



NASARAWA STATE GOVERNMENT

NASARAWA STATE BUDGET IMPLEMENTATION REPORT FOR FIRST TO THIRD QUARTERS (JANUARY – SEPTEMBER), 2018

GENERAL OVERVIEW

The Nasarawa State House of Assembly passed into law the Appropriation Bill on 25th January, 2018. His Excellency, The Governor of Nasarawa State laid the Bill before the Hallowed Chamber on 29th November, 2017 and thereafter, assented to the law on the 12th February, 2018.

Implementation of the 2018 Budget is ongoing and for the nine months period (January-September), the performance is being appraised and measured to avoid deviations. As planned in the fiscal document, the following are the areas for consideration; Expected Revenue, Personnel Cost, Overhead Cost, Capital Expenditure as well as Consolidated Revenue Fund Charges.

The total approved Budget as assented to by His Excellency for the FY 2018 amounted to One Hundred and Twenty Five Billion, Four Hundred and Nineteen Million, Six Hundred and Eighty Seven Thousand, Four Hundred and Eighty Four Naira (₦125,419,687,484.00) only.

However, the reporting period under consideration is the third quarter of 2018. This will then mean that we shall be dealing with a total budget of Ninety Four Billion, Sixty Four Million, Seven Hundred and Sixty Five Thousand, Six Hundred and Thirteen Naira (₦94,064,765,613.00) only for the first, second and third quarters combine.

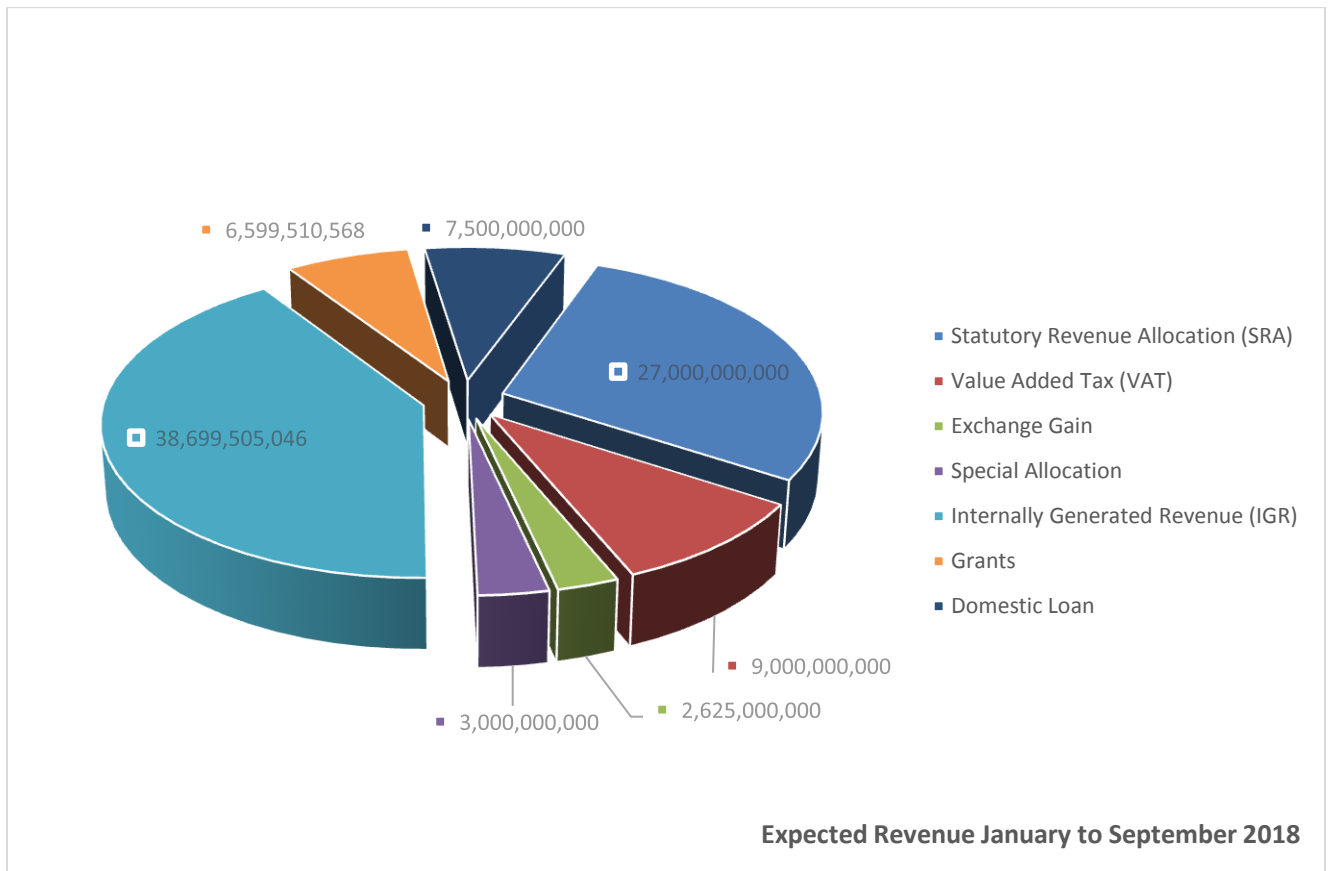
REVENUE PERFORMANCE

Government expected a total revenue of Ninety Four Billion, Four Hundred and Twenty Four Million, Fifteen Thousand, Six Hundred and Fourteen Naira (₦94,424,015,614.00) only to finance the Budget up to the third quarter of 2018.

The Revenue structure as expected is as follows:

	₱ : K
a) Statutory Revenue Allocation (SRA)	27,000,000,000
b) Value Added Tax (VAT)	9,000,000,000
c) Exchange Gain	2,625,000,000
d) Special Allocation	3,000,000,000
e) Internally Generated Revenue (IGR)	38,699,505,046
f) Grants	6,599,510,568
g) Domestic Loan	<u>7,500,000,000</u>
Total	<u>94,424,015,614</u>

Fig. 1: Chart Showing Expected Revenue from January to September, 2018.



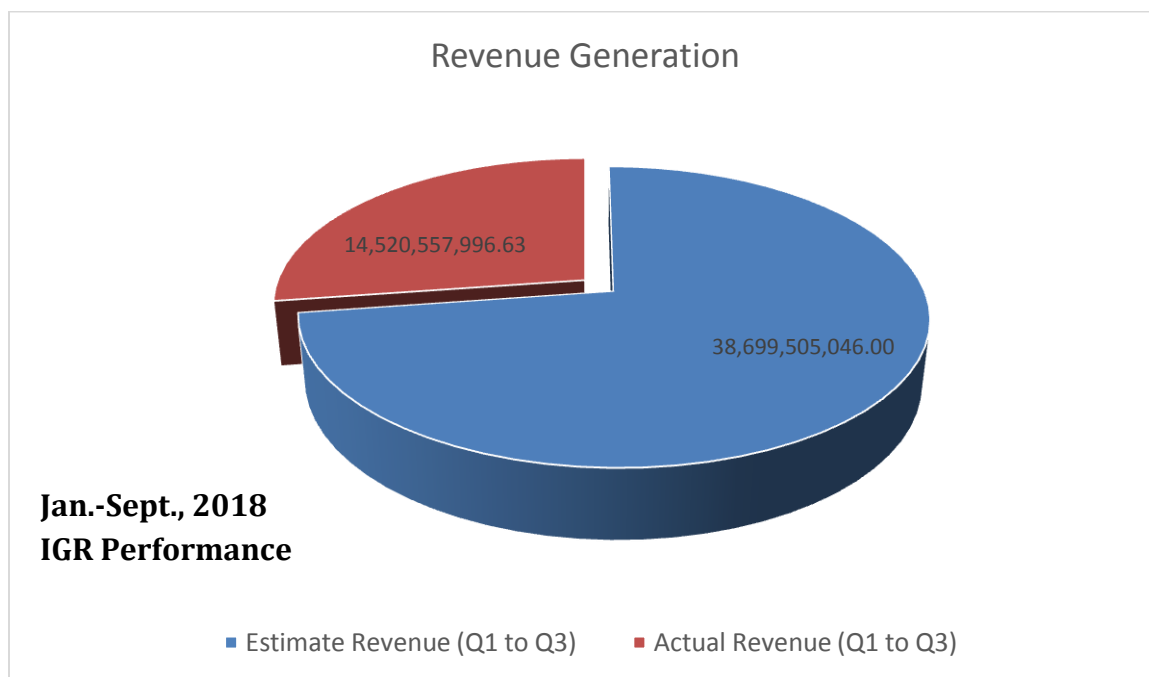
COMPONENTS OF REVENUE PERFORMANCE

i. **Actual Revenue Receipt**

a) ***Internally Generated Revenue (IGR):***

The anticipated Internally Generated Revenue for Q₁ to Q₃ was Thirty Eight Billion, Six Hundred and Ninety Nine Million, Five Hundred and Five Thousand, Forty Six Naira (₦38,699,505,046) only. However, a total of Fourteen Billion, Five Hundred and Twenty Million, Five Hundred and Fifty Seven Thousand, Nine Hundred and Ninety Six Naira, Sixty Three Kobo (₦14,520,557,996.63) was realized, representing 37.52%.

Fig. 2: Chart Showing Expected versus Actual IGR from January to September, 2018.



The Internally Generated Revenue by all the Ministries, Departments and Agencies are as shown in appendix 'B'.

b) ***Allocation from Federation Account:***

The State anticipated a total of Forty One Billion, Six Hundred and Twenty Five Million Naira (₦41,625,000,000.00) only from the Federation Account in the quarter under review. The following components were

what formed the anticipated receipts from the Federation Account from January to September of 2018:

i. Statutory Revenue Allocation (SRA)	–	27,000,000,000
ii. Value Added Tax (VAT)	–	9,000,000,000
iii. Exchange Gain	–	2,625,000,000
iv. Special Allocation	–	3,000,000,000

However, at the end of September 2018, a total of Thirty Eight Billion, Ninety One Million, Four Hundred and Nine Thousand, Two Hundred and Eighteen Naira, Eighty One Kobo (**₦38,091,409,218.81**) only was realized, representing 91.51% of the total expected revenue from Federation Account within the period under review. This was a great achievement largely due to the performance of the SRA which is above the estimated forecast attributed to the sudden rise in the global oil price as well as a windfall christened Budget Support Facility of the sum of ₦0.7 billion received from the Federation Account to support states in the First Quarter of the FY.

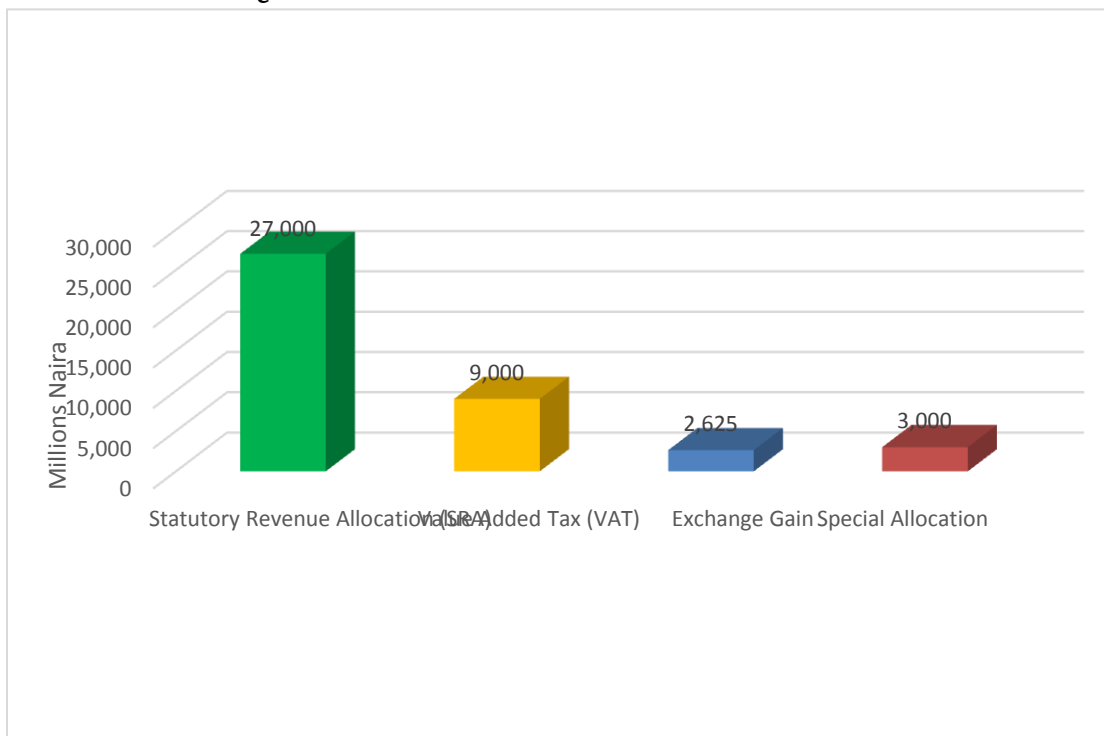


Fig. 3:
Chart

Showing Projected Revenue Allocation from Federation Account to the State from Jan.-Sept., 2018.

Fig. 4: Chart Showing Expected FAAC Projection Versus Actuals from Jan. to Sept., 2018.

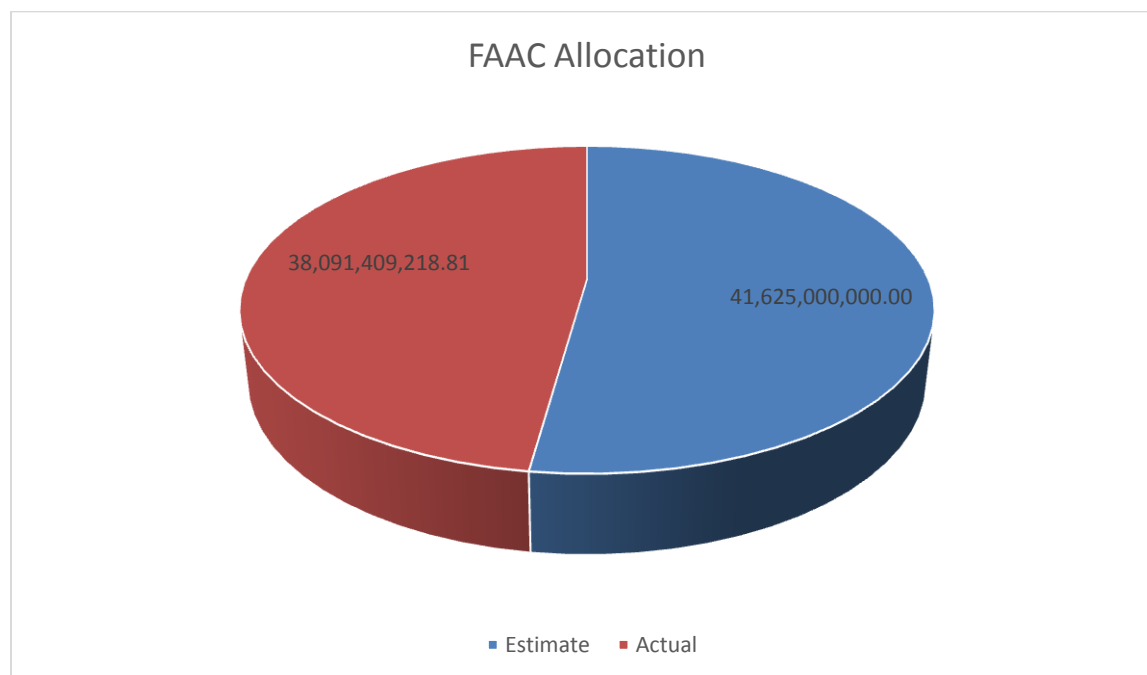
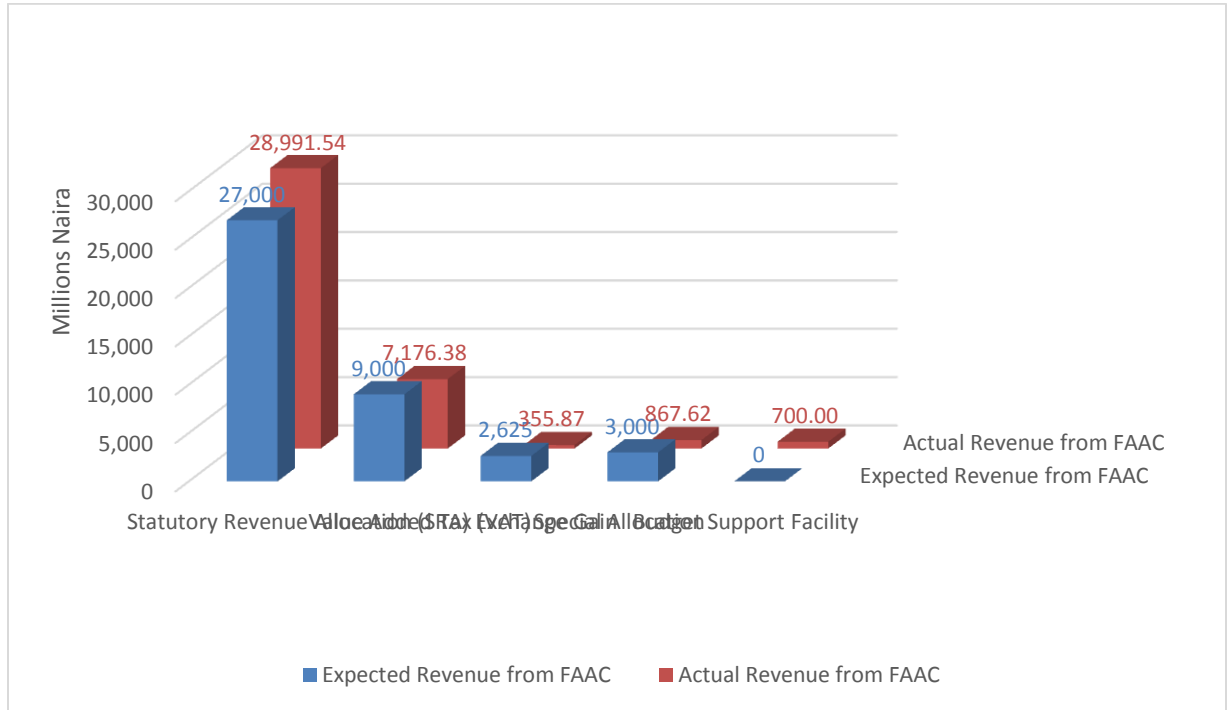


Table 1: Revenue Performance from the Federation Account from Jan to Sept 2018

S/No.	Source	Expected Revenue (Jan – Sept, 2018)	Actual Total Revenue (Jan – Sept, 2018)	Percentage (%) Performance of Expected SRA
1	Statutory Revenue Allocation (SRA)	27,000,000,000	28,991,543,749.56	107.38
2	Value Added Tax (VAT)	9,000,000,000	7,176,376,620.35	79.74
3	Exchange Gain	2,625,000,000	355,873,719.01	13.56
4	Special Allocation	3,000,000,000	867,615,129.89	28.92
5	Budget Support Facility	-	700,000,000.00	-
	Total	41,625,000,000	38,091,409,218.81	91.51%

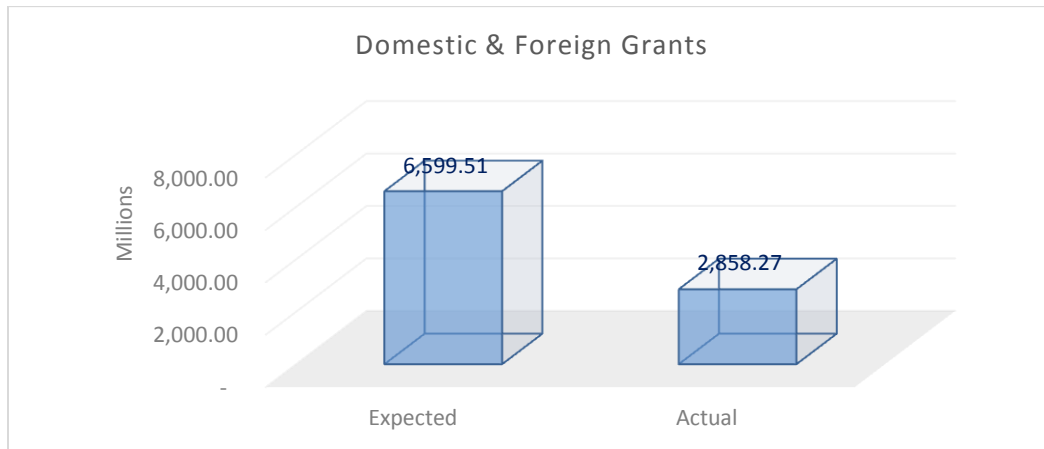
Details of the Federation Account Revenue performance are as shown in appendix ‘A’.

Fig.5: Revenue Performance from the Federation Account from Jan to Sept, 2018



Aids & Grants: During the period under review, Government anticipated local and foreign Aids & Grants to assist in the areas of SDGs-CGS, TETFUND Intervention to tertiary institutions, Ecological Fund, National Social Investment Programme as well as Grants from Development Partners to the tune of Six Billion, Five Hundred and Ninety Nine Million, Five Hundred and Ten Thousand, Five Hundred and Sixty Seven Naira (₦6,599,510,567.00) only. However, the sum of Two Billion, Eight Hundred and Fifty Eight Million, Two Hundred and Seventy One Thousand, Six Hundred and Fifty Naira, Sixty Kobo (₦2,858,271,650.60) only was recorded during this reviewing period, representing 43.31% performance. (See Appendix ‘G’)

Fig.6: Chart Representing Domestic and Foreign Grants Performance



c) **Domestic Loan:** The State Government planned for a Domestic Loan of Seven Billion, Five Hundred Million Naira (₦7,500,000.00), however, during the period under review, no loan was collected by the Government.

Overall Analysis of Expected Vs Actual Revenue Receipts as at September 2018

As mentioned before, a total of Ninety Four Billion, Four Hundred and Twenty Four Million, Fifteen Thousand, Six Hundred and Fourteen Naira (₦94,424,015,614.00) only was expected as revenue to the State for the period under review. However, as at 30th September, 2018, a total of Fifty Five Billion, Four Hundred and Seventy Million, Two Hundred and Thirty Eight Thousand, Eight Hundred and Sixty Six Naira, Four Kobo (₦55,470,238,866.04) only was realized as the total revenue receipts. This includes receipts from Statutory Revenue Allocation (SRA) from Federation Account, Internally Generated Revenue (IGR) as well as Grants, representing 58.75% of the total expected revenue during the period under review.

Fig. 7: A chart showing Comparative Revenue Performance of Nasarawa State from Q₁ to Q₃ 2018.

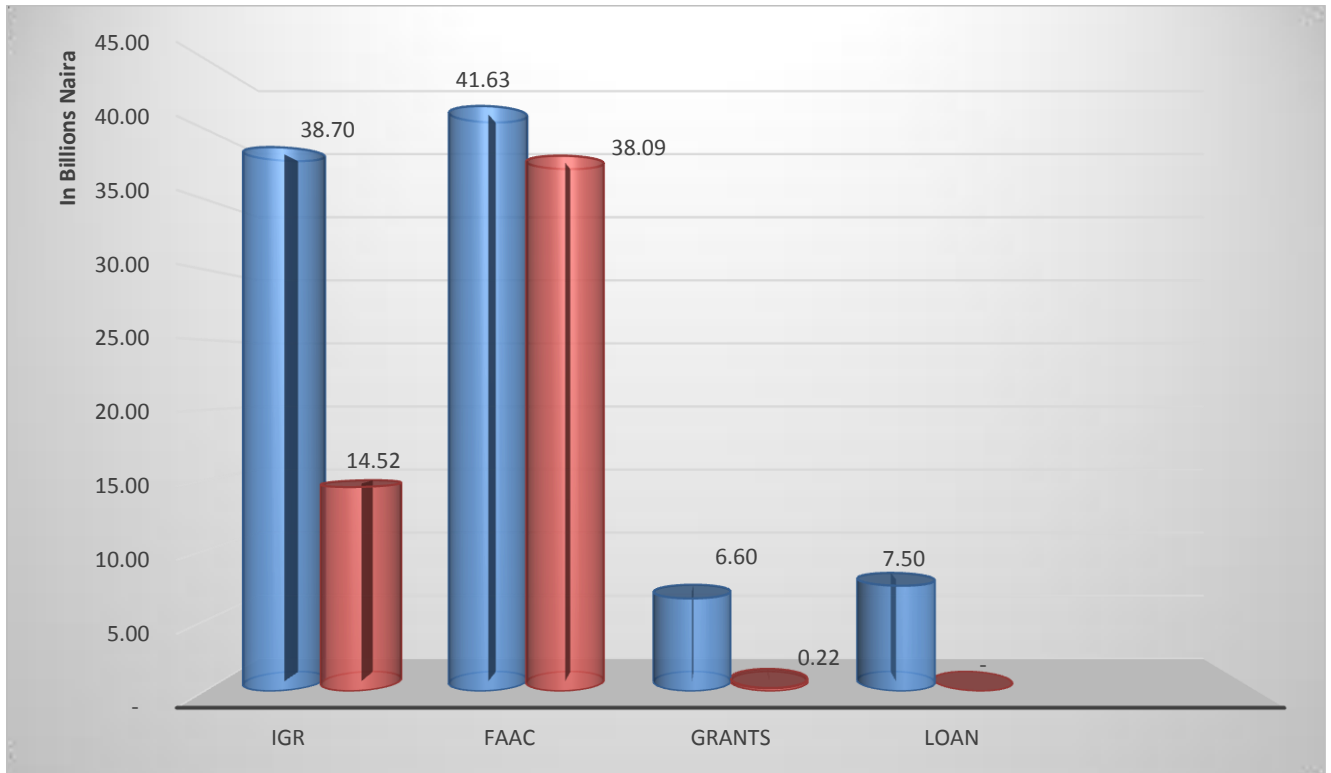
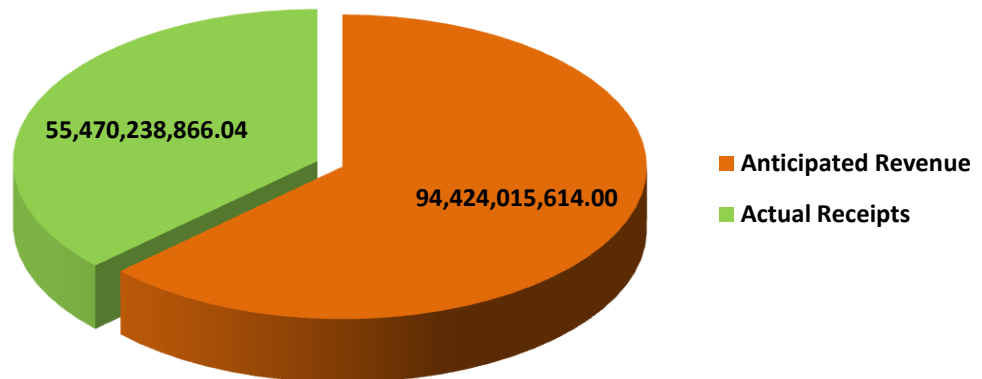


Fig. 8: Chart showing Anticipated versus Actual Total Revenue Performance of Nasarawa State as at Q₃ 2018.

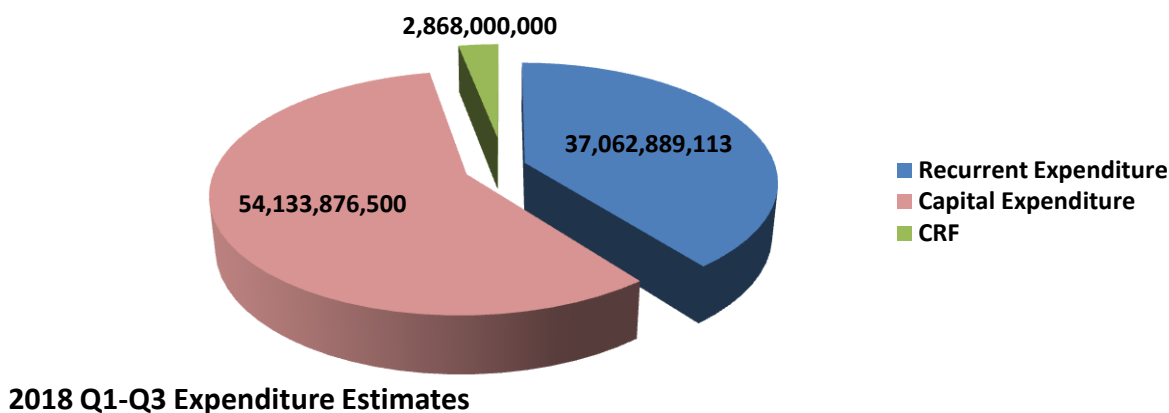


Actual Revenue Performance as at 30th September, 2018

EXPENDITURE PERFORMANCE

The total planned expenditure for the first to third Quarters of 2018 was put at Ninety Four Billion, Four Hundred and Twenty Four Million, Fifteen Thousand, Six Hundred and Fourteen Naira (₦94,424,015,614.00) only. This comprised the proposed recurrent spending of Thirty Seven Billion, Sixty Two Million, Eight Hundred and Eighty Nine Thousand, One Hundred and Fourteen Naira (₦37,062,889,114.00) only and capital spending of Fifty Four Billion, One Hundred and Thirty Three Million, Eight Hundred and Seventy Six Thousand, Five Hundred Naira (₦54,133,876,500.00) only as well as charges from consolidated revenue of Two Billion, Eight Hundred and Sixty Eight Million Naira (₦2,868,000,000.00) only.

Fig. 9: **Chart showing Recurrent, Capital Estimates and Consolidated Revenue Charges of Nasarawa State for Q₁ to Q₃ 2018.**

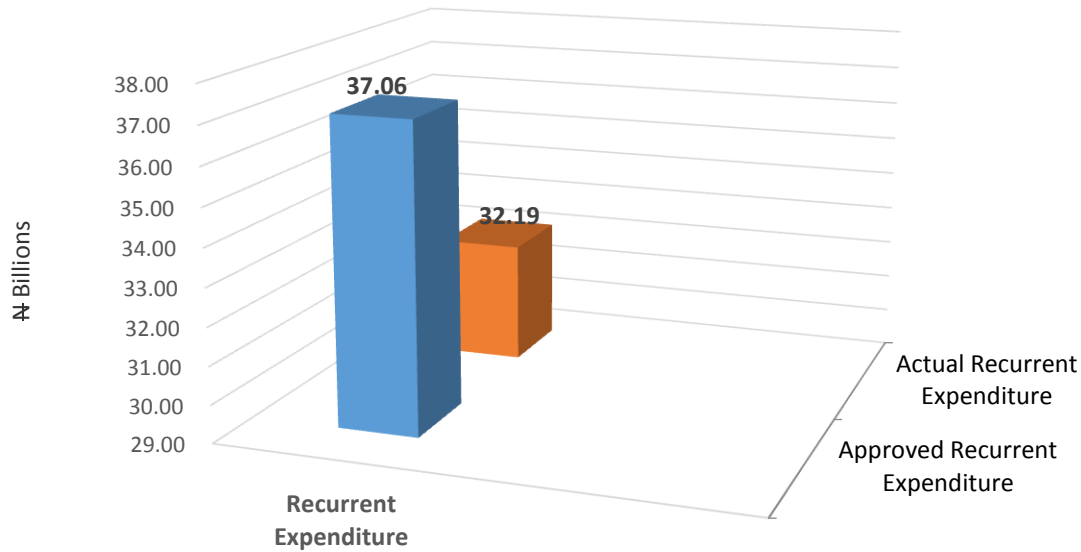


Recurrent Expenditure

This consists of two components; *Personnel Cost and Overhead Cost*. During the period under review, Government planned spending on recurrent items was Thirty Seven Billion, Sixty Two Million, Eight Hundred and Eighty Nine Thousand, One Hundred and Fourteen Naira (₦37,062,889,114.00). Out of this amount, a total of Thirty Two Billion, One Hundred and Ninety Four Million, Thirty Seven Thousand, Two Hundred and Nineteen Naira, Forty Six Kobo (₦32,194,037,219.46) only was expended on Salaries,

Pensions/Gratuities and Overhead Costs to the MDAs. Together this accounted for 86.86% of the total actual recurrent spending within the period.

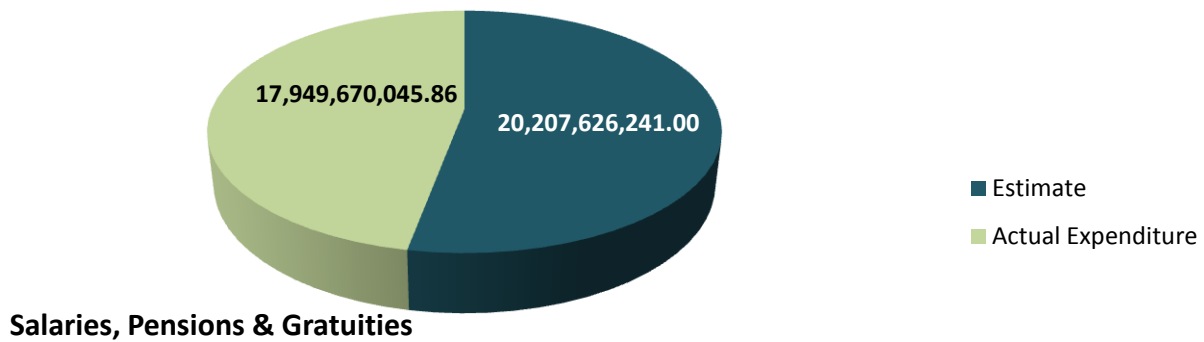
Fig. 10: Chart showing Components of Recurrent Expenditure.



Personnel Cost Component

The estimated Personnel Cost for Q₁ to Q₃ 2018 was Twenty Billion, Two Hundred and Seven Million, Six Hundred and Twenty Six Thousand, Two Hundred and Forty One Naira (₦20,207,626,241.00) only out of which the sum of Seventeen Billion, Nine Hundred and Forty Nine Million, Six Hundred and Seventy Thousand, Forty Five Naira, Eighty Six Kobo (₦17,949,670,045.86) only was utilized, representing 59.76%. (See Appendix ‘E’).

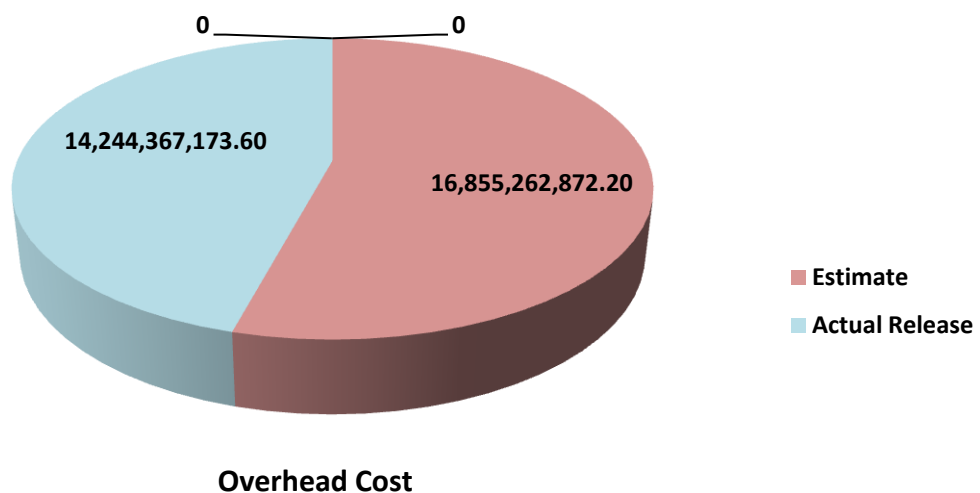
Fig. 11: **Chart showing Personnel Cost Performance in Q1 to Q3 2018.**



Overhead Cost Component

On the other hand, a total of Sixteen Billion, Eight Hundred and Fifty Five Million, Two Hundred and Sixty Two Thousand, Eight Hundred and Seventy Two Naira, Twenty Kobo (₦16,855,262,872.20) only was approved for Overhead cost. However, the sum of Fourteen Billion, Two Hundred and Forty Four Million, Three Hundred and Sixty Seven Thousand, One Hundred and Seventy Three Naira, Sixty Kobo (₦14,244,367,173.60) only was spent during the period under review. This represented 84.51% performance. (See Appendix ‘C’).

Fig. 12: **Chart showing Overhead Cost Performance from January to September, 2018.**



Capital Expenditure

Government spending on capital projects from the beginning of the FY to date amounted to Thirteen Billion, Six Hundred and Six Million, Four Hundred and Fifty Nine Thousand, Four Hundred and Eighty Five Naira, Forty Three Kobo (₦13,606,459,485.43) only. Compared to the projected figure of Fifty Four Billion, One Hundred and Thirty Three Million, Eight Hundred and Seventy Six Thousand, Five Hundred Naira (₦54,133,876,500.00) only signifying a Capital spending of 25.13%. (See Appendix 'D').

Fig. 13: Chart showing Capital Budget Performance from year to date.

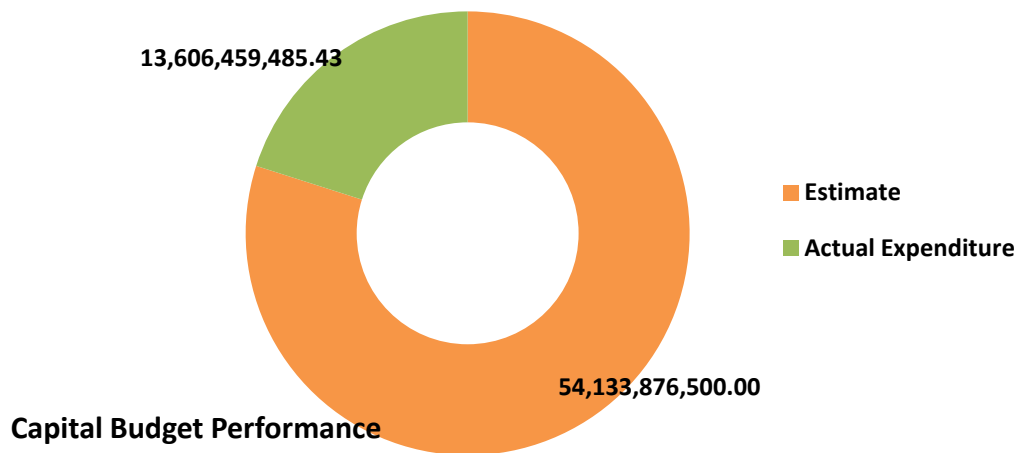
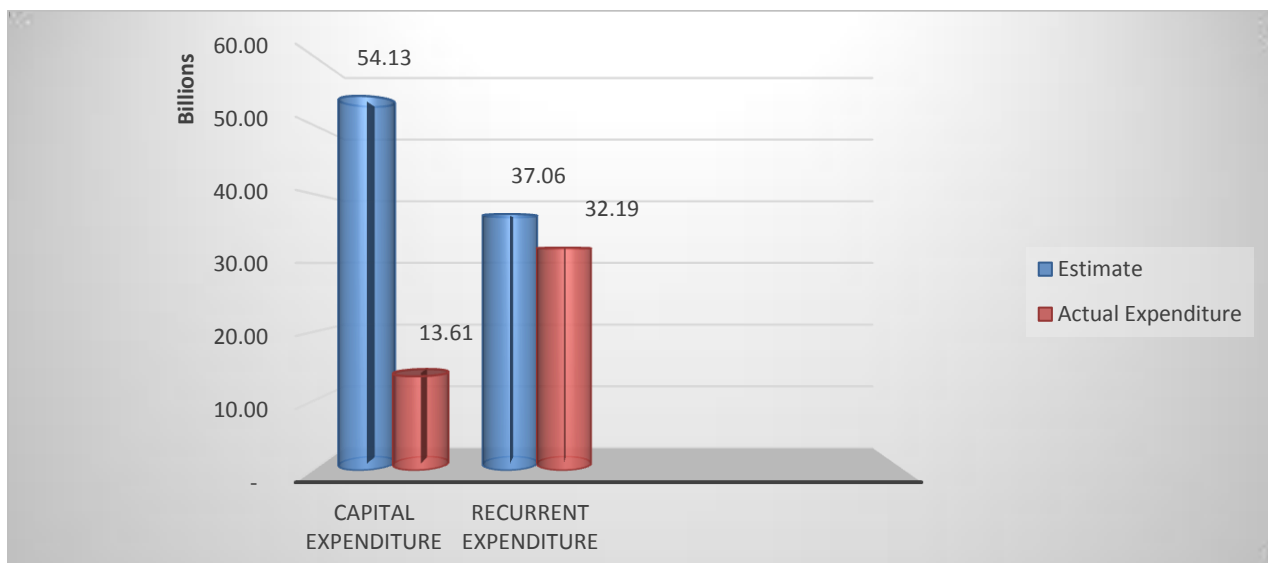


Fig. 14: Chart showing Capital Versus Recurrent Budget Performance as at Q3 2018.



Consolidated Revenue Fund Charges

There was an over-expenditure amounting to 400.34% performance during the reviewing period as far as the CRF is concerned. Out of a total of Two Billion, Eight Hundred and Sixty Eight Million Naira (₦2,868,000,000.00) only, Government expended a total sum of Eight Billion, Fifty Nine Million, Two Hundred and Thirty Four Thousand, Nine Hundred and Ninety Naira, Fifty Kobo (₦8,059,234,990.50) only on both External and Internal Debt Servicing as well as some first-line charges of Government. (See Appendix 'F').

Fig.15: Chart showing Budget Performance of CRF in Q1 2018

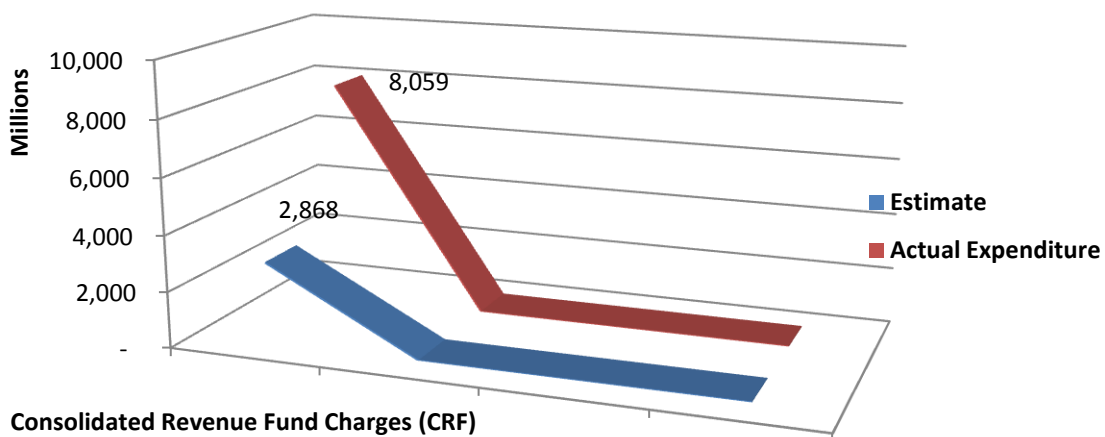
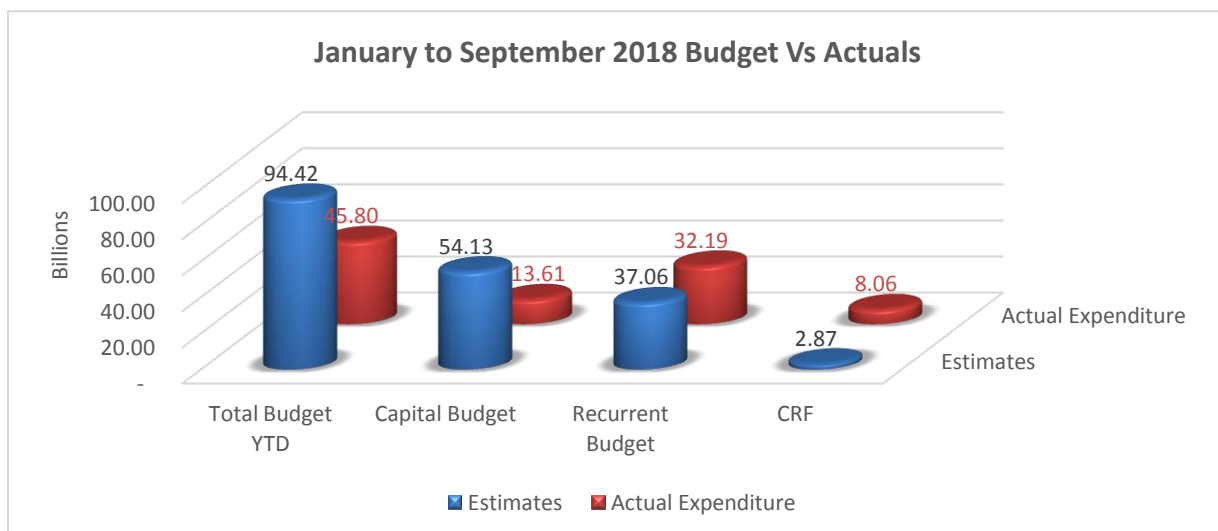


Fig. 16: Chart showing all Components of Budget: Estimates versus Actuals



Conclusion

In summary, Government intended to have an optimal provision of service in this FY, and from the analysis above, it could be deduced that the first three Quarters (Q₁, Q₂ & Q₃) Budget performance was fair implying that Government is on track. The budget implementation report for Q₃ shows that Government's overall planned expenditure stood at Ninety Four Billion, Four Hundred and Twenty Four Million, Fifteen Thousand, Six Hundred and Fourteen Naira (~~₦~~94,424,015,614.00) only and was able to meet up with basic budgetary provision of Civil Servants salaries, pensions/gratuities of retirees, settled part of contractual liabilities, government running cost and some capital spending to the tune of Fifty Three Billion, Eight Hundred and Fifty Nine Million, Seven Hundred and Thirty One Thousand, Six Hundred and Ninety Five Naira, Thirty Nine Kobo (~~₦~~53,859,731,695.39) only for the above budget components.

On CRF charges, Government settled most of the local contractors to cushion effect of the hard economic realities bedeviling the society that is why that aspect of the expenditure went up above and beyond the projection for the period.

It is hopeful, however, that the Q₄ and the FY budget implementation report 2018 performance will be desirable. This is so as economic uncertainties are declining while global oil prices are increasing, leading to increase in government revenue.

Ayuba Dogara Ayenajeh FCA

Honourable Commissioner.