

The Chief of Staff to His Excellency,
Principal Private Secretary to Deputy Governor,
The Secretary to the State Government,
The Head of Civil Service,
The Clerk of the House,
The Chief Registrars of High Court/Sharia Courts,
All Honourable Commissioners,
All Chief Executives of Extra-Ministerial Dept and Parastatals,
The Chairman CSO's Network

CALL CIRCULAR FOR 2019 BUDGET PREPARATION

1.0 Introduction

This is to inform all accounting officers of their responsibility to prepare the 2019 proposed budget for their respective MDAs. MDAs are advised to study the circular carefully so as to comply with all provisions and requirements herein. Should you be in doubt of any provision of the circular, you are free to contact the Ministry of Budget for clarification and technical support.

2.0 Fiscal Framework 2019

- i) A detailed analysis of prior economic performance at Global, Africa, National and the State level, as well as a mineral sector performance, and the fiscal performance of the State revenue and expenditure from the year 2012 – 2017 are the indices used in arriving at the 2019 proposed budget projection with some macro-economic assumption of inflation rate at 13%, GDP growth at 1.90%, oil benchmarks at 2.1 Mbpd, exchange rates ₦305, oil prices \$52, mineral ratio at 35% among others.

- ii) The 2019 fiscal framework envisages improve efficiency in revenue administration and strict expenditure control. Consequently, no spending unit may be allowed to deviate from its resource envelopes.

3.0 Objectives of the 2019 Budget

The objectives of the 2019 State Budget as defined in the states development policy document includes: -

- i) The 2019 expenditure at sustainable level;
- ii) Ensure that capital investment fund is directed to the government priority areas of Agricultural, Educational development, Healthcare delivery, Infrastructural development, Youth empowerment, Women and vulnerable groups, societal orientation and environmental sustainability as well as water supply and sanitation;
- iii) Build greater transparency, accountability and comprehensiveness into the budget process;
- iv) Use the budget to further the goals of job creation, poverty reduction and agricultural growth as articulated in the state's policy documents.

4.0 Strategic Priorities

Every spending entity is advised to ensure that all activities that are urgent and important in the 2019 fiscal are included in their proposed budget by way of strategic sector priorities within the allocated resources.

5.0 Guidelines for the 2018 Budget

All spending agencies are advice to: -

- i) Articulate their budget against the background of the overall goals of YOSERA IV, the Vision 2020, SDG goals and ERGP;
- ii) Ensure the link between MTSS and the annual budget
- iii) Identify and document key initiatives being embarked upon to achieve their goals and objectives i.e. key projects and programmes;
- iv) Cost the initiatives, prioritize and phase them if possible within the 3 years capital expenditure ceiling (2019, 2020 & 2021);

- v) Determine the expected result of the initiatives in clear measurable terms;
- vi) Programmes with foreign component, should be spelled out showing anticipated amount from the foreign partners and state counterpart contribution if any;
- vii) Report on the performance of the current year January – August 2018 must be attached including information on revenue collection;
- viii) Inputs from House of Assembly members, CSO's, Community leaders should be part of the budget proposal;
- ix) Liabilities form part of your Ceiling.
- x) Ensure that budget estimates are within the ceiling provided.
- xi) Integrate recurrent and Capital Expenditure using the specified ceilings
- xii) Use of appropriate budget classification and codes.
- xiii) Send copy of the budget call circular to all sub-organization calling for their proposals
- xiv) Ensure consistence with sector strategy.
- xv) Ensure that the appropriate forms and formats are used.

6.0 Internally Generated Revenue

All accounting officers may wish to note that: -

- ❖ Our continuous dependence on the federation account implies that our internally generated revenue is nothing to write about, thus, it is therefore incumbent on all MDAs to remain steadfast and prudent in revenue collection and curb imminent leakages;
- ❖ The chart of account and code classification has comprehensive list of sources which could be used by all generating institutions;
- ❖ MDAs are advised to open more windows and initiate for more sources of generating revenue refer to Annex I

7.0 Grants & Loans

Clearly indicate expected grants and loans, if any, from Federal, Local Government, Non-Governmental Organizations and Development Agencies etc to form part of your capital programme using Annex II respectively.

8.0 Recurrent Expenditure

It is expected that each organization will aim at reducing wastages and eliminating flaws to curtail over blowing the budget with over costed materials. Agencies are therefore advice to study the attached annex carefully, putting more emphasis on public accountability and prudent spending of public funds.

i) Staff List

Refer to Annex III; you may use the instruction to guide your action and liaise with other departments in order to obtain adequate information on each category of staff.

ii) Personnel Cost

Refer to Annexes IV you should liaise with all the heads of departments. Your organization is to work within the sum of
=N= _____ 2019
=N= _____ 2020
=N= _____ 2021 as the allocated ceiling for the personnel cost.

iii) Overhead Cost

Refer to Annex V. Your organization is to work with the sum of: -

a) Fixed Overhead Cost =N= _____ 2019
=N= _____ 2020
=N= _____ 2021

b) Other Recurrent Expenditure =N= _____ 2019
=N= _____ 2020
=N= _____ 2021

As the allocated ceiling(s) for your organizational operating cost.

9.0 Capital Expenditure

All Accounting Officers are reminded to strictly observe the following: -

- i) Priority must be given to ongoing projects of high level value to the state and payment of liabilities;
- ii) You may need expert to assist in estimating the costs of a new projects of high value to the state in order to achieve the laudable programmes of this administration;
- iii) The ceilings allocated for your capital expenditure for the 3-years' time-frame are: -

2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-

You are to work within this parameter and also note that the ceilings given include payments of liabilities, ongoing projects and new projects, Refer to Annex vi.

10.0 Submission of the Proposed 2019 Budget

Two copies of your proposal and soft copy using the template should reach the Ministry of Budget and Economic Planning on or before 31st August, 2018.

11.0 Conclusions

All MDAs are hereby advised to adhere strictly and comply with the guidelines outlined in this call circular, please.

Alh. Idi Barde Gubana
Hon. Commissioner