xi) 10% IGR StateContribution to L.G. | 1,900,000,000.00 | 475,000,000.00 | 300,000.000.00 | 63.16 | 15.79 |
|  | (xii) Insurance Scheme | 1,000,000,000.00 | 250,000,000.00 | 869,733,902.00 | 347.89 | 86.97 |
|  | Judicial Service CommissionPension | 330,000,000.00 | 82,500,000.00 | 43,488,950.76 | 52.71 | 13.18 |
|  | JAAC Contribution to LocalGovernment Pension | 500,000,000.00 | 125,000,000.00 | - | - | - |
|  | **Sub-total (C.R.F.C)** | **51,666,084752.23** | 12,916,521,188.06 | **6,300,464,259.99** | 48.78 | **12.19** |
|  | **Recurrent Expenditure** | **121,619,813,614.24** | 30,404,953,403.56 | **13,797,446,691.35** | 45.38 | **11.34** |
| 4 | **Capital Expenditure** | **163,531,434,576.24** | 40,882,858,644.06 | **10,840,063,815.30** | 26.51 | **6.63** |
|  | **TOTAL** | **285,151,248,190.48** | 71,287,812,047.62 | **24,637,510,506.65** | 34.56 | **8.64** |

* As at the end of First Quarter, Expenditure was expected to have performed at 2**5% of** the Approved Budget but performed at **8.64%**
* On pro rata basis, Expenditure performed at **34.56%** instead of **100%**
* Breakdown of Expenditure performance
	+ Recurrent- **₦13,797,446,691.35**
	+ Capital- **₦10,840,063,815.30**
	+ On recurrent Expenditure, Personnel Cost gulped ₦**4,643,929,287.54 (33.66%),**

Overhead Costs ₦**2,853,053,143.82 (20.68%),** and **CRFC ₦6,300,464,259.99(45.66%)**

* On Capital Expenditure sum of **10.84B**, Economic Sector gulped **9.09b, (83.86%)**, Social Sector **1.34b, (12.43%),** Law and Justice**, 0.069b, (0.01%)** and General Administration gulped **0.401b, (3.70%).**
* The **83.86%** of Capital Expenditure expended on Economic Sector shows Government determination to develop State’s Infrastructure

# SECTORAL ANALYSIS OF CAPITAL EXPENDITURE

**JAN-MARCH, 2019**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | **APPROVED** | **PRO- RATA** | **ACTUAL** | **%Pro Rata** | **% Approved Estimates** |
| A | ECONOMIC | 100,535,047,409.14 | 25,133,761,852.29 | 9,090,084,781.69 | 36.17 | 9.04 |
| B | SOCIAL SERVICE | 49,349,775,475.10 | 12,337,443,868.78 | 1,347,817,363.10 | 10.92 | 2.73 |
| C | LAW & JUSTICE | 732,500.000.00 | 183,125,000.00 | 692,420.00 | 0.38 | 0.09 |
| D | GENERAL ADMINISTRATION | 12,914,111,692.00 | 3,226,527,923.00 | 401,469,250.51 | 12.44 | 3.11 |
|  | TOTAL | 163,531,434,576.24 | 40,882,858,644.06 | **10,840,063,815.30** | 26.51 | 6.63 |

It is key to highlight some of the hindrances in implementation of 2018 budget as listed below:

* Paucity of fund due to dwindling Federal Allocation
* Poor internal generated revenue drive
* MDAs inability to easily access fund

# RECOMMENDATIONS:

**REVENUE:**

* The State needs to be more revenue self-reliant focussed
* Enactment of enabling laws that would boost revenue generation
* Review of existing rates on fees and fines
* More aggressive enforcement of revenue/ tax laws and regulations.

**EXPENDITURE:**

* The State Fund Allocation Committee should be strengthening and made effective for efficient allocation of available fund to priority.
* The Budget Implementation Monitoring Committee will continue to carry out monthly review of budget performance with a view to ensure achievement of desired result.
* Projects/ Programmes to be executed are to promote value for money.
* Continue Mobilization of PPP Initiatives for development projects and programme (Local and Foreign Investors).