

INTRODUCTION

To ensure fiscal transparency and accountability there is need to ensure that budget is measure on quarterly basis both on Revenue and Expenditure sides. The Second Quarter Analysis provides an insight into the achievement of Budget 2020 from April to June,2020. The analysis is as follows:

REVENUE PERFORMANCE

APRIL-JUNE, 2020

S/N	Items of Revenue	Estimates 2020	Pro-Rata Estimates	TOTAL APRIL-JUNE	% on Pro-Rata	% on Approved Estimates
1	IGR	62,648,534,469.00	15,662,133,617.25	5,937,462,968.53	37.91	9.48
2	Statutory Allocation	50,000,000,000.00	12,500,000,000.00	8,688,994,508.03	69.51	17.38
3	VAT	20,115,397,819.97	5,028,849,454.99	5,037,290,624.55	100.17	25.04
4	Others	45,018,306,339.00	11,254,576,584.75	7,525,677,588.85	66.87	16.72
	Total Recurrent	177,782,238,627.97	44,445,559,656.99	27,184,425,689.96	61.17	16.72
5	Capital Receipts	36,005,794,375.00	9,001,448,593.75	-	-	-
	Total	213,788,033,002.97	53,447,008,250.74	27,184,425,689.96	50.87	12.72

2020 REVENUE APPRAISAL

- By Second Quarter, Revenue ought to have performed at least **25%** of the Approved Budget in the 2nd Quarter it however performed at **12.72%**. On Pro – rata, it performed at **50.87%** instead of **100%**;
- Breakdown of revenue performance: -
- Recurrent revenue - **₦ 27,184,425,689.96**
- Capital receipt - **₦ -**

From total revenue, only the sum of **₦ 5,937,462,968.53** representing **21.84%** was internally generated revenue (IGR) while Statutory Allocation, VAT, Others, of the sum **₦21,246,962,721.43** representing **(78.16%)** and no capital Receipts was received during this period. This shows that the State still depends largely on External Sources for its Revenue.

Note:

- There is slight decrease of **16.78%** in Internally Generated Revenue compared to the First Quarter performance, while the sum of **₦7,134,758,107.39** was generated internally from January –March 2020, it dropped to **₦5,937,462,968.53** this could be as a result of the Covid 19 Pandemic that ravage the world during this period of the year,
- There is a slight decrease of **1%** in Value Added Tax received to First Quarter, the sum of **₦5,087,950,886.80** was received compared to this Quarter where the sum of **₦5,037,290,624.55** was received

SUMMARY OF EXPENDITURE APRIL-JUNE,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	11,261,655,173.03	117.15	29.29
Overhead Costs	31,116,310,140.00	7,164,383,205.17	3,919,796,638.15	50.39	12.60
Consolidated Revenue Fund Charges	40,860,000,000.00	10,215,000,000.00	10,454,710,386.51	102.35	25.39
Recurrent Expenditure	110,427,855,919.00	27,606,963,979.75	25,635,662,197.69	92.86	23.21
Capital Expenditure	103,360,177,083.97	25,840,044,270.99	2,576,590,079.87	9.97	2.49
TOTAL	213,788,033,022.97	53,447,008,270.74	28,212,252,277.56	52.79	13.20

- As at the end of Second Quarter, Expenditure was expected to have performed at **25% of the Approved Budget** but performed at **13.20%**
- On pro rata basis, Expenditure performed at **52.79%** instead of **100%**
- Breakdown of Expenditure performance
 - Recurrent- **₦ 25,635,662,197.69**
 - Capital- **₦ 2,576,590,079.87**
 - On recurrent Expenditure, Personnel Cost gulped **₦11,261,655,173.03 (43.93%)**, Overhead Costs **₦3,919,796,638.15 (15.30%)**, and CRFC **₦10,454,710,386.51(40.78%)**

 - **Note:**
 - On the total Expenditure of **₦28,212,252,277.56**, Recurrent Expenditure accrued the sum of **₦25,635,662,197.69** which is **90.87%** while the Capital Expenditure sum of **₦2,576,590,079.87** which is **9.13%** of the total Expenditure.
- On Capital Expenditure sum of **2.57B**, Economic Sector gulped **0.93b, (22.58%)**, Social Sector **0.58b, (22.58%)**, Law and Justice, **0.0b, (0%)** and General Administration gulped **1.06b, (41.21%)**.
- The **41.21%** of Capital Expenditure expended on Administration Sector was as result Government determination to combat the covid 19, Pandemic that is ravaging and the majority of the expenses incurred was from Administration and Social Sectors

**SECTORAL ANALYSIS OF CAPITAL EXPENDITURE
APRIL-JUNE, 2020**

		APPROVED	PRO- RATA	ACTUAL	%Pro Rata	% Approved Estimates
A	ECONOMIC	68,832,804,604.00	17,208,201,151.00	933,028,972.24	5.42	1.36
B	SOCIAL SERVICE	23,708,487,037.97	5,927,121,759.49	581,810,729.26	9.82	2.45
C	LAW & JUSTICE	535,000,000.00	133,750,000.00	-	-	-
D	GENERAL ADMINISTRATION	10,283,885,442.00	2,570,971,360.50	1,061,750,378.37	41.30	10.32
	TOTAL	103,360,177,083.97	25,840,044,270.99	2,576,590,079.87	9.97	2.49

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

- The effect of Covid 19 Pandemic
- Poor internally generated revenue drive

RECOMMENDATIONS:

REVENUE:

- The State needs to be more revenue self-reliant focussed
- Enactment of enabling laws that would boost revenue generation

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).