

Zamfara State August 2020 Budget Implementation Report.



Table of Contents	
2 1.0 – Introduction	
3 2.0 Revenue Performance	7
33.3 –	
First and Second Quarter Reports	3
2.0 - The 2019 Approved Budget Profile.....	4 3.0 –
Third Quarter Appraisal of the 2019 Budget	6 3.1 -
Review of Expenditure Trend and Composition.....	9 4.0
Conclusion and Recommendations	13

– Preamble;

The August Budget Implementation Report presents an appraisal of the months performance of the budget. In our usual style, the report will largely be based on variance analysis comparing outturns over the revised approved estimates. It will also examine revenue and expenditure patterns, composition and trends during the period to reinforce conclusions on the report, and provide possible scenarios of how the budget will impact over the remaining months in the state. This will facilitate sound decision making in an effort to achieve stronger performance by the end of the year and high impact on citizens of the state.

Table 1: Zamfara State Revised 2020 Budget in brief;

S/No	Approved Estimated Recurrent Revenues	Approved Revised 2020 Budget	Approved Revised 2020 Budget	% of Total
I	Internal Generated Revenue	11,220,450,000	15,940,264,253	4.7
li	Statutory Allocations	55,000,000,000	31,200,000,000	36.6
li	Re-Imbursements (FGN)	38,340,035,649	22,230,000,000	0.08
Iv	Opening Balance	-	1,947,917,873	.0
Vi	Receipts From Other Subsidiary Accounts	-	3,055,117,889	
	Grants from FGN	100,000,000		
	Total (Recurrent Revenues)	104,660,485,649	75,573,300,016	71.3
	Value Added Tax	12,000,000,000	11,000,000,000	.
Vii	Grants & Other Capital Receipts	5,400,000,000	7,480,000,000	.0
Viii	External Loans	3,400,000,000	400,000,000	0.3
Ix	Internal Loans	41,768,073,491	20,000,000,000	.0
	Other Capital Funds	31,321,000,000	-	
	Total Capital Receipts	83,889,073,491	51,760,099,984	.
	Total Projected Revenues for the Budget	188,549,559,140	127,333,400,000	100
B	Expenditure Component			
a	Personnel Cost	22,308,943,165	22,197,452,687	
b	Consolidated Revenue Fund charges	8,810,369,967	4,541,816,489	
c	Overhead Cost	32,932,442,574	24,168,345,965	
d	Public Debt servicing	6,953,803,434	7,425,784,858	
e	Capital Expenditures	117,544,000,000	69,018,000,000	
	Total Expenditures	188,594,59,140	127,333,400,000	

Revised budget 2020;

The Zamfara State revised budget is to the tune of N127.333 billion made up of N75.573 billion as recurrent revenues and N51.760 billion as capital revenue. The revised budget represents 67.51% of the original budget, and a reduction of N61.261 billion or 32.48% of the initial 2020 budget.

The revised budget is made up of N69.018 billion as CAPEX funds and N58.315 billion as recurrent revenues, details of these are presented in Table 1 (summary of revised 2020 budget) above.

Performance of Revenues;

The performance of revenues in the month was fair, as the state had a modest ...% over expected collections in the period under review. The variance over budget represents a negative of% which is close/more than the allowed threshold of % in our first year of assessment.

Table 2:

S/ N O	Approved Estimated Recurrent Revenues	Approved 2019 Budget	Budget Out-turns Jan. – June 2020	Budget Out- turns August 2020	Pro – Rated Performan ce (%)	Variance (%)
1	Internal generated Revenue	6,341,900,000	4,150,331,596		130.9	30.9
2	Statutory Allocations	49,501,494,183	39,275,903,098		158.7	58.7
3	Grants	120,000,000	272,433,871		454.0	354.0
4	Re-Imbursements	40,585,113,538	22,427,234,933		110.5	10.5
	Total (Recurrent Revenues)	99,195,713,538	66,126,128,543		132.8	32.8
	Capital Receipts					
5	Value Added Tax	11,000,000,000	6,037,347,382		114.6	14.6
6	Grants & Other Capital Receipts	7,480,000,000				
7	External Loans	400,000,000				
8	Internal Loans	20,000,000,000	37,269,884,079		372.7	272.7
	Total Capital Receipts	38,800,000,000				
	Total Projected Revenues for the Budget		4955676016			

Details of projected revenues and their corresponding performance are presented in Table Below.

Table .. : Performance of Revenues Heads over the Budget between January – June 2019.

pite of the performance over budget in the first half of 2019, the state recorded a variance of% or some N billion over budgeted amounts. The recurrent component performed better with a record 88% aggregate over the budget. It is important to note however that this shortfall (N6.17 billion) is huge and can impact negatively on performance.

On the contrary, capital component performed not so well with a

Table 3:

	Expenditure Component	Approved Budget 2019	Actual Expenditure Jan – October 2019.	
	Personnel Cost BTL 18,932,698	21	9,669,358,117	
	Consolidated Revenue Fund charges. 42,413,000 &		773,381,925	1,323,558,478
	Overhead Cost		8,841,429,	
	Public Debt servicing		3,984,824,563	
	Capital Expenditures BTL 4.998,655,626.04			
	Loans granted to LGAs		9,847,616,221.00	
	Total Expenditures			

General Public Services 1,021,537,246

Public Order Safety

Economic Affairs 1,276,949,275.64

Housing & Community 281,308,040

Health 3,700,000,000

Education 3,588,828,217

Table 4: Recurrent Spending of Selected High Flyers Top Ten Spending MDAs

S/N	Heads	Sub Heads	Organizations	Approved 2019 Budget	Out-Turns (Jan. – June)	Pro-Rated Performance %	Variance %
1			Min. of Education				
2			Min. of Health				
3			Min. of Women Affairs & Social Devt				
4			Min. of Water Resources				
5			Min. of Education				
6			Min. of Works & Transport				
7			Min. of Agriculture				

8			Min. of Finance				
9			Zamfara State House of Assembly				
10			Off. Of the Secretary of the State Govt. (SSG) / General Administration				

Table 5: Capital Expenditure Outlay of Selected Sectors

S/N	Sectors	Approved 2019 Estimates	Expenditure Outturns (Jan. – June)	Pro-Rated Performance %	Variance (%)	% of Total
1	Agriculture					
2	Works & Transport					
3	Education					
4	Health					
5	Water					
6	Environment					
7	Electrification? Youth & Sports					
8	Information					
9	Housing & Town Planning					
10	General Administration					
	Total					

Table 6: Virement and Request for Additional Provisions;

[illegible]

Recommendations:

Conclusion:

As reported, the First Quarter Budget Implementation Report generally observed a “below average” performance particularly on the expenditure side. Total outturn on the income side amounted to almost N43.8 billion which, on pro-rata basis, represented about 109% performance compared to the approved estimates (a positive variance of over 9%). On the expenditure side, an overall performance rate of about 60% was reported which was described as “below average”. This was largely as a result of the very weak performance with regards to Capital Expenditure where the total outturn was reported to be only about N8.2 billion representing only about 43% pro-rated performance.

Building on the Q1 performance, the Mid Year report indicated that implementation of the budget during the second quarter of the year, more or less, followed a similar trajectory with the first quarter. Total accrued income at the end of Q2 was reported to be about N74.27 billion which was equivalent to almost 93% performance. Relative the first quarter report, the aggregate performance on the expenditure side was reported to be stronger. Compared to the total Approved Estimates of N160.14 billion, the total outturn was reported to be about N52.36 billion equivalents to about 65.4% prorated performance as against the 43% reported during the period of January to March. Accordingly, even though Q1 performance was described weaker, the performance up to the end of June was equally described as “below standard performance” with a variance of almost 35%. Good practice would recognize a performance variance of not more than 25% as fairly okay.

The report had however, observed that considering the healthy liquidity position of the Treasury, there is adequate capacity to turn budget implementation around during the third quarter as to improve its performance. Accordingly, the conclusion of the Q2 was that “... with most of

ongoing capital projects across all sectors are progressing satisfactorily, higher budget performance in terms of capital expenditure outturns and sectoral composition, would be recorded by the time issued Due Process Payment Certificates already submitted to the Treasury by the MDAs are cleared in the subsequent quarters". Notwithstanding, the report has drawn attention to the need to be proactive towards improving performance. Appraisal from the Q3 report will now confirm whether this has been achieved or not.

Third Quarter Report – Final;

Draft

2.0 - The 2019 Approved Budget Profile¹ Law No. 10 of 2018 Appropriated the sum of One Hundred and Sixty Billion, One Hundred and Forty Million Naira (N160,140,000,000) as the total budget size for the 2019 Fiscal year. The Budget was named " Budget of Sustained Economic Growth and S o c i a l T r a n s f o r m a t i o n I I " being virtually a continuation of the 2018 Budget in terms of policy objectives and priorities which were linked to the State Development Policy objectives contained in CDF II. These include: ü Promoting rapid growth of the real sectors of the state's economy particularly agriculture as leading sector in the socioeconomic transformation agenda of the State;

ü Ensuring access, efficiency and quality in the provision of Human Development Services particularly, education, health and other social welfare services; ü Youths and women empowerment through targeted economic empowerment and other social protection programmes; and ü Sustaining on-going governance reforms particularly in the area of Public Expenditure and Financial Management and Public Service Management.

1 The Brief Overview on the Profile of the 2019 Approved Estimates remains as reflected in the First and Second Quarter Report

Third Quarter Report – Final; Draft

5

1 Estimated Recurrent Revenue Estimates % of Total i. Local revenue 14,210,000,000 9% ii. Statutory Allocation 52,900,000,000 33% iii. Excess Crude Oil, etc, etc 4,500,000,000 3% iv. Value Added Tax 13,860,000,000 9% v. LGCs Contribution for Primary Personnel Cost

21,200,000,000 13% vi LGCs Contribution for PHC Staff Cost 1,560,000,000 1% Total
Recurrent Incomes 108,230,000,000 68%

2 Capital Receipts i. Transfer from General Reserves 16,160,000,000 10% ii. Grants &
Reimbursements & Other Capital Receipts 31,250,000,000 20% iii. External Loans 3,500,000,000
2% iv. Internal Loans 1,000,000,000 1%

Total Capital Receipts 51,910,000,000 32% H Total Income Estimates 160,140,000,000 100%

Table 1 - 2019 Budget - Sources of Income

i Personnel Costs 50,645,000,000 31.6% ii Overhead & Other Recurrent Expenditure
21,793,000,000 13.6% iii Public Debt Charges 5,355,000,000 3.3% iv Stabilization and
Contingency Fund 5,812,000,000 3.6% Capital Expenditure 76,535,000,000 47.8% Total
Expenditure Outlay 160,140,000,000 100.0%

Table 2 - 2019 Budget - Expenditure Components

Over 44% of the estimated income for the financing of 2019 Budget was expected to come from Federal Transfers comprising of Statutory Allocation, Value Added Tax and other periodic residual receipts like the Excess Crude Oil Receipts. Income from these three sources amounted to exactly N71.26 billion. About 14.2% of the total incomes comes as Financing Items equivalent to N22.76 billion being Local Government Contribution for Primary Education and Primary healthcare Staff Salaries. The sum of N14.21 billion was estimated as the revenue to be locally generated which would finance less than 9% of the total expenditure outlay. Other incomes for the financing of the budget included the 2019 Opening Balance of N16.16 billion equivalent to about 10% of the total estimated income; Capital Grants of about N31.25 billion (equivalent to about 20%) and External & Internal Loans of N4.5 billion, equivalent to slightly less than 3%. Details of the approved incomes for the financing of the 2019 Budget are presented in Table 1.

On the expenditure side, the profile of the Approved Estimates as presented in Table 2 showed that whereas almost 49% of the total expenditure was earmarked for Recurrent Expenditure, about 48% was for capital expenditure. As much as 3.6% was set aside for Stabilization and Contingency Funds. The Recurrent Expenditure components included Public Debt Charges for Internal / External Loans and contractual liabilities.

Budget Components Estimates Outturns (Jan. - Sept.)

Pro-rated Performance (%)

Income

(i) Recurrent Incomes 108,230,000,000 64,658,804,270 79.7% (ii) Capital Receipts
51,910,000,000 34,338,966,248 88.2% Total Income 160,140,000,000 98,997,770,518
82.4%

Expenditure (I) Recurrent Expenditure 83,605,000,000 48,892,057,829 78.0% (ii) Capital
Expenditure 76,535,000,000 36,234,169,411 63.1% Total Expenditure 160,140,000,000
85,126,227,240 70.9%

End of Quarter Position 13,871,543,278

Table 3 - Third Quarter Consolidated Revenue and Expenditure Performance

160,140 160,140

98,998

85,126

INCOME EXPENDITURE

Income & Expenditure Performance (Jan. -Sept.)

Estimates Outturns

3.0 – Third Quarter Appraisal of the 2019 Budget Table 3 below presents a consolidate picture of the performance of both the revenue and expenditure components of the budget during the period of January to September.

On the income side, the records indicated up to about 82.4% performance - lower than the 93.4% reported at midyear. Whereas about N74.3 billion was reported as the total outturns for January to June from both recurrent incomes and capital receipts, the amount has appreciated to almost N99 billion by the end of September. This represents about 33% increase in the three intervening months of July to September which could be considered as significant. While the quarter performance was appreciable, the overall impact on the performance during the nine-month period was reduced as this was affected by the static opening balanced reported during the first and second quarters. This is clearly reflected in the disaggregated performance of the two major clarifications of sources of income: On the one hand, the performances of recurrent

revenue items have only marginally appreciated from 78.8% at midyear to 79.7% at the end of Q3); On the other hand, the performance with respect to Capital Receipts seems to have depreciated from almost 122% at the end of June to 88.2% at the end of September despite the increase of only of N2.7 billion during the period of July to September. Notwithstanding, a negative variance of less than 20% in nine months may be

Third Quarter Report – Fina; Draft

7

1 Incomes Estimates Outturns Pro-rated Performance

Variance

i. Local revenue	14,210,000,000	6,625,753,252	62.2%	-37.8%	ii. Statutory Allocation
	52,900,000,000	33,678,374,436	84.9%	-15.1%	iii. Excess Crude oil, Etc.
	1,477,430,676		43.8%	-56.2%	iv. Value Added Tax
			100.4%	0.4%	v. LG Contribution for LEA Salaries
			74.5%	-25.5%	v.i LG PHCDA Deployed Staff
			48.9%	-25.5%	Total Recurrent Income
			64,658,804,270	79.7%	-20.3%
			2 Capital Receipts		
			i. 2019 Opening Balance		
			16,160,000,000	14,548,524,536	120.0%
			Grants & Other Capital Receipts		
			31,250,000,000	19,298,777,574	82.3%
			External Loans		
			3,500,000,000	491,664,138	18.7%
			Internal Loans		
			1,000,000,000		0.0%
			Total Capital Receipts		
			51,910,000,000		
			34,338,966,248	88.2%	-11.8%
			H Total Estimated Financial Resources		
			160,140,000,000		
			98,997,770,518	82.4%	-17.6%

Table 4 - Details of Revenue Performance (Jan. - Sept.)

considered not significant enough to adversely affect achieving desirable budgetary outputs and outcomes. In other words, while this is below the 10% variance threshold for an “excellent performance” the 82.4% could be considered relatively satisfactory especially given the opportunities for improvements in the remaining three months of the year.

On the expenditure side, the aggregate performance during the nine months of January to September indicated appreciable improvement relative the midyear result. Aggregate expenditure outturns during the period amounted to almost N85.13 billion against the approved estimates of N160.14 billion representing almost 71.0% pro-rated performance. This represents a relatively more impressive performance compared to the 65% reported performance at the end of June with an aggregate expenditure outturn of almost N52.4 billion.

3.1 - Revenue Performance As earlier indicated, the aggregated performance of all the various revenue components during the nine months period of January to September was satisfactory. The table below presents the details performance of major revenue components.

As usual, while aggregate performance was satisfactory, details of the various revenue components for both recurrent incomes and capital receipts as presented in Table 4 reveals that performance widely varied across components. On the recurrent revenue side, other than Value Added Tax, outturns from all other sources indicated negative variances averaging about 20%. In absolute terms, total recurrent incomes during the period was slightly over N64.6 billion equivalent to almost 80% of the total approved estimates.

Third Quarter Report – Fina; Draft

8

1 Expenditure Components Estimates Outturns Performance Variance

Recurrent Expenditure i Personnel Costs (LEAs Inclusive)	50,645,000,000	31,762,428,138	
	83.6%	-16.4%	
ii Other Recurrent Expenditure	26,605,000,000	15,087,815,585	75.6%
	24.4%		
iii Public Debt Charges	5,355,000,000	1,718,064,109	42.8%
			-57.2%
iv Stabilization Fund	1,000,000,000	323,749,998	43.2%
			-56.8%

Total Recurrent Expenditure (B+D+E)	83,605,000,000	48,892,057,829	78.0%	-22.0%
-------------------------------------	----------------	----------------	-------	--------

ii. Capital Expenditure	76,535,000,000	36,234,169,411	63.1%	-36.9%
-------------------------	----------------	----------------	-------	--------

Total Budget	160,140,000,000	85,126,227,240	70.9%	-29.1%
--------------	-----------------	----------------	-------	--------

Table 5: Details of Expenditure Performance - January to September

3.2 - Expenditure Appraisal Details of the available records on expenditure during the period January to September as presented in table 5 indicated an aggregate expenditure outturn amounting to over N85.13billion representing almost 71% performance. This is a relatively better performance compared to the 65.4% recorded at midyear. Looking at the two major expenditure components, Recurrent Expenditure performed relatively better with

about 78% while capital expenditure performance stood at slightly over 63%. For all these components, the performance represented a very appreciable progress from what were recorded during in the First and Second Quarter Reports.

As posited in the midyear report, the high liquidity position of represented by a recurrent revenue surplus (transferred to Capital Development Fund) of over N21.9 billion as well as the continued performance of some of the recurrent income sources, has made it possible to speed up budget implementation in the three ensuing months. As depicted in Table 3, the liquidity position has now dropped to about N13.8 billion proving room for the possibility of higher budget performance during the fourth quarter of the year. In fact, considering the spate of ongoing projects across most of the sectors and contracts awarded by the State Executive Council following its reconstitution and a host of other factors, it could be projected that overall budget implementation by the end of the year would be in the region of 85%.

Third Quarter Report – Fina; Draft

9

1	011200100100	State House of Assembly	2,800,000,000	2,601,221,148	123.9%	23.9%	2
	051700100100	Ministry of Education, Science & Technology	2,584,000,000	2,182,438,329	112.6%	12.6%	3
	022000700110	Debt Management Unit	5,355,000,000	1,725,586,898	43.0%	-57.0%	4
	011101800100	Special Service Directorate	730,100,000	1,528,860,236	279.2%	179.2%	5
	023400100100	Ministry of Works & Transport	1,320,000,000	660,732,719	66.7%	-33.3%	6
	051705600100	Jigawa State Scholarship Board	1,205,270,000	630,292,864	69.7%	-30.3%	7
	011101300100	Administration & Finance Directorate	442,500,000	583,757,384	175.9%	75.9%	8
	022000100100	Ministry of Finance & Economic Planning	1,597,000,000	577,200,809	48.2%	-51.8%	9
	011100100101	Government House	918,000,000	516,000,414	74.9%	-25.1%	10
	025200100100	Ministry of Water Resources	1,110,000,000	408,959,049	49.1%	-50.9%	11
	052100100100	Ministry of Health	180,000,000	342,900,688	254.0%	154.0%	12
	051705500100	Science & Technical Education Board	430,000,000	334,010,571	103.6%	3.6%	Total (Top most Dozen Agencies)
			18,671,870,000	12,091,961,110	86.3%	-13.7%	All other Agencies
			14,288,130,000	5,037,668,581	47.0%	-53.0%	Total at Third Quarter
			32,960,000,000	17,129,629,691	69.3%	-30.7%	

Composition of Other Recurrent Expenditure Across Top Dozen Spending Entities

Outturns (Jan. - Sept.)

Pro-rated Performance Variance S/N Org. Codes Organizations / Sub-Organizations 2019 Approved Estimates

33.3 – Review of Expenditure Trend and Composition As usual, expenditure composition across spending entities is also an important measure of assessing the extent to which budget implementation reflects aggregate fiscal discipline and the extent to which it would deliver on the desired budgetary outcomes and its objectives. The table below gives the expenditure composition of Other Recurrent Expenditure across MDAs. The composition shows that the top dozen MDAs accounted for over N12

As regards the pattern and composition of capital expenditure outturns across sectors, the table below indicates that more than half of the actual expenditure during the period under review were under the infrastructure sector largely consisting regional roads, township roads and feeder roads projects. This sector has more than excelled its pro-rated performance by about six percentage points. The education sector accounted for about 13% of the total capital spending with a variance of over 57%. In the same pattern, the Health Sector accounted for only about 9.2% of the total spending during the period with a whopping variance of over 50%. Even though these three sectors that together accounted for over 77% of the total outturns were part of the top-most priority sectors, the expenditure spread reflected a worrisome pattern. More worrisome is the extent of expenditure variance between the approved estimates and outturns. variance.

Third Quarter Report – Fina; Draft

10

S/N Sector Approved Estimates Jan. - Sept. Outturns

Pro-rated Performance

Variance % of Total

1 Infrastructure	24,670,000,000	19,648,637,665	106.2%	6.2%	54.2%	2 Education	9,250,000,000		
	15,466,900,000	4,938,715,712	42.6%	-57.4%	13.6%	3 Health			
	3,335,202,014	48.1%	-51.9%	9.2%	4 Agriculture	7,857,000,000	2,019,958,903		
	34.3%	-65.7%	5.6%	5 Water and Sanitation	5,515,000,000	1,786,652,311	43.2%	-	
	56.8%	4.9%	6 General Admin	5,337,000,000	1,544,023,660	38.6%	-61.4%	4.3%	
			7 Lands and Regional Planning / Dev.	565,000,000	810,687,989	191.3%	91.3%		
	2.2%	8 Empowerment	612,500,000	770,374,933	167.7%	67.7%	2.1%	9	
		Community Development	1,037,000,000	440,875,000	56.7%	-43.3%	1.2%	10	
		Housing	2,142,000,000	315,470,034	19.6%	-80.4%	0.9%	11 Electrification	
			890,000,000	295,651,108	44.3%	-55.7%	0.8%	12 Commerce and Investment	
			362,000,000	231,392,531	85.2%	-14.8%	0.6%	13 Information, Youth, Sports &	
			Culture	294,000,000	53,468,270	24.2%	-75.8%	0.1%	14 Law and Justice
			594,000,000	23,183,307	5.2%	-94.8%	0.1%	15 Environment	1,032,600,000
			16,440,750	2.1%	-97.9%	0.0%	16 Women and Social Development	910,000,000	
			3,435,225	0.5%	-99.5%	0.0%	Total:	76,535,000,000	36,234,169,411
			100.0%					63.1%	-36.9%

Composition of Capital Expenditure Outturns, Jan. - Sept.

Third Quarter Report – Fina; Draft

11

Initial Approved Provision 4,812,000,000
1,172,500,000

Running Balance

S/N MDAs Period Amount (NGN) Purpose

1 State Electricity Board May, 2019 313,000,000

Additional Project Scope (electrification of 17 Towns at a total cost of about N943 million

2 Due Process and Project Monitoring Bureau

May, 2019 2,000,000 Publication of annual price data base

3 Ministry of Lands May, 2019 118,000,000

Payment of Lands & property Compensations with in adequate provision. Required for compensation on ongoing township road projects.

4 High Court of Justice May, 2019 17,200,000

Settlement of 2018 approved liabilities in respect of renovation of courts and payment for utilities.

5 SSG's Office (Admin. & Finance) June, 2019 20,000,000

Expenses in respect of Nigeria Governor's Forum

6

SSG's Office (Chieftaincy & Religious Affairs)

June, 2019 10,000,000

7 Office of the Deputy Governor July, 2019 52,500,000

Renovation Works of Dep. Governor's Residence and Procurement of Furniture & Equipment

8

College of Nursing and Midwifery

July, 2019 18,800,000

Plannws third and fourth quarter activities.

Office of the SSG (Admin & Finance)

Sept. 2019 45,000,000

Consists of 3No. Warrants on Donations General and Grants to Local NGOs.

Office of the SSG (Religious Affairs)

Sept. 2019 15,000,000	Council of Ulama / Hisbah Activities	11 Ministry of Works	Sept.
2019 2,460,000,000	Road Infrastructure Projects	12 Ministry of Lands	Sept. 2019
250,000,000	Lands and Property Compensations	13 special Services	Diectorate Sept.
2019 288,000,000	Security Operations	14 Sport Council	Sept. 2019 30,000,000
National League Championship			

Total Transfers 3,639,500,000

DIRECTORATE OF BUDGET AND ECONOMIC PLANNING 2019 Budget Implementation - Records of Contingency Transfers

4.0 - Virements and Contingency Transfers The following section presents records Contingency Transfers and Virements executed during the reporting period. The initial Approved Estimates under the Contingency Fund was N4.812 billion which was relatively much higher than it used to be. This was made in anticipation of the still-pending commencement of the new Minimum Wage.

As of the end of September, fourteen Transfer Warrants were issued totaling about N3.64 billion leaving a balance of about N1.17 billion. As regards Virement which involved transfers of funds from one budget line to another under same Spending Entity, the records remain the same of the end of the second quarter with four Virement Warrants were issued to 3 Agencies as reflected in the table.

Third Quarter Report – Fina; Draft

Virement Warrants Issued January - June

W/ N Date of Issue

Agency Virement Source

Virement Destination Amount

1 17/5/2019 Ministry of Works & Transport.

020304 Sukullifi – Kale – Gunka Road N400m 020309 Maigatari – Birniwa Western -Bypass Rd N200m

020319 Dutse – Madobi – Katanga Road

600,000,000

2 18/6/2019 Special Service Directorate

22020601 Security ServiceN10m 22020401 Maintenance of Motor Vehicles & Tranp N3m
22020501 Local TrainingN1m 22020102 Local Travel & Transport – OtherN1m 22020204
Satellite & Broadcasting AccessN.250m 22020411 Maintenance of Communication
Equip.N.250m 22021050 Official Ceremonies & CelebrationsN.100m 22021001 Refreshment
and MealsN,600m 22020405 Maintenance of Plant & GeneratorsN.040m

22020604 Security Vote Including Operations

116,240,000

3 18/6/2019 Office of the Deputy Governor

22020403 Maintenance of Office Building/ Res Quart.N8m 22021002 Honorarium & Setting
AllowancesN15m

22021071 Protocol ExpensesN15m

22021001 Refreshment and Meals

22020406 Other Maintenance Services

23,000,000

15,000,000

Third Quarter Report – Fina; Draft

13

4.0 Conclusion and Recommendations In conclusion, the review of budget implementation during the period of January to September largely reflected appreciable progress to what was recorded in the midyear report. The performance on both income and expenditure sides were both very satisfactory. However, the extent of variance and skewed expenditure patterns were observed to worrisome as this could affect the extent to which all the planned budgetary outputs and outcomes would be achieved. Generally, however the trend during the months of July to September had indicated that budget implementation is now on track to achieve not less than 80% implementation by the end of the year. What needs to be done, is to strive to achieve more coverage across other sectors.