

INTRODUCTION

To ensure fiscal transparency and accountability there is need to ensure that budget is been measure on quarterly basis both on Revenue and Expenditure side. The First Quarter Analysis provide an insight of the achievement of Budget 2020 from January to March,2020. The analysis as follows:

REVENUE PERFORMANCE

JANUARY-MARCH, 2020

S/N	Items of Revenue	Estimates 2020	Pro-Rata Estimates	TOTAL JAN-MARCH	% on Pro-Rata	% on Approved Estimates
1	IGR	62,648,534,469.00	15,662,133,617.25	7,134,758,107.39	45.55	11.39
2	Statutory Allocation	50,000,000,000.00	12,500,000,000.00	7,242,681,745.17	57.94	14.49
3	VAT	20,115,397,819.97	5,028,849,454.99	5,087,950,886.80	101.18	25.29
4	Others	45,018,306,339.00	11,254,576,584.75	4,982,230,331.60	44.27	11.07
	Total Recurrent	177,782,238,627.97	44,445,559,656.99	24,447,621,070.96	55.01	13.75
5	Capital Receipts	36,005,794,375.00	9,001,448,593.75	326,987,856.00	3.63	0.91
	Total	213,788,033,002.97	53,447,008,250.74	24,774,608,925.96	46.35	11.59

2020 REVENUE APPRAISAL

- By First Quarter, revenue ought to have performed at least **25%** of the Approved Budget but rather it performed at **11.59%** while on Pro – rata, it performed at **46.35%** instead of **100%**;
- Breakdown of revenue performance: -
- Recurrent revenue - **₦ 24,447,621,070.96**
- Capital receipt - **₦ 326,987,856.00**

From total revenue, only the sum of **₦ 7,134,758,107.39** representing **28.80%** was internally generated revenue (IGR) while Statutory Allocation, VAT, Others, of the sum **₦17,312,862,963.57** representing **(69.88%)** and capital Receipts **₦ 326,987,856.00 (1.32%)** . This shows that the State still depends largely on External Sources for its Revenue.

Note:

- There is slight increase of **9.42%** in Internally Generated Revenue compared to the First Quarter performance of 2019 while the sum of **₦6,462,556,647.38** was generated internally from January –March 2019 to **₦7,134,758,107.39** of this present year,
- There is decrease of **(18.50%)** in Statutory Allocation to the same period last year, the sum of **₦8,582,855,499.80** was received to this year **₦7,242,681,745.17**
- There is a slight increase of **1.89%** in Value Added Tax compared to last year First Quarter, the sum of **₦4,991,474,958.41** was received to this year sum of **₦5,087,950,886.80**

SUMMARY OF EXPENDITURE JANUARY-MARCH,2020

ITEMS OF EXPENDITURE	APPROVED ESTIMATES	PRO-RATA ESTIMATES	ACTUAL	%	%
	2020	JAN-MARCH	JAN-MARCH	PER	APPROVED ESTIMATES
Personnel Costs	38,451,545,779.00	10,324,049,010.34	13,514,971,372.76	140.59	35.15
Overhead Costs	31,116,310,140.00	7,164,383,205.17	2,756,015,835.57	35.43	8.86
Consolidated Revenue Fund Charges					
(i) Salaries	80,000,000.00	20,000,000.00	-		
(ii) Pension	14,000,000,000.00	3,500,000,000.00	2,756,015,835.57	81.98	20.50
(iii) Gratuities	2,400,000,000.00	600,000,000.00	230,000,000.00	38.33	9.58
(iv) Security Votes	8,000,000,000.00	2,000,000,000.00	-	-	-
(v) Public Debt Charges	2,000,000,000.00	500,000,000.00	-	-	-
(vi) Repayment of loan & other settlement	8,000,000,000.00	2,000,000,000.00	-	-	-
(vii) Severance Allowance /Gratuities	1,900,000,000.00	475,000,000.00	-	-	-
(viii) State Share Contributory pension	1,300,000,000.00	325,000,000.00	306,364,024.50	94.27	23.57
(ix) State Share Contribution to L.G. Pension	350,000,000.00	87,500,000.00	87,000,000.00	99.43	24.86
(x) 10% IGR State Contribution to L.G.	1,500,000,000.00	375,000,000.00	300,000,000.00	80.00	20.00
(xi) Insurance Scheme	1,000,000,000.00	250,000,000.00	-		
(xi) Judicial Service Commission Pension	330,000,000.00	82,500,000.00	42,421,756.86	51.42	12.86
			-	-	-
Sub-total (C.R.F.C)	40,860,000,000.00	10,215,000,000.00	3,835,182,426.27	37.54	9.39
Recurrent Expenditure	110,427,855,919.00	27,606,963,979.75	20,106,169,634.80	72.83	18.21
Capital Expenditure	103,360,177,083.97	25,840,044,270.99	3,353,334,681.58	12.98	3.24
TOTAL	213,788,033,022.97	53,447,008,270.74	23,459,504,316.38	43.89	10.97

- As at the end of First Quarter, Expenditure was expected to have performed at **25% of the Approved Budget** but performed at **10.97%**
- On pro rata basis, Expenditure performed at **43.89%** instead of **100%**
- Breakdown of Expenditure performance
 - Recurrent- **₦ 20,106,189,634.80**
 - Capital- **₦ 3,353,334,681.58**
 - On recurrent Expenditure, Personnel Cost gulped **₦13,514,971,372.76 (67.22%)**, Overhead Costs **₦2,756,015,835.57 (13.71%)**, and CRFC **₦3,835,182,426.27(19.07%)**

- **Note:**
 - The sum of **₦13,514,971,372.76** expended on Personnel Cost as against the Budgetary provision of **₦9,612,886,444.75** representing **140.59%** increase was as a result of domestication of the New Minimum wage in the State
 - On the total Expenditure of **₦23,459,504,316.38**, Recurrent Expenditure accrued the sum of **₦20,106,189,634.80** which is **85.70%** while the Capital Expenditure sum of **₦3,353,334,681.58** which is **14.30%** of the total Expenditure.
- On Capital Expenditure sum of **3.35B**, Economic Sector gulped **2.30b, (68.73%)**, Social Sector **0.49b, (14.80%)**, Law and Justice, **0.015b, (0.48%)** and General Administration gulped **0.53b, (15.99%)**.
- The **68.73%** of Capital Expenditure expended on Economic Sector shows Government determination to develop State's Infrastructure

SECTORAL ANALYSIS OF CAPITAL EXPENDITURE JAN-MARCH, 2020

		APPROVED	PRO- RATA	ACTUAL	%Pro Rata	% Approved Estimates
A	ECONOMIC	68,832,804,604.00	17,208,201,151.00	2,304,776,341.05	13.39	3.35
B	SOCIAL SERVICE	23,708,487,037.97	5,927,121,759.49	496,325,212.92	12.98	3.24
C	LAW & JUSTICE	535,000,000.00	133,750,000.00	15,968,235.02	11.94	2.98
D	GENERAL ADMINISTRATION	10,283,885,442.00	2,570,971,360.50	536,264,892.59	20.86	5.21
	TOTAL	103,360,177,083.97	25,840,044,270.99	3,353,334,681.58	12.98	3.24

It is key to highlight some of the hindrances in implementation of 2020 budget as listed below:

- Paucity of fund due to dwindling Federal Allocation
- Poor internal generated revenue drive

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).