



# **GOVERNMENT OF ENUGU STATE OF NIGERIA**

## **2018 THIRD QUARTER BUDGET IMPLEMENTATION REPORT**

**Enugu State Ministry of Budget and Planning**

**October 2018**

## **FOREWORD**

Here, we present the third quarter version of our regular quarterly Budget implementation Report, that serves as a measurement & Evaluation instrument for the Budget Performance within the fiscal year 2018.

As we know already, that the Budget is a Major instrument in Public Financial Management of the State, which Serves as a guide for all financial transactions of the State, be it income and Expenditures. It is the instrument for delivering the government's work plan for each particular year. As already known, the 2018 Budget was anchored on the theme: - Budget of Sustainable Economic growth" with emphasis on growing the economy through the Provision of critical infrastructural facilities, and good governance, and enhanced Security of lives and property.

This Publication is informed by our avowed Commitment to best practice, and in obedience to the fiscal Responsibility act of 2007, which demands the Budget Ministry to produce regular reports of the in-year's Budget as a way of measuring Performance and for Mitigating budget failure. Only recently following the State participation in the Nigeria Governor's Forum focus group discussion on the Fiscal Sustainability of States, Enugu State has been nominated among the eight (8) States for case study and part of what is requested of us is a quality Budget performance report which must be hosted in our Web-Site after Publication. This will inform the PFM performance Self-assessment and Fiscal Sustainability plan template.

Again, the State's Fiscal Transparency, Accountability and sustainability Program SFTAS, which is a Nationwide, world Bank and Federal government peer review Mechanism has placed serious premium on periodic reports of the Public Financial Management activities, hence our effort as making this important Report a very regular activity in our Budget time table.

I hope all these financial agencies will find this report very useful, in our engagements with other financial institutions of the federation, and their peer review reports.

**Uche E. Ogbodo**

SPA for Budget and Planning

Enugu State

## **PREFACE**

In Furtherance to our efforts at pursuing the objectives of section 30 of the Fiscal Responsibility act 2007 of the federation, the Ministry of Budget and planning Enugu engages in quarterly report of the year-in Budget performance and implementation to ascertain the reliability of the Budget Estimates, and to forestall any deviation from the set plan. This quarterly implementation Report was equally introduced in our Budget cycle as means of ensuring the credibility of the Budget, and also to encourage transparency and accountability in the Budget Process. This is one of the numerous outcomes of the various reforms in our Public Financial Management; which is a key component of the open Government initiative which is being encouraged world over.

No doubt the various reforms introduced recently in our Public Financial Management System, has impacted positively in making our Budget more realistic, and transparent, thus our reason for keying into this regular monitoring and evaluation of our implementation of the annual Budget. In this regards it must be noted that the 2018 Budget having started on a promising note due mainly to the exit of the recession era in the 2017, had a relatively healthier growth due to increased inflow into the revenue of the Federal government due to improved crude oil pricing, and more receipts from non-oil exports. This led us to do a supplementary appropriation in the second quarter to enable us attend to hither-to unforeseen projects that were not factored in the earlier appropriation- act.

However, the implementation report of the third quarter shows a poor realization of our capital expenditure due to paucity of fund as revenue inflow was slow, whereas the 1st and 2nd quarters capital expenditures grew from 6.08bl to 7.43bl; the 3rd quarter expenditure nosedived to 4.39bl. This means less capital activities were achieved. This is due mostly to our inability to realize the expected revenue inflow from refund from the Federal Government on federal Roads executed by the State.

It is however hoped that the next and final quarter may help to realize some of the aspects of the Projects embedded in our supplementary appropriations.

This report is a product of the combined efforts of the financial and statistical sectors of the government, especially the office of the Accountant General that supplied most of the figures used in this report. I wish to acknowledge the untiring efforts of my staff at the Ministry of Budget and Planning, especially the measurement and Evaluation Department that put up this report to a simplified document that can be read and understood by any enquirer. I enjoin you to study carefully to understand our efforts and challenges in making our Budget process as reliable as possible.

**Ugwu Casmir K.**

Permanent Secretary

Ministry of Budget and Planning

Enugu State

# TABLE OF CONTENTS

Foreword.....	ii
Preface.....	iii
Table of Contents.....	v
List of Tables.....	vi
List of Charts.....	vii
Executive Summary.....	viii
1.0 Introduction.....	1
2.0 Macro-Economic Development and Analysis.....	4
3.0 Fiscal Analysis of the 2018 Budget Implementation.....	8
3.1 2018 Fiscal Framework/Budget Assumptions.....	8
3.2 Enugu State 2018 Resource Profile.....	8
3.3 Analysis of Recurrent Revenue and Capital Receipts Performance....	10
3.3.1 Recurrent Revenue Performance.....	11
3.3.2 Capital Receipts Performance.....	15
3.4 Analysis of Recurrent and Capital Expenditure Performance.....	19
3.4.1 Comparative Analysis of Recurrent Expenditure .....	20
3.4.2 Capital Expenditure Performance.....	22
3.4.3 MDAs' Capital Vote Utilization.....	23
4.0 Conclusion.....	27

## LIST OF TABLES

Table 3.1: 2018 Budget Assumptions.....	8
Table 3.2: 2018 Resource Profile.....	9
Table3.3: Inflows to the 2018 Enugu State Budget as at September 2018.....	10
Table 3.4: Performance of Revenue Budget and Actual in the 2018 Third Quarter.....	10
Table 3.5: Outflows 2018 Enugu State Budget as at September 2018.....	19
Table 3.6: Performance of Budget Expenditure and Actual in the 2018 Third Quarter.....	19
Table 3.7: Warrant Releases/Cash Backed for the Third Quarter.....	21
Table 3.8: Recurrent Expenditure Report Third Quarter.....	21
Table 3.9: Monthly Warrant Releases During for Three Quarters.....	22
Table 3.10: Capital Budget Releases by MDAs as at 30th September, 2018.....	24
Table 3.11: Aggregate Expenditure in the 2018 Third Quarter.....	25
Table 3.12: Performance of Aggregate Expenditure in the 2018 Third Quarter.....	26

## LIST OF CHARTS

Chart 3.1: Statutory Allocation (Third Quarter/January – September 2018) .....	11
Chart 3.2: Value Added Tax (VAT) (Third Quarter/January – September 2018) .....	12
Chart 3.3: Refund from Paris and London Club (Third Quarter/January – September 2018) .....	13
Chart 3.4: Main IGR (Third Quarter/January – September 2018) .....	14
Chart 3.5: Retained Earnings (Third Quarter/January – September 2018) .....	15
Chart 3.6: Aids and Grants (Third Quarter/January – September 2018) .....	16
Chart 3.7: Internal Loan (Third Quarter/January – September 2018) .....	17
Chart 3.8: External Loan (Third Quarter/January – September 2018) .....	17
Chart 3.9: Public Private Partnership (Third Quarter/January – September 2018) .....	18
Chart 3.10: Refund from Paris & London Club (Third Quarter/January – September 2018) .....	18
Chart 3.11: Capital Expenditure (Third Quarter/January – September 2018) .....	23
Chart 3.12: MDAs Capital Budget Release by MDAs as at 30th September, 2018 .....	25
Chart 3.13: Aggregate Expenditure in the 2018 Third Quarter.....	26

## **EXECUTIVE SUMMARY**

As was noted earlier in our first quarter and second quarter reports, the 2018 Budget year took off on a very promising note bearing in mind that we have survived the recession period of 2015 and 2016. However, the issue of delayed Budget approval by the Enugu State House of Assembly held up the implementation a little while the Budget was being scrutinized, thus when the Budget was approved and signed around March, 2018, effort was made to speed up implementation to catch up with the lost grounds. Despite the zeal showed by the administration to further grow the State resources through increased generation of IGR, the inflow from the Federal Allocation was not encouraging, as most States were held up by the middle of the year when most States would not meet up with her obligations due to non-release of the Federal Allocation, due mainly to disagreements between the States and the Federal Ministry of Finance on the NNPC accounts. This hiccup notwithstanding, the Enugu State Government continued to pay salaries and meet up with sundry obligations through reserves made from prudent Management of her resources.

The 2018 Approved Budget titled “Budget of Sustainable Economic Growth” was prepared against the background of key Macro-Economic Developments and Analysis which includes: crude oil price, oil production benchmarks, exchange rate regimes, Real GDP growth and inflation rate, as well as expected revenue from State Share of Federation Account Allocation (FAAC), Internally Generated Revenue (IGR) and other Capital Receipts and Grants.

A total Budget size of N103,563,500,000.00 was made at the beginning of the Budget Year, however around the second quarter, there was an urgent

need to review the Budget through the injection of more resources into the economy by increasing the size of the Budget to N114,263,500,000.00 as the State was expecting a sizeable refund from the Federal Government on expenditures made by the State in the reconstruction of Federal Roads in the State. This development led to a Supplementary Budget that was occasioned by the need to attend to some pressing projects that were not hitherto factored in to the original Budget.

As noted earlier, economic growth at the Macro-level accelerated in the third quarter, triggered by improved dynamics in both Oil and Non-oil Sectors of the economy. Nigeria Economy grew 1.81% in the third quarter of 2018 from a year earlier as observed by the National Bureau of Statistics. This figure represents a slight improvement from the second quarter, when a show down in growth sparked fears that Nigeria is going into a second round of recession in less than three years. The Non-oil Sector grew 2.32% in the third quarter according to the National Bureau of Statistics report.

Again, oil production rose slightly to 1.94 million barrel per day (mbpd) in the period from 1.84 mbpd in the previous quarter; yet the Sector's growth contracted 2.91% from the previous year when the production was at 2.02 mbpd.

A review of the performance at the Micro or State Level will indicate a mild growth due mostly to prudent management of the resources available and increased Revenue generation made possible by our efficient Enugu State Internal Revenue Services. An over-view of the Revenue performance of the 2018 Budget in the quarter will reveal that the performance was low at third quarter as it went down from expected proportionate revenue

budget for the quarter of N28,565,875,000.00 to N18,854,943,382.00 or 66.01% of the expected revenue for the third Quarter. This performance is a short fall from the figures of first quarter and second quarter, which were progressive at N 21,466,346,770.00 and 22,407,643,706.00 respectively.

When disaggregated, the Statutory Allocation recorded N11,440,140,108.00 in the third quarter, whereas the total Statutory Allocation as at the third quarter was N32,375,532,422.00 which is N2,503,407,422.00 or 8.38% above the Budget provision of N29,872,175,000.00. Other contributions to the Statutory Allocations included Value Added Tax (VAT) which yielded N2,994,733,837.00 in the third quarter; recording an increase of N186,233,837.00 or 6.63% above the expected receipt in the quarter. However, nothing was received from the Paris and London Club in this quarter under review.

On IGR, the total sum of N4,420,069,438.00.00 was collected in the third quarter. This represents a shortfall of N5,754,930,562.00 or 108.71% below the quarterly projection/ expectation of N10,175,000,000.00; however, for the first quarter, second quarter and third quarter, the aggregate inflow amounts to N16,374,213,646.00 as against N30,525,000,000.00 which was Budgeted expectation. This represents 26.10% of the State's Total Resource within the period under review.

On the Expenditure side, out of N60,717,024,000.00 Budgeted for the Recurrent Expenditure in the year 2018. In the third quarter, a total of N12,113,394,178.00 was spent. This is made up of mainly salaries, wages, overheads, imprests and standing orders of payment. A good chunk of it also went to pensions and gratuities to retired personnel. However, it was

less N3,065,861,822.00 or 20.20% of the expected quarterly implementation figure.

On the capital expenditure side, out of a total of N53,546,476,000.00 that was Budgeted for the 2018 Fiscal Year, only N4,391,863,606.00 was spent in the third quarter to implement our Capital Projects. This represents a shortfall of N8,994,782394.00 or 67.19% of the approved fund for Capital Expenditure in the third quarter. This is not unexpected since there was short fall of our revenue expectation within this period under review.

Overall, it wasn't too bad in the third quarter as government was able to achieve a sizeable percentage of her expectations within the scope of the available fund. Hopefully the next quarter may present a better picture of the State's Implementation Performance.

## **1.0 INTRODUCTION**

The 2018 Budget was themed “Budget of Sustainable Economic Growth” as its emphasis is on sustainable growth of the Enugu State economy. It was prepared against a background of key macro-economic developments and analysis which includes: Crude Oil Price, Oil Production estimate, Exchange Rate, Real GDP Growth and Inflation Rate as well as estimated revenue from share of Federal Accounts Allocation (FAAC), Internally Generated Revenue (IGR) and Capital Receipts. The Budget was also guided by the Medium Term Expenditure Framework, 4-Point Development Agenda and Visit Every Community Document.

The 2018 Budget was equally developed to enhance the effectiveness and efficiency of the management of the resources in the State following the Country’s gradual exit from recession and provision of critical infrastructure, wealth creation, agriculture inputs, health, education, security and human capital development. The budget also provided enabling environment for local and foreign investors, small, medium and large scale business to thrive in the State.

### **2018 Budget Thrusts**

The strategic plan put in place for successful implementation of 2018 budget include but not limited to:

- a) IGR target of 2.5billion monthly in 2018.
- b) Strategic Resource Allocation to Critical Sectors and ensuring that all approvals are cash-backed in line with our medium term expenditure framework and the State cash-flow management policy.
- c) Adequate provisions made for completion of on-going projects and new projects to be initiated during the 2018 fiscal year.
- d) Prudence, Transparency and Accountability in all Government Businesses and zero tolerance for corruption.
- e) Sustain government efforts towards economic expansion through more investment in physical infrastructure through Public-Private

Partnership (PPP) and improving the State's ease of doing business index to sustain our efforts to make Enugu State a preferred destination for local and foreign investors.

- f) Ensuring inclusiveness in project selection using the Visit Every Community (VEC) model to provide for at least N10 Million to implement community driven projects in all the autonomous communities in Enugu State.
- g) Ensuring Recurrent to Capital ratio of 60:40 in the 2018 budget and multi-year budget, spanning 2018-2020 fiscal years.
- h) Ensuring linkages and synergy among sectors to avoid duplication of projects and programmes in the Budget.
- i) Leveraging on alternative funding windows to mobilize additional resources from our Development Partners to complement our development efforts during the fiscal year.

The Appropriation Bill for the 2018 Budget was presented to the Enugu State House of Assembly on 23rd December, 2017 with the total sum of N98,563,500,000.00; N60,717,024,000.00 for Recurrent Expenditure representing 61.60% and N37,846,476,000.00 for Capital Expenditure representing 38.40%. After careful deliberation on the floor of the Enugu State House of Assembly, the sum of N103,563,500,000.00 was approved; N60,717,024,000.00 for Recurrent Expenditure representing 58.63% and 42,846,476,000.00 for Capital Expenditure representing 41.37%.

During the second quarter 2018, the budget size was revised to N114,2563,500,000.00; the sum of N99,763,500,000.00 was for Recurrent Revenue, N14,500,000,000.00 was for Capital Receipts while N39,046,476,000.00 was Transferred from Consolidated Revenue Fund to Capital Development Fund. Furthermore, the sum of N60,717,024,000.00 representing 53.14 percent of the total budget was for Recurrent

Expenditure while N53,546,476,000.00 representing 46.86 percent of the total budget was for Capital Expenditure.

This 2018 third quarter budget implementation report provides detailed information on the budget implementation for the period under review. The rest of the report is organized as follows: a brief analysis of the macroeconomic development under which the budget was executed, fiscal analysis of the 2018 Budget Implementation and assumptions, followed by 2018 Resources Profile and careful analysis of 2018 third quarter budget implementation. Finally, we present a brief conclusion of this report.

## **2.0 MACROECONOMIC DEVELOPMENT & ANALYSIS**

As already noted, the first half of the year 2018 was affected by the poor revenue outturn as oil production and export remained below the Budget

estimates while the performance of the economy, though showing some sign of improvement had a poor return on non-oil receipts. The price of crude oil at the international market within the First half of the year 2018 reached an average of US\$ 70.58 per barrel. This means an increase of \$ 19.58 per barrel (or 38.39%) above the \$51.0 per barrel oil price benchmark for 2018 Federal Budget. This may have resulted from the increase in the demand of oil at the world market; and the implementation of OPEC agreement to cut down oil production.

However, domestic crude oil production went down against expectation from 1.92mbpd in June 2018 and 1.84mbpd in the second quarter.

This is well below the Budget projection of 2.3mbpd in this period.

The slide in revenue continued with gross earning of oil revenue of N2,686.12bl in the first half of 2018. This implies that N1,122.91bl (or 29.48%) shortfall of 2018 half year Projection but was significantly above the N1,587.70bl generated in the corresponding period of 2017. Gross non-oil revenue of N1,434.06bl received in the half year period of 2018 also signifies a shortfall of N781.85bl (or 35.28%) below the half year estimate of N 2,215.92 billion. A breakdown of the non-oil revenue items showed that the non-oil revenue items fell below their expected half year Projections.

The revenue and expenditure outturn of the federal government resulted in a fiscal deficit of N771.0bl in the first half of the year 2018.

This was N206.23bl or 21.10% below projected half year deficit of N977.23 billion. It was however, above the fiscal deficit of N348.56bl recorded in the first half of 2017.

Overall, the outlook for key macro-economic indicators pointed to positive economic indicator in the remaining half of 2018. The expectation is premised on sustained to robust level of external reserves, improved fiscal spending owing to revenue, relative stability in the foreign exchange market of activities, particularly at the investors and exporters windows, as well as increase in crude oil production and prices. These developments are highly inspiring; however, the GDP growth for this half year remained largely fragile with down side risk building up. The economy could therefore benefit from further modification and incentives. Specifically, fiscal consolidation needs to be enhanced as the urgency to reflate Subsidies with exit from economic recession. Efforts therefore must be directed as macro-economic adjustment towards a low oil price regime.

### **Third Quarter Macro-Economic Analysis**

Nigeria's economy grew by 1.81% in the third quarter of 2018 from a year earlier, pushed higher by the non-oil sector, according to Nigeria Bureau Statistics Publication. This figure is a slight improvement from the second quarter, when a slow down in growth sparked fears that Africa's biggest oil producer might enter recession for a second time in three years. But it should be noted that the sluggish recovery since 2017 could bode poorly for the federal Administration for whom economic rejuvenation has been a key pillar of her policy.

The non-oil sector grew 2.32% in the third quarter, according to the National Bureau of Statistics (NBS) noting that information and communication services were the main drivers of the expansion. Oil production rose slightly to 1.94 million barrels per day (mbpd) in the period, from 1.84mbpd in the second quarter, yet the sector's growth

contracted 2.91% from the previous year 2017 when production was at 2.02 mbpd, the NBS reported.

Nigeria's recovery regained some lost momentum in the third quarter, after growth fell to a one-year low in the second quarter. According to data release by the National Bureau of Statistics (NBS), GDP expanded 1.8% annually in third quarter, above second quarter's 1.5% increase, although still below market expectation of a stronger pick-up to around 2.0%. The acceleration was broad-based, with better performances recorded by both the non-oil and segment of the economy.

Growth in the non-oil sector of the economy gained steam in the third quarter, coming in at 2.3% annually (Q2: +2.1% yoy). Faster growth in the agricultural and services sector drove momentum, while the industrial sector contracted mildly in third quarter. Improved exchange rate liquidity and higher fiscal spending likely boosted momentum broadly, while better crop production fueled the improvement in the agricultural sector. That said, agricultural activity was still weak in a historical context, likely weighed on by the ongoing farmers and herdsman conflict.

Meanwhile, the all-important energy sector continued to contract in the third quarter, although at a weaker pace than in the previous period. Activity in the oil sector fell 2.9% over the same period last year, after tumbling 4.0% in second quarter. Higher oil production drove the sector's slight improvement, partly thanks to reduced pipeline disruptions. Oil output rose from 1.84 million barrels per day (mbpd) in second quarter to 1.94 mbpd in third quarter. In addition, firm energy prices helped boost the sector in the third quarter.

Looking ahead, growth is seen strengthening going forward thanks to rising oil production, better foreign exchange rate allocation and a pick-up in

fiscal spending. However, political uncertainty is clouding the outlook ahead of the 2019 election.

## **3.0 FISCAL ANALYSIS OF THE 2018 BUDGET IMPLEMENTATION**

### **3.1 2018 FISCAL FRAMEWORK/BUDGET ASSUMPTIONS**

The 2018 Budget is an output of key macro-economic developments, estimated revenue, Medium Term Expenditure Framework, 4-Point Development Agenda and Visit Every Community Document after series of meetings with all stakeholders. The happening in the world market were also taken into consideration before arriving at some of the key assumptions in the framework.

**Table 3.1: 2018 Budget Assumptions**

SN	PARTICULARS	2018 BUDGET BENCHMARKS	2018 THIRD QUARTER
1	Crude oil price-	US\$45 per barrel	US\$69.36 per barrel
2	Oil production estimate	2.3 million barrels per day	1.89 million barrels per day
3	Exchange rate	N305/US\$	N305.7/US\$
4	Real GDP growth	3.5 percent	1.4 percent
5	Inflation Rate	12.42 percent	15.37 percent

Source: NBS and BOF

### 3.2 ENUGU STATE 2018 RESOURCES PROFILE

During the second quarter, the sum of N114,263,500,000.00 was appropriated by the Enugu State House of Assembly as Supplementary Budget for 2018 Fiscal year. Out of the total Approved Supplementary Budget for 2018 Fiscal year, the sum of N99,763,500,000.00 was for Recurrent Revenue, N14,500,000,000.00 was for Capital Receipts while N39,046,476,000.00 was Transferred from Consolidated Revenue Fund to Capital Development Fund. Furthermore, the sum of N60,717,024,000.00 representing 53.14 percent of the total budget was for Recurrent Expenditure while N53,546,476,000.00 representing 46.86 percent of the total budget was for Capital Expenditure.

**Table 3.2: 2018 Resource Profile**

ITEMS	Approved Budget 2017	%	Revised Budget 2017	%	Approved Budget 2018	%	Supplementary Budget 2018	%
					₦		₦	
Statutory Allocation	42,205,000,000	59.13	42,205,000,000	59.13	59,063,500,000	66.32	59,063,500,000	59.20
Independent Revenue (IGR)	16,266,614,000	22.79	16,266,614,000	22.79	30,000,000,000	33.68	40,700,000,000	40.80
50% Refund from Paris and London Club	12,900,266,000	18.07	12,900,266,000	18.07		-		
<b>TOTAL RECURRENT REVENUE</b>	<b>71,371,880,000</b>	<b>100.00</b>	<b>71,371,880,000</b>	<b>100.00</b>	<b>89,063,500,000</b>	<b>100.00</b>	<b>99,763,500,000</b>	<b>100.00</b>
<b>RECURRENT EXPENDITURE</b>								
Personnel Cost	35,645,426,438	64.58	38,101,346,438	69.03	37,500,431,000	61.76	35,715,431,000	58.82
Overhead	13,766,311,978	24.94	11,310,391,978	20.49	17,234,600,000	28.39	19,019,600,000	31.32
Subvention	5,786,200,584	10.48	5,786,200,584	10.48	5,981,993,000	9.85	5,981,993,000	9.85
<b>SUB TOTAL</b>	<b>55,197,939,000</b>	<b>100.00</b>	<b>55,197,939,000</b>	<b>100.00</b>	<b>60,717,024,000</b>	<b>100.00</b>	<b>60,717,024,000</b>	<b>100.00</b>
<b>CAPITAL RECEIPTS</b>								
Transfer from Consolidated Revenue Fund	16,173,941,000	32.01	16,173,941,000	32.01	28,346,476,000	66.16	39,046,476,000	72.92
Aids and Grants	3,990,000,000	7.90	3,990,000,000	7.90	2,000,000,000	4.67	2,000,000,000	3.74
Public Private Partnership	1,000,000,000	1.98	1,000,000,000	1.98	500,000,000	1.17	500,000,000	0.93
50% Refund from Paris and London Club	12,900,266,000	25.53	12,900,266,000	25.53	8,000,000,000	18.67	8,000,000,000	14.94
Domestic Loans/Borrowing Receipts	12,000,000,000	23.75	12,000,000,000	23.75	2,000,000,000	4.67	2,000,000,000	3.74
International Loans/Borrowing Receipts	4,457,325,000	8.82	4,457,325,000	8.82	2,000,000,000	4.67	2,000,000,000	3.74
<b>TOTAL</b>	<b>50,521,532,000</b>	<b>100.00</b>	<b>50,521,532,000</b>	<b>100.00</b>	<b>42,846,476,000</b>	<b>100.00</b>	<b>53,546,476,000</b>	<b>100.00</b>
<b>SECTORS</b>								
Administration Sector	6,000,113,291	11.88	2,549,653,691	5.05	3,437,168,000	8.02	4,887,168,000	9.13
Economic Sector	31,988,326,298	63.32	36,310,797,202	71.87	24,225,345,000	56.54	32,205,345,000	60.14
Law & Justice Sector	1,086,430,000	2.15	928,659,788	1.84	1,219,200,000	2.85	2,819,200,000	5.26
Regional Sector	140,500,000	0.28	134,500,000	0.27	152,500,000	0.36	152,500,000	0.28
Social Sector	11,306,162,411	22.38	10,597,921,319	20.98	13,812,263,000	32.24	13,482,263,000	25.18
<b>TOTAL</b>	<b>50,521,532,000</b>	<b>100.00</b>	<b>50,521,532,000</b>	<b>100.00</b>	<b>42,846,476,000</b>	<b>100.00</b>	<b>53,546,476,000</b>	<b>100.00</b>
<b>BUDGET SIZE</b>	<b>105,719,471,000</b>		<b>105,719,471,000</b>		<b>103,563,500,000</b>		<b>114,263,500,000</b>	

Source: MB&P

### 3.3 Analysis of Recurrent Revenue and Capital Receipts Performance

**Table 3.3: Inflows to the 2018 Enugu State Budget as at September 2018**

S/N	DESCRIPTION	BUDGET			ACTUAL				VARIANCE					
		ANNUAL	QUARTERLY	3QRTS	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	3QRTS	3RD Quarter Actual Vs Quarterly Budget		3RD Quarter Vs 2ND Quarter (Actual)		Actual Vs Budget (3QRTS)	
	REVENUE	N	N	N	N	N	N	N	N	%	N	%	N	%
1	Statutory Allocation	39,829,500,000	9,957,375,000	29,872,125,000	10,410,600,718	10,524,791,597	11,440,140,108	32,375,532,422	1,482,765,108	14.89	915,348,511	8.70	2,503,407,422	8.38
2	Value Added Tax (VAT)	11,234,000,000	2,808,500,000	8,425,500,000	2,783,272,796	2,768,160,976	2,994,733,837	8,546,167,609	186,233,837	6.63	226,572,860	8.18	120,667,609	1.43
3	50% Refund from Paris and London Club	8,000,000,000	2,000,000,000	6,000,000,000	400,000,000	-	-	400,000,000	(2,000,000,000)	(100.00)	-	-	(5,600,000,000)	(93.33)
	<b>Sub-Total</b>	<b>59,063,500,000</b>	<b>14,765,875,000</b>	<b>44,297,625,000</b>	<b>13,593,873,515</b>	<b>13,292,952,573</b>	<b>14,434,873,944</b>	<b>41,321,700,032</b>	<b>(331,001,056)</b>	<b>(78.48)</b>	<b>1,141,921,371</b>	<b>16.88</b>	<b>(2,975,924,968)</b>	<b>(83.52)</b>
	<b>Internally Generated Revenue (IGR)</b>													
4	Main IGR	28,061,702,290	7,015,425,573	21,046,276,718	3,746,566,918	2,819,373,896	2,793,986,631	9,359,927,444	(4,221,438,942)	(60.17)	(25,387,265)	(0.01)	(11,686,349,273)	(55.53)
5	Retained Earning	12,638,297,710	3,159,574,428	9,478,723,283	4,055,199,273	1,333,004,123	1,626,082,807	7,014,286,202	(1,533,491,621)	(48.53)	293,078,684	0.22	(2,464,437,080)	(26.00)
	<b>Sub-Total</b>	<b>40,700,000,000</b>	<b>10,175,000,000</b>	<b>30,525,000,000</b>	<b>7,801,766,190</b>	<b>4,152,378,018</b>	<b>4,420,069,438</b>	<b>16,374,213,646</b>	<b>(5,754,930,562)</b>	<b>(108.71)</b>	<b>267,691,419</b>	<b>0.21</b>	<b>(14,150,786,354)</b>	<b>(81.53)</b>
	<b>CAPITAL RECEIPTS</b>													
6	Aids and Grants	2,000,000,000	500,000,000	1,500,000,000	-	-	-	-	(500,000,000)	(100.00)	-	-	(1,500,000,000)	(100.00)
10	Internal Loan	2,000,000,000	500,000,000	1,500,000,000	-	1,301,043,670	-	1,301,043,670	(500,000,000)	(100.00)	(1,301,043,670)	(1.00)	(198,956,330)	(13.26)
11	External Loan	2,000,000,000	500,000,000	1,500,000,000	70,707,065	3,661,269,445	-	3,731,976,510	(500,000,000)	(100.00)	(3,661,269,445)	(1.00)	2,231,976,510	148.80
12	Public Private Partnership	500,000,000	125,000,000	375,000,000	-	-	-	-	(125,000,000)	(100.00)	-	-	(375,000,000)	(100.00)
13	50% Refund from Paris and London Club	8,000,000,000	2,000,000,000	6,000,000,000	-	-	-	-	(2,000,000,000)	(100.00)	-	-	(6,000,000,000)	(100.00)
	<b>Sub-Total</b>	<b>14,500,000,000</b>	<b>3,625,000,000</b>	<b>10,875,000,000</b>	<b>70,707,065</b>	<b>4,962,313,115</b>	<b>-</b>	<b>5,033,020,180</b>	<b>(3,625,000,000)</b>	<b>(500.00)</b>	<b>(4,962,313,115)</b>	<b>(2.00)</b>	<b>(5,841,979,820)</b>	<b>(164.47)</b>
	<b>Grand Total</b>	<b>114,263,500,000</b>	<b>28,565,875,000</b>	<b>85,697,625,000</b>	<b>21,466,346,770</b>	<b>22,407,643,706</b>	<b>18,854,943,382</b>	<b>62,728,933,858</b>	<b>(9,710,931,618)</b>	<b>(687.19)</b>	<b>(3,552,700,325)</b>	<b>15.09</b>	<b>(22,968,691,142)</b>	<b>(329.51)</b>

Source: MB&P and OAG

**Table 3.4: Performance of Revenue Budget and Actual in the 2018 Third Quarter**

S/N	DESCRIPTION	BUDGET			ACTUAL				PERFORMANCE			
		ANNUAL	QUARTERLY	3QRTS	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	3QRTS	THIRD QUARTER ACTUAL/QUARTERLY BUDGET	3QRTS ACTUAL/3QRTS BUDGET	THIRD QUARTER ACTUAL (% Contribution)	3QRTS ACTUAL (% Contribution)
	REVENUE	N	N	N	N	N	N	N	%	%	(Contribution)	(Contribution)
1	Statutory Allocation	39,829,500,000	9,957,375,000	29,872,125,000	10,410,600,718	10,524,791,597	11,440,140,108	32,375,532,422	114.89	108.38	60.67	51.61
2	Value Added Tax (VAT)	11,234,000,000	2,808,500,000	8,425,500,000	2,783,272,796	2,768,160,976	2,994,733,837	8,546,167,609	106.63	101.43	15.88	13.62
3	50% Refund from Paris and London Club	8,000,000,000	2,000,000,000	6,000,000,000	400,000,000	-	-	400,000,000	-	6.67	-	0.64
	<b>Sub-Total</b>	<b>59,063,500,000</b>	<b>14,765,875,000</b>	<b>44,297,625,000</b>	<b>13,593,873,515</b>	<b>13,292,952,573</b>	<b>14,434,873,944</b>	<b>41,321,700,032</b>	<b>97.76</b>	<b>93.28</b>		
	<b>Internally Generated Revenue (IGR)</b>											
4	Main IGR	28,061,702,290	7,015,425,573	21,046,276,718	3,746,566,918	2,819,373,896	2,793,986,631	9,359,927,444	39.83	44.47	14.82	14.92
5	Retained Earning	12,638,297,710	3,159,574,428	9,478,723,283	4,055,199,273	1,333,004,123	1,626,082,807	7,014,286,202	51.47	74.00	8.62	11.18
	<b>Sub-Total</b>	<b>40,700,000,000</b>	<b>10,175,000,000</b>	<b>30,525,000,000</b>	<b>7,801,766,190</b>	<b>4,152,378,018</b>	<b>4,420,069,438</b>	<b>16,374,213,646</b>	<b>43.44</b>	<b>53.64</b>		
	<b>CAPITAL RECEIPTS</b>											
6	Aids and Grants	2,000,000,000	500,000,000	1,500,000,000	-	-	-	-	-	-	-	-
10	Internal Loan	2,000,000,000	500,000,000	1,500,000,000	-	1,301,043,670	-	1,301,043,670	-	86.74	-	2.07
11	External Loan	2,000,000,000	500,000,000	1,500,000,000	70,707,065	3,661,269,445	-	3,731,976,510	-	248.80	-	5.95
12	Public Private Partnership	500,000,000	125,000,000	375,000,000	-	-	-	-	-	-	-	-
13	50% Refund from Paris and London Club	8,000,000,000	2,000,000,000	6,000,000,000	-	-	-	-	-	-	-	-
	<b>Sub-Total</b>	<b>14,500,000,000</b>	<b>3,625,000,000</b>	<b>10,875,000,000</b>	<b>70,707,065</b>	<b>4,962,313,115</b>	<b>-</b>	<b>5,033,020,180</b>	<b>-</b>	<b>46.28</b>		
	<b>Grand Total</b>	<b>114,263,500,000</b>	<b>28,565,875,000</b>	<b>85,697,625,000</b>	<b>21,466,346,770</b>	<b>22,407,643,706</b>	<b>18,854,943,382</b>	<b>62,728,933,858</b>	<b>66.01</b>	<b>73.20</b>	<b>100.00</b>	<b>100.00</b>

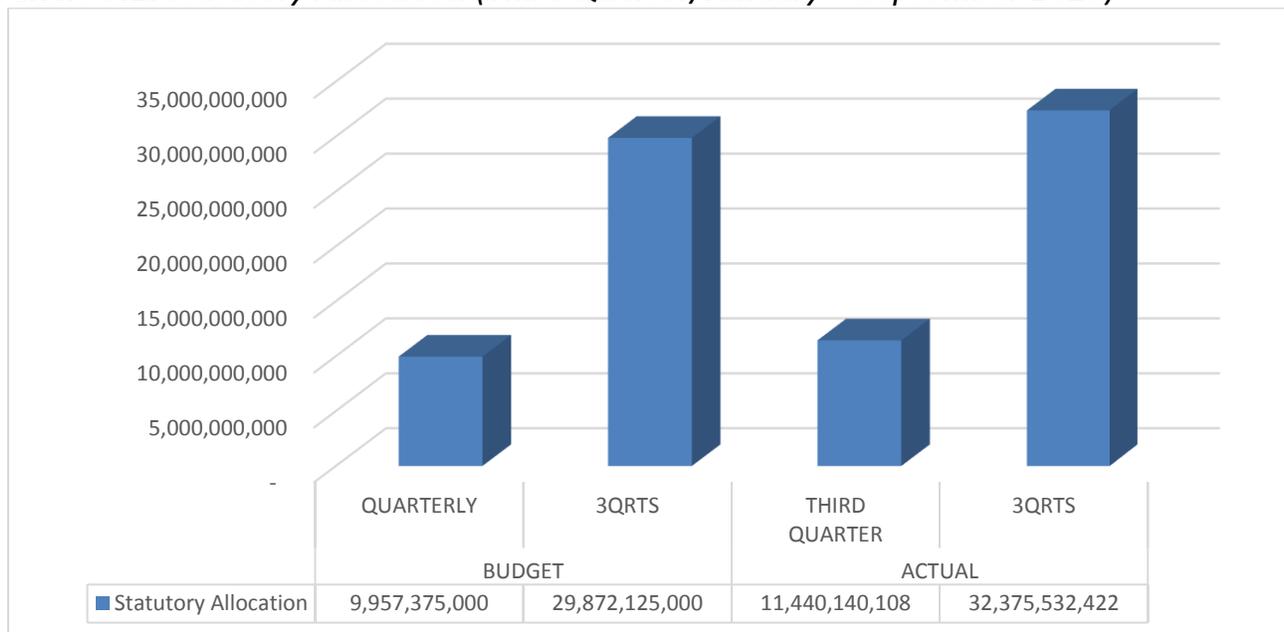
Source: MB&P and OAG

### 3.3.1 RECURRENT REVENUE PERFORMANCE

### Statutory Allocation:

Statutory Allocation actual collected was N11,440,140,108.00 out of Budgeted amount of N9,957,375,000.00(quarterly) in the third quarter of 2018. This translate to a N1,482,765,108.00 or 14.89 percent above in the prorated budget for the period under review. It contributed about 60.67 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts). The aggregate Statutory Allocation actual in the third quarters of 2018 stood at N32,375,532,422.00 which translate to a N2,503,407,422.00 or 8.38 percent above budgeted projection of N29,872,125,000.00. This represent 51.61 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts). The actual revenue realized in the third quarter of 2018 reveals an increase of N915,348,511.00 or 8.70 percent when compared with the actual revenue in the second quarter of 2018.

**Chart 3.1: Statutory Allocation (Third Quarter/January – September 2018)**

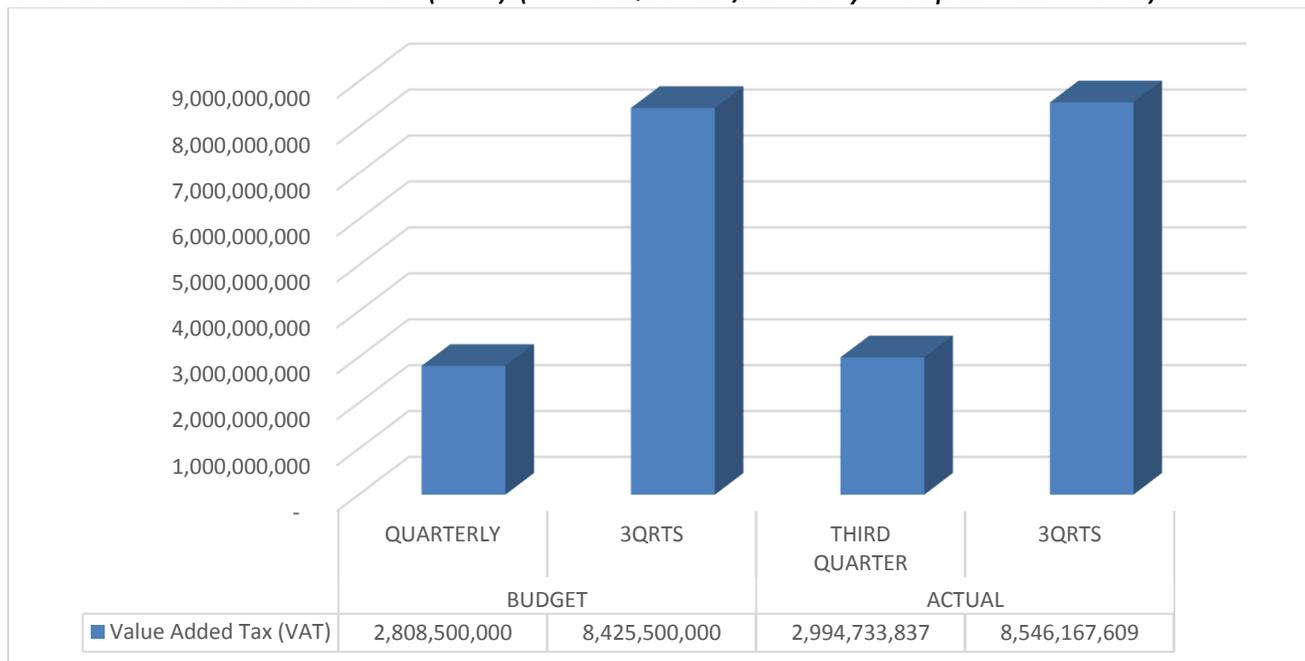


Source: MB&P and OAG

### Value Added Tax (VAT):

The actual Value Added Tax (VAT) that accrued in the third quarter of 2018, was N2,994,733,837.00, translating an increase of N186,233,837.00 or 6.63 percent above the estimated quarterly projection of N2,808,500,000.00. It contributed about 15.88 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts). Total Inflow in the three quarters 2018 was N8,546,167,609.00 against N8,425,500,000.00 budgeted. This represent N120,667,609.00 or 1.43 percent above budgeted figure. It contributed about 13.62 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts). The actual revenue in the third quarter of 2018 reveals an increase of N226,572,860.00 or 8.18 percent when compared with the actual revenue in the second quarter of 2018.

**Chart 3.2: Value Added Tax (VAT) (Third Quarter/January – September 2018)**

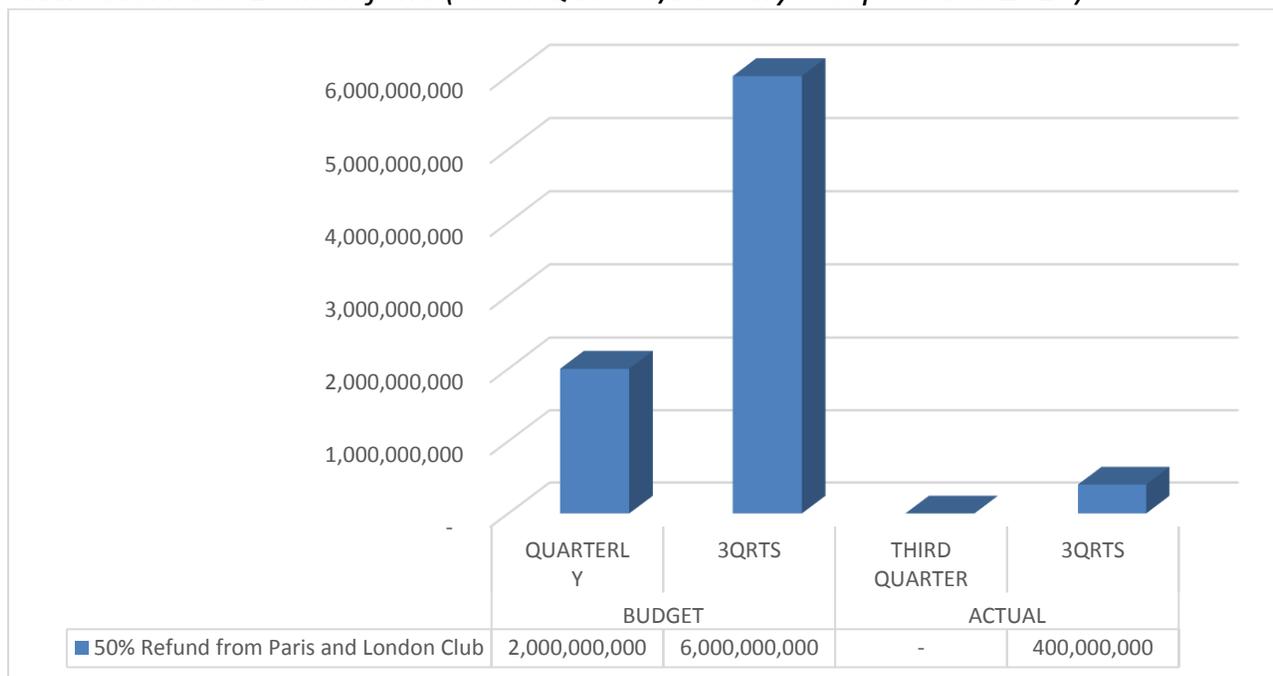


Source: MB&P and OAG

**Refund from Paris and London Club:**

In the third quarter of 2018 nothing was received from Paris Loan Refund but total actual revenue in the three quarters 2018 amounted to N400,000,000.00 against budgeted projection of N6,000,000,000.00. This translate to a N5,600,000,000.00 or 93.33 percent shortfall. It contributed about 0.64 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts).

**Chart 3.3: Paris Loan Refund (Third Quarter/January – September 2018)**



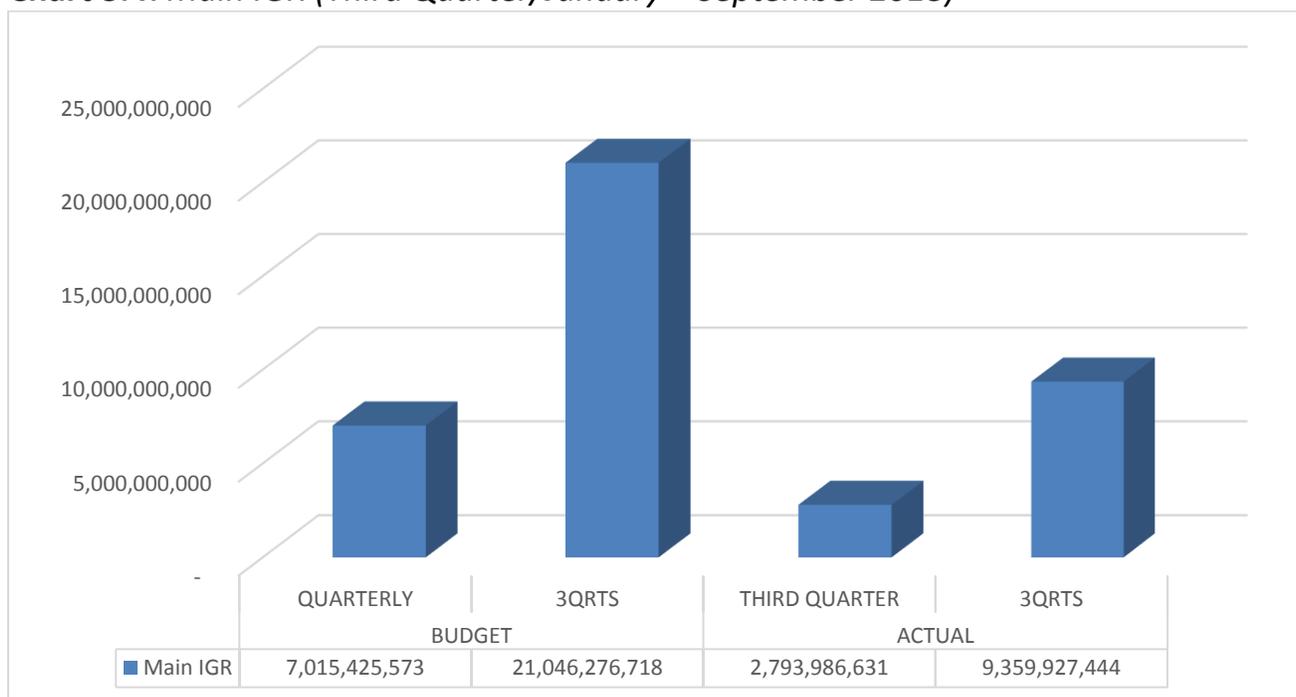
Source: MB&P and OAG

### **Internally Generated Revenue (IGR) – Main:**

The actual of the Main IGR was N2,793,986,631.00 in the third quarter 2018 against N7,015,425,573.00 quarterly budget projection. It fell below by sum of N4,221,438,942.00 or 60.17 percent of budget. It yielded about 14.82 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts). The aggregate actual revenue in the third quarter 2018 was N9,359,927,444.00 against budget projection of

N21,046,276,718.00. It was signifying a decrease of N11,686,349,273.00 or 55.53 percent below the estimated projection. It contributed about 14.92 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts). The actual revenue collected in the third quarter of 2018 reveals a shortfall of N25,387,265.00 or 0.01 percent when compared with the actual revenue in the second quarter of 2018.

**Chart 3.4: Main IGR (Third Quarter/January – September 2018)**



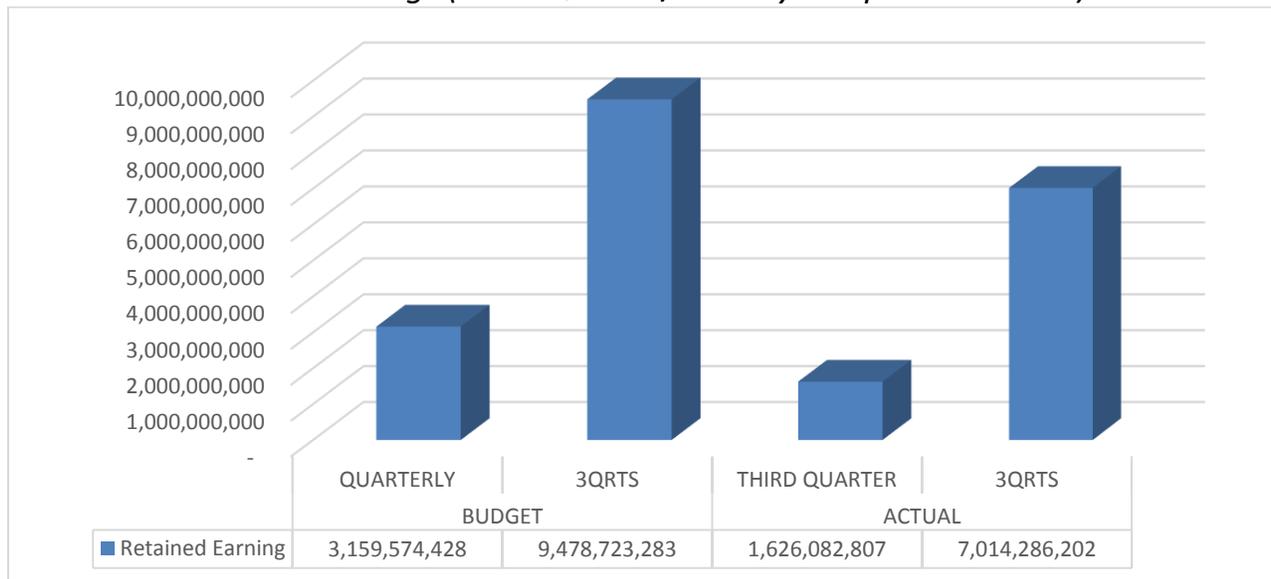
Source: MB&P and OAG

### **Internally Generated Revenue (IGR) – Retained Earnings:**

The actual revenue of N1,626,082,807.00 was collected in the third quarter of 2018. This denotes a shortfall of N1,533,491,621.00 or 48.53 percent below the quarterly estimate of N3,159,574,428.00. It contributed about 8.62 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts). Total Inflow of N7,014,286,202.00 was received in the three quarters of 2018 against N9,478,723,283.00

budgeted projection. This translate to a N2,464,437,080.00 or 26.00 percent below budgeted projection. It contributed about 11.18 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts). The actual revenue in the third quarter of 2018 reveals an increase of N293,078,684.00 or 0.22 percent when compared with the actual revenue in the second quarter of 2018.

**Chart 3.5: Retained Earnings (Third Quarter/January – September 2018)**



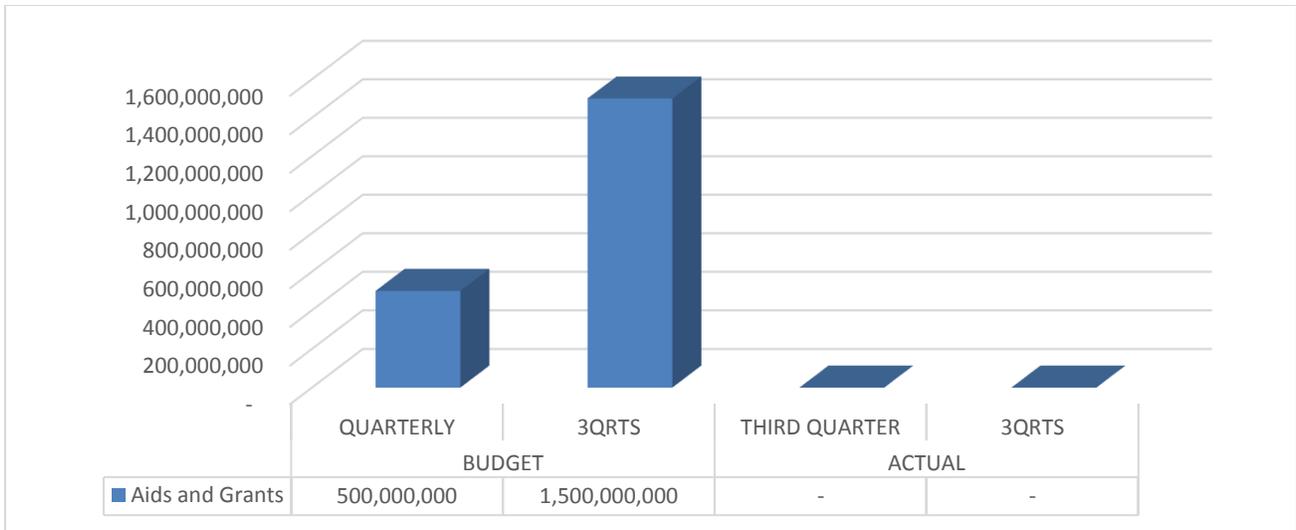
Source: MB&P and OAG

### 3.3.2 CAPITAL RECEIPTS PERFORMANCE

#### Aids and Grants:

This is one of the revenue items used for capital developments. They include all non-repayable financial resources/aids given to the State Government over a given period. A typical example of this revenue item is SDGs grant. The State Projected a total of **N1,500,000,000.00** to be realized from grant in the third quarter but nothing was actually received.

**Chart 3.6: Aids and Grants (Third Quarter/January – September 2018)**

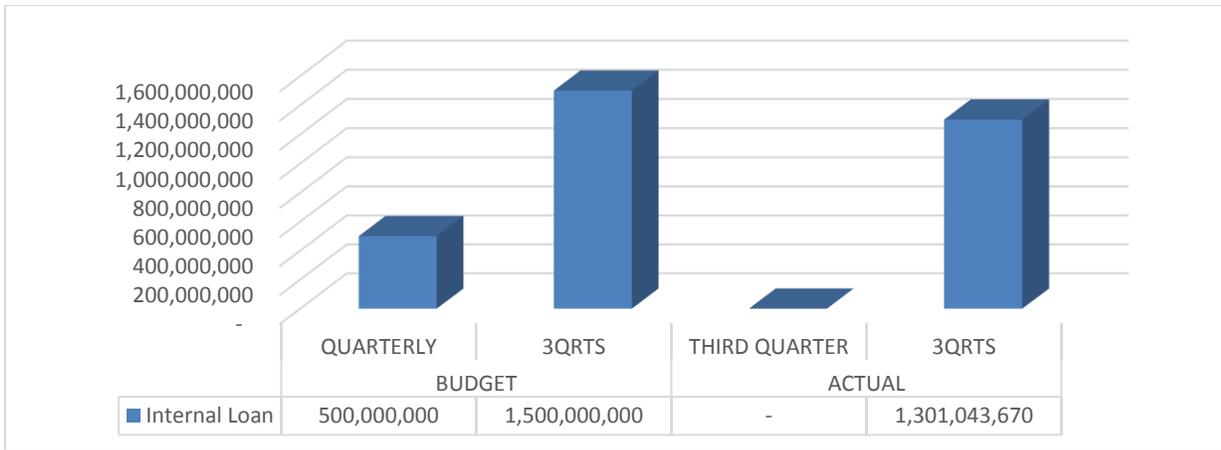


Source: MB&P and OAG

### Internal Loan:

This is the loan which the State government usually source locally from either deposit money banks or other financial institutions and often repaid with low interest rates. In the third quarter 2018, nothing was received. Aggregate revenue of N1,301,043,670.00 was received in the three quarter against N1,500,000,000.00 budgeted projection. This indicate N198,956,330.00 or 13.26 percent below budget. It contributed about 2.07 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts).

**Chart 3.7:** *Internal Loan (Third Quarter/January – September 2018)*

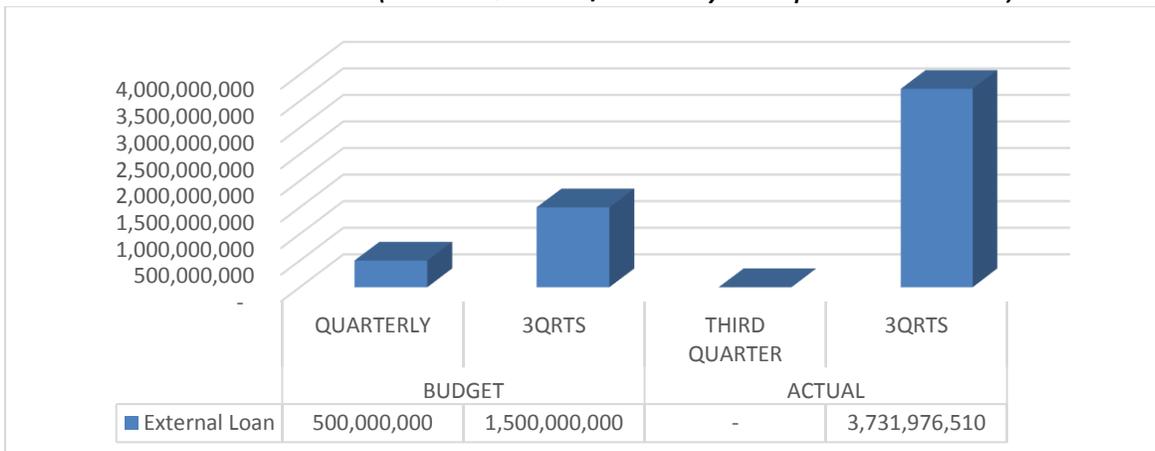


Source: MB&P and OAG

### External Loan:

External loans are borrowings by the State from International Organizations with little interest element and are used mainly for capital development. Nothing was collected during the third quarter 2018 meanwhile total actual inflow in the three quarter 2018 was N3,731,976,510.00 against budget projection of N1,500,000,000.00. This represent N2,231,976,510.00 or 148.80 percent more than budgeted projection. It contributed about 5.95 percent of the State Total Resource Envelope (Actual Recurrent Revenue and Capital Receipts).

**Chart 3.8:** External Loan (Third Quarter/January – September 2018)

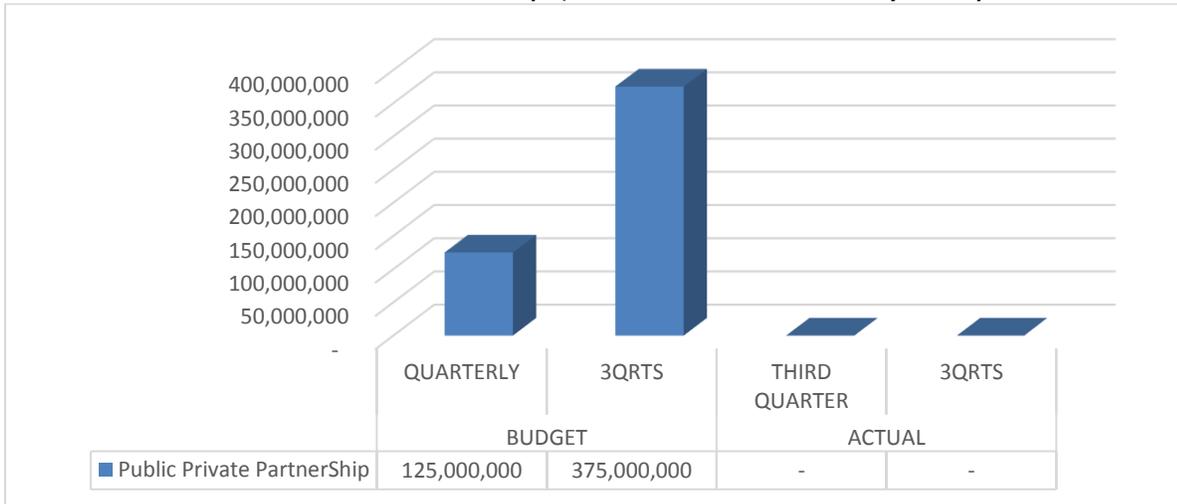


Source: MB&P and OAG

### Public Private Partnership and 50% Refund from Paris & London Club:

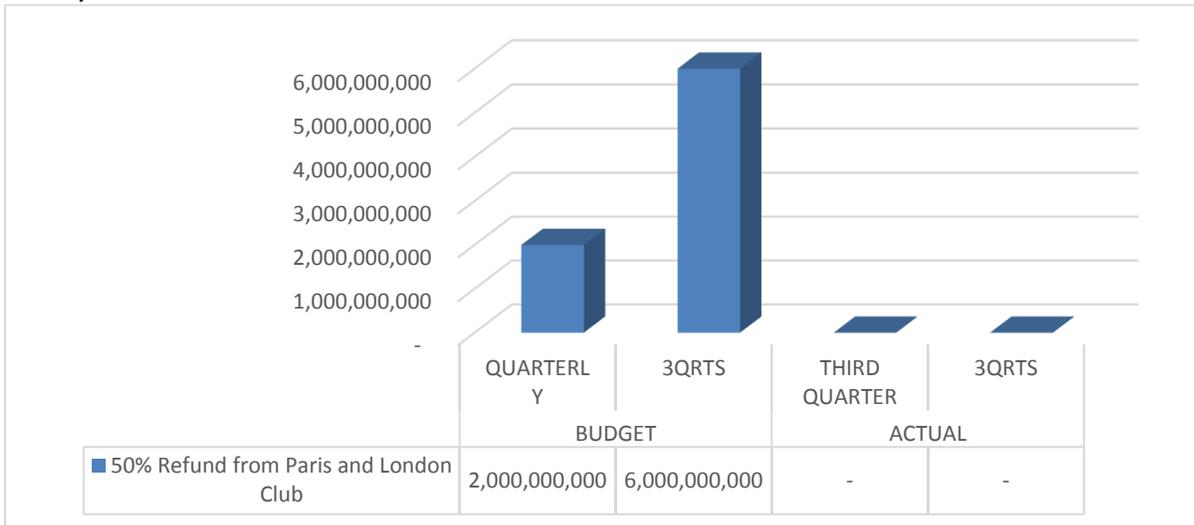
The State projected N125,000,000.00 quarterly to be realized from Public Private Partnership but nothing was actually received in the third quarter 2018. Also, N2,000,000,000.00 was budgeted quarterly but nothing was actually collected in the third quarter 2018.

**Chart 3.9: Public Private Partnership (Third Quarter/January – September 2018)**



Source: MB&P and OAG

**Chart 3.10: 50% Refund from Paris & London Club (Third Quarter/January – September 2018)**



Source: MB&P and OAG

### 3.4 Analysis of Recurrent and Capital Expenditure Performance

**Table 3.5: Outflows 2018 Enugu State Budget as at September 2018**

S/N	DESCRIPTION	BUDGET			ACTUAL				VARIANCE					
		ANNUAL	QUARTERLY	3QRTS	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	3QRTS	3RD Quarter Actual Vs Quarterly Budget		3RD Quarter Vs 2ND Quarter (Actual)		Actual Vs Budget (3QRTS)	
	EXPENDITURE	N	N	N	N	N	N	N	N	%	N	%	N	%
1	Personnel Cost	25,495,431,000	6,373,857,750	19,121,573,250	4,318,693,073	4,223,156,589	4,460,815,455	13,002,665,117	(1,913,042,295)	(30.01)	237,658,866	5.63	(6,118,908,133)	(32.00)
2	Overhead Cost	19,019,600,000	4,754,900,000	14,264,700,000	4,134,467,284	4,826,826,429	4,711,918,552	13,673,212,266	(42,981,448)	(0.90)	(114,907,877)	(2.38)	(591,487,734)	(4.15)
3	Consolidated Revenue Fund Charges (CRFC)	10,220,000,000	2,555,000,000	7,665,000,000	2,139,798,671	2,236,617,580	1,755,569,092	6,131,985,343	(799,430,908)	(31.29)	(481,048,489)	(21.51)	(1,533,014,657)	(20.00)
4	Subvention	5,981,993,000	1,495,498,250	4,486,494,750	1,101,188,760	1,131,788,760	1,185,091,080	3,418,068,600	(310,407,170)	(20.76)	53,302,320	4.71	(1,068,426,150)	(23.81)
5	Capital Expenditure	53,546,476,000	13,386,619,000	40,159,857,000	6,085,895,364	7,430,920,482	4,391,836,606	17,908,652,452	(8,994,782,394)	(67.19)	(3,039,083,876)	(40.90)	(22,251,204,548)	(55.41)
	<b>Total</b>	<b>114,263,500,000</b>	<b>28,565,875,000</b>	<b>85,697,625,000</b>	<b>17,780,043,153</b>	<b>19,849,309,840</b>	<b>16,505,230,784</b>	<b>54,134,583,777</b>	<b>(12,060,644,216)</b>	<b>(150.16)</b>	<b>(3,344,079,056)</b>	<b>(54.45)</b>	<b>(31,563,041,223)</b>	<b>(135.37)</b>

Source: MB&P and OAG

**Table 3.6: Performance of Budget Expenditure and Actual in the 2018 Third Quarter**

S/N	DESCRIPTION	BUDGET			ACTUAL				PERFORMANCE			
		ANNUAL	QUARTERLY	3QRTS	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	3QRTS	THIRD QUARTER ACTUAL/QUARTERLY BUDGET	3QRTS ACTUAL/3QRTS BUDGET	THIRD QUARTER ACTUAL	3QRTS ACTUAL
	EXPENDITURE	N	N	N	N	N	N	N	%	%	%	%
1	Personnel Cost	25,495,431,000	6,373,857,750	19,121,573,250	4,318,693,073	4,223,156,589	4,460,815,455	13,002,665,117	69.99	68.00	27.03	24.02
2	Overhead Cost	19,019,600,000	4,754,900,000	14,264,700,000	4,134,467,284	4,826,826,429	4,711,918,552	13,673,212,266	99.10	95.85	28.55	25.26
3	Consolidated Revenue Fund Charges (CRFC)	10,220,000,000	2,555,000,000	7,665,000,000	2,139,798,671	2,236,617,580	1,755,569,092	6,131,985,343	68.71	80.00	10.64	11.33
4	Subvention	5,981,993,000	1,495,498,250	4,486,494,750	1,101,188,760	1,131,788,760	1,185,091,080	3,418,068,600	79.24	76.19	7.18	6.31
5	Capital Expenditure	53,546,476,000	13,386,619,000	40,159,857,000	6,085,895,364	7,430,920,482	4,391,836,606	17,908,652,452	32.81	44.59	26.61	33.08
	<b>Total</b>	<b>114,263,500,000</b>	<b>28,565,875,000</b>	<b>85,697,625,000</b>	<b>17,780,043,153</b>	<b>19,849,309,840</b>	<b>16,505,230,784</b>	<b>54,134,583,777</b>	<b>57.78</b>	<b>63.17</b>	<b>100.00</b>	<b>100.00</b>

Source: MB&P and OAG

### **3.4.1 COMPARATIVE ANALYSIS OF RECCURENT EXPENDITURE FOR THE 3RD QUARTER**

A total Budget size of N103,563,500,000.00 was appropriated for expenditure in The 2018 budget, of this amount N60,717,024,000.00 was appropriated for Recurrent Expenditure. The aggregate State expenditure translates to a quarterly recurrent expenditure outlay of N15,179,256,000.00. Warrant releases in the third quarter of 2018 stood at N12,385,843,456.00 Indicating 4% less than the recurrent expenditure recorded in the second quarter.

Out of the quarterly allotment of N6,373,857,750.00 appropriated for Personnel cost in the quarter, a total sum of N4,623,603,130 was released, representing 73% performance within the quarter. The data from Accountant General's office shows that the release warrants was 100% cash backed

In the same vein the consolidated Revenue fund charges recorded a total release/cash back of N1,763,519,560 representing 69% performance. The components include the Pensions, gratuity and other benefits paid to pensionable officers, the consolidated in this report also include fund for debt servicing by the State Government as recorded by the office of the Accountant General.

However, a quarterly projection of N4,754,900,000 was made for MDAs operational cost (Overhead cost) in the 2018 revised budget but the sum of N4,813,632,006 was released and fully cash backed during the quarter, this portrayed 100% performance in the third quarter.

The tables below present the computed figure for Recurrent Expenditure budget performance which comprises the Personnel cost, Overhead cost,

Consolidated revenue fund charges and subventions. It shows the percentage performance of the Recurrent Expenditure warrant releases/cash back over the budgeted figure in the third quarter. The detail breakdown is shown in the tables below.

**Table 3.7: WARRANT RELEASES/CASH BACKED FOR THE 3RD QUARTER**

S/N	ITEM DESCRIPTION	ANNUAL APPROVED BUDGET	APPROVED BUDGET 3 <sup>RD</sup> QUARTER (JULY-SEPT)	REVISED APPROPRIATION 2018	3 <sup>RD</sup> QUARTER WARRANT (JULY-SEPT 2018)	AMOUNT CASH BACKED AS @ JULY TO SEPT	PERCENTAGE (%) WARRANT RELEASES/BUDGET	PERCENTAGE (%) WARRANT ACTUAL/WARRANT RELEASES
1	Personnel cost	25,495,431,000	6,373,857,750	6,373,857,750	4,623,603,130	4,460,815,455	73	96.4
2	Consolidated Rev Fund	10,220,000,000	3,001,250,000	2,555,000,000	1,763,519,560	1,755,569,091	69	99.5
3	Overhead cost	17,234,600,000	4,308,650,000	4,754,900,000	4,813,632,006	4,711,918,552	101	98
4	Subvention	5,981,993,000	1,495,498,250	1,495,498,250	1,185,088,760	1,185,091,080	79	100
	<b>TOTAL</b>	60,717,024,000	15,179,256,000	15,179,256,000	12,385,843,456	12,113,394,178	82	98

Source: State Budget office and Office of the Accountant General: This table shows a comparison of releases warrant/cash back over the budgeted figure for the 3<sup>rd</sup> quarter

**Table 3.8: RECURRENT EXPENDITURE REPORT 3RD QUARTER**

DECIPTION	1 <sup>ST</sup> QUATER	2 <sup>ND</sup> QUATER	3 <sup>RD</sup> QUATER	TOTAL 1 <sup>ST</sup> -3 <sup>RD</sup> QUATER	1 <sup>ST</sup> QUATER	2 <sup>ND</sup> QUATER	3 <sup>RD</sup> QUATER	TOTAL 1 <sup>ST</sup> - 3 <sup>RD</sup> QUATER
1 Personnel cost	4,644,197,491	4,452,731,627	4,623,603,130	13,720,532,248	4,318,693,073	4,223,156,589	4,460,815,455	13,002,665,117
2 Consolidated Rev Fund	1,383,004,519	1,722,940,695	1,763,519,560	4,869,464,774	2,139,798,671	2,236,617,580	1,755,569,091	6,131,985,342
3 Overhead cost	4,307,774,690	4,865,632,136	4,813,632,006	13,987,038,832	4,134,467,284	4,826,826,429	4,711,918,552	13,673,212,265
4 Subvention	1,116,338,760	1,131,488,760	1,185,088,760	3,432,916,280	1,101,188,760	1,131,488,760	1,185,091,080	3,417,768,600
<b>TOTAL</b>	11,451,315,460	12,172,793,218	12,025,843,456	36,049,952,144	11,694,147,788	12,418,389,358	12,113,394,178	36,225,931,324

Source: Budget office/Office of the AG

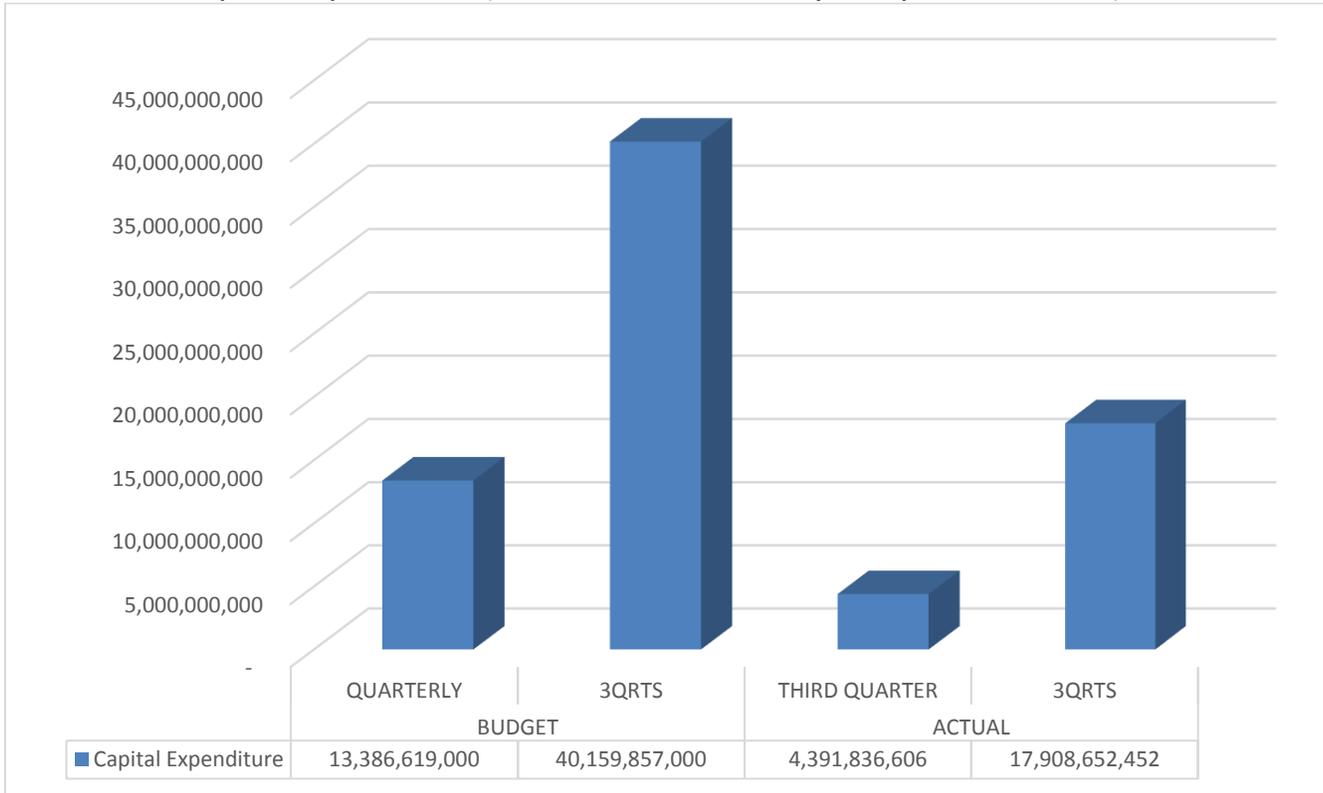
**Table 3.9: MONTHLY WARRANT RELEASES DURING THREE QUATERS**

S / N	ITEM DESCRIPTION	JAN	FEB	MARCH	TOTAL JAN - MARCH	APRIL	MAY	JUNE	TOTAL- APR - JUNE	JULY	AUG	SEPT	TOTAL-JULY - SEPT
1	Personnel cost	1,581,058,562	1,537,127,254	1,526,011,675	4,644,197,491	1,498,189,584	1,468,005,045	1,486,536,998	4,452,731,627	1,516,537,009	1,618,532,116	1,488,534,005	4,623,603,130
2	consolidated	463,335,788	453,061,285	466,607,446	1,383,004,519	517,945,313	629,623,310	575,372,072	1,722,940,695	590,129,381	583,080,005	590,310,174	1,763,519,560
3	Overhead cost	1,393,467,084	1,470,349,747	1,443,847,859	4,307,664,690	1,718,528,821	1,685,863,236	1,461,240,079	4,865,632,136	1,538,857,977	1,643,983,253	1,630,790,776	4,813,632,006
4	Subvention	367,062,920	367,062,920	382,212,920	1,116,338,760	377,062,920	377,062,920	377,362,920	1,131,488,760	377,362,920	377,362,920	430,362,920	1,185,088,760
	TOTAL	3,804,924,354	3,827,601,206	3,818,679,900	11,451,205,460	4,111,726,638	4,160,554,511	3,900,512,069	12,172,793,218	3,922,887,287	4,222,958,294	3,899,997,875	12,045,843,456

### 3.4.2 CAPITAL EXPENDITURE PERFORMANCE

The sum of N53,546,476,000.00 was appropriated in the 2018 Budget to be used for capital developments and projects in the areas of roads, power, housing, water, education, transport, electricity, security and good governance etc. A total sum of N4,391,836,606.00 was spent in the third quarter of 2018. This implies a decrease of N8,994,782,394.00 or 67.19 percent below the quarterly estimate of N13,386,619,000.00. However, it is above the level of expenditure in the second quarter of 2018 by N3,039,083,876.00 or 40.90 percent. The aggregate capital expenditure in the three quarters of 2018 was N17,908,652,452.00 which represents N22,251,204,548.00 or 55.41 percent below three quarters budget of N40,159,857,000.00.

**Chart 3.11: Capital Expenditure (Third Quarter/January – September 2018)**



Source: MB&P and OAG

### 3.4.3 MDAs’ Capital Vote Utilization

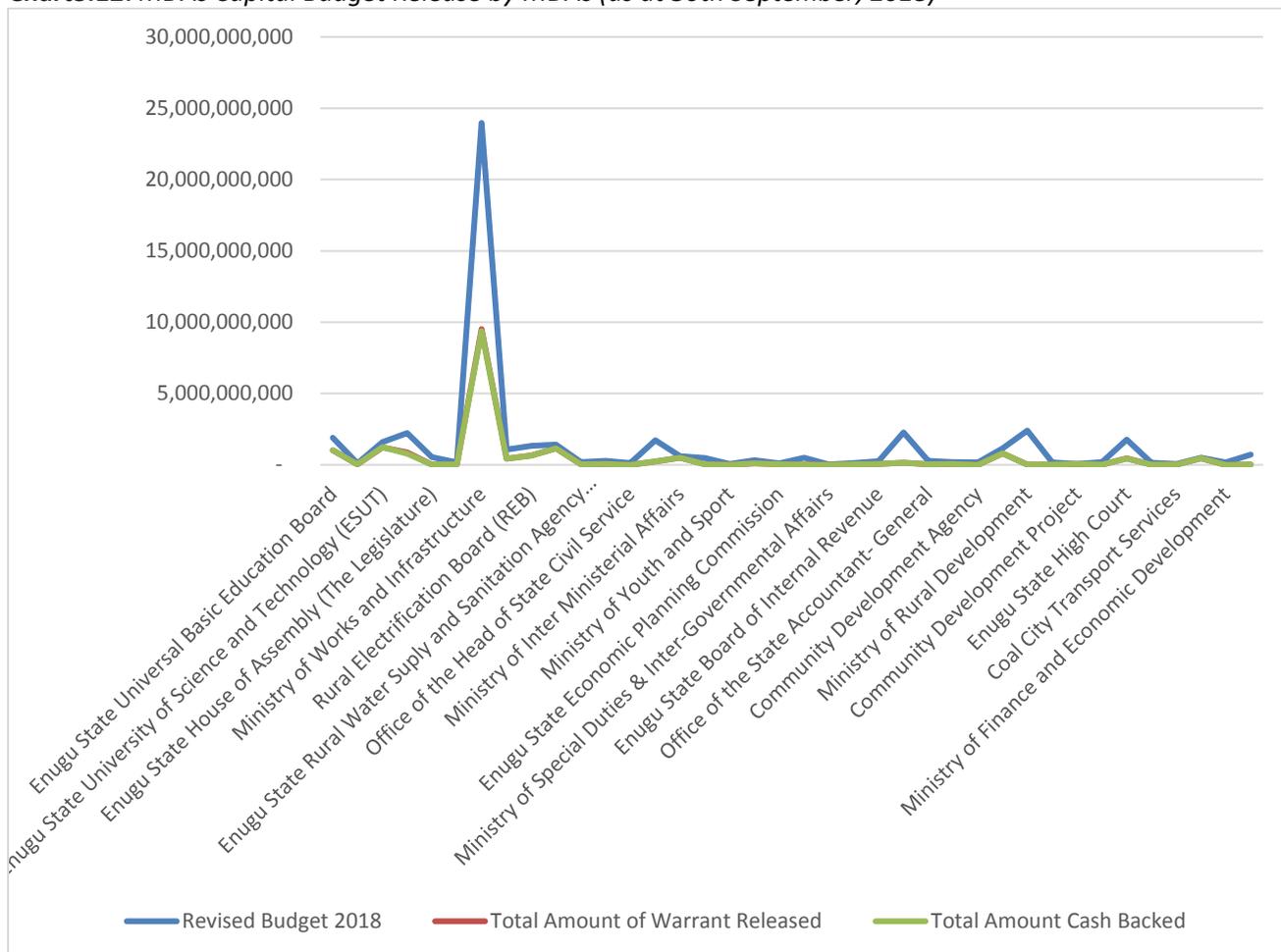
The total Capital Expenditure Warrants issued as at third quarter of 2018 was N18,121,310,868.00 out of this, N17,908,652,452.00 was cash backed. The sum of N6,085,895,364.00 was cash backed in the first quarter of 2018, N7,430,920,482.00 was in the second quarter of 2018 while N4,391,836,606.00 was in the third quarter. The data showed that most of MDAs have cash backed their warrants 100.00 percent during the third quarter 2018.

**Table 3.10: Capital Budget Releases by MDAs (as at 30th September, 2018)**

S/N	MDAs	Revised Budget 2018	Total Amount of Warrant Released	Total Amount Cash Backed	Percentage of Release (Cash Backed/Revised Budget)
1	Enugu State Universal Basic Education Board	1,900,000,000	1,026,497,945	1,026,497,945	54.03
2	Enugu State Broadcasting Service - Radio/TV ESBS/TV	110,920,000	34,712,100	34,712,100	31.29
3	Enugu State University of Science and Technology (ESUT)	1,600,000,000	1,223,105,565	1,238,105,565	77.38
4	Office of the Executive Governor	2,229,700,000	859,744,082	791,574,413	35.50
5	Enugu State House of Assembly (The Legislature)	535,599,000	10,200,000	10,200,000	1.90
6	Ministry of Information	160,470,000	44,233,200	44,233,200	27.56
7	Ministry of Works and Infrastructure	23,972,500,000	9,515,975,922	9,378,648,216	39.12
8	Post-Primary Schools Management Board (PPSMB)	1,071,050,000	432,280,043	432,280,043	40.36
9	Rural Electrification Board (REB)	1,340,000,000	642,694,708	642,658,709	47.96
10	Office of the Secretary to the State Government	1,417,000,000	1,144,993,208	1,144,993,208	80.80
11	Enugu State Rural Water Supply and Sanitation Agency (ENRUWASA)	200,000,000	33,790,738	33,790,738	16.90
12	Enugu State Polytechnic Iwollo	280,000,000	50,000,000	50,000,000	17.86
13	Office of the Head of State Civil Service	135,500,000	2,952,000	2,952,000	2.18
14	Ministry of Health	1,714,000,000	234,686,902	234,686,902	13.69
15	Ministry of Inter Ministerial Affairs	611,500,000	500,000,000	500,000,000	81.77
16	Ministry of Justice	477,000,000	36,966,880	36,966,880	7.75
17	Ministry of Youth and Sport	70,000,000	873,500	873,500	1.25
18	Enugu State Water Corporation	318,000,000	112,846,449	112,846,449	35.49
19	Enugu State Economic Planning Commission	107,100,000	36,000,000	36,000,000	33.61
20	Ministry of Environment and Mineral Resources	493,920,000	14,618,500	14,618,500	2.96
21	Ministry of Special Duties & Inter-Governmental Affairs	27,304,000	1,803,000	1,803,000	6.60
22	Ministry of Lands and Urban Development	116,000,000	31,484,020	31,484,020	27.14
23	Enugu State Board of Internal Revenue	249,000,000	61,500,000	61,500,000	24.70
24	Nigerian Erosion and Watershed Management Project (EN-NEWMAP)	2,273,300,000	154,151,234	154,151,234	6.78
25	Office of the State Accountant- General	285,000,000	30,570,298	30,570,298	10.73
26	Customary Court of Appeal	195,000,000	58,912,624	58,912,624	30.21
27	Community Development Agency	173,217,584	4,501,528	4,501,528	2.60
28	Institute of Management and Technology (IMT)	1,150,000,000	810,000,000	810,000,000	70.43
29	Ministry of Rural Development	2,402,250,000	6,865,000	6,865,000	0.29
30	Ministry of Transport	159,200,000	8,472,600	8,472,600	5.32
31	Community Development Project	50,000,000	50,000,000	50,000,000	100.00
32	Judiciary Service Commission	186,700,000	6,700,000	6,700,000	3.59
33	Enugu State High Court	1,770,000,000	447,905,047	425,780,005	24.06
35	Enugu State Science Technical and Vocational School Board	148,150,000	20,322,000	20,322,000	13.72
36	Coal City Transport Services	50,000,000	6,461,103	6,461,103	12.92
37	Enugu State Housing Development Corporation	500,000,000	445,973,715	445,973,715	89.19
38	Ministry of Finance and Economic Development	167,220,000	3,516,957	3,516,957	2.10
39	ESUT Teaching Hospital Parklane	707,600,000	15,000,000	15,000,000	2.12
	<b>TOTAL</b>	<b>49,354,200,584</b>	<b>18,121,310,868</b>	<b>17,908,652,452</b>	<b>36.29</b>

Source: MB&amp;P and OAG

**Chart3.12: MDAs Capital Budget Release by MDAs (as at 30th September, 2018)**



Source: MB&P and OAG

**Table 3.11: Aggregate Expenditure in the 2018 Third Quarter**

S/N	DESCRIPTION	BUDGET			ACTUAL				VARIANCE					
		ANNUAL	QUARTERLY	3QRTS	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	3QRTS	3RD Quarter Actual Vs Quarterly Budget		3RD Quarter Vs 2ND Quarter (Actual)		Actual Vs Budget (3QRTS)	
	EXPENDITURE	N	N	N	N	N	N	N	N	%	N	%	N	%
1	RECURRENT	60,717,024,000	15,179,256,000	45,537,768,000	11,694,147,789	12,418,389,358	12,113,394,178	36,225,931,325	(3,065,861,822)	(20.20)	(304,995,180)	(2.46)	(9,311,836,675)	(20.45)
5	CAPITAL	53,546,476,000	13,386,619,000	40,159,857,000	6,085,895,364	7,430,920,482	4,391,836,606	17,908,652,452	(8,994,782,394)	(67.19)	(3,039,083,876)	(40.90)	(22,251,204,548)	(55.41)
	<b>Total</b>	<b>114,263,500,000</b>	<b>28,565,875,000</b>	<b>85,697,625,000</b>	<b>17,780,043,153</b>	<b>19,849,309,840</b>	<b>16,505,230,784</b>	<b>54,134,583,777</b>	<b>(12,060,644,216)</b>	<b>(42.22)</b>	<b>(3,344,079,056)</b>	<b>(16.85)</b>	<b>(31,563,041,223)</b>	<b>(36.83)</b>

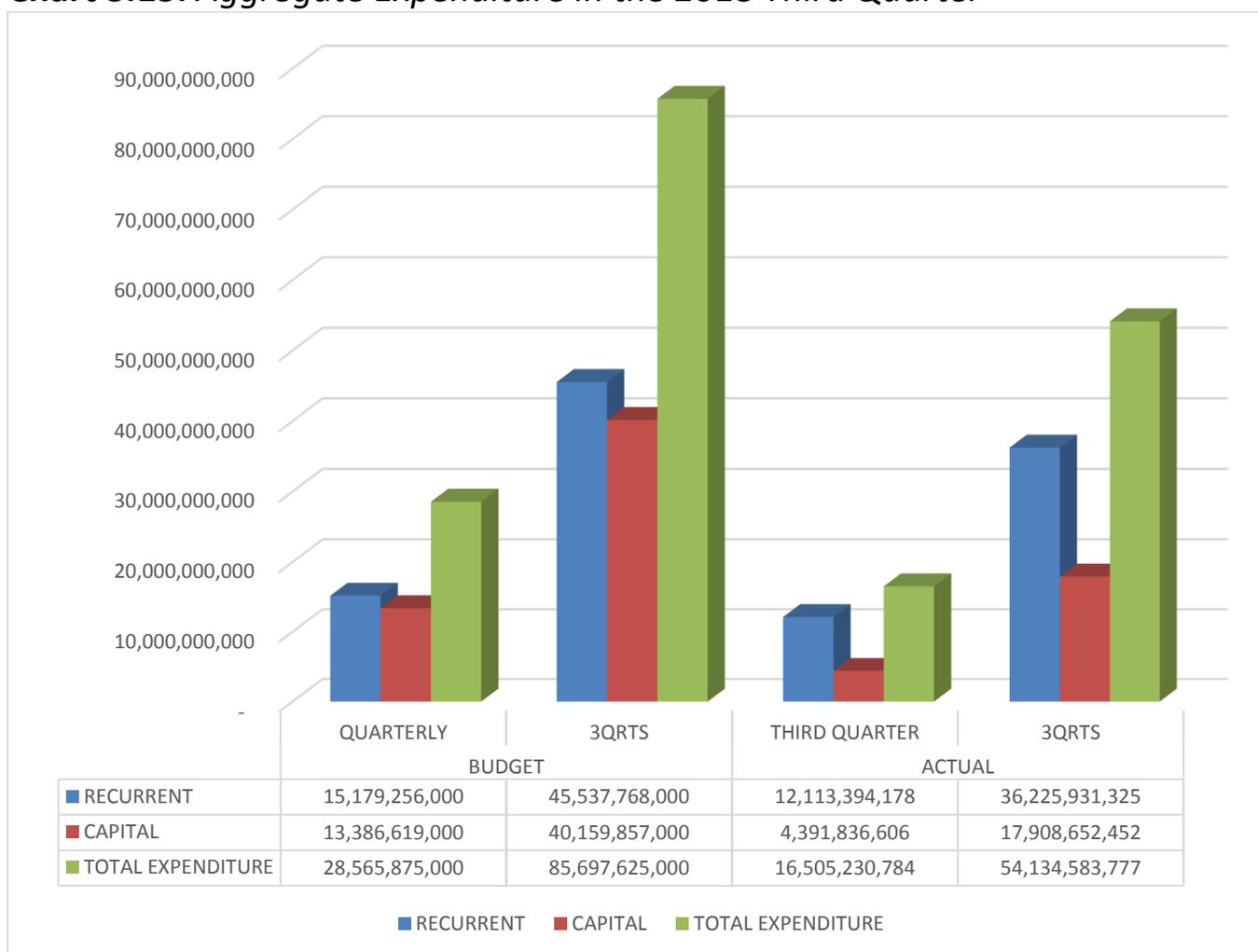
Source: MB&P and OAG

**Table 3.12: Performance of Aggregate Expenditure in the 2018 Third Quarter**

S/N	DESCRIPTION	BUDGET			ACTUAL				PERFORMANCE			
		ANNUAL	QUARTERLY	3QRTS	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	3QRTS	THIRD QUARTER ACTUAL/QUARTERLY BUDGET	3QRTS ACTUAL/3QRTS BUDGET	THIRD QUARTER ACTUAL	3QRTS ACTUAL
	EXPENDITURE	N	N	N	N	N	N	N	%	%	%	%
1	RECURRENT	60,717,024,000	15,179,256,000	45,537,768,000	11,694,147,789	12,418,389,358	12,113,394,178	36,225,931,325	79.80	79.55	73.39	66.92
5	CAPITAL	53,546,476,000	13,386,619,000	40,159,857,000	6,085,895,364	7,430,920,482	4,391,836,606	17,908,652,452	32.81	44.59	26.61	33.08
	<b>Total</b>	<b>114,263,500,000</b>	<b>28,565,875,000</b>	<b>85,697,625,000</b>	<b>17,780,043,153</b>	<b>19,849,309,840</b>	<b>16,505,230,784</b>	<b>54,134,583,777</b>	<b>57.78</b>	<b>63.17</b>	<b>100.00</b>	<b>100.00</b>

Source: MB&P and OAG

**Chart 3.13: Aggregate Expenditure in the 2018 Third Quarter**



Source: MB&P and OAG

## 4.0 Conclusion

The year 2018 started in a very promising note with high expectation from the State's Revenue Base vis-Internally Generated Revenue (IGR) and State's Share of Federal Revenue. This is judging from Budget Assumptions on expected increases in all the Sectors. Whereas the oil price rose in the first and second quarters, rising from the benchmark of \$45 to \$69.36 in the second quarter, and bearing in mind that the Federal Government had approved the reimbursement of the State's Fund used in construction of the Federal Roads; the State Government entered the third quarter with enthusiasm hence the approval of a supplementary expenditure to tackle some development projects.

However, it must be noted that actual revenue in the third quarter did not show any meaningful departure or improvement from the second quarter, rather there was a significant shortfall as the total revenue in the quarter was 48.53% below the actual expected revenue inflow in the third quarter.

On the expenditure side, a total of N16,505,230,784.00 was spent to run government activities, which is N12,060,644,216.00 or 42.22% less than N28,565,875,000.00 of the expected expenditure for this quarter. At any rate this is a commendable achievement, as Government revenue was slowing down. One remarkable achievement of this quarter was that despite the poor picture of the macro- economy, the state was consistent in fulfilling her obligations through payment of salaries and other personnel costs. All contractual obligations were equally attended to promptly as no contractor was owed within the quarter. Even when the Federal Ministry of Finance could not resolve her differences with the States in the modalities for disbursing NNPC funds for two months, the

state Government went ahead to attend to her obligations through her strategic savings.

The hope of the Government is that the fourth quarter may present a better picture if the inflow from the sale of oil and exchange rate is improved in the international market. We are also mindful of the fact that another determinant factor will be the rate of oil production which has remained at 1.8mbpd as against our benchmark of 2.3mbpd. all these are the challenges for the future, as well as our local revenue services that are bedeviled by poor remission of collectable revenue, and avoidable loopholes which is being plugged. The future we believe is bright in view of all efforts made by the relevant authority in the revenue sector.