

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



ADOL House
15, CIPM Avenue
Central Business District
Alausa, Ikeja
P.O.Box 4929, GPO, Marina
Lagos, Nigeria

SEPTEMBER 2019

TABLE OF CONTENTS

No.	Description	Pages
1.0	Gombe State Government of Nigeria Profile	3-4
1.1	Brief History	
1.2	Location, Land Mass and Population	
1.3	Main Cities and Towns	
1.4	Education	
1.5	Commerce	
1.6	Solid Minerals Development	
2.0	Revenue	5-13
2.1	Sources of revenue	
2.2	Statutory allocation from the Federation Account	
2.3	Revenue process	
2.4	Summary of annual distribution of total revenue	
2.5	Analysis of revenue distribution by sources	
3.0	Recurrent Expenditure	14-17
3.1	Types of recurrent expenditure	
3.2	Summary of total recurrent expenditure from 2012-2016	
3.3	Comparison of total revenue to total recurrent expenditure	
3.4	Financial review of recurrent expenditure	
4.0	Capital Expenditure	18-24
4.1	Comparison of total revenue to total capital expenditure	
5.0	Recommendations and Conclusion	25
5.1	Key Findings	
5.2	Recommendations	
<i>Appendices</i>		
	Monthly breakdown of Federal Allocation (2012-2016)	'A'
	Monthly breakdown of Value Added Tax (2012-2016)	'A1'
	Monthly breakdown of SURE-P (2012-2016)	'A2'
	Monthly breakdown of Excess Crude Oil (2012-2016)	'A3'
	Monthly breakdown of Exchange gain (2012-2016)	'A4'
	Monthly breakdown of NNPC Refund (2012-2016)	'A5'
	Monthly breakdown of Ecological Fund (2012-2016)	'A6'
	Monthly breakdown of Budget Augmentation (2012-2016)	'A7'
	Monthly breakdown of Grants and subventions (2012-2016)	'A8'
	Monthly breakdown of Internal loan (2012-2016)	'A9'
	Monthly breakdown of External loan (2012-2016)	'A10'
	Monthly breakdown of Internally generated revenue (2012-2016)	'A11'
	Monthly breakdown of Budget Support (2012-2016)	'A12'
	Monthly breakdown of Paris Club Refund (2012-2016)	'A13'
	Monthly breakdown of Solid Mineral Revenue (2012-2016)	'A14'

<i>Appendices</i>	
Monthly Break down of Personnel Emoluments (2012 - 2016)	'B'
Monthly Break down of Overhead Costs (2012 - 2016)	'B1'
Monthly Break down of Pension and Gratuities (2012 - 2016)	'B2'
Monthly Break down of Local Loan Servicing (2012 - 2016)	'B3'
Monthly Break down of International Loan Servicing (2012 - 2016)	'B4'
Monthly breakdown of disbursement to Economic Sector (2012-2016)	'C'
Monthly breakdown of disbursement to Social Sector (2012 - 2016)	'C1'
Monthly breakdown of disbursement to Environmental development sector (2012 - 2016)	'C2'
Monthly breakdown of disbursement to General Administration Sector (2012 - 2016)	'C3'
Monthly breakdown of disbursement to General Public Service Sector (2012 - 2016)	'C4'
Monthly breakdown of disbursement to Public Order and Safety Sector (2012 - 2016)	'C5'
Monthly breakdown of disbursement to Economic Affairs Sector (2012 - 2016)	'C6'
Monthly breakdown of disbursement to Environmental Protection Sector (2012 - 2016)	'C7'
Monthly breakdown of disbursement to Housing and Community amenities Sector (2012 - 2016)	'C8'
Monthly breakdown of disbursement to Health Sector (2012 - 2016)	'C9'
Monthly breakdown of disbursement to Education Sector (2012 - 2016)	'C10'
Monthly breakdown of disbursement to Social Protection Sector (2012 - 2016)	'C11'

1.0 GOMBE STATE PROFILE

1.1 Brief History

Gombe State ‘the Jewel in the Savannah’ was carved out from defunct Bauchi State on the 1st October 1996 by the military government of General Sani Abacha(late).The State is made up of people of diverse ethnic, cultural and religious backgrounds.

1.2 Location, Land mass and Population

The State is on a latitude 10⁰ 17¹ N and longitude 11⁰ 09¹ E. It lies in the centre of the North East Geopolitical Zone of Nigeria and shares common boundaries with Adamawa and Taraba States to the South, Bauchi State to the West, Borno State to the East and Yobe State to the North. The State has a land mass of 20,266km².

1.3 Main Cities and Occupations

The State capital is in Gombe and its motto is “Jewel in the Savannah”. The major cities and towns include Gombe, Bajoga, Billiri, Kaltungo, Kumo, Dukku, Dadin Kowa, Deba Bambam, Cham, Nafada, Filiya, Kuri and Tula.

The people of Gombe State are predominantly farmers producing food and cash crops: maize, soghum, cowpeas, groundnuts, soya beans and bambara nuts. They also produce fruits like orange, lemon, mango, guava paw-paw and grapes. Vegetable farming include tomatoes, pepper, onions, okra, pumpkin and melon while tree crops are gum arabic, kenaf, sugar cane, sunflower and ginger.

1.4 Education

In pursuit of education for its citizens, the State has established overtime the following higher Institutions of learning:

- School of Nursing and Midwifery in Gombe
- School of Health Technology in Kaltungo
- School of Basic and Remedial Studies, Kumo
- College of Education, Billiri
- State Polytechnic, Bajoga
- College of Legal and Islamic Studies Nafada
- College of Nursing and Midwifery Dukku
- State University of Science and Technology Kumo

The Gombe State University, a State owned University has been established to absorb the products of Secondary schools and provide high-level manpower in the State. The State also has a Federal University at Kashere.

1.5 Commerce

Gombe State has been the commercial nerve centre of the Northeast region of Nigeria. It earned this reputation due to its central location in the region. Multi - national chain stores and commodity depots are well established in Gombe, the State capital. Amongst these are the Manufacturers Delivery Services (MDS), Unilever, CFAO, Mr Biggs, Nestle Foods, Pfizer Nigeria, Nigeria Bottling Company Plc, Nigeria Breweries Plc, NASCO Foods, Dangote Group of Companies etc.

1.6 Solid Minerals Development

Gombe State is home to a variety of solid minerals, from industrial and rocks that are yet to be exploited. Over 34 minerals are known to exist in the State in commercial quantities. They include Clay, Limestone, Gypsum, Kaolin, Silica sand, Granite, Talc, Diatomite, Hulite, Barites, Mica, and Bentonite etc. The State is seeking investors and joint partners in the large scale mining of Gypsum, Kaolin processing.

2.0 REVENUE

2.1 Revenue sources

The State derives its revenue from two main sources, monthly 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 loan etc.

2.2 Statutory Allocation from the Federation Account

This includes all forms of revenue received from the Federation Account as stated and described below:

- Monthly Statutory Allocation
- Value Added Tax (VAT)
- Excess Crude Account
- Budget Augmentation
- Exchange Gain
- SURE- P
- Refund from NNPC

(i) Monthly Statutory Allocation

This represents monthly distribution of revenue earned and collected on behalf of the Federal Government from both mineral and non-mineral sources shared among the three tiers of Government. The Allocation is made at the monthly Federation Accounts Allocation Committee (FAAC) meetings and among the states based on the following criteria: Equality (40%), Population (30%), Land mass and terrain (10%), Social development factor (10%) and Internal revenue factor (10%).

(ii) Value Added Tax (VAT)

Value added tax (VAT) is tax charged and payable on the supply of taxable goods and services. It is collected by the Federal Inland Revenue Service (FIRS) and distributed to the federal, states and local governments after deducting 4% cost of collection. VAT is also shared among the states based on the following criteria: Equality (50%), Population (30%) and Derivation (20%)

(iii) Excess Crude Account

This is a an account initiated to protect the implementation of each of the annual budgets from shocks that might arise from shortfalls in oil revenue receipts which could be as a result of fluctuations in prices of oil on the international market. The excess oil revenue over the benchmark volume and price computations accrues to the Excess Crude Account.

(iv) **Exchange Gain**

This is the difference arising from the exchange rate disparity between the budgeted rate and the actual rate and remitted to the Federation Account.

(v) **SURE- P**

Subsidy Reinvestment and Empowerment Program (SURE-P) is a program established for reinvesting the Federal Governments' savings from fuel subsidy removal on critical infrastructure projects and other social safety programmes that will have direct positive impact on the citizens of the Country. The main objectives were to:

- Provide employments for unemployed graduates through internship programmes
- Create database for unemployed youth and reduce social vulnerability.

(vi) **Other Refund**

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

2.3 Revenue Process

- The Accountant-General of Gombe State or the representative attends the meeting of Federation Accounts Allocation Committee (FAAC) every month.
- The Accountant- General receives the FAAC allocation sheet for Gombe State from the meeting. The FAAC meetings proceeding serves as a mandate for the amount to be credited into the Gombe State Bank Account. The Revenue collected into the Federation Account is recorded on preceding month basis.
- The Central Bank pays the allocation into the States' respective accounts. The Statutory allocation is credited into the State FAAC Access Bank account, while the VAT amount is mostly paid into the Diamond Bank Operations account or Guaranty Trust Bank account.
- On the receipt of the allocation in the States' accounts, which are also confirmed in the bank statements, the Treasury Account Officer enters the amount on the receipt side of the manual treasury cashbook before being uploaded into the Pastel Software system.

2.4 Summary of Annual Distribution of Total Revenue

The table below shows the total revenue received by Gombe State during the years 2012 to 2016, both years inclusive.

Table 1 -Summary of annual distribution of Total Revenue

Year	Total Revenue(₦'m)
2012	100,717
2013	76,050
2014	79,063
2015	72,008
2016	59,871
Grand Total	<u>387,709</u>

T

he total revenue received by the State during the years under review is broken down as follows:

Table 2: Total revenue received by the State 2012-2016

Revenue	2012 N'm	2013 N'm	2014 N'm	2015 N'm	2016 N'm	TOTAL N'm
Statutory Allocation	32,700	34,497	36,223	28,801	19,201	151,422
VAT	6,732	7,664	7,336	7,366	7,578	36,676
Excess Crude Account	4,595	2,610	620	145	2,073	10,043
Exchange gain	421		35	1,423	2,463	4,342
Refund from NNPC	1,622	1,066	984	30	-	3,702
SURE P	1,578	2,383	2,463	-	-	6,424
Budget augmentation	827	4,556	1,531	-	-	6,914
Ecological fund	300		500	-	-	800
External loan	958	893	-	233	136	2,220
Solid Mineral Revenue	-		-	-	99	99
					9	
FAAC revenue (A)	<u>49,733</u>	<u>53,669</u>	<u>49,692</u>	<u>37,998</u>	<u>31,550</u>	<u>222,642</u>
Internally generated revenue	7,362	7,402	6,088	5,914	4,804	31,570
Internal loan	24,904	3,265	11,507	25,441	1,967	67,084
Budget support	-	-	-	-	8,614	8,614
Paris Club refund	-	-	-	-	8,320	8,320
Grant and subventions	7,158	7,211	7,944	-	-	22,313
Miscellaneous	6,856	-	-	-	-	6,856
Police reform	-	-	262	-	-	262
Below the line receipts	<u>4,704</u>	<u>4,503</u>	<u>3,570</u>	<u>2,655</u>	<u>4,616</u>	<u>20,048</u>
Other revenue (B)	<u>50,984</u>	<u>22,381</u>	<u>29,371</u>	<u>34,010</u>	<u>28,321</u>	<u>165,067</u>
Total revenue (A+B)	<u>100,717</u>	<u>76,050</u>	<u>79,063</u>	<u>72,008</u>	<u>59,871</u>	<u>387,709</u>

Sources: Audited financial statements 2012-2016 and populated templates

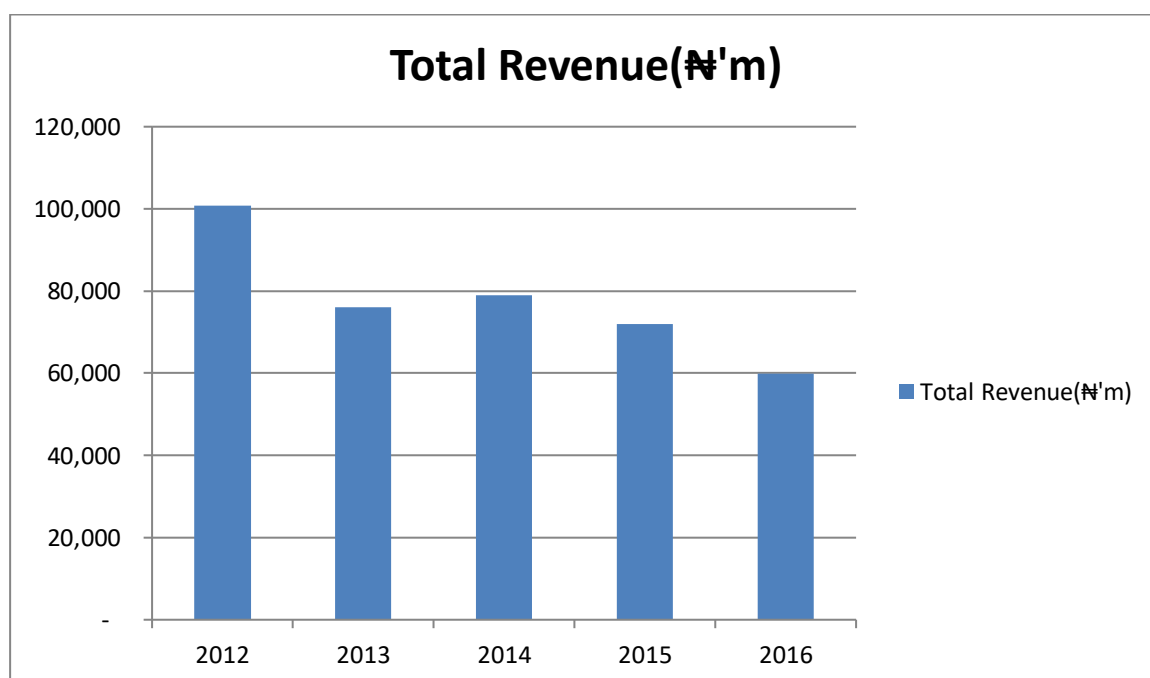


Figure 1: Total Revenue for Gombe State (2012-2016)

2.5 Analysis of Revenue Distribution by Sources

The total gross receipt from the Federation Account from 2012 to 2016 was N223 billion. Other forms of revenue generated comprise of grants and subventions, internal loans, budget support, Paris Club Refund, below the line receipts and internally generated revenue amounting to N165 billion in the years under review. The total revenue generated by the State during the years under review amounted to N388 billion.

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

Total Revenue for 2012 (N'm)

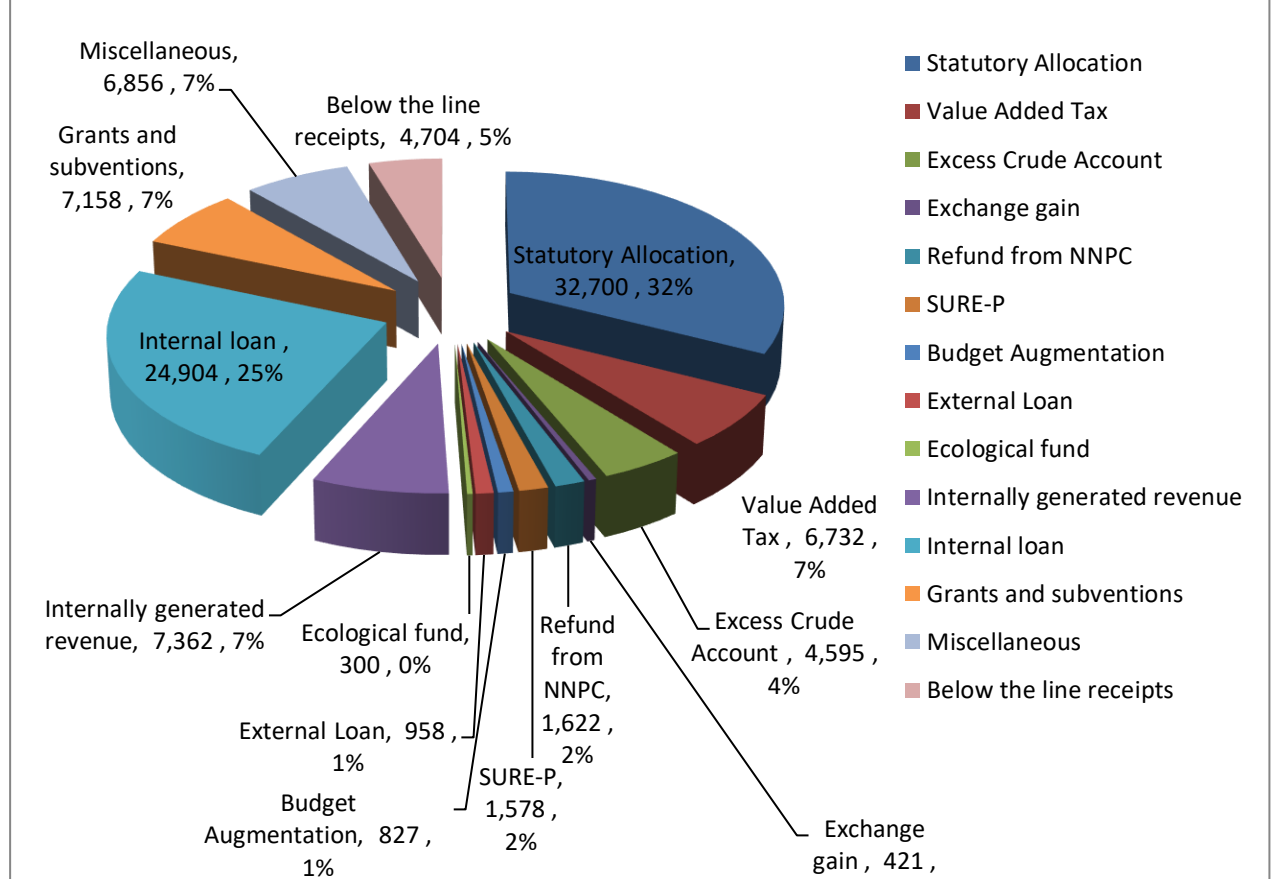


Fig 2 represents Total revenue for 2012

The diagram above depicts various revenues earned by the State during the year 2012. It revealed that substantial part of the revenue earned was in respect of Statutory Allocation received from the Federation Account amounting to N50 billion and representing 49% of the total revenue. The State generated an internal revenue of N7 billion or 7% of the total revenue, while the internal loan received amounted to N25 billion or 25% of the total revenue. Grants and subventions received during the year was N7 billion or 7% of the total revenue.

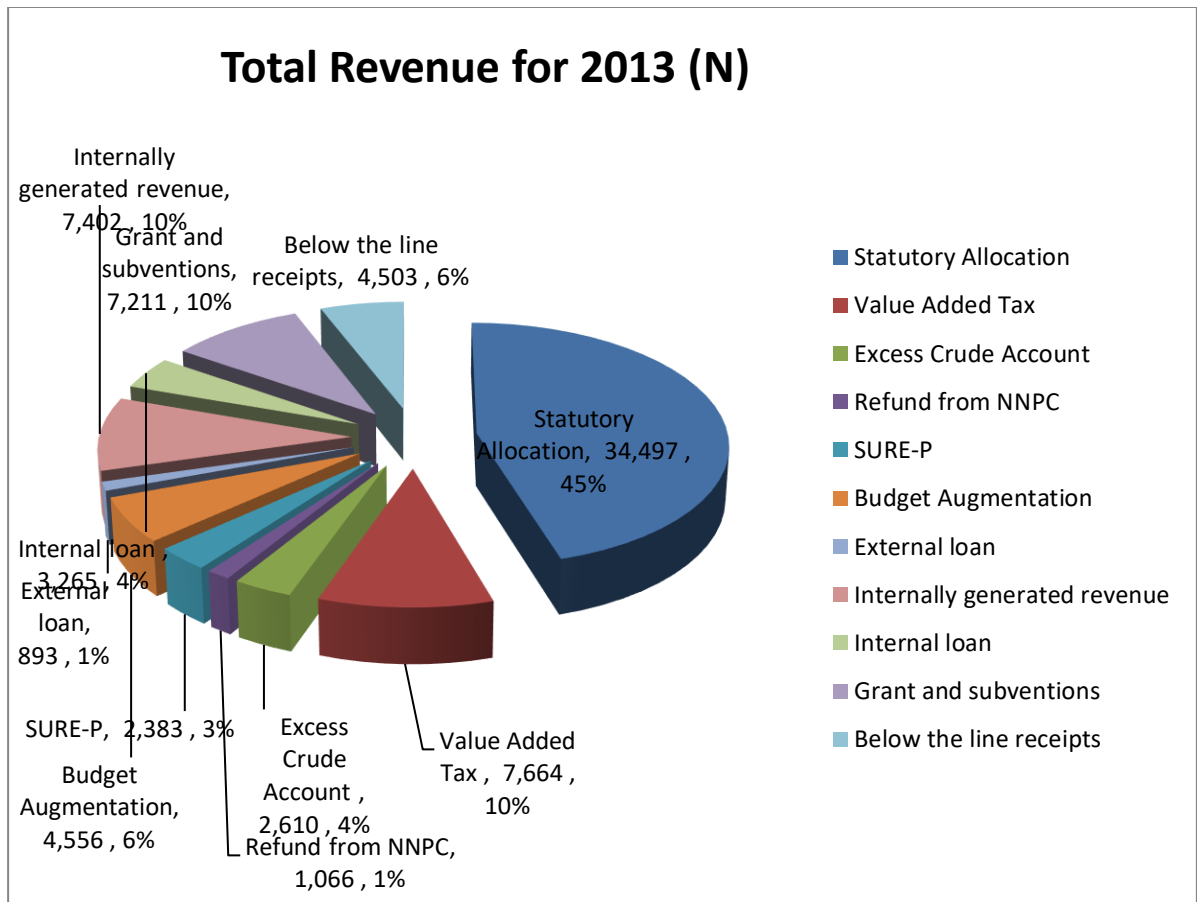


Fig 3 represents total revenue for 2013

The diagram above depicts various revenues earned by the State during the year 2013. The review revealed that substantial part of the revenue earned was in respect of Statutory Allocation received from the Federation Account amounting to N54 billion representing 71% of the total revenue. The State generated internal revenue of N7 billion representing 10% of the total revenue, while the internal loan received amounted to N3 billion or 4% of the total revenue. Grants and subventions received during the year was N7 billion or 9% of the total revenue.

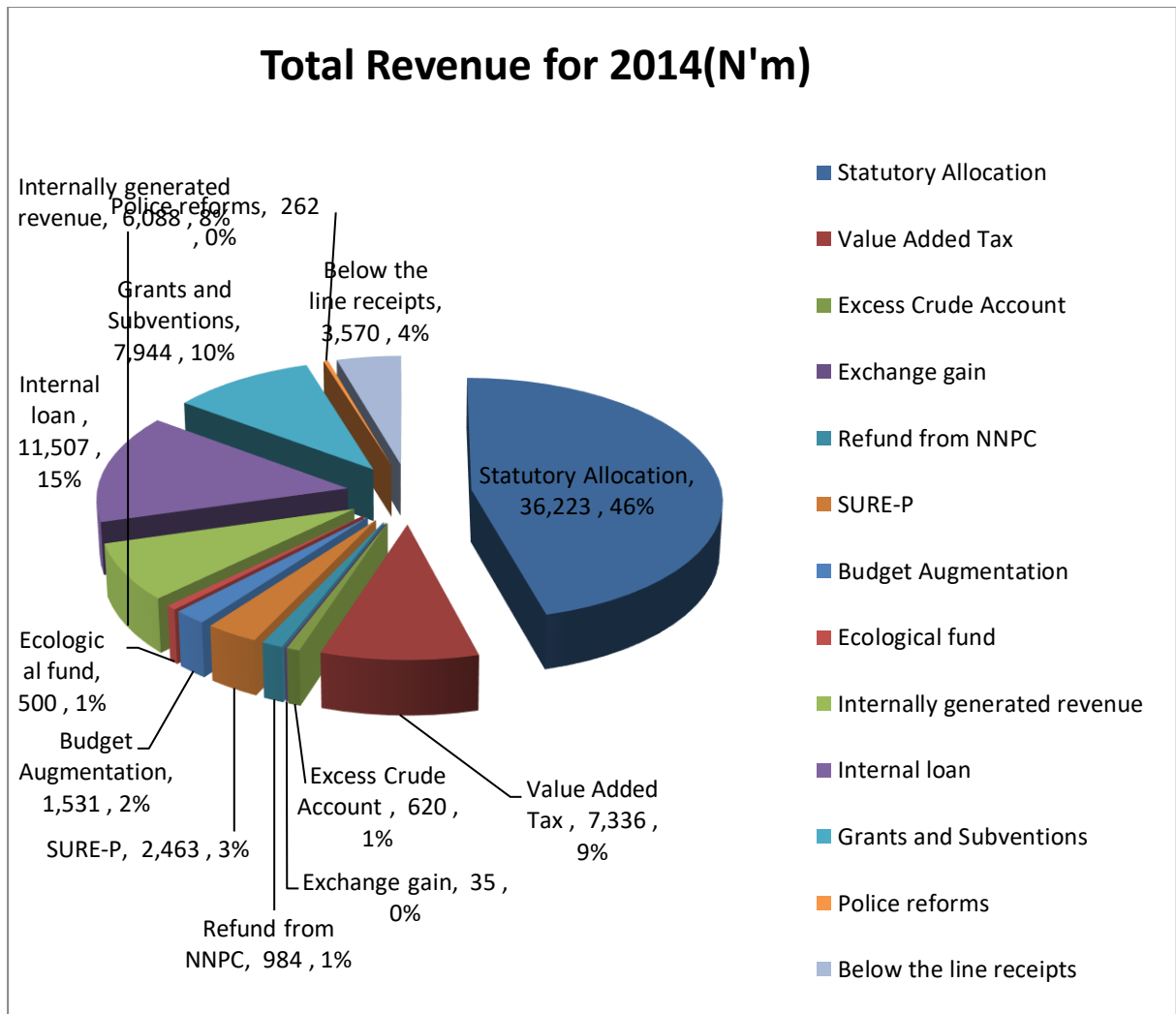


Fig 4 represents total revenue for the year 2014

The diagram above depicts various 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 N50 billion or 63% of the total revenue. The State generated internal revenue of N6 billion or 8% of the total revenue, while the internal loans received stood at N12 billion representing 15% of the total revenue. Grants and subventions received during the year was N8 billion or 10% of the total revenue.

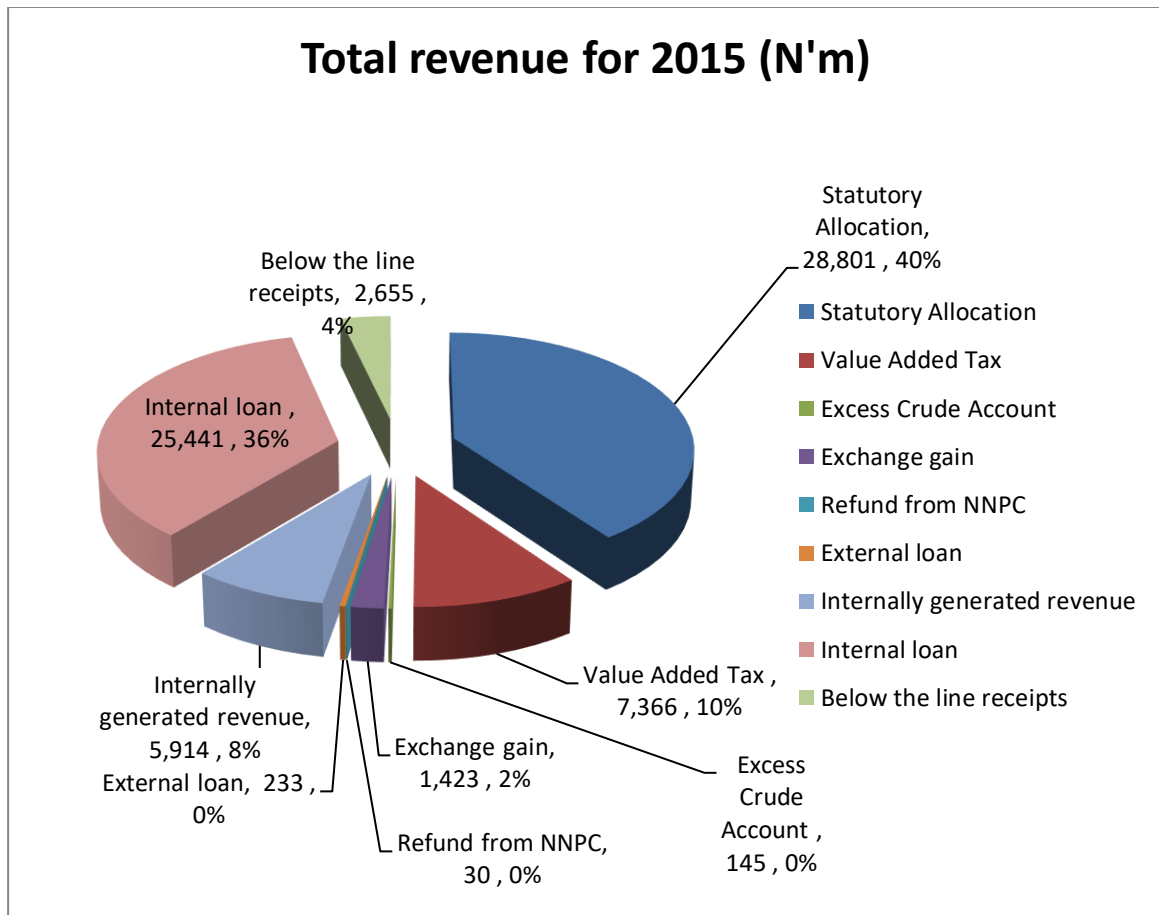


Fig 5 represents total revenue for the year 2015

The diagram above depicts various 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 53% of the total revenue. The State generated internal revenue of N6 billion representing 9% of the total revenue, while the internal loan received amounted to N26 billion or 35% of the total revenue.

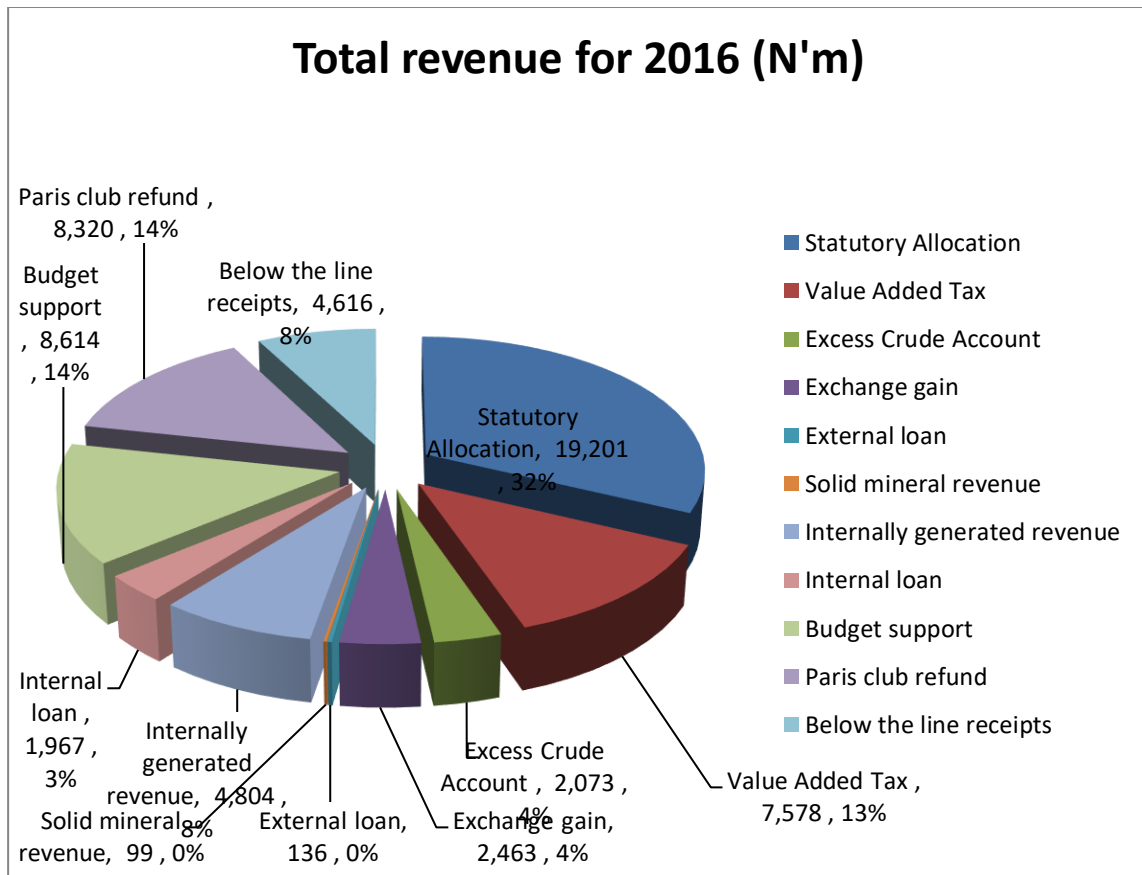


Fig 6 represents total revenue for the year 2016

The diagram above depicts various revenues earned by the State during the year 2016. It revealed that substantial part of the revenue earned was in respect of Statutory Allocation received from the Federation Account amounting to N32 billion or 53% of the total revenue. The State generated internal revenue of N5 billion representing 8% of the total revenue, while the internal loan received amounted to N2 billion or 3% of the total revenue. Budget support received from the Federal Government amounted to N9 billion or 14% of the total revenue and Paris Club Refund received amounted to N8 billion representing 15% of the total revenue.

Additional comments on the State revenue include the following:

- (i) The statutory allocation increased from N33 billion in 2012 to N36 billion in 2014. This however witnessed a sharp decline to only N19 billion in 2016. The decline in statutory allocation resulted from decline in oil prices, which dropped from \$109.45 per barrel to \$40.68 per barrel during the period.
- (ii) The State's share of Value Added Tax over the period under review remained stable increasing from N6.7 billion in 2012 and peaking at N7.67 billion in 2013. Over N7 billion was earned yearly between 2013 and 2016.
- (iii) Except for the years 2013 and 2016, the State borrowed significantly to fund its budget during the period.
- (iv) The State's internally generated revenue witnessed significant decline during the period under review as IGR dropped from N7.4 billion in 2012 to N4.8 billion in 2016.

3.0 RECURRENT EXPENDITURE

3.1 Types of 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, Agencies and Parastatals. The recurrent Expenditure heads include the following:

- **Personnel Emolument**

This represents the salaries and wages 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 pension and gratuity, Statutory Office Holders salaries, overhead running costs, and public debt charges. These are briefly described below:

- **Pensions & 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.

- **Public Debt Charges:**

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

3.2 Summary of Total Recurrent Expenditure from 2012 - 2016

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

Table 3: Summary of Total Recurrent Expenditure 2012 -2016

Year	Total Recurrent Expenditure(₦'m)
2012	41,403
2013	48,086
2014	51,996
2015	50,781
2016	46,959
Grand Total	239,225

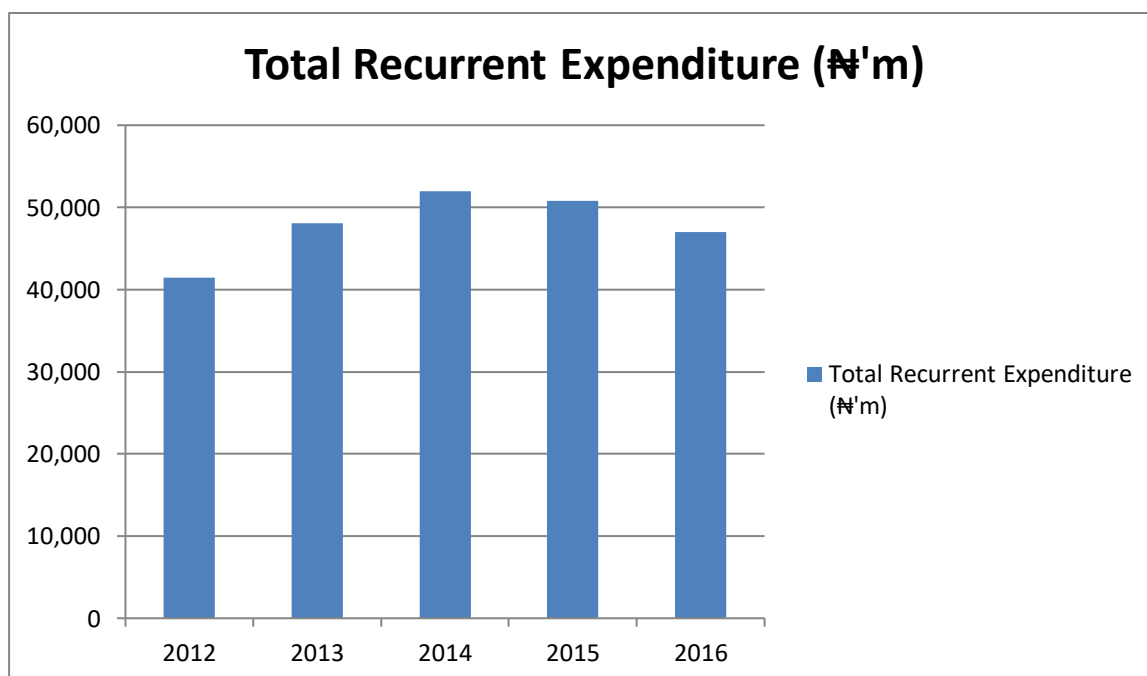


Figure 7: Distribution of Total Recurrent Expenditure for Gombe State (2012-2016)

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

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

Table 4: Comparison of Total Revenue to Total Recurrent Expenditure 2012-2016

Year	Total Revenue (₦'m)	Total Recurrent Expenditure(₦'m)	Percentage of Total Recurrent Expenditure to Total Revenue
2012	100,717	41,403	41
2013	76,050	48,086	63
2014	79,063	51,996	66
2015	72,008	50,781	71
2016	59,871	46,959	78
Grand Total	387,709	239,225	62

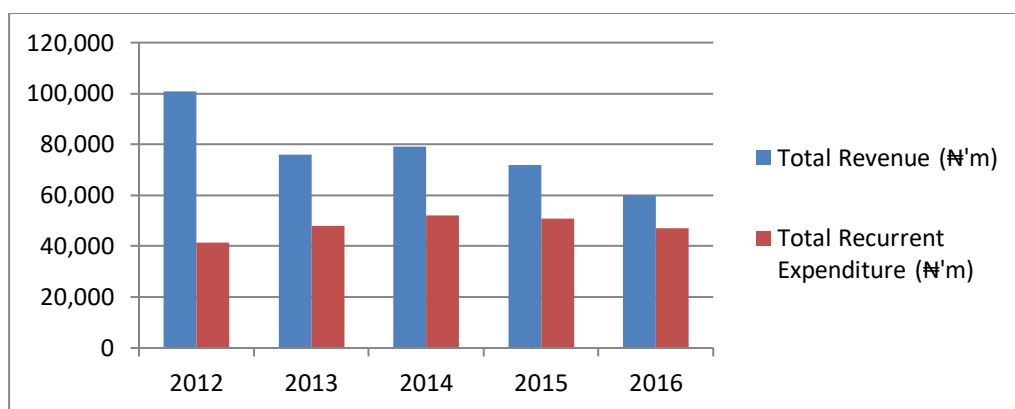


Figure 8: Comparison of Total Revenue with Total Recurrent Expenditure

Table 5: Comparing total revenue with total recurrent expenditure

Year	Total Revenue(N'm) A	Total Recurrent Expenditure(N'm) B	Difference(N'm) (C=A-B)
2012	100,717	41,403	59,314
2013	76,050	48,086	27,964
2014	79,063	51,996	27,067
2015	72,008	50,781	21,227
2016	59,871	46,959	12,912
Grand Total	387,709	239,225	148,484

The above table shows the proportion of the revenue available for capital expenditures after settlement of recurrent expenditures during the respective years.

Table 6: Breakdown analysis of recurrent expenditure

Recurrent Heads	2012 N'm	2013 N'm	2014 N'm	2015 N'm	2016 N'm	Total N'm
Personnel Emoluments	12,279	14,329	17,016	16,121	16,341	76,086
Overhead costs	15,197	17,009	17,410	15,047	11,843	76,506
Pensions and Gratuities	1,337	1,248	3,332	1,970	2,727	10,614
Public debt charges	8,583	10,842	10,125	14,081	11,703	55,334
Consolidated revenue fund charges	134	171	422	460	181	1,368
Below the line expenses	3,873	4,487	3,691	3,102	4,164	19,317
Total	41,403	48,086	51,996	50,781	46,959	239,225

Sources: Audited financial statements 2012-2016

3.4 Financial Review of Recurrent Expenditure

- The recurrent expenditure distribution shows that the expenditure incurred by the State over the years under review increased by N10.6 billion or 26% from N41.4 billion in 2012 to N52 billion in 2014. The increase was because of increase in personnel emoluments of staff of different Ministries, Departments, Agencies and Parastatals during the period under review.
- Recurrent expenditure decreased by N5 billion or 10% from N52 billion in 2014 to N47 billion in 2016. The decrease was attributable to the decrease in the amount incurred on overhead expenses during the year.

The table below shows the total recurrent expenditure per each recurrent heads according to how money was disbursed during the year 2012 to 2016 under review.

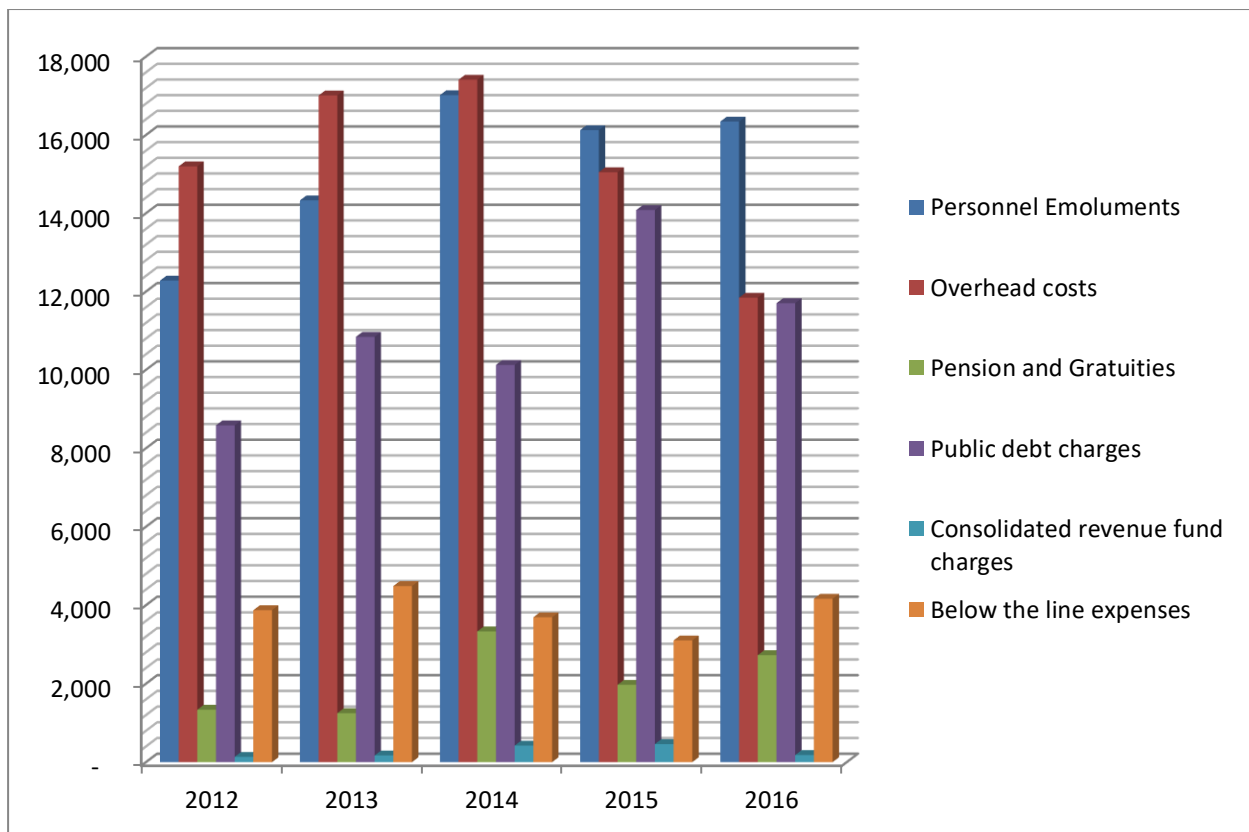


Figure 9: Recurrent expenditure from 2012 to 2016

4.0 CAPITAL EXPENDITURE

Capital expenditure represents the capital outflows used for the improvement and acquisition of assets and other long-term construction for infrastructural development for the benefit of the State. The table and diagram below show the summary of the total Capital expenditure incurred by Gombe State from year 2012 to 2016.

Table 7: Summary of Capital Expenditure 2012 -2016

Year	Total Capital Expenditure(₦'m)
2012	44,171
2013	37,398
2014	31,419
2015	14,420
2016	20,930
Grand Total	148,338

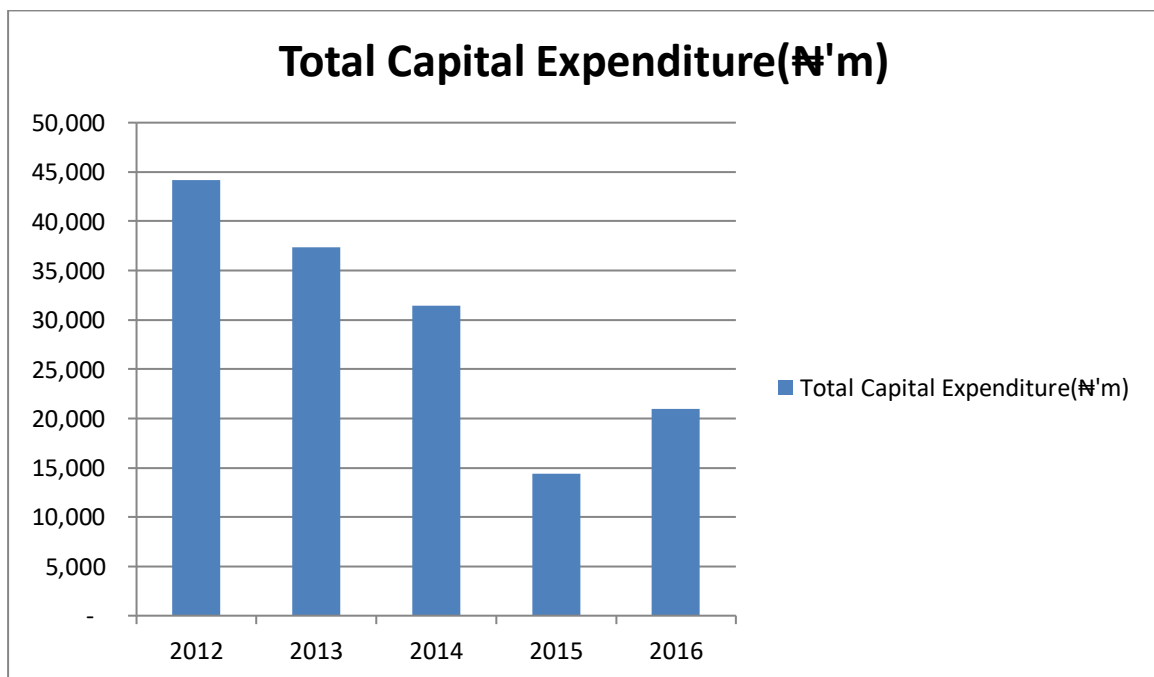


Figure 10: Distribution of Capital Expenditure from 2012 -2016

Table 8: Breakdown analysis of capital expenditure per sector

Capital Expenditure Head/ Years	2012 (N'm)	2013 (N'm)	2014 (N'm)	2015 (N'm)	2016 (N'm)	Total (N'm)
Economic Sector	16,029	21,808	-	-	-	37,837
Social Sector	16,163	7,953	-	-	-	24,116
Environmental development sector	8,846	4,798	-	-	-	13,644
General Administrative Sector	3,133	2,839	-	-	-	5,972
General public services	-	-	1,460	1,343	1,242	4,045
Public order and safety	-	-	11	31	26	68
Economic affairs	-	-	6,321	1,761	3,443	11,525
Environmental Protection	-	-	781	1,074	1,246	3,101
Housing and Community amenities	-	-	10,026	8,204	10,483	28,713
Health	-	-	656	808	1,140	2,604
Education	-	-	11,632	1,115	3,300	16,047
Social Protection	-	-	532	84	50	666
Total	44,171	37,398	31,419	14,420	20,930	148,338

Sources: Audited financial statements 2012-2016

During the periods under review, Gombe State incurred N148billion on capital expenditure.

- The capital expenditure distribution shows that the expenditure incurred by the State decreased by N6.8 billion or 15% from N44.2 billion in 2012 to N37.4 billion in 2013. The decrease was because of reduction in expenditure on the social and regional sectors during the year.
- During the year 2014, the State Government fully commenced and complied with implementation of reporting of financial statements to IPSAS (International Public Sector Accounting Standards) and this led to some changes in the nomenclature of the sectors.
- Capital expenditure decreased by 54% or N17 billion from N31.4billion in 2014 to N14.4 billion in 2015. The decrease was because of reduced expenditure on economic affairs, housing and community amenities, education and social protection sectors that dropped by 72%, 18%, 90% and 84 respectively.
- Capital expenditure increased by 45% or N6.5 billion from N14.4 billion in 2015 to

N20.9 billion in 2016. The increase was because of additional expenditure on the economic affairs, housing and community amenities and education sectors during the year.

The following diagrams below show the actual capital expenditure on the various sectors of the State's Economy during the years 2012 to 2016

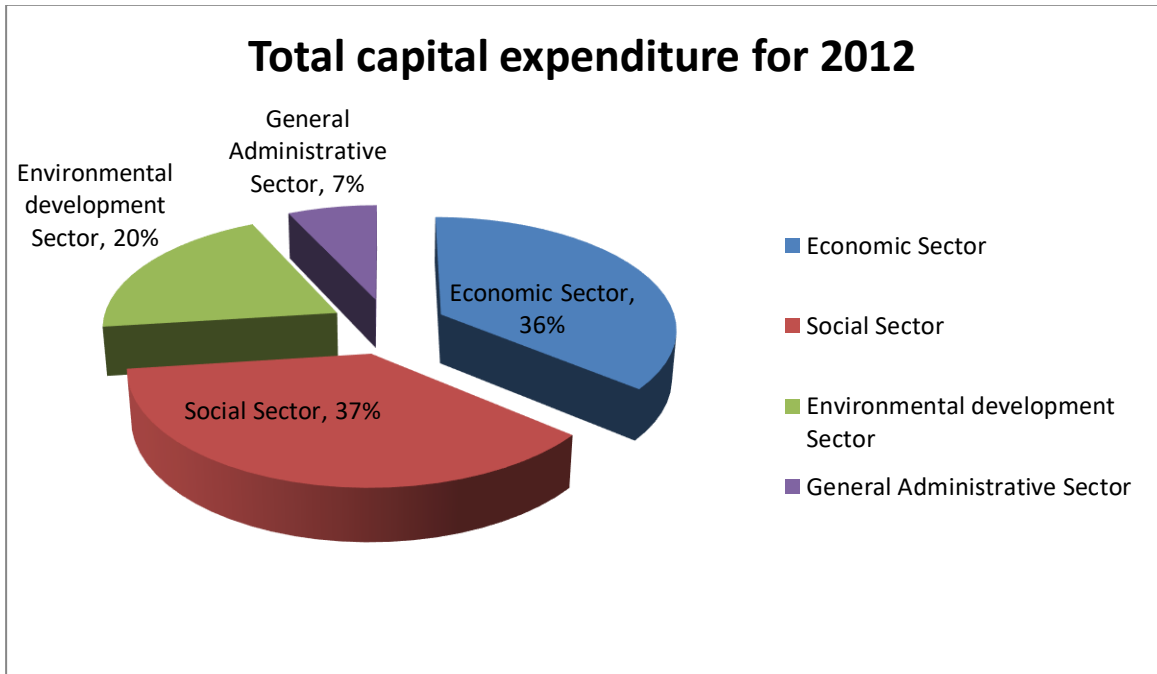


Figure 11: Represents capital expenditure for 2012

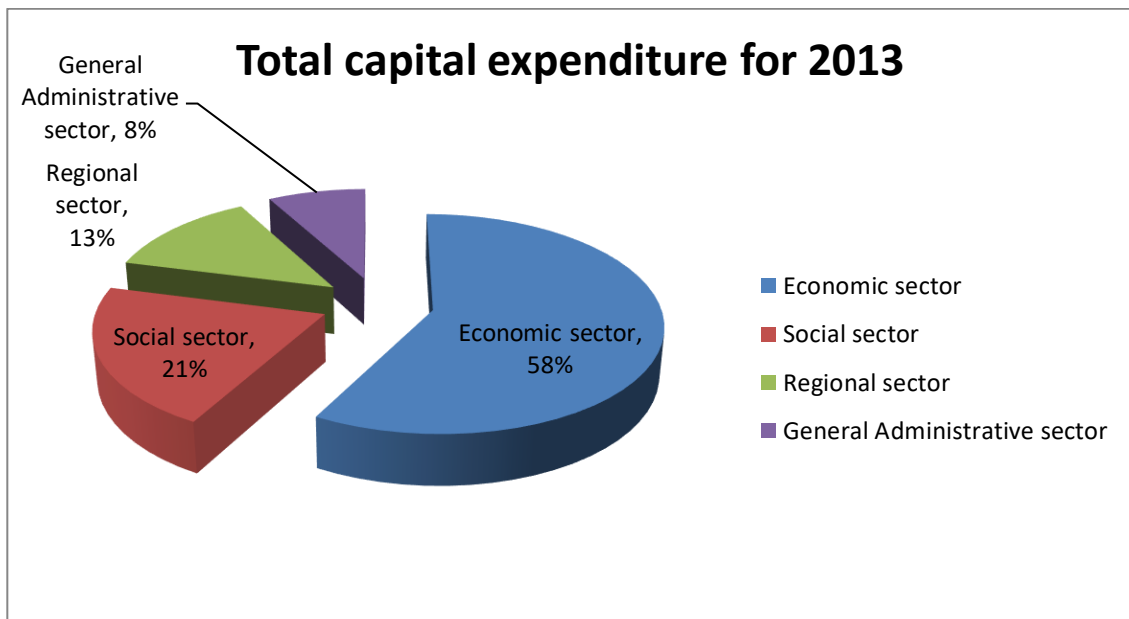


Figure 12: Represents capital expenditure for 2013

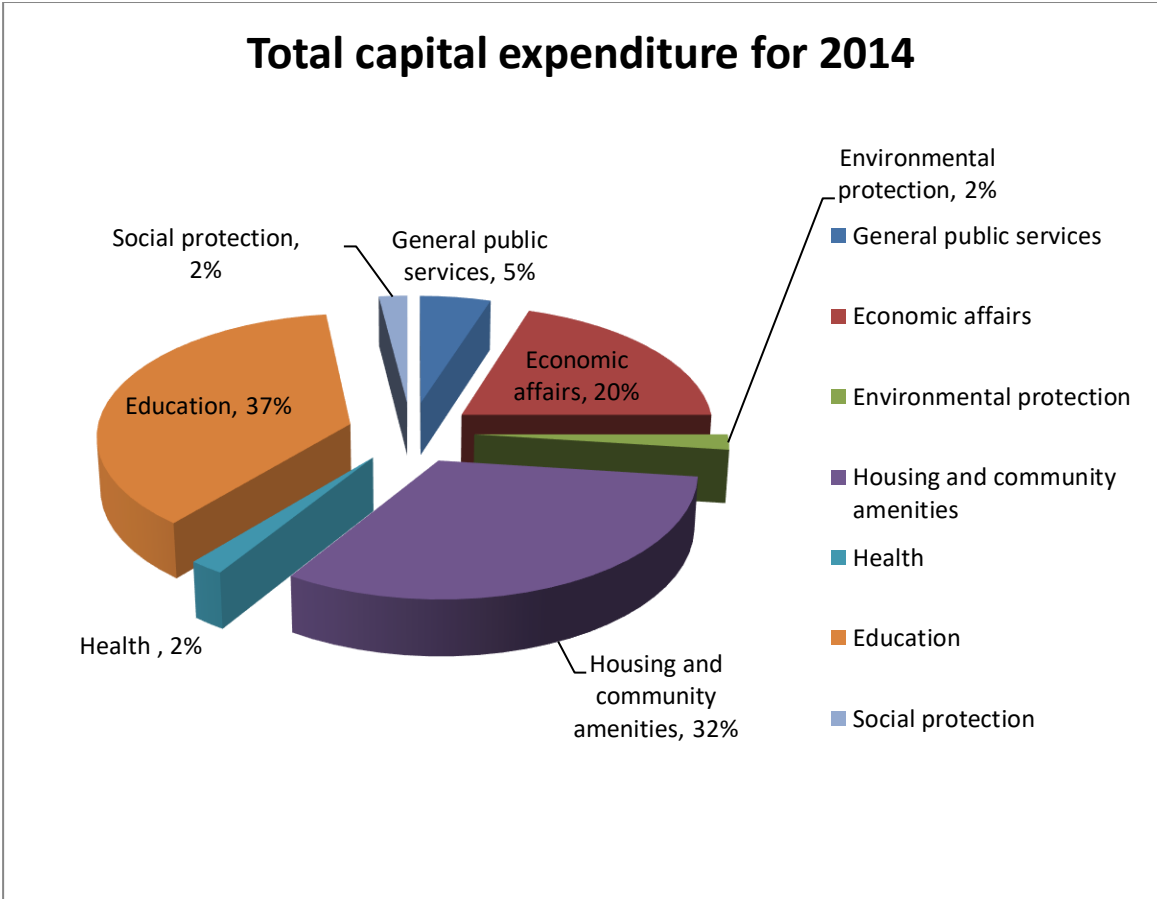


Figure 13: Represents capital expenditure for 2014

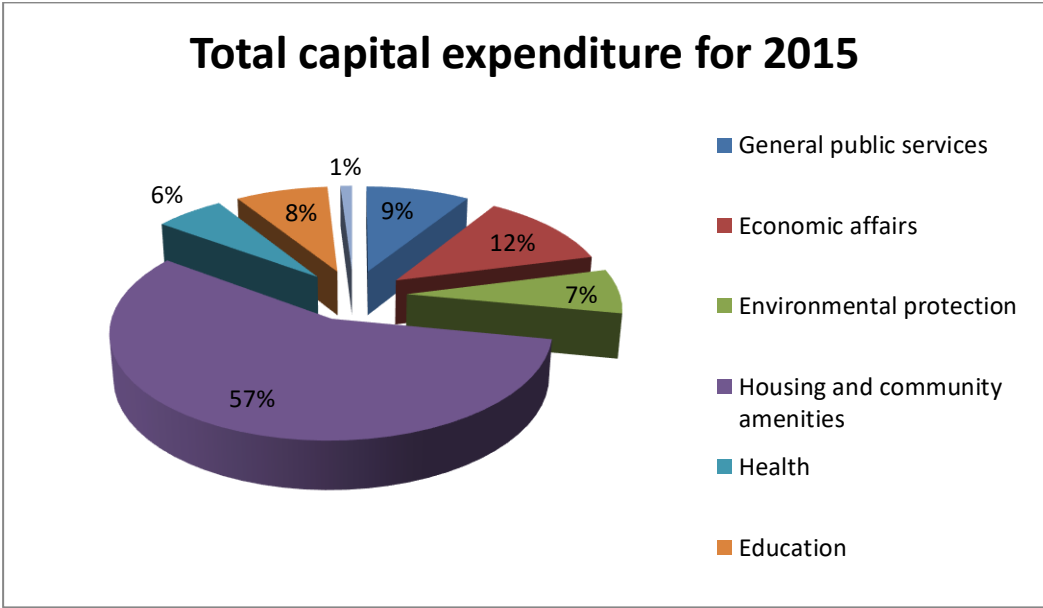


Figure 14: Represents capital expenditure for 2015

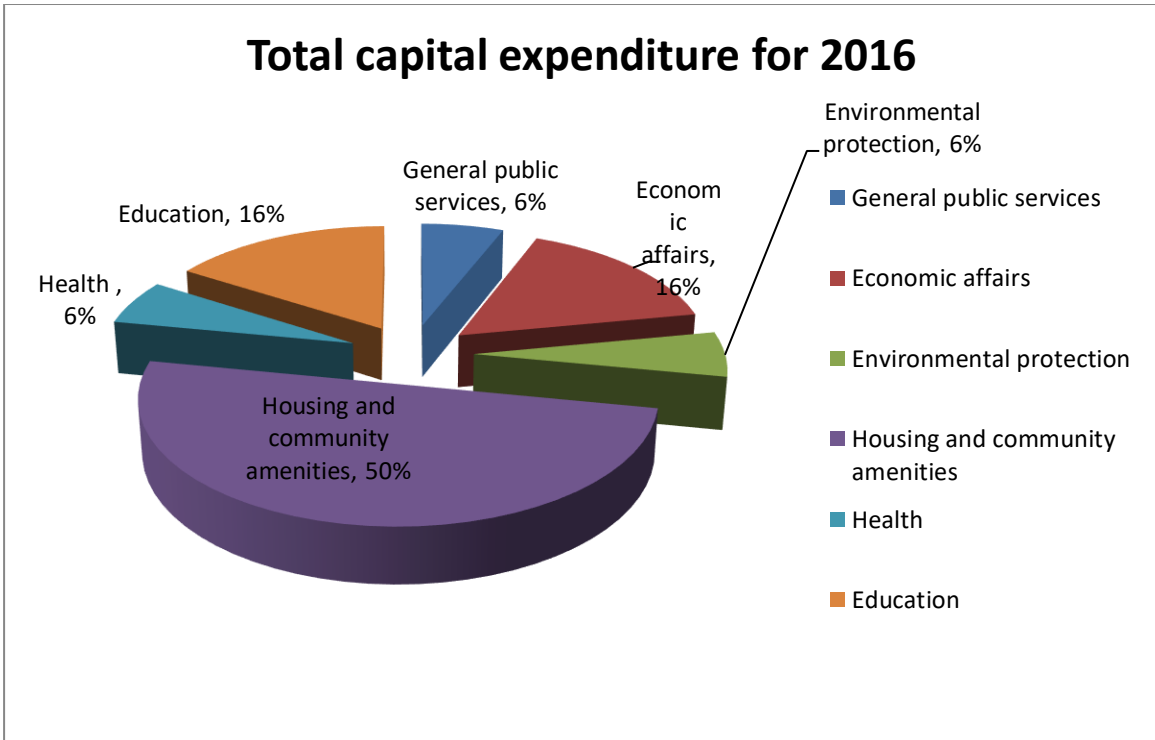


Figure 15: Represents capital expenditure for 2016

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

The table below compares total revenue to total capital expenditure of Gombe State during the years 2012 to 2016.

Table 9: Comparison of Total Revenue to Total Capital Expenditure 2012-2016

Year	Total Revenue(₦' m)	Total Capital Expenditure(₦' m)	Percentage of total capital expenditure to total revenue
2012	100,717	44,171	44
2013	76,050	37,398	49
2014	79,063	31,419	40
2015	72,008	14,420	20
2016	59,871	20,930	35
Grand Total	387,709	148,338	38

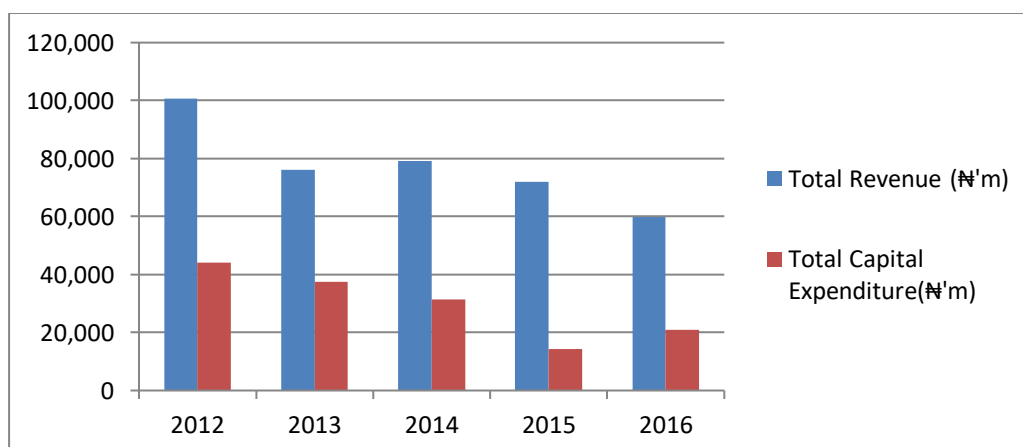


Figure 16: Comparison of Total Revenue with Total Capital Expenditure

From the above chart, it is noted that capital expenditure as a percentage of total revenue decreased between 2012 and 2015 and increased slightly in 2016.

Table 10: Comparison of Total Revenue with Total expenditure

Year	Total Revenue(₦' m)	Total Capital Expenditure(₦' m)	Difference (₦' m)
2012	100,717	44,171	44,416
2013	76,050	37,398	34,149
2014	79,063	31,419	43,680
2015	72,008	14,421	55,031
2016	59,871	20,930	34,225
Grand Total	387,709	148,339	211,501

The table above shows the proportion of funds incurred on capital expenditure out of the revenue accrued to Gombe State during the period under review.

Table 11: Analysis of Recurrent and Capital Expenditure

Year	Total Recurrent Expenditure(₦' m)	Total Capital Expenditure(₦' m)	Total Expenditure (N' m)
2012	41,403	44,171	85,574
2013	48,086	37,398	85,484
2014	51,996	31,419	83,415
2015	50,781	14,420	65,201
2016	46,959	20,930	67,889
Grand Total	239,225	148,338	387,563

From the table above, it can be concluded that the State incurred total sum of N387 billion as expenditure from 2012 to 2016, which is made up of recurrent expenditure amounting to N239 billion and capital expenditure to the tune of N148 billion.

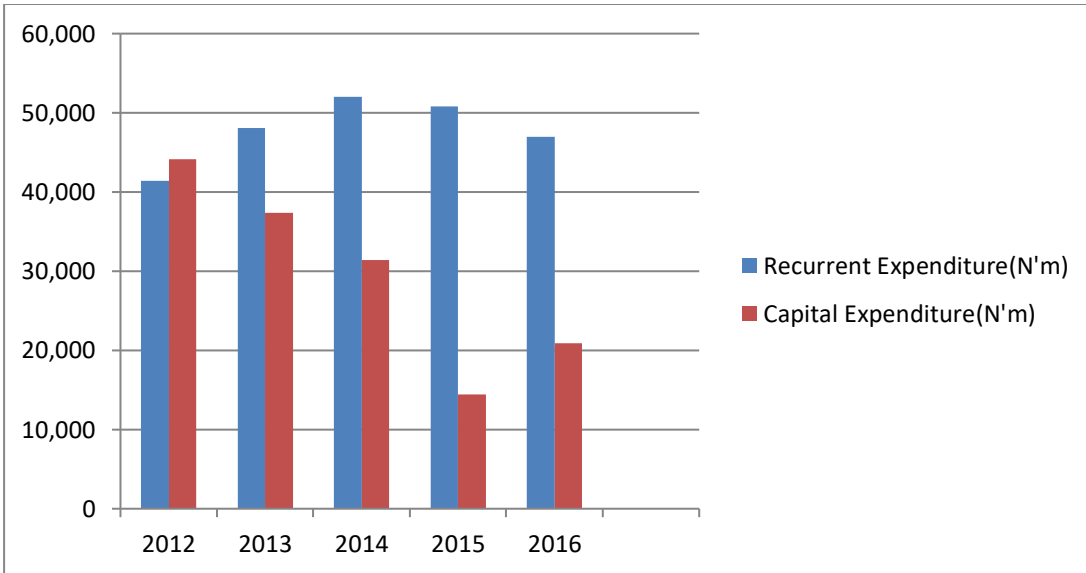
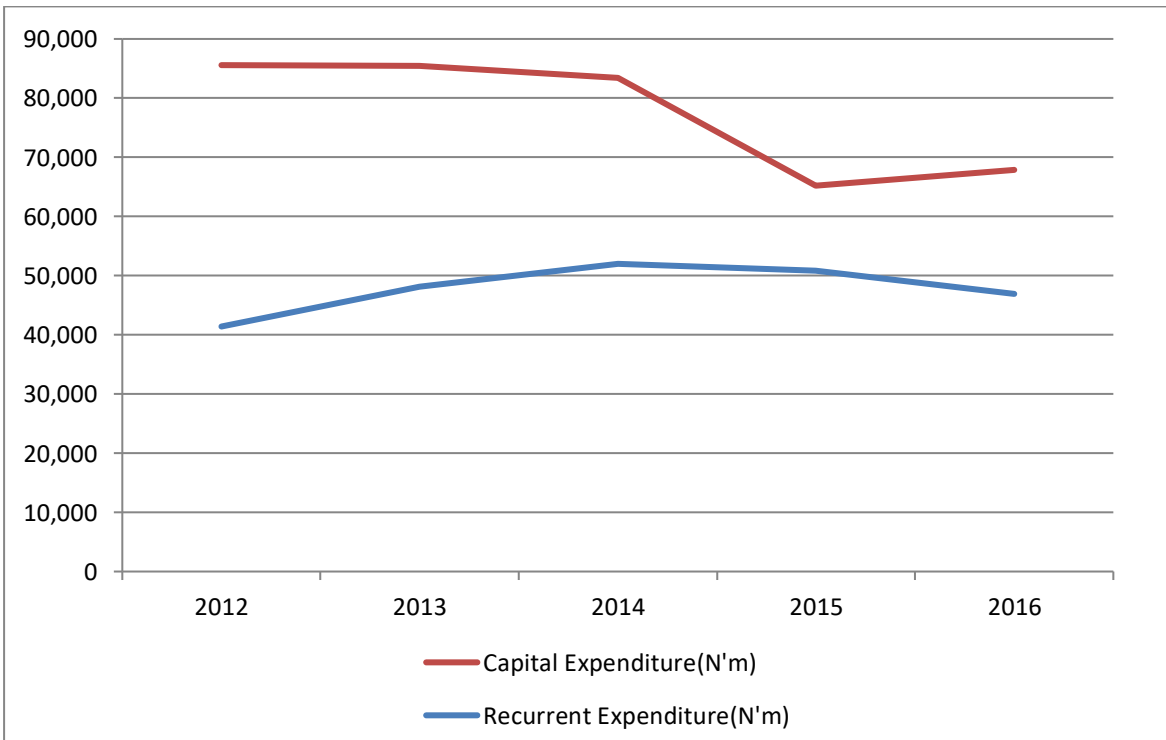


Figure 17: Comparison of Recurrent Expenditure with Capital Expenditure



The above figure shows the trend between recurrent expenditure and capital expenditure of Gombe State during the period 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 (on average 62%) to the detriment of some key sectors in need of capital investment that should have facilitated economic development and consequently result in improved standard of living of Nigerians in the State.
- The State has not fully tapped into opportunities that abound within to achieve sufficient inflows through internally generated revenue. An average of N6 billion was made between 2012 to 2016, which resulted in the state relying heavily on domestic, foreign loans as well as salary bailouts to meet the needs of recurrent and capital expenditure.

5.2 Recommendations

- The State should restructure its expenditure architecture 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, the State has a unique topography and landscape that can create opportunity for it to develop into a top tourist destination hub. This can substantially increase its internally generated revenue capacity.