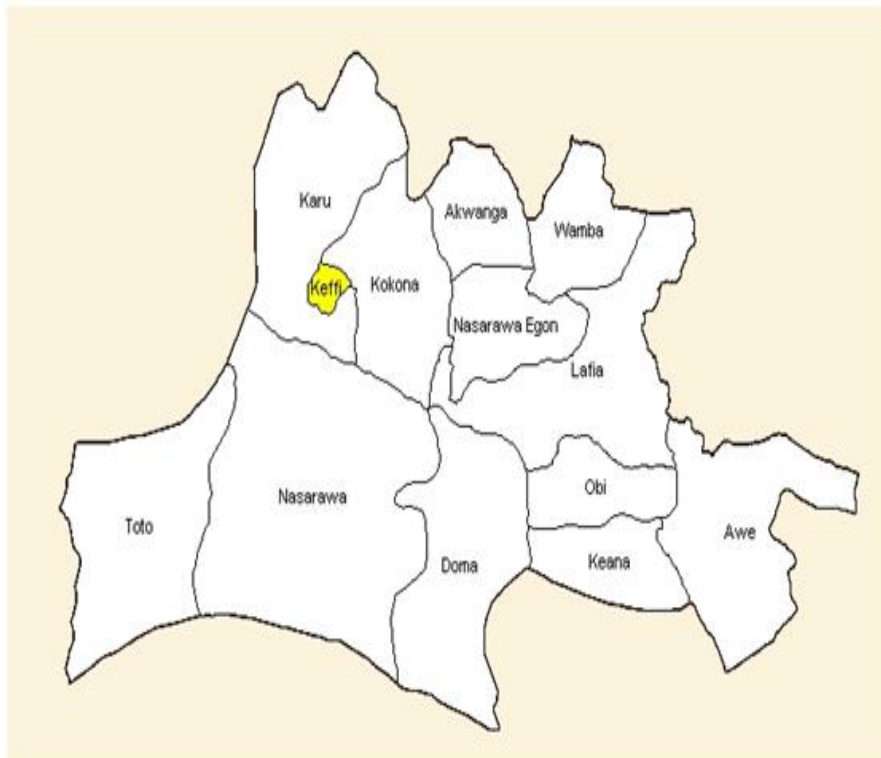


**REPORT ON REVENUES, DEDUCTIONS, AND
ANALYSIS OF DISBURSEMENT AND
UTILIZATION OF FUNDS OF SELECTED STATE
GOVERNMENTS 2012 – 2016
NASARAWA STATE**



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SEPTEMBER 2019

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1.0 NASARAWA STATE PROFILE

1.1 Brief History

Nasarawa State christened the “Home of solid minerals” due to the vast mineral deposits available in the State was created in 1996 by the military government of General Sani Abacha (late). The State is made up of thirteen (13) Local Government Areas and eighteen (18) Community Development Areas. The Local Government Areas are Akwanga, Awe, Doma, Karu, Keana, Keffi, Kokona, Lafia, Nasarawa, Nasarawa-Eggon, Obi, Toto and Wamba.

1.2 Location, Land Mass and Population

The State is located in the Middle-Belt region of the Country or what is known as the North-Central Geo-political zone of the Country. Its location is between Latitude 7⁰ and 9⁰ North and Longitude 7⁰ and 1⁰ East. Nasarawa State covers an area of 27,117 square kilometres approximately and has an estimated population of 1,863,275 (2006 census figures) with a population density of 65 people/ square kilometre.

Its population makes up 1.3% of Nigeria’s total population.

1.3 Main Cities and Towns

The State capital is in Lafia. It is bounded on the North by Kaduna State; North-West by the Federal Capital Territory (FCT), Abuja; North-East by Plateau State; South by Benue State; South-West by Kogi State; South-East by Taraba State.

The main cities and towns include Lafia (capital city), Akwanga, Doma, Karu, Keffi, Nasarawa, Nasarawa - Eggon, Keana, Obi, Garaku, Awe, Toto and Wamba.

1.4 Agriculture and Economy

Nasarawa State has a tropical climate and a large land mass covered by woodland savannah. This makes agriculture and farming the main occupation of the people of the State. The major crops grown in the State include yam, cassava, rice, maize, guinea corn, beans, soya beans and millet. The State is an agrarian society where animal husbandry is also a significant commercial activity. With proximity to the Federal Capital Territory (FCT), Abuja, there exists a fast moving market for the State’s agricultural crops and produce.

1.5 Solid Minerals

Several solid minerals found in the State include coal, iron ore, zinc, copper, columbite, barite and aqua-marine. The vast deposit of mineral resources found in Nasarawa State puts it on a sound economic footing, and can be properly harnessed for future economic benefits and revenue generation. The investment potentials that exist in solid mineral exploration make the state an investment destination for investors in the near future.

Efforts are in top gear to create a good industrial base. Industrialisation has encouraged the organized private sector to set up small scale industries and agro-allied ventures including: Beef Processing Industry, Masaka; Fertilizer Blending Company, Lafia; Nasarawa Packaging Company, Akwanga; Nasarawa Soap Factory, Akwanga; Sesame Cleaning Factory, Doma; Lapidary (Gemstone Cutting) Company, Nasarawa; Karu International Market, Mararaba. The Nasarawa State Government has also taken giant steps in the direction of aggressive rural electrification.

1.6 Education

Nasarawa State has one Federal University in Lafia the capital city and one State University -

Nasarawa State University, Keffi. The other tertiary institutions include Nasarawa State Polytechnic, Lafia; The Federal Polytechnic, Nasarawa; College of Education, Akwanga; College of Agriculture, Lafia; School of Nursing and Midwifery, Lafia; and School of Health Technology, Keffi. The aim of Nasarawa State Government is to invest in human resource development for the much-needed manpower. High premium is placed on education while much emphasis is centred on primary education, which is the bedrock upon which other academic structures can be built.

1.7 Tourism and Recreation

Tourist attractions in Nasarawa State include: Farin Ruwa Waterfalls; Eggon Hills and Caves; Elongated Feperuwa Lake at Assakio; Keana Salt Village; Doma Dam; Ara Rock Nasarawa; Akiri Water Spring Azara; Giza Crocodile Pond; Hunki Ox-bow Lake in Awe; Dying pits in Keffi and Lafia; Bakono Game Reserves Nasarawa.

2.0 REVENUE

2.1.0 Sources of revenue

The State derives its revenue from two main sources, which are statutory allocation from the Federal Government of Nigeria and internally generated revenue (IGR). The additional sub-sources of revenue generated by the State include Grants and Subventions, Internal loans, External loans etc.

2.1.1 Statutory Allocation from Federation Account

This includes all forms of revenue received from the Federation account. As stated below and described they include:

- Monthly statutory allocation
- Value Added Tax (VAT)
- Excess Crude Account
- Exchange Gain
- Sure P
- Other Refunds

2.1.2 Monthly Statutory Allocation

This represents monthly distribution of revenue earned and collected on behalf of the Federal Government from both mineral and non-mineral revenues shared among the three tiers of Government. The distribution is usually made at the monthly Federation Accounts Allocation Committee (FAAC) meetings.

2.1.3 Value Added Tax (VAT)

Value Added Tax (VAT) is tax charged and payable on all supply of taxable goods and services. It is collected by the Federal Inland Revenue Service (FIRS) and it is usually distributed to the Federal, State and Local Governments after deduction of the cost of collection which is currently 4%.

2.1.4 Excess Crude Account

This is an account that was initiated to protect the implementation of the annual budget from shocks that might arise from shortfalls in oil revenue receipts that could be because of fluctuations in prices of oil on the international market. The excess oil revenue over the benchmark volume and price computations accrues to this account.

2.1.5 Exchange Gain

This is the difference arising from the exchange rate disparity between the budgeted rate and the current prevailing rate of the Naira to the US dollar.

2.1.6 Sure P

Subsidy Reinvestment and Empowerment Program (Sure-P) is a program established for reinvesting the Federal Government savings from fuel subsidy removal on critical infrastructure projects and other social safety programmes to directly impact the lives of the citizens of the Country. The main objective was to:

- Provide employment for unemployed graduates through internship programs
- Creating database of unemployed youth and reduce social vulnerability.

2.1.7 Other Refunds

This is in respect of money refunded to the coffers of the state which was wrongly deducted, withheld or under paid. For example Refund from NNPC and Augmentation.

2.2 Revenue Process

- The Accountant-General of Nasarawa State attends the meeting of Federation Account Allocation Committee (FAAC) every month.
- The Accountant- General receives the FAAC allocation sheet for Nasarawa State from the meeting. A credit advice or mandate is issued to Central Bank of Nigeria (CBN) to transfer the State's revenue into the State's Consolidated Revenue Fund (CRF) managed by the Accountant General of the State.
- The Central Bank of Nigeria through the Bank Operations Officer sends a letter of credit/mandate to the Accountant-General informing him of the mandate received from the Accountant-General of the Federation and that the amount on the mandate will be paid to the State's Bank Account.
- The Central Bank pays the allocation into the State's Account.
- On the receipt of the allocation in the State's account, the Treasury Account Officer enters the amount on the receipt side of the TREASURY CASHBOOK.
- Details of the allocation received are entered into Statutory Revenue Allocation ANALYSIS BOOK by the Treasury Officer.

2.3 Summary of Revenue

The table below shows the summary of revenue received by the State in the years 2012 to 2016.

Table 1 - Summary of revenue

Year	Total Revenue(₦'m)
2012	56,540
2013	67,851
2014	53,163
2015	43,376
2016	56,872
Grand Total	277,802

Table 2 - Breakdown of total revenue

Year	Recurrent revenue(₦'m)	Capital receipts (₦'m)	Total (₦'m)
2012	51,030	5,510	56,540
2013	55,673	12,178	67,851
2014	53,163	-	53,163
2015	43,376	-	43,376
2016	56,872	-	56,872
Grand Total	260,114	17,688	277,802

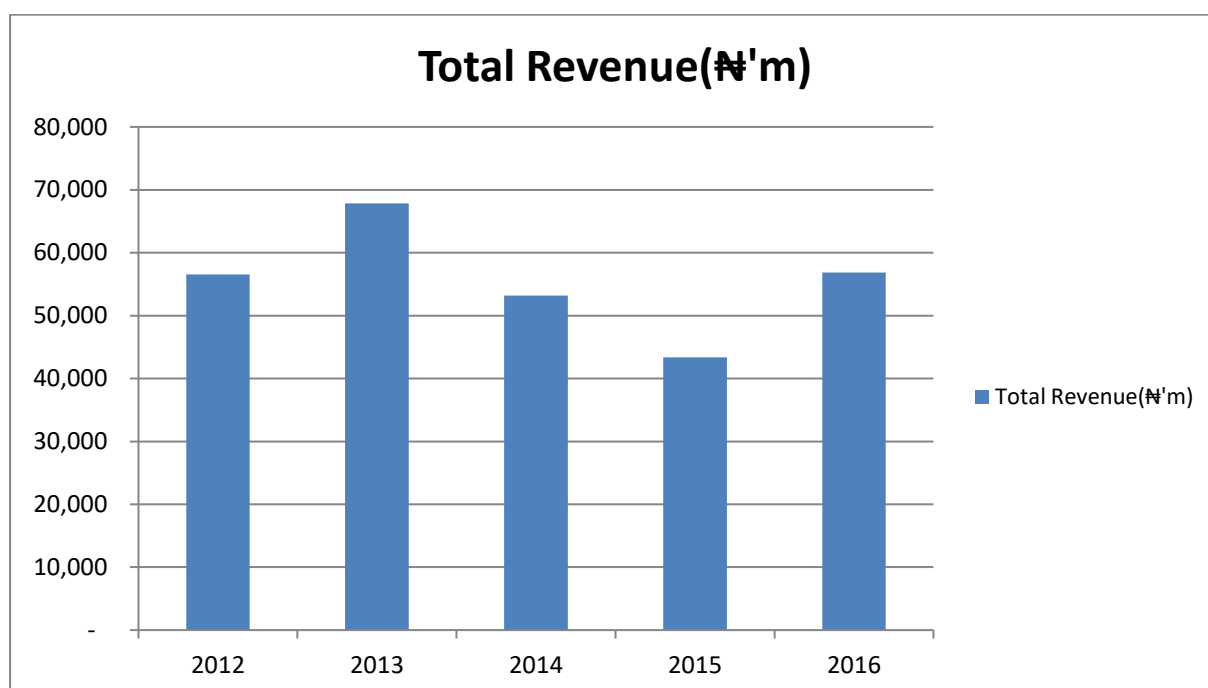


Figure 1: Total Revenue for Nasarawa State (2012-2016)

2.4 Distribution of Revenue 2012-2016

Table 3 - Distribution of revenue 2012 - 2016

Revenue	2012 ₦'m	2013 ₦'m	2014 ₦'m	2015 ₦'m	2016 ₦'m	TOTAL ₦'m
Statutory Allocation	29,208	33,383	35,490	25,975	18,799	142,855
VAT	6,232	7,025	7,029	6,873	7,095	34,254
Excess Crude Account	2,199	2,532	1,499	88	1,348	7,666
Exchange gain	551	-	449	1,135	2,401	4,536
Refund from NNPC	1,034	1,033	658	83	217	3,025
Sure P	762	2,496	2,412	-	-	5,670
Stabilisation Fund	6,013	-	-	-	-	6,013
Budget Support (Augmentation)	-	4,399	363	-	4,170	8,932
ECA crude account term loan	-	-	-	-	10,000	10,000
Paris Club Refund	-	-	-	-	8,465	8,465
ICPC	-	-	93	-	-	93
Salary bail out	-	-	-	3,956	-	3,956
Special allocation	-	-	-	-	56	56
Ecological Fund	400	-	-	-	-	400
External loan	-	<u>2,178</u>	-	-	-	<u>2,178</u>
FAAC revenue (A)	<u>46,399</u>	<u>53,046</u>	<u>47,993</u>	<u>38,110</u>	<u>52,551</u>	<u>238,099</u>
Internally generated Revenue	4,632	4,806	5,170	5,266	4,321	24,195
Internal loan	440	10,000	-	-	-	10,440
Grant and Subventions	<u>5,070</u>	-	-	-	-	<u>5,070</u>
Other revenue (B)	<u>10,142</u>	<u>14,806</u>	<u>5,170</u>	<u>5,266</u>	<u>4,321</u>	<u>39,706</u>
Total revenue (A+B)	<u>56,541</u>	<u>67,852</u>	<u>53,163</u>	<u>43,376</u>	<u>56,872</u>	<u>277,805</u>

Sources: Audited financial statements and populated templates

The income distribution shows that the revenue received by the State over the period under review grew by N11.3billion or 17% from N56.5 billion in 2012 to N67.8 billion in 2013. This was due to increase in statutory allocation, augmentation received from the Federal Government and a domestic loan facility obtained during the year.

In contrast to the 2013 fiscal year, revenue decreased by 28% or N14.8 billion from N67.8 billion in 2013 to N53 billion in 2014. The decrease was because no loan facilities were obtained; while the State allocations received were also lower than 2013 fiscal year. In 2015, revenue further decreased by 22% or N9.7 billion from N53 billion in 2014 to N43.3 billion in 2015. This was as a result of a reduction in the amount received from monthly allocation, Excess crude account and other refunds from the Federal Allocation during the year.

In 2016, there was an increase in Federation allocation receipts by 24% or N13.5 billion from N43.3 billion in 2015 to N56.8 billion in 2016. This was as a result of increase in other receipts such as budget support and Paris club refund received during the year.

2.5 Revenue Distribution by Sources

The total gross receipt from the Federation Account from 2012 to 2016 was N212billion. This comprise of Statutory Allocation, Value Added Tax (VAT), Excess crude account, Exchange gain, Refund from NNPC, Sure P, Stabilisation fund and Budget support (Augmentation). However, this excludes the other sources of revenue such as grants and subventions, internal loan, external loan, budget support, Paris club refund, salary bail out and internally generated revenue amounting to N65 billion in the years under review. The total revenue received by the State during the years under review amounted to N267 billion excluding external loan of N10 billion.

The pie charts shown below depict the various analysis of revenue generated by the State on a yearly basis from 2012 to 2016:

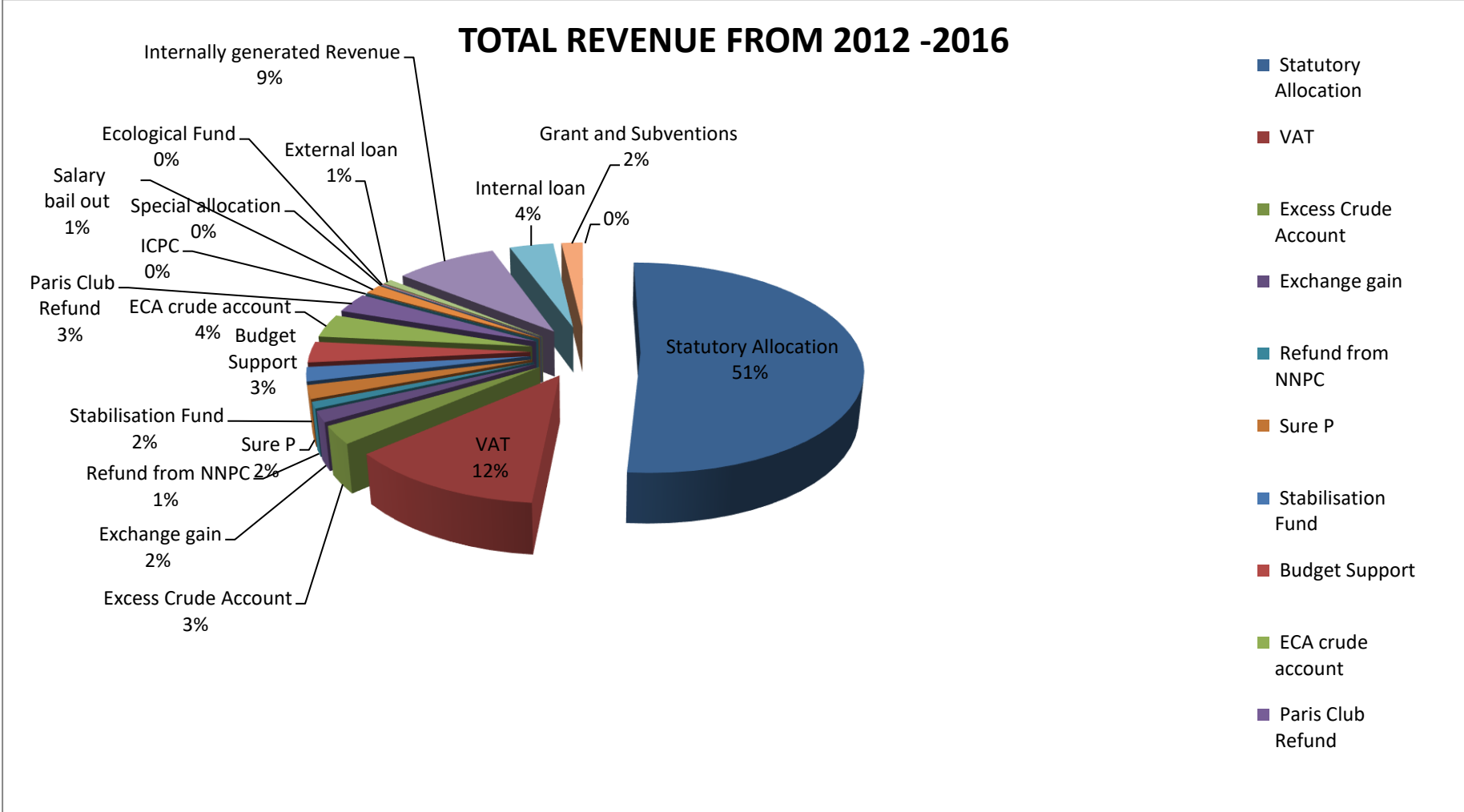


Figure 2 represents a percentage analysis of total revenue generated from 2012 to 2016 fiscal year

The diagram above depicts various revenue earned by the State from 2012 to 2016 fiscal years. It revealed that statutory allocation from the Federation Account amounting to N143 billion formed a significant part (53%) of the total revenue while the State internally generated revenue which includes internal loan, grant and subventions amounting to N24 billion, N10 billion and N7 billion represented 9%, 4% and 2% of the total revenue respectively.

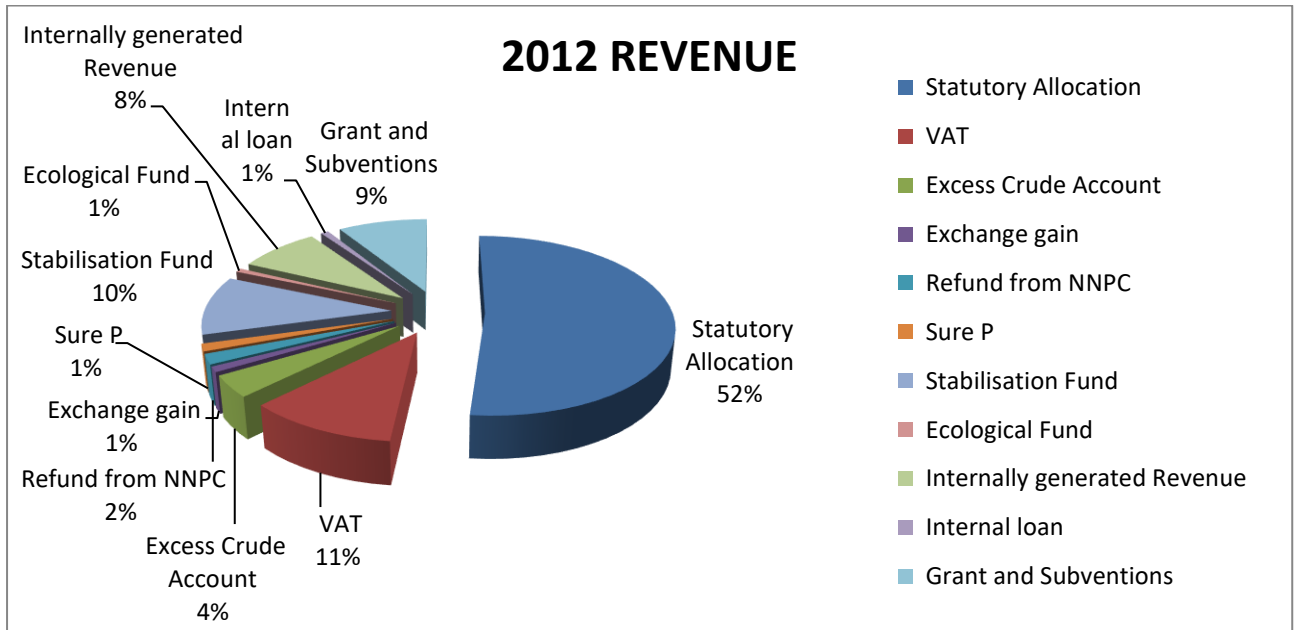


Figure 3 represents total revenue received in 2012

The diagram above depicts revenues earned by the State during the year 2012. It revealed that substantial part of the revenue earned was in respect of Statutory Allocation amounting to N46 billion representing 81% of the total revenue while State internally generated revenue amounted to N4 billion or 8% of the total revenue. Internal loans, grants, and subventions stood at N5.4 billion representing 11% of the revenue.

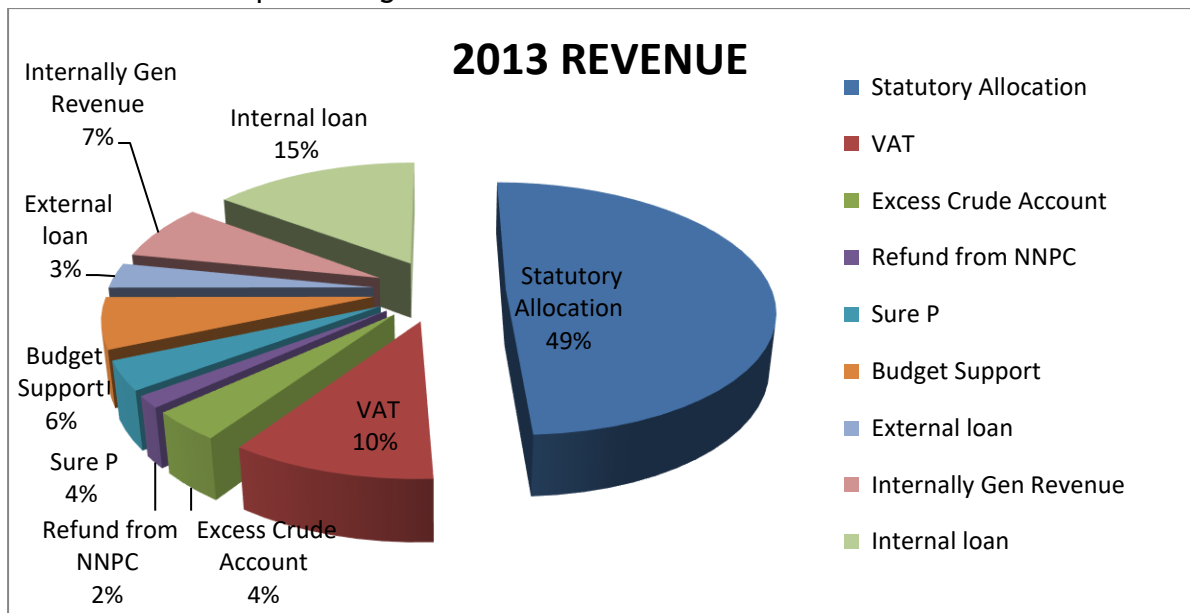


Figure 4 elicits total revenue generated in 2013 fiscal year

The diagram above depicts revenues earned by the State during the year 2013. It revealed that substantial part of the revenue earned was in respect of Statutory Allocation received from the Federation Account amounting to N33 billion or 78% of the total revenue while the State internally generated revenue was N5 billion representing 7% of the total revenue.

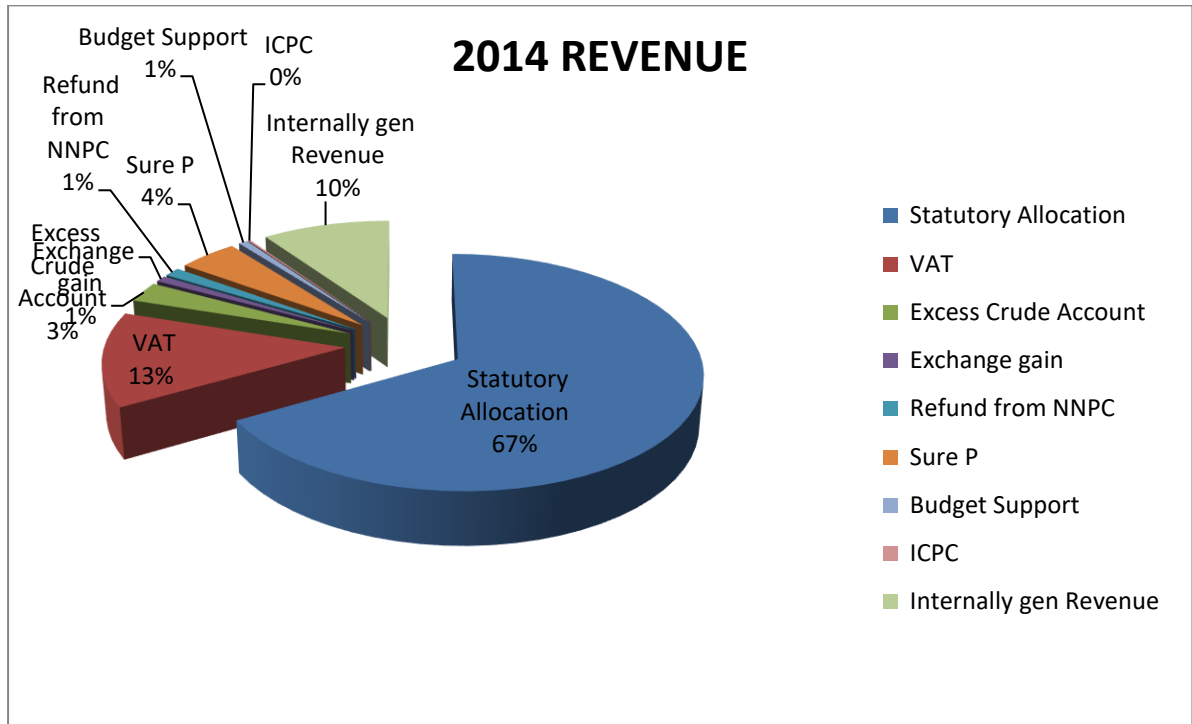


Figure 5 represents percentage analysis of total revenue generated in 2014 fiscal year

The diagram above depicts revenues earned by the State during the year 2014. It revealed that substantial part of the revenue earned was in respect of Statutory Allocation received from the Federation Account amounting to N48 billion or 90% of the total revenue. The State internally generated revenue amounted to N5 billion and represented 10% of the total revenue.

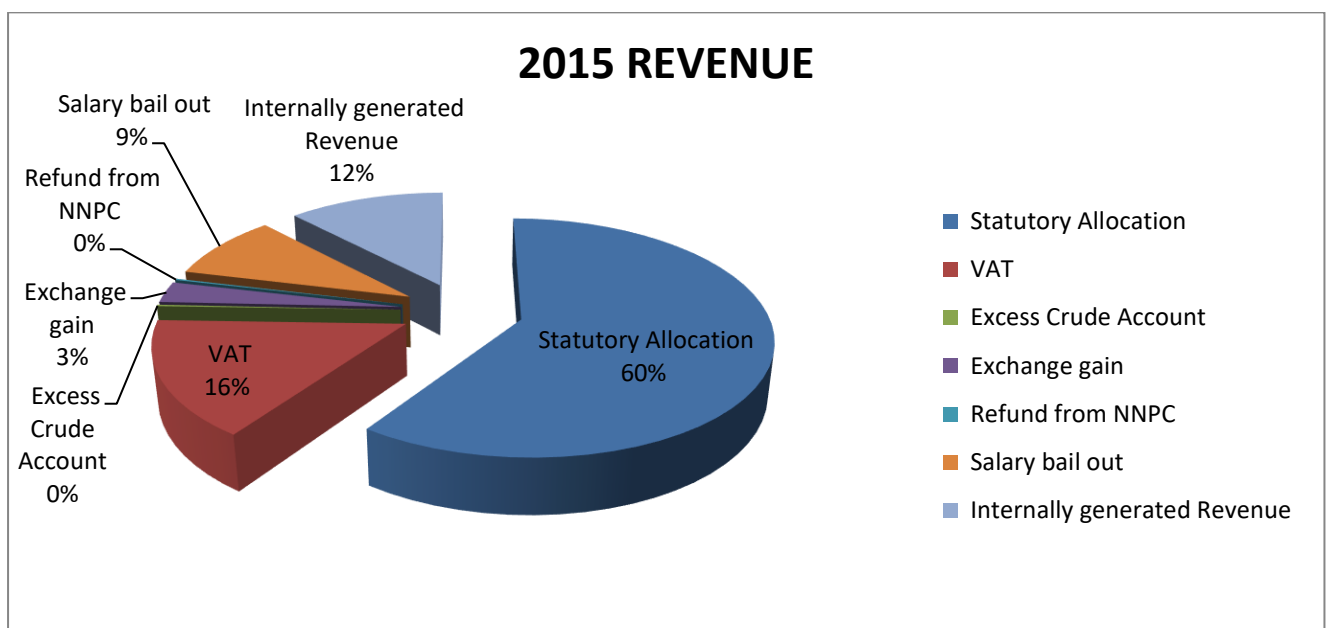


Figure 6 represents percentage analysis of total revenue generated in 2015 fiscal year

The diagram above depicts revenues earned by the State during the year 2015. It revealed that substantial part of the revenue earned was in respect of Statutory Allocation received from the Federation Account amounting to N38 billion or 88% of the total revenue while the State internally generated revenue amounted to N5 billion or 12% of the total revenue.

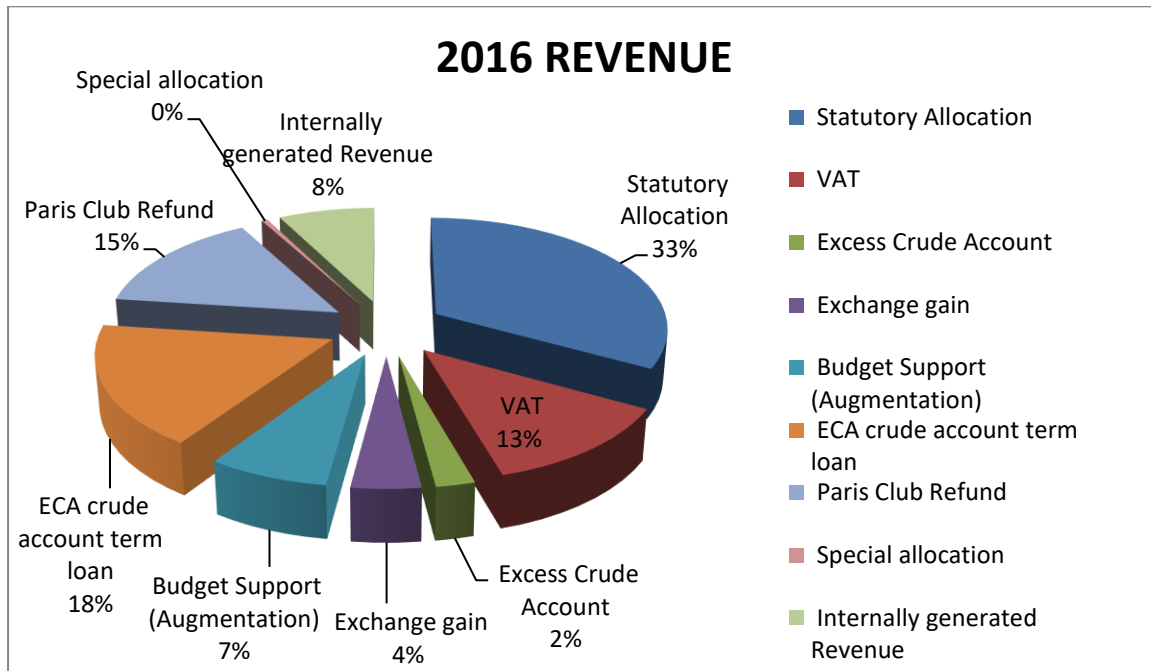


Figure 7 represents percentage analysis of total revenue generated in 2016 fiscal year

The diagram above depicts various revenues earned by the State during the year 2016. It revealed that substantial part of the revenue earned during the year was in respect of Statutory Allocation received from the Federation Account amounting to N52 billion and represents 92% of the total revenue while the State internally generated revenue amounting to N4 billion represented 8% of the total revenue.

3.0 RECURRENT EXPENDITURE

3.1 Recurrent Expenditure

Recurrent expenditure refers to the expenses incurred by the Government for the day-to-day running of the business of governance. It mainly includes money spent for the settlement of liabilities that are of recurring nature such as payment of bills and administrative overheads. It also includes payment of salaries and overhead costs to various Ministries, Departments and Parastatals.

The recurrent Expenditure heads include the following:

- **Personnel Emolument:**

This represents the salaries and wages bill and other personnel related expenses incurred by the State Government on the employees within the State Civil service.

- **Overhead Costs:**

This is the major item of recurrent expenditure incurred by the State. This is used for the execution of the day to day administrative activities of the Government. It comprises such expenditure as transport and travelling, telephone and postal services, stationery and printing, entertainment and hospitality, consultancy and professional services, repairs and maintenance of government assets, etc.

- **Pensions and Gratuity:**

This is the payment made by the State Government to retired employees of the State Civil Service as well as the portion of the State Government's obligation of the contributory pension scheme in line with the Pensions Reform Act, 2004.

- **Grants and Subvention:**

This represents the amounts given by the State Government to the State owned institutions and Agencies towards the realisation of specific objectives.

- **Public Debt Charges:**

This represents the monies spent by the State Government for the purpose of servicing and managing the State's debts both internal and external loans and other public debts.

3.2 Distribution of Total Recurrent Expenditure from 2012 - 2016

The table below shows the distribution of total recurrent expenditure incurred by the State in the years 2012 to 2016.

Table 4 - Summary of Recurrent Expenditure

Year	Total Recurrent Expenditure(₦'m)
2012	46,055
2013	45,749
2014	47,531
2015	37,444
2016	39,615
Grand Total	216,394

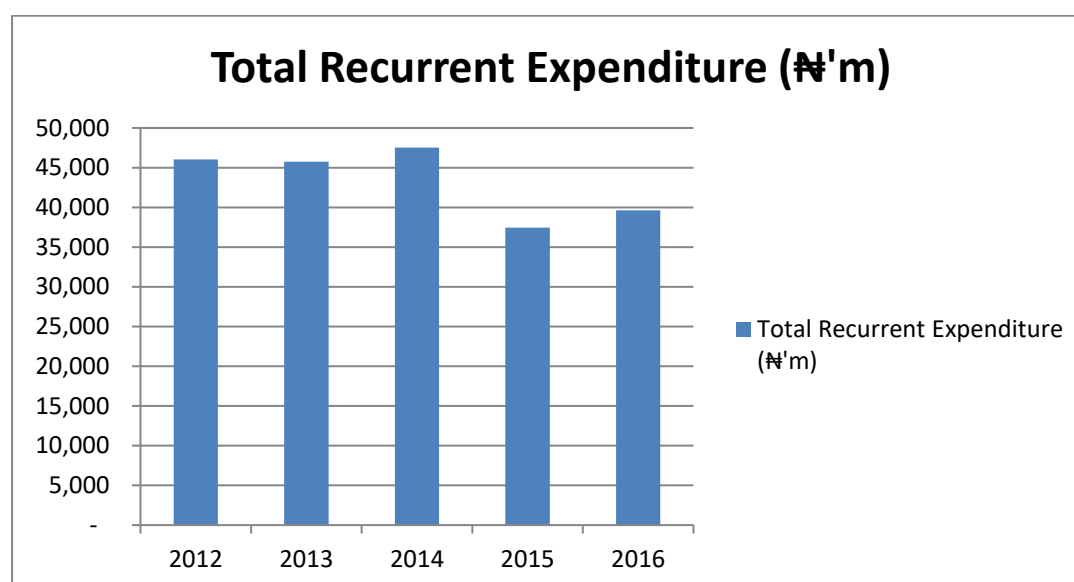


Figure 8: Distribution of Total Recurrent Expenditure for Nasarawa State (2012-2016)

3.3 Comparison of Total Revenue to Total Recurrent Expenditure 2012-2016

The table below compares total revenue to total recurrent expenditure of Nasarawa State between the years 2012 to 2016.

Table 5 - Comparison of total revenue to total recurrent expenditure

Year	Total Revenue(₦)	Total Recurrent Expenditure(₦)	Recurrent expenditure as a percentage of total revenue
2012	56,540	46,055	82%
2013	67,851	45,749	68%
2014	53,163	47,531	90%
2015	43,376	37,444	86%
2016	56,872	39,615	70%
Grand Total	277,802	216,394	

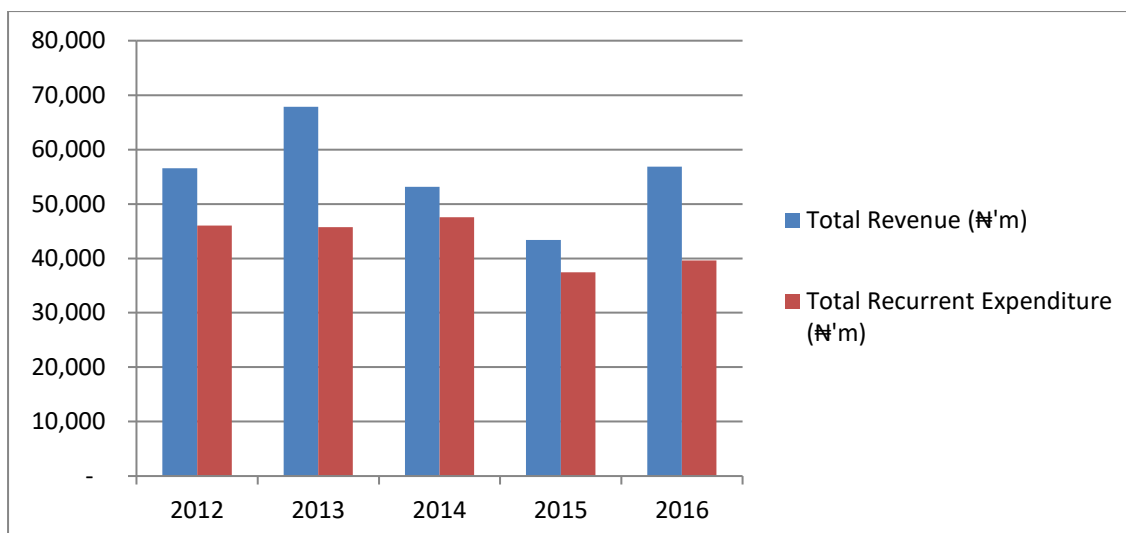


Figure 9: Comparison of Total Revenue with Total Recurrent Expenditure

Table 6 -Total revenue to total recurrent expenditure

Year	Total Revenue(₦)-A	Total Recurrent Expenditure(₦)-B	Funds available for Capital expenditure
2012	56,540	46,055	10,485
2013	67,851	45,749	22,102
2014	53,163	47,531	5,632
2015	43,376	37,444	5,932
2016	56,872	39,615	17,257
Grand Total	277,802	216,394	61,408

The above table shows the proportion of the revenue left for capital expenditure after settlement of recurrent expenditure.

3.4 Financial review

- The recurrent expenditure distribution showed that the expenditure incurred by the State over the period under review decreased by N0.36billion or 1% from N46.06 billion in 2012 to N45.7 billion in 2013.This was mainly as a result of decrease in overhead costs and debt servicing charges for both local and international loans in the year.
- Recurrent expenditure also increased slightly by 3% or N1.8 billion from N45.7 billion in 2013 to N47.5 billion in 2014.This was mainly as a result of increases in debt servicing charges for both local and international loans during the year.
- Recurrent expenditure also decreased by 27% or N10.1 billion from N47.5billion in 2014 to N37.4 billion in 2015.This was because of reduction in overhead costs during the year and a decrease in debt servicing charges.
- Recurrent expenditure increased by 6% or N2.2 billion from N37.4 billion in 2015 to N39.6 billion in 2016.The increase was as a result of contribution to Nasarawa State Universal Basic Education Board (NSUBEB) which increased from N265 million in 2015 to N4.6 billion in 2016.

Detailed below is the composition in summary of the major components of recurrent expenditure.

Table 7 - Comparison of Recurrent Expenditure

Year	2012	2013	2014	2015	2016	Total
	₦'m	₦'m	₦'m	₦'m	₦'m	₦'m
Personnel Emolument	13,107	11,715	15,579	12,432	10,769	63,602
Overhead Costs	10,317	12,652	9,179	7,102	10,621	49,871
Pension & Gratuities	1,630	2,299	2,252	2,582	1,591	10,354
Grants & Subventions	10,686	11,422	8,931	8,724	7,958	47,721
Local Loan Servicing	4,892	6,230	7,807	4,338	2,455	25,722
International Loan Servicing	185	145	1,009	227	208	1,774
Consolidated revenue fund charges	5,238	1,287	1,157	312	72	8,066
Contribution to NSUBEB	-	-	288	266	4,593	5,147
Transfer to sinking fund investment	-	-	1,321	1,220	1,220	3,761
Transfer to LG AS ITE EDU BIJO LTD MOF	-	-	8	241	128	377
TOTAL	46,055	45,750	47,531	37,444	39,615	216,395

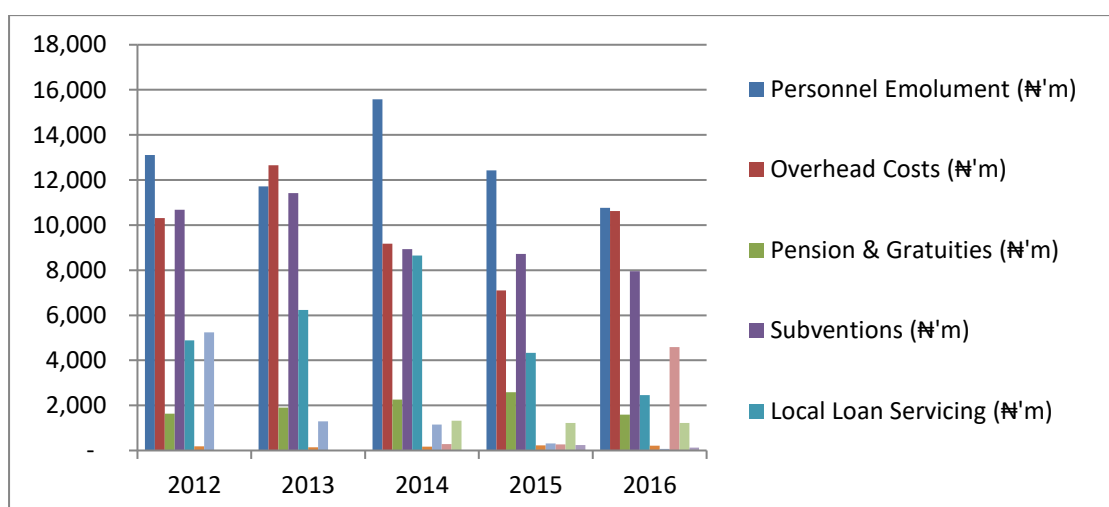


Figure 10: Distribution of Components of Recurrent Expenditure

The chart above shows the proportion of recurrent expenditure incurred during the year. Based on the above graph, it could be deduced that majority of the State's recurrent expenditure was utilized on personnel emoluments, overheads and subventions.

The pie charts below gives a better illustration of the fact highlighted above.

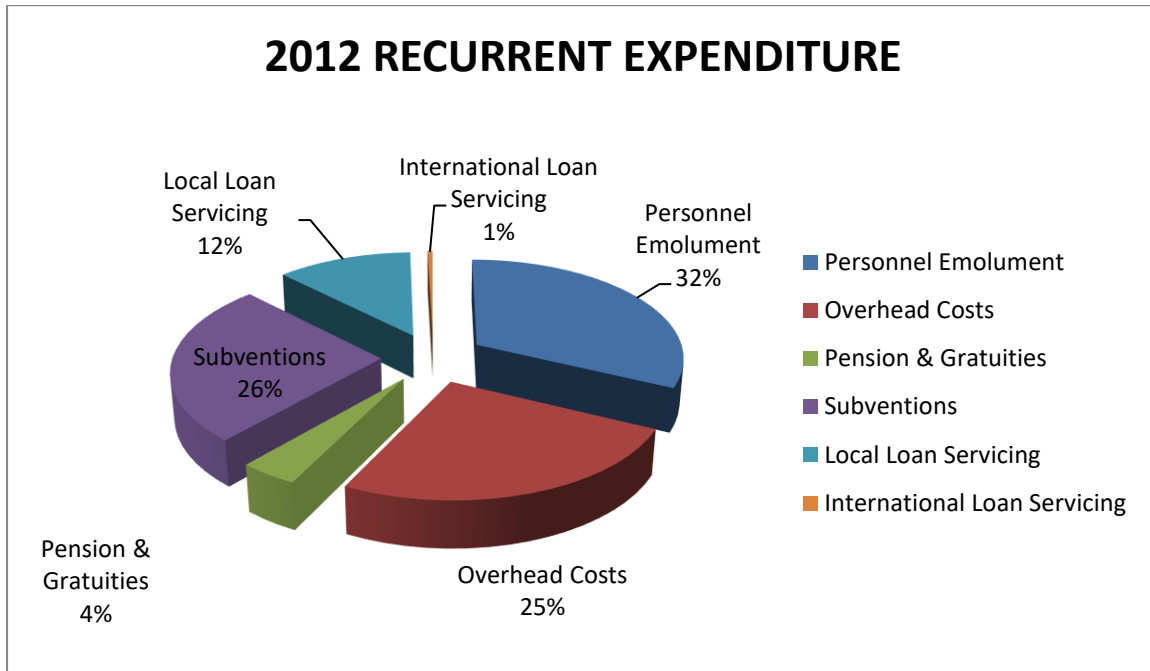


Figure 11: Percentage distribution of recurrent expenditure in 2012

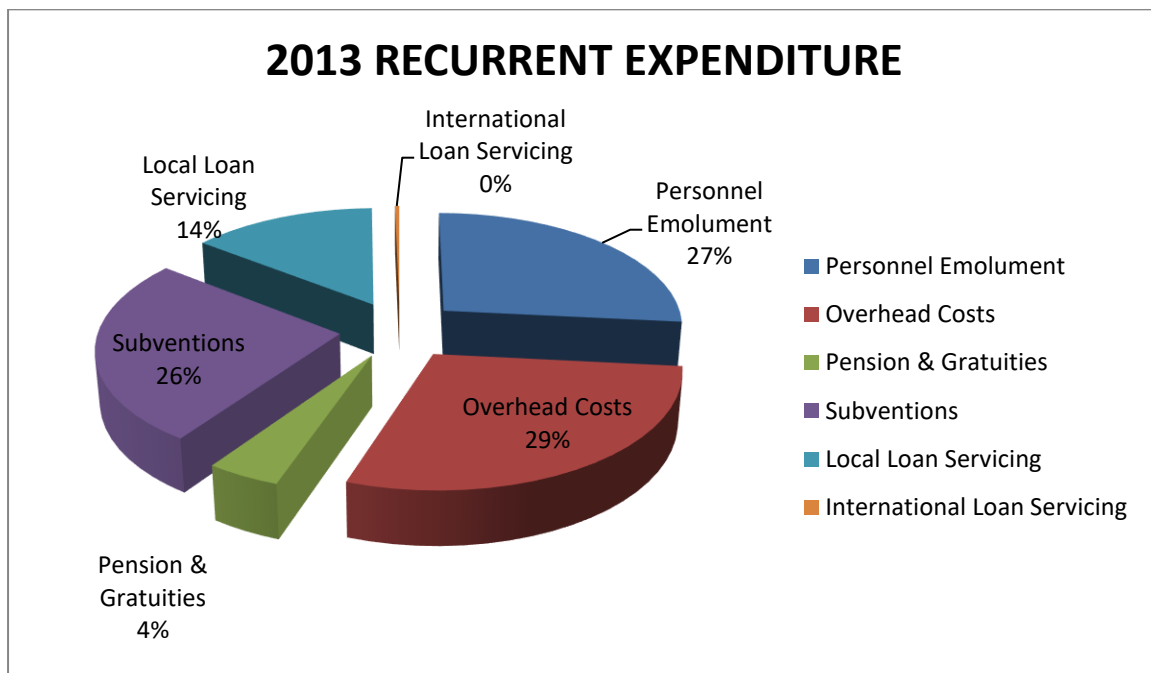


Figure 12 Percentage distribution of recurrent expenditure in 2013

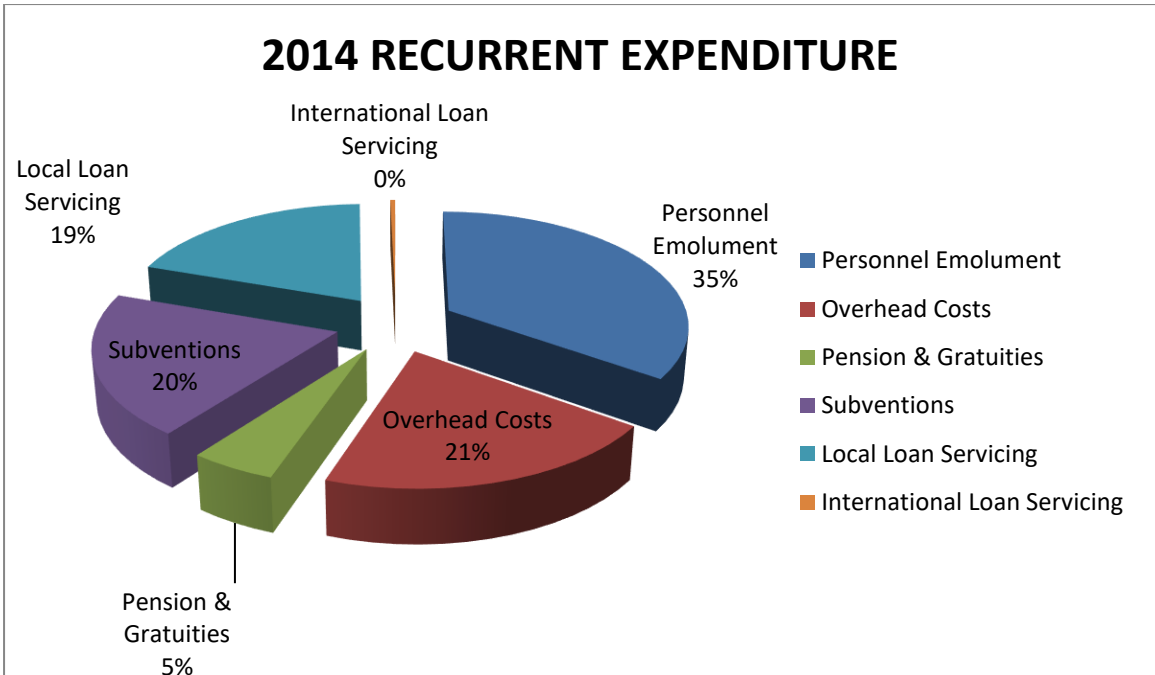


Figure 13 Percentage distribution of recurrent expenditure 2014

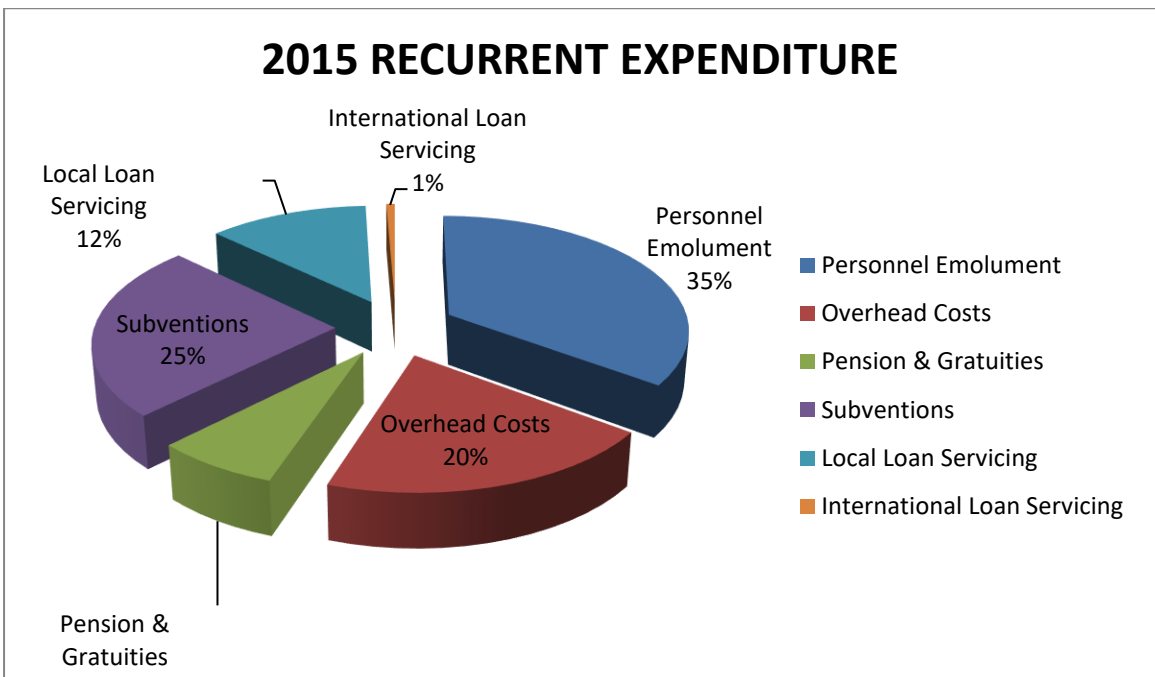


Figure 14: Percentage distribution of recurrent expenditure in 2015

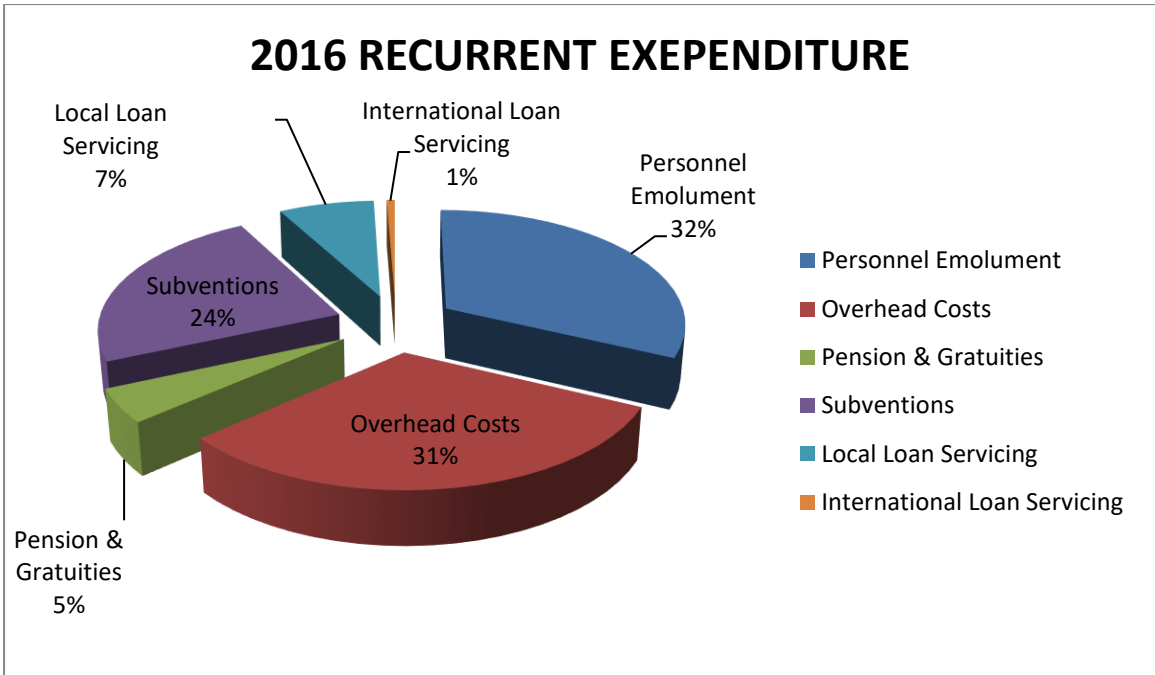


Figure 15: Percentage distribution of recurrent expenditure in 2016

The pie charts above illustrate the percentage of utilization of the government’s spending on recurrent expenditure from 2012 to 2016 fiscal years. A large portion of the State’s recurrent expenditure was expended on both overhead costs and personnel emoluments as seen in the pie charts of the various years.

4.0 CAPITAL EXPENDITURE

4.1 Capital Expenditure

Capital expenditure represents the capital outflows used for the improvements and acquisition of assets and other long term construction for infrastructural development. The table below shows the summary of the total Capital expenditure incurred by Nasarawa State Government between 2012 to 2016.

Table 8 - Summary of Capital Expenditure

Year	Total Capital Expenditure(₦)
2012	11,217
2013	14,495
2014	14,133
2015	10,437
2016	14,825
Grand Total	65,107

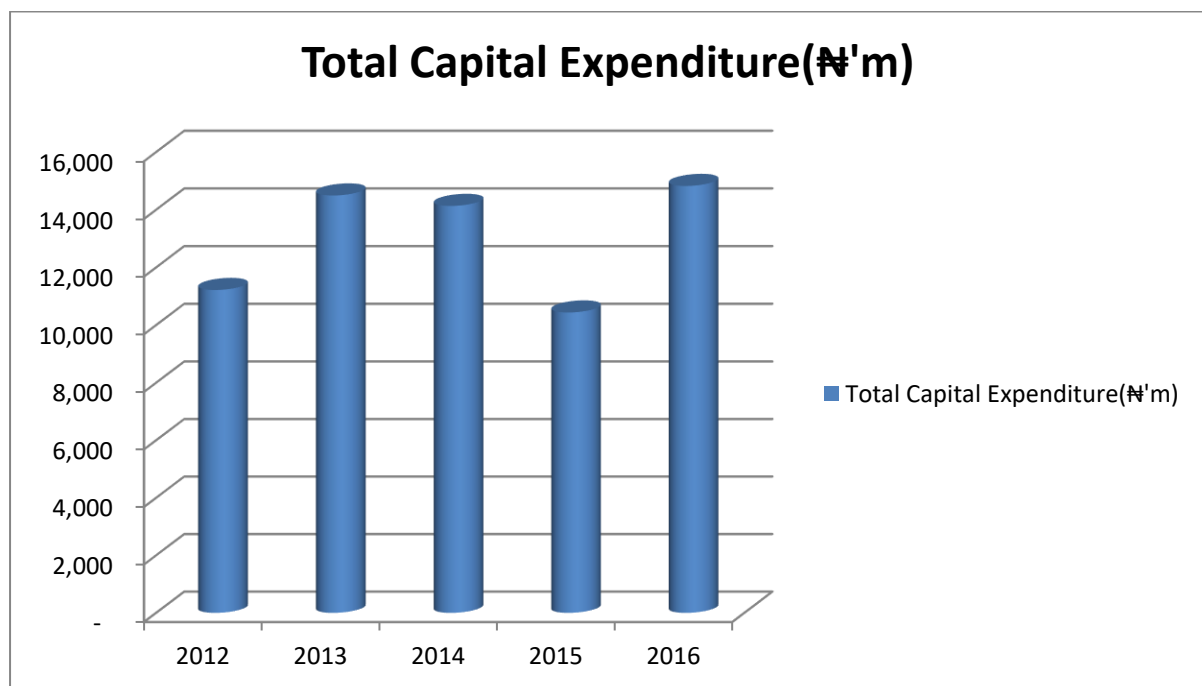


Figure 16: Distribution of Capital Expenditure from 2012 -2016

4.2 Sectorial Breakdown of Capital Expenditure

The table below shows the breakdown of various amounts incurred on capital expenditure in different sectors in Nasarawa State between the period 2012 and 2016.

Table 9 - Sectorial breakdown of Capital Expenditure

Sector	2012	2013	2014	2015	2016
	(₦'m)	(₦'m)	(₦'m)	(₦'m)	(₦'m)
Agriculture	207	677	276	10	4
Finance	93	1,135	306	0.26	0.17
Commerce & Industries	115	38	1,010	1,337	1,269
Transportation	1,981	3,201	1,908	2,255	4,022
Education	184	217	397	371	1,022
Health	218	298	1,183	440	870
Information & Social Development	641	4,242	6	5	283
Water resources	693	536	521	196	300
Lands, Survey & Housing	2,500	138	-	-	-
Drainages & Sewages	-	16	-	-	-
Social Community Development	2,250	1,944	6,820	5,355	6,943
Security	-	-	-	-	-
Admin Infrastructure	2,335	2,053	1,706	467	112
TOTAL	11,217	14,495	14,133	10,437	14,825

The graph below depicts the sectorial distribution of capital expenditure between 2012 to 2016. It is evident that the State committed so much of its capital expenditure on Social community development between the period 2014 to 2016.

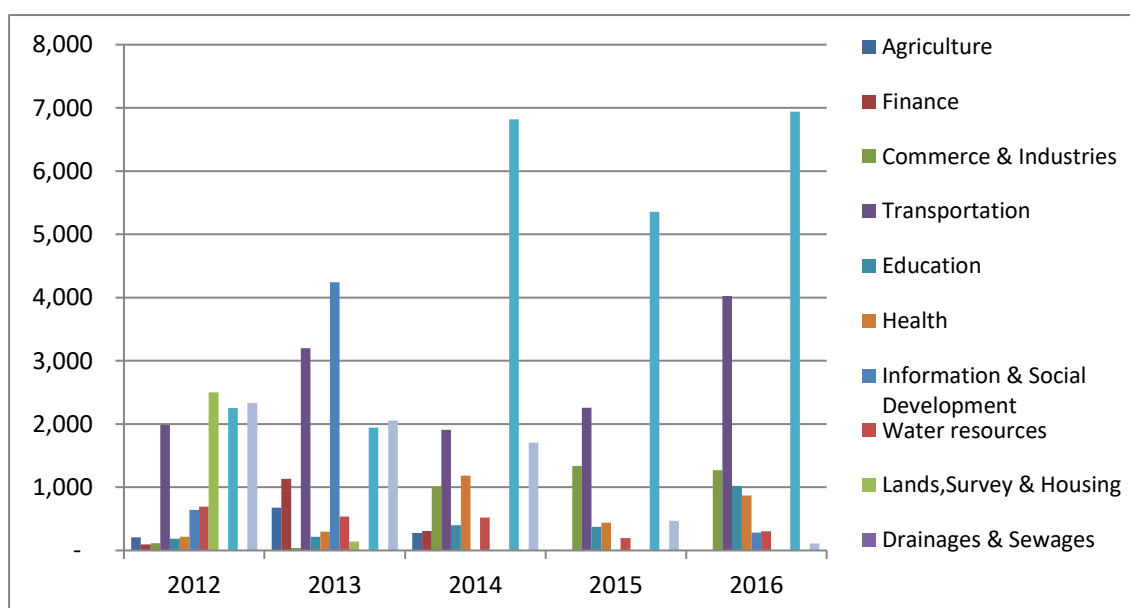


Figure 17: Sectorial Distribution of Capital Expenditure from 2012 to 2016

During the period under review, Nasarawa State expended the sum of N65 billion, on capital expenditure.

- The capital expenditure distribution showed that the expenditure incurred by the State over the period under review grew by N3.3 billion or 29% from N11.2 billion in 2012 to N14.5 billion in 2013. The increase was as a result of increased expenditure on the Transportation, Land, Survey and Housing and Social Development Sectors in the year.
- Capital expenditure decreased slightly by 3% or N0.4 billion from N14.5 billion in 2013 to N14.1 billion in 2014. The sum of N6.8 billion was however incurred on Social Community Development.
- Capital expenditure decreased by 26% or N3.7 billion from N14.1 billion in 2014 to N10.4 billion in 2015. The decrease was as a result of dwindling resources from the Federal Government as a result of the slump in oil prices.
- Capital expenditure increased by 42% or N4.4 billion from N10.4 billion in 2015 to N14.8 billion in 2016. This was because of increased expenditure on Transportation and Social Community Development sectors during the year.

4.3 Comparison of Total Revenue to Total Capital Expenditure 2012-2016

The table below compares total revenue to total capital expenditure of Nasarawa State between the years 2012 and 2016.

Table 10 - Comparison of Total Revenue to Total Capital Expenditure

Year	Total Revenue(₦)-A	Total Capital Expenditure(₦)-B	Percentage movement (B/A)
2012	56,540	11,217	20%
2013	67,851	14,495	21%
2014	53,163	14,133	27%
2015	43,376	10,437	24%
2016	56,872	14,825	26%
Grand Total	277,802	65,107	23%

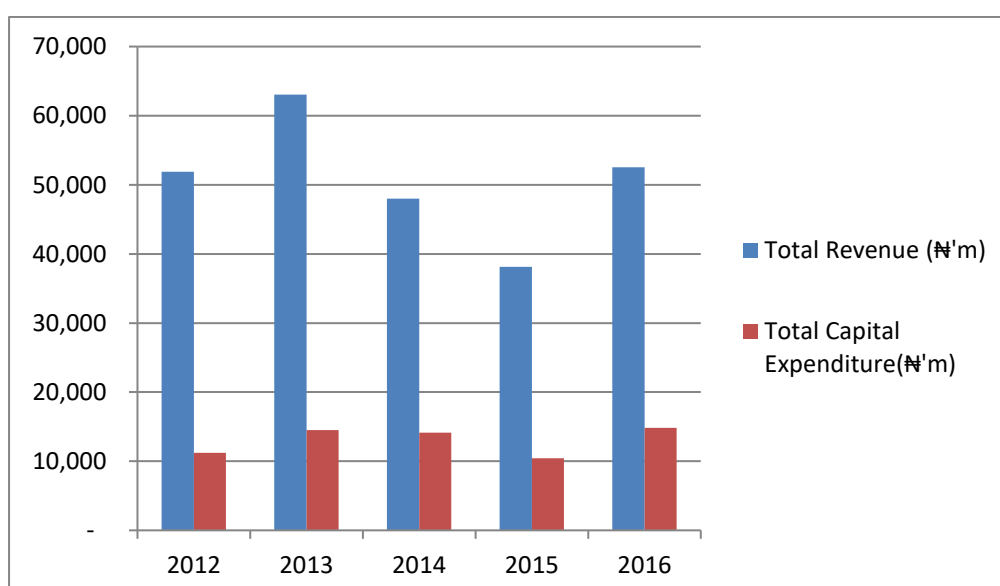


Figure 18: Comparison of Total Revenue with Total Capital Expenditure

4.4 Analysis of Recurrent and Capital Expenditure

Table 11 - Analysis of Recurrent and Capital Expenditure

Year	Total Recurrent Expenditure(₦)	Total Capital Expenditure(₦)-B	Total Expenditure
2012	46,055	11,217	57,272
2013	45,749	14,495	60,244
2014	47,531	14,133	61,664
2015	37,444	10,437	47,881
2016	39,615	14,825	54,440
Grand Total	216,394	65,107	281,501

From the table above, it can be concluded that the State spent the sum of N281 billion as total expenditure from 2012 to 2016, which is made up of recurrent expenditure amounting to N216 billion and capital expenditure to the tune of N65 billion.

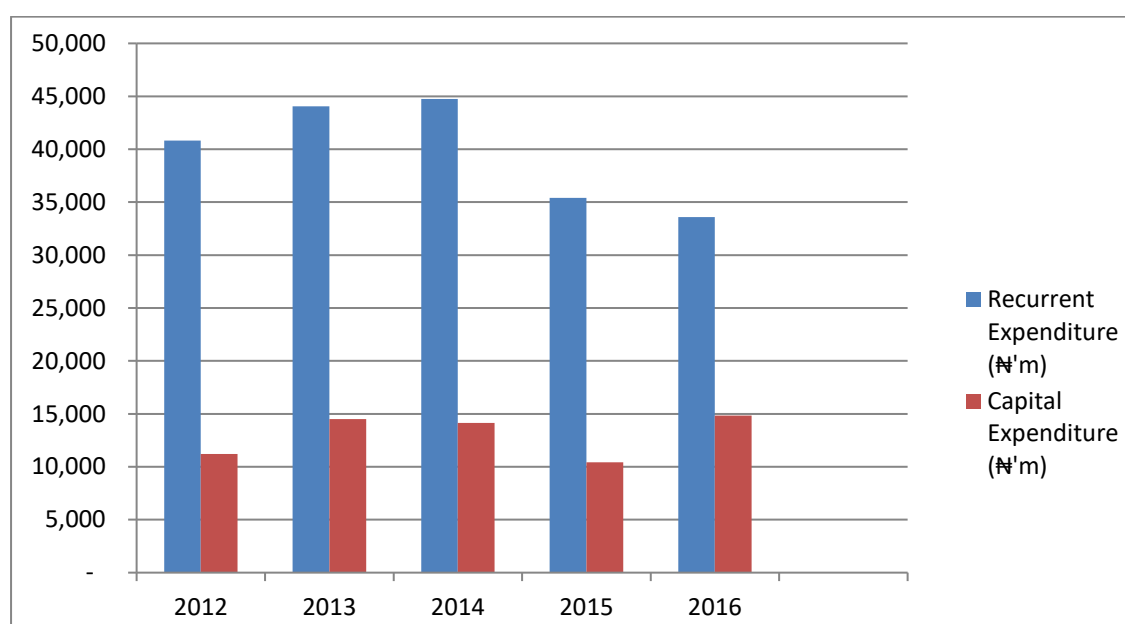


Figure 19: Comparison of Recurrent Expenditure with Capital Expenditure

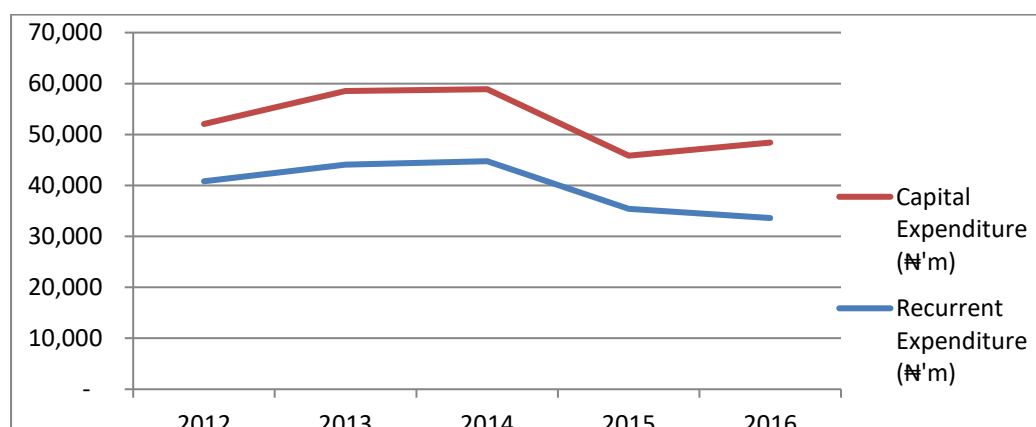


Figure 20: Trend analysis of Recurrent and Capital Expenditure

The above figure shows the trend between recurrent expenditure and capital expenditure of Nasarawa State in the years 2012 to 2016.

5.0 RECOMMENDATIONS AND CONCLUSION

5.1 Key Findings

- The State budgeted for and spent the larger part of its resources on recurrent expenditure to the detriment of some key sectors in need of capital investment which should have facilitated economic development and consequently result in improved standard of living for Nigerians in the state.
- The State has not fully tapped into opportunities that abound within to achieve sufficient inflow through internally generated revenue. As a result, the State relied largely on domestic, foreign loans as well as salary bailouts to meet the needs of recurrent and capital expenditure. In addition, the State was not able to meet up with its counterpart funding responsibility of some humanitarian intervention programs instituted by International Development Association (IDA) in conjunction with the Federal government. For example, the State did not fulfil its counterpart funding responsibility for HIV/AIDS FMAP II programme since 2009.
- The State's financial management information system is deficient and does not adequately allow for transparency. This is mainly due to the manual financial information system currently in operation that does not guarantee adequate records of the State's financial transactions.

5.2 Recommendations

- We recommend that the State reconsider its approach to expenditure in order to achieve effective and efficient allocation of state resources such that, sectors in need of capital investment are given the required level of attention.
- The State should pursue alternative strategies to increase its internally generated revenue. For instance, Nasarawa State has unique topography and landscape with opportunities to develop into a top tourist destination.
- We recommend the computerisation of the State's financial management information system. In addition, the State's financial and accounting procedural manuals should be operationalised and enforced in line with best practice to ensure transparency and accountability of state's resources