2019 Budget Performance Appraisal
Lagos State Government

Government Secretariat,
Alausa, Ikeja,
Lagos State, Nigeria.

web: http://lagosstate.gov.ng
email: info@lagosstate.gov.ng
twitter: @followlasg

OUTLINE

Memo From The Commissioner

MR. SAMUEL EGUBE

HONOURABLE COMMISSIONER,
MINISTRY OF ECONOMIC PLANNING AND BUDGET

This budget review and appraisal report for Year 2019 provides information on the activities and performance of the budget which we trust all stakeholders will find useful.

The report provides financial information and offers some insights into the contexts and experiences that have aided the achievement of goals or presented challenges to realising desired outcomes.

Importantly, the Ministry of Economic Planning and Budget (MEPB) has been working hard to lay the foundations necessary to ensure improvements in our approach and activities. This will ensure optimal performance of the ministry's oversight function, and the implementation of sound recommendations informed by a variety of factors including lessons learnt from our engagements and the broader external context.

The Ministry is committed to providing information to all our stakeholders in a manner that empowers decision makers, increases confidence and promotes active engagement of readers and the larger community.

PURPOSE OF THE REPORT

This report provides an overview of Lagos State's revenues and expenditures for the Fiscal Year 2019 compared to the budget. The purpose of this Report is to present the Lagos State Fourth Quarter and Cumulative Budget Performance, identify budget implementation challenges, and proffer suggestions and solutions for improvement.

The Report also provides the opportunity to apply the lessons learnt in the Third Quarter in driving budget implementation.

Monitoring and evaluating the budget in a consistent manner allows the Ministry of Economic Planning and Budget (MEPB), Lagos State to respond to any changes or emerging trends in a proactive manner.

The Budget overview section starts with the headline information on Lagos State's revenues and expenditures followed by allocation of the budget by the functions of the Government. Revenues and expenditure for the quarter are presented in categories with details of each category as applicable.

For comparison, the Budget overview includes information on the Full Year 2019 Budget, and the Actuals for each quarter. The information in this report was collected from the State's Ministries, Departments and Agencies and relevant financial systems, and is deemed accurate as of the time the report was prepared.

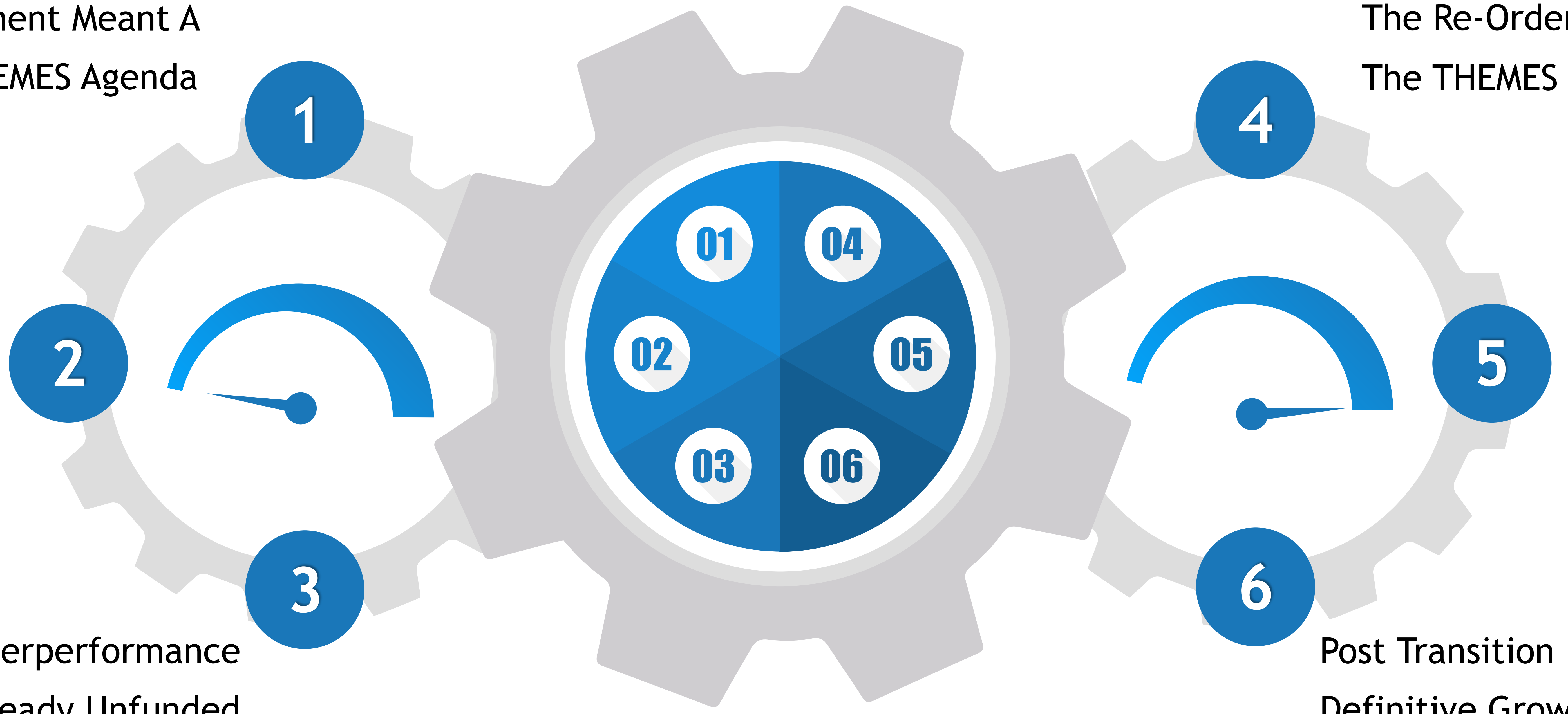
Lagos State budget is balanced on an annual basis, and as a result, revenues and expenditures reported within each quarter may not be aligned. The periodic nature of the State's revenue and the rate of revenue collection influences how the budget is disbursed and appraised. The Quarterly Budget report provides a comparison of budget to actual that accounts for the patterns of revenue collection and the expending of the budget.

2019 Budget Re-order

The 2019 Budget was signed into law on June 3 2019.

The Budget was re-ordered on November 15, 2019 for better alignment with the THEMES agenda, and to close the gaps in performance.

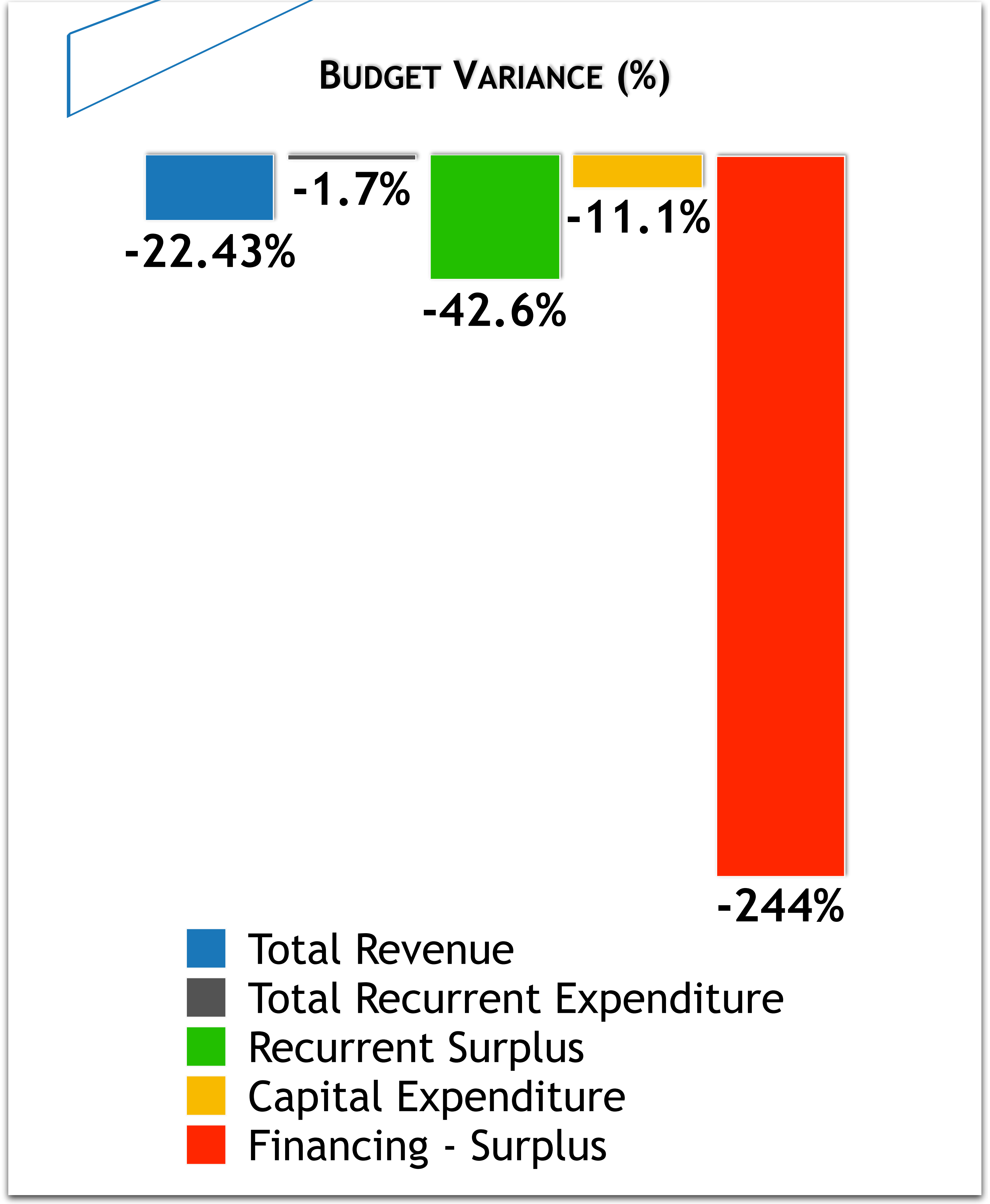
NOTE: THIS 2019 FULL YEAR BUDGET REVIEW HAS BEEN PREPARED BASED ON THE RE-ORDERED BUDGET.



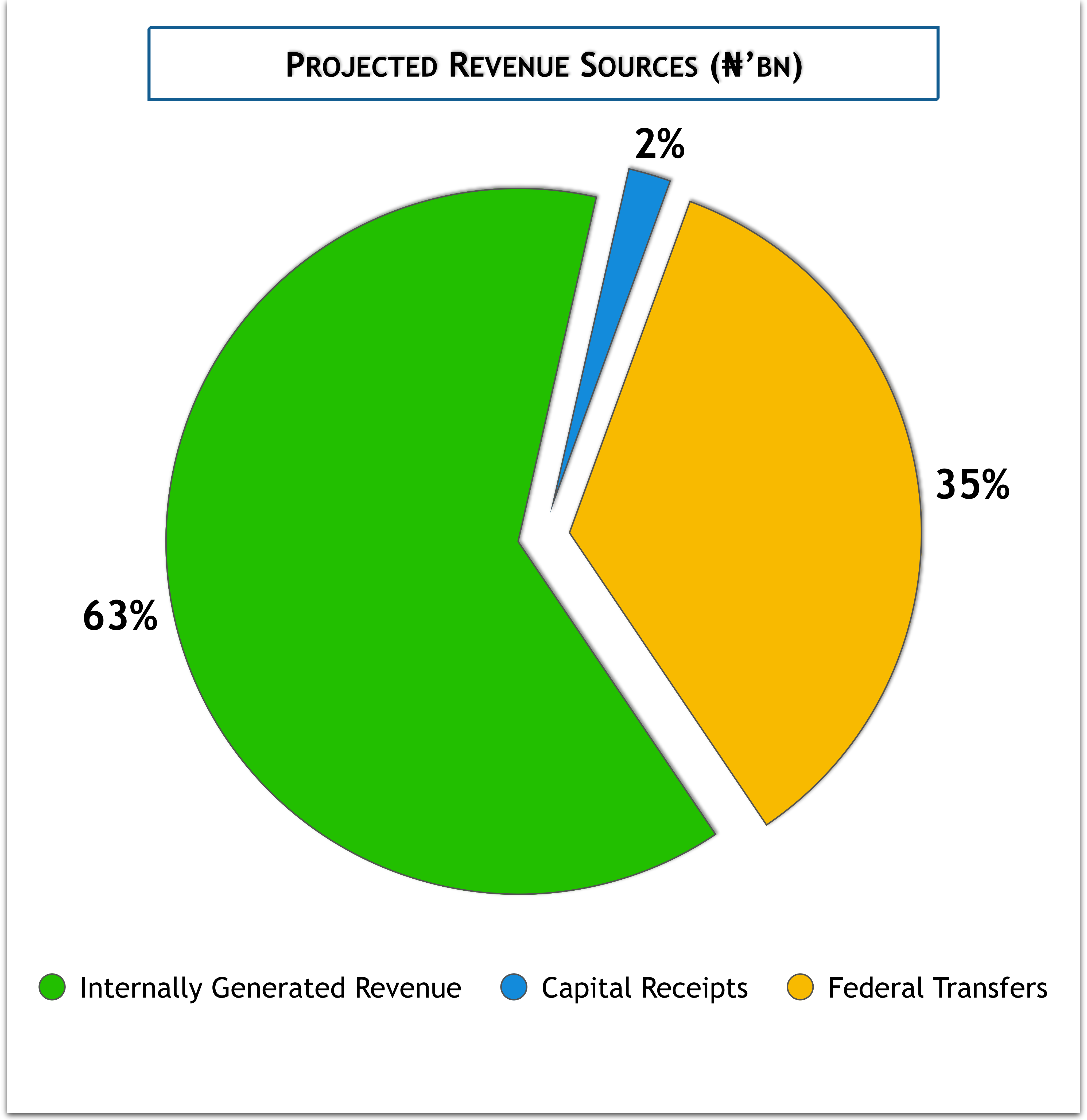
1. The Transition In Government Meant A Shift In Strategy To The THEMES Agenda
2. The Transition Produced Some Understandable Disruptions Which Impacted The Q3 Budget Performance
3. The Resulting Underperformance Worsened The Already Unfunded Deficit Position
4. The Re-Order Aligned The Budget With The THEMES Strategy and,
5. Provided funding for the Deficit Position
6. Post Transition Forecast Was For A Definitive Growth In Budget Performance To Above 80%.

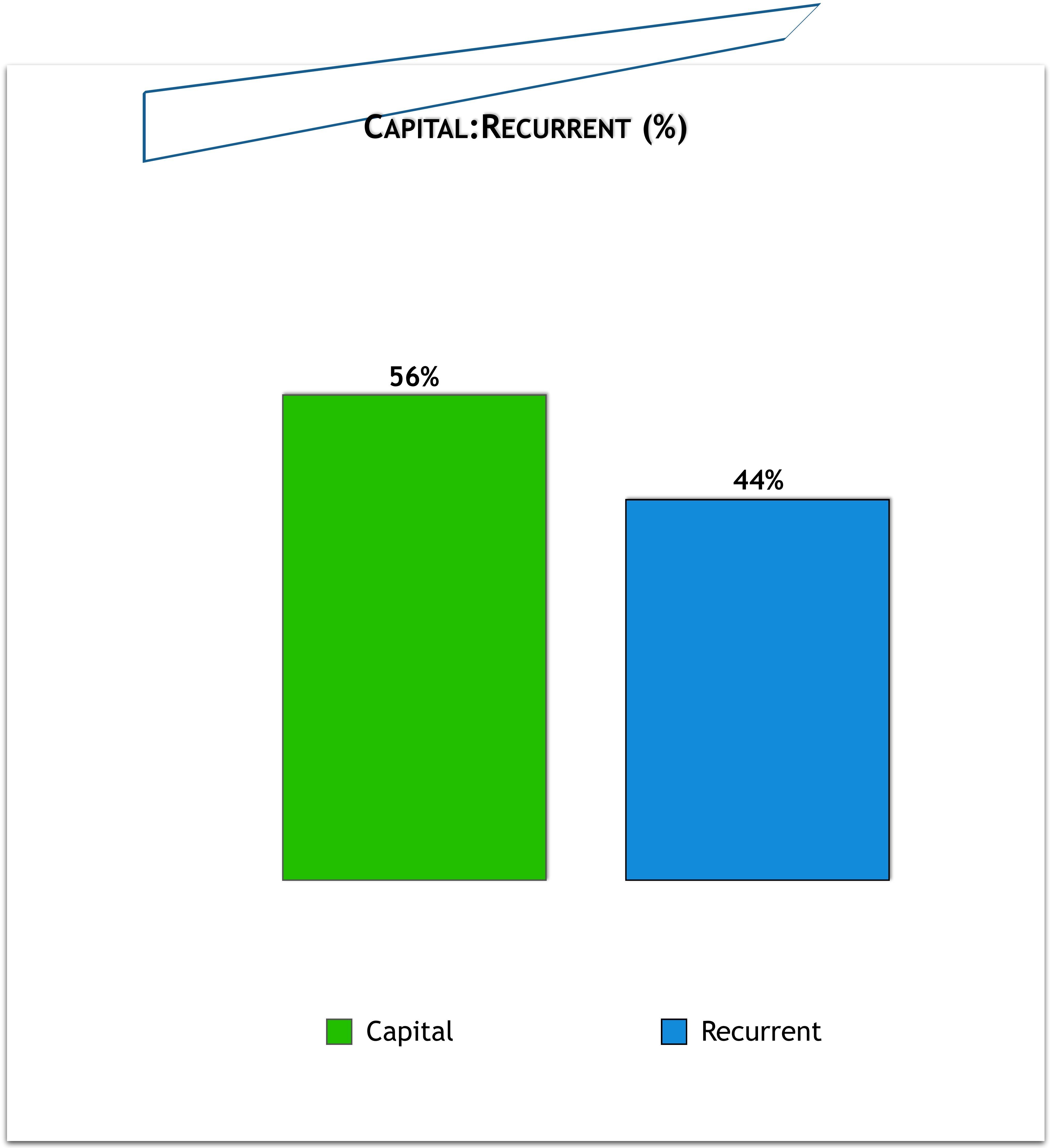
2019 Previous & Re-Ordered Budget Overview

Details	2019 Old Budget (₦'bn)	2019 Re-Ordered Budget (₦'bn)	Budget Variance	Budget Variance (%)
Total Revenue	**799.996**	**620.532**	**-179.464**	**-22.43**
Total Recurrent Expenditure (Debt & Non-Debt)	**393.841**	**387.051**	**-6.79**	**-1.72**
▸ Recurrent (debt)	20.249	31.213	10.964	54
▸ Recurrent (non-debt)	373.593	355.838	-17.755	-4.75
▸ Personnel cost	169.556	153.556	-16	-9.44
▸ Overhead cost	204.037	202.282	-1.755	-86.01
Recurrent Surplus	**406.154**	**233.481**	**-172.673**	**-42.6**
Capital Expenditure	**388.475**	**345.304**	**-43.171**	**-11.1**
Financing - (Deficit) / Surplus	**(73.537)**	**(253.000)**	**-179.463**	**-244**
▸ **External Loans**	**24.673**	**3.000**	**-21.673**	**-87.84**
i. World Bank - DPO	-	-	-	-
ii. Others	24.673	3.000	-21.673	-87.84
▸ Internal Loans	48.864	150.000	101.136	206.97
Bond issuance	**-**	**100.000**		
Budget Size	**873.532**	**873.532**		



2019 Re-Ordered Budget Projected Revenue Sources | Capital to Recurrent Ratio





Projections are based on Budget planning figures and trends from the previous year. Accuracy of the figures improve as year-to-date data becomes available.

Function Group Allocation (Previous & Re-Ordered Budget)

Function Group	2019 Previous Budget				2019 Re-Ordered Budget			
	Recurrent (₦'bn)	Capital (₦'bn)	Total (₦'bn)	Allocation (%)	Recurrent (₦'bn)	Capital (₦'bn)	Total (₦'bn)	Allocation (%)
General Public Service	168.851	107.508	276.359	32	162.211	101.889	264.100	30
Public Order and Safety	18.865	16.339	35.204	4	23.865	15.494	39.359	5
Economic Affairs	40.159	138.458	178.617	20	36.707	132.043	168.750	19
Environmental Protection	24.661	23.591	48.252	6	23.289	23.451	46.740	5
Housing & Community Amenities	14.396	22.626	37.022	4	3.964	23.698	27.662	3
Health	61.495	24.16	85.655	10	58.861	12.058	70.919	8
Recreation & Religion	2.884	3.697	6.581	1	2.881	2.348	5.232	1
Education	74.655	34.34	108.995	12	72.480	27.485	99.964	11
Social Protection	2.79	2.84	5.630	1	2.790	2.840	5.630	1
Grant	-	-	-	-	-	4.000	4.000	0
External Loans (Principal Repayments)	-	8.517	8.517	1	-	8.604	8.604	1
Internal Loan (Principal Repayments)	-	22	22.000	3	-	45.015	45.015	5
Consolidated Debt Service Accounts	-	60.7	60.700	7	-	87.558	87.558	10
Total	408.757	464.776	873.532	100	387.051	486.481	873.532	100

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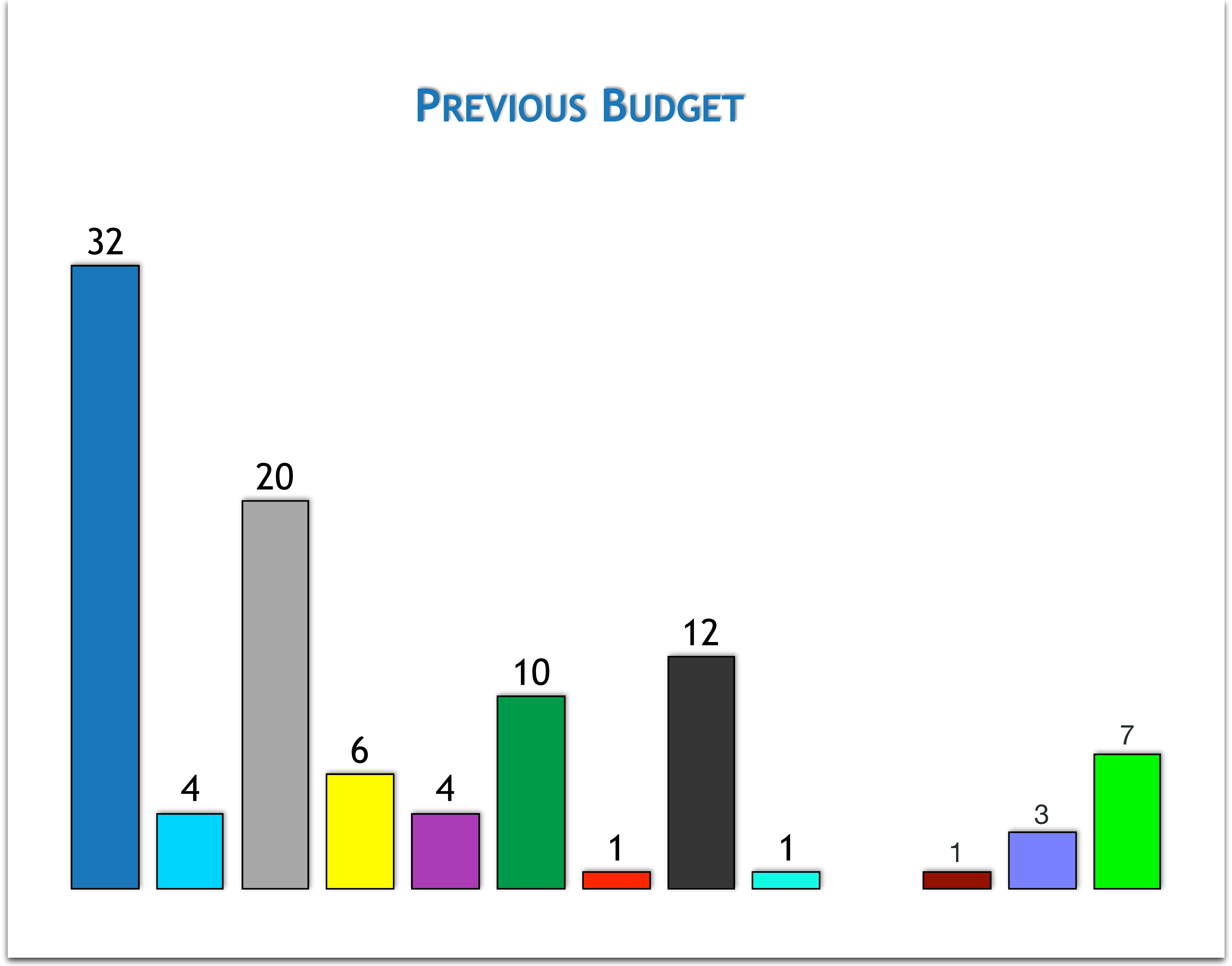
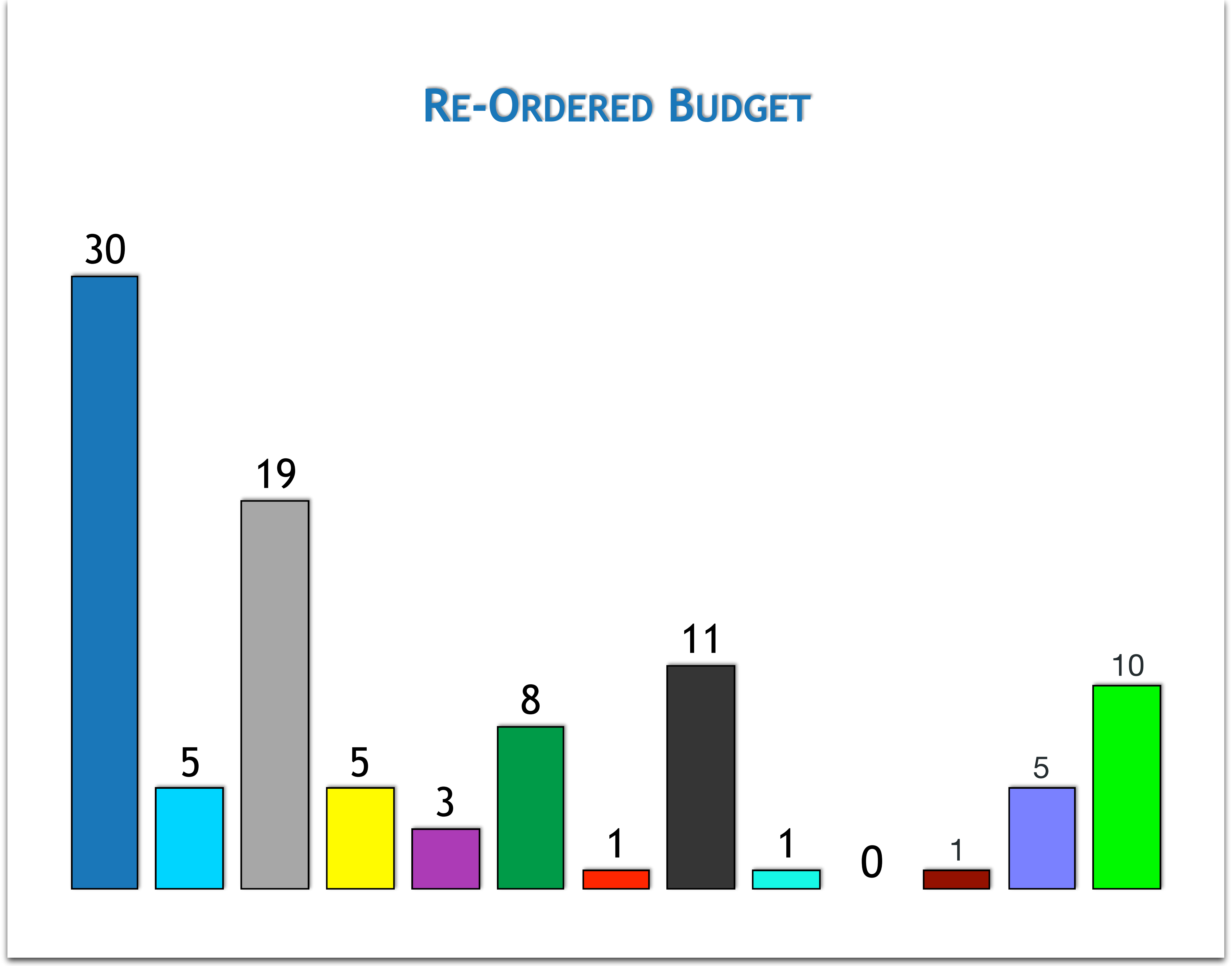
2019 - Function Group Allocation (Previous & Re-Ordered Budget)





- General Public Service
- Public Order and Safety
- Economic Affairs
- Environmental Protection
- Housing & Community Amenities
- Health
- Recreation & Religion
- Education
- Social Protection
- Grant
- External Loans (Principal Repayments)
- Internal Loan (Principal Repayments)
- Consolidated Debt Service Accounts

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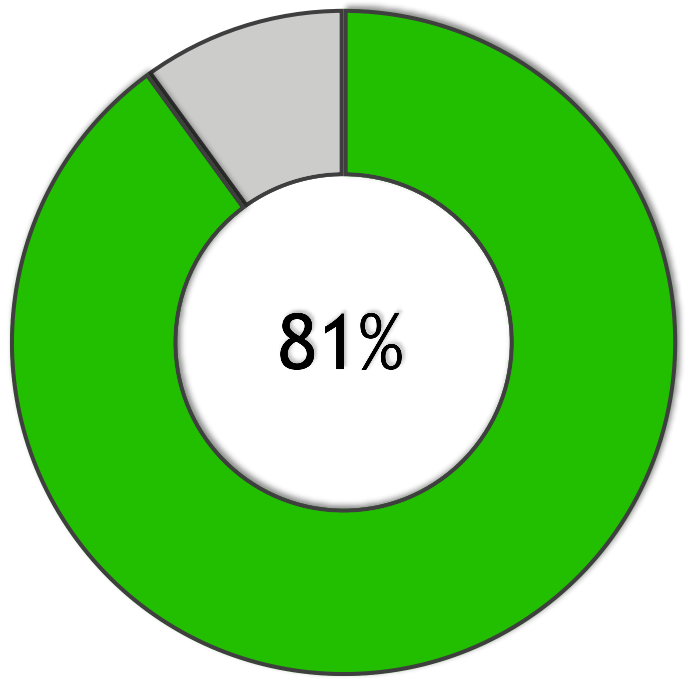
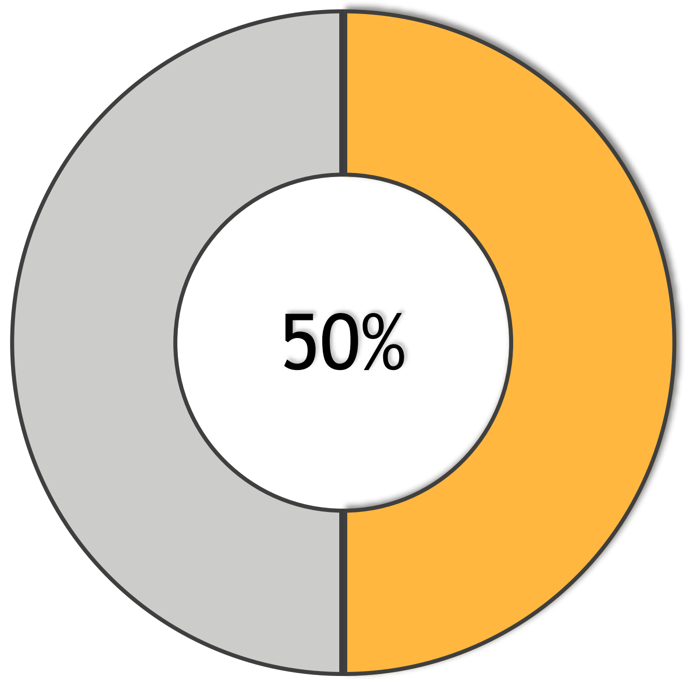
2019 Budget Key Implementation Status Update



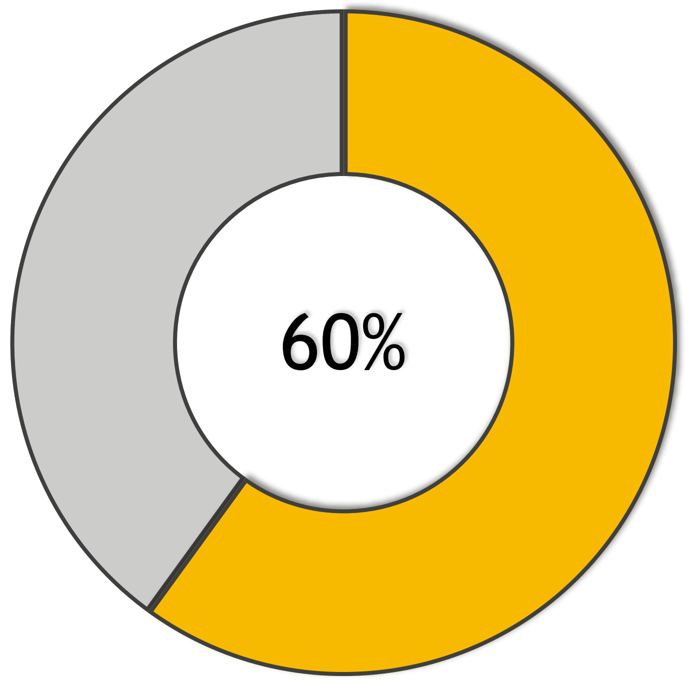
Benchmark Performance Set at 100%

- The full year Budget Performance closed at 81%, (Q3 : 69%).
- The timing of the cash-back and the procurement process mitigated against 100% performance.
- Going forward, MEPB would increase the rigour of actively engaging the MDAs for performance.



Revenue Stakeholders' Meeting as a Vehicle for Sustained Revenue Drive

- Six Revenue Stakeholders' Meetings were held in 2019 which is an improvement on Q3 2019 record of two Revenue Stakeholders meetings.
- Required updates on Revenue Performance are limited to monthly returns forwarded by MDAs. Revenue drivers need to be kept active and focused on the goal.



Tighter Expenditure Control

- Operational guidelines have been improved by 10% since the third quarter of 2019.
- Focused compliance efforts by the MEPB Budget Department has ensured an increase in tighter operational expenditure control.

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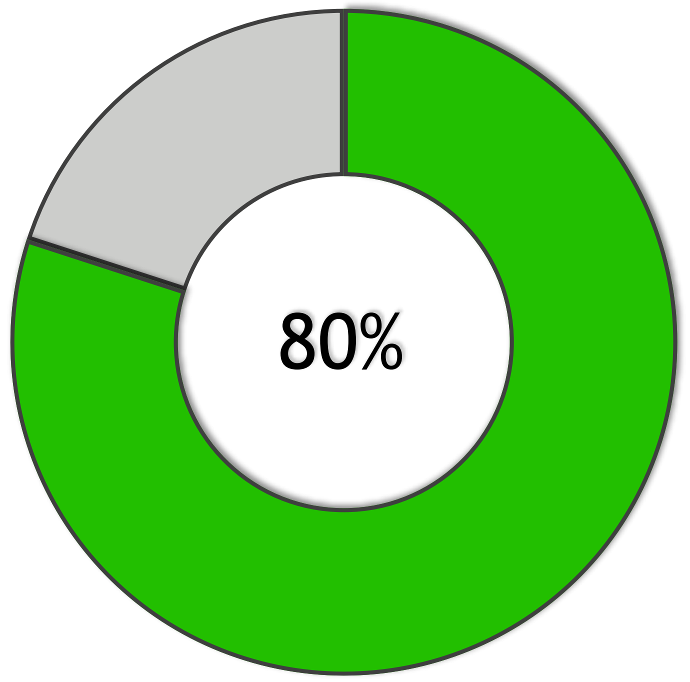
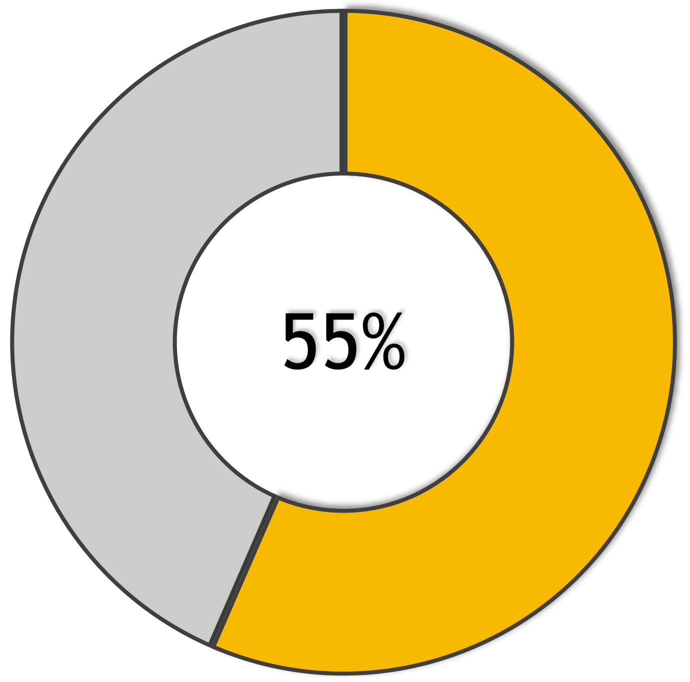
2019 Budget Key Implementation Status Update



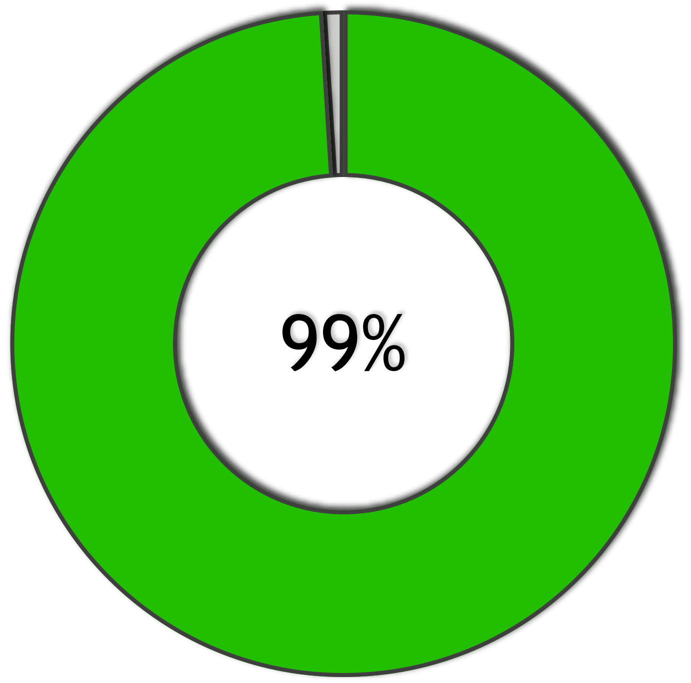
Continuous Implementation of Treasury Single Account (TSA)

- TSA adoption remains strong and is still being maintained. However as in the CBS, we meed to figure out a mechanism that allows for flexibility for broader capture.



More Effective and Efficient Project Monitoring and Evaluation

- The M&E Policy with respect to a deeper level of evaluation into outcome challenges and impact assessment is currently ongoing.
- There is also a need for a Project Monitoring System. This will ensure ALL government interventions above certain threshold would be digitally displayed.

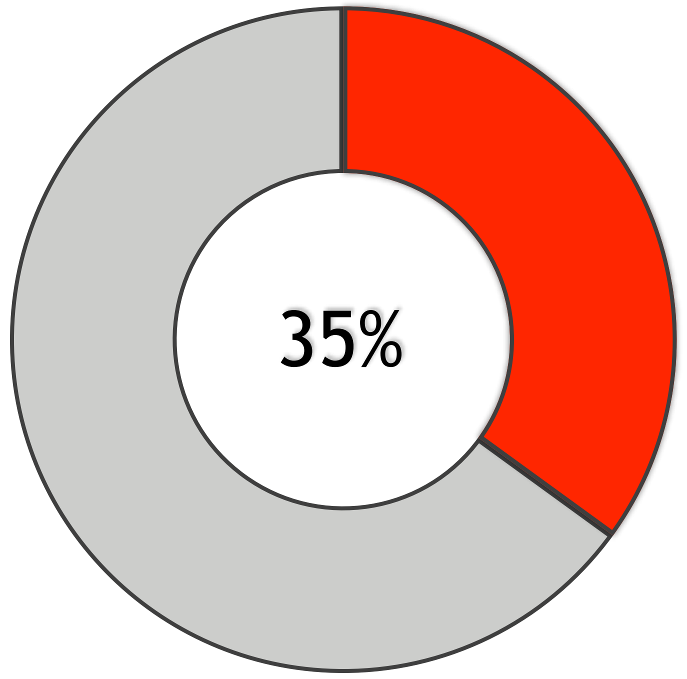


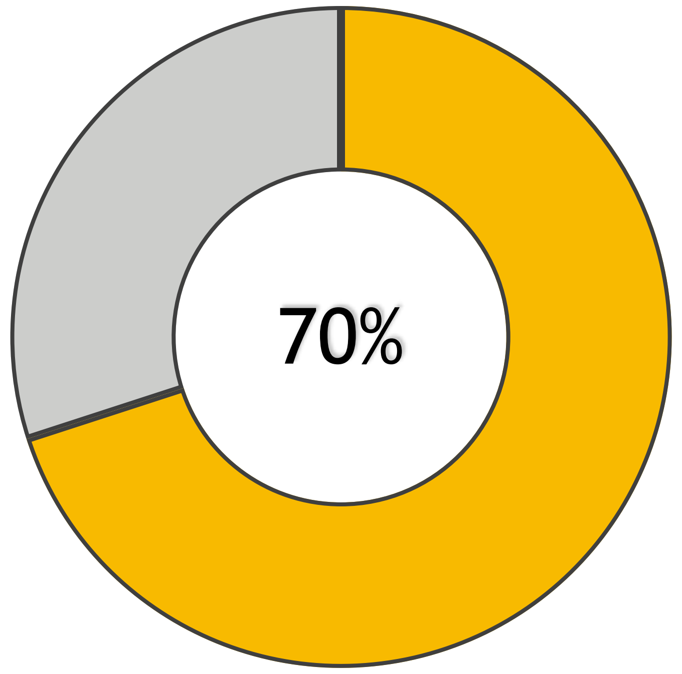
Ensuring Capital to Recurrent Ratio of 56:44

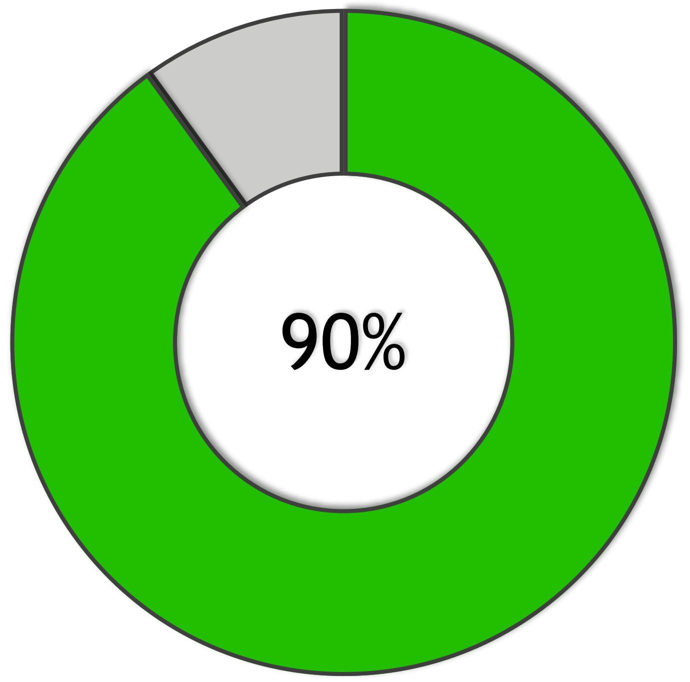
- 2019 full year Capital to Recurrent ratio closed at 54:46, compared to 48:52 as at end of Third Quarter 2019.

Projections are based on Budget planning figures and trends from the previous year. Accuracy of the figures improve as year-to-date data becomes available.

2019 Budget Key Implementation Status Update







Planned & Systematic Maintenance of Existing/ New Infrastructural Facilities

- There is no planned/scheduled systematic maintenance of infrastructural facilities.
- While we have seen minor improvements in the management of some facilities, there is still a need to establish a culture of maintenance that will optimally serve across all projects.

Quarterly Budget Performance Appraisal

- The late signing of the 2019 budget and the transition of the budget focus to THEMES was a drawback that the re-ordering of the 2019 budget has corrected.
- While the approval process has been somewhat decentralized, work culture and bureaucracy remain challenged, slowing down the process of Quarterly Budget Performance Appraisal significantly.

Ensuring Capital to Recurrent Ratio of 56:44

- We achieved 28.23% against our expectation of about 25%
- We have however maintained a performance within International Thresholds of 30%.

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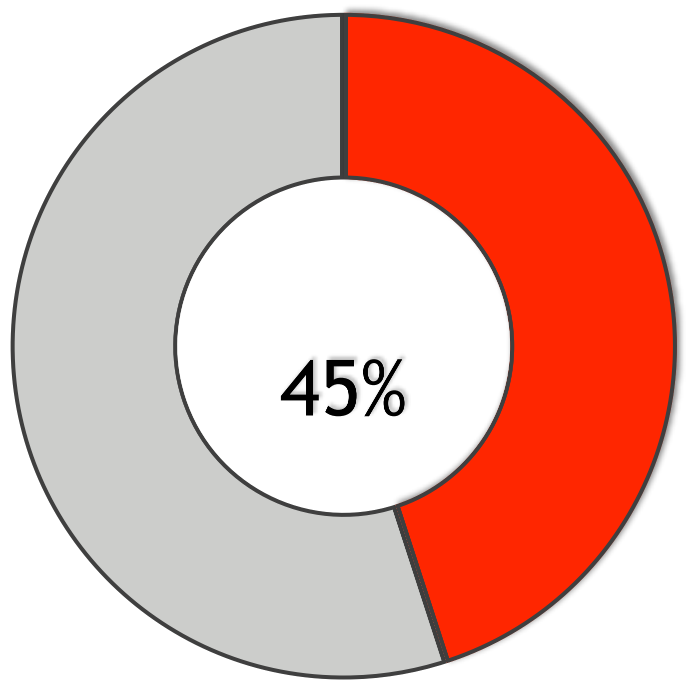
2019 Budget Key Implementation Status Update



Central Billing, Revenue Automation, Multi-channels Revenue Payment System

- The CBS went life on 16th May, 2016 with Four(4) pilot MDAs:
  - Office of the Surveyor-General
  - Tourism
  - LASTMA
  - Vehicle Inspection Service (VIS)
- A total of 51 MDAs have been profiled on the platform, however, 30 are active, while 21 are inactive.
- It is paramount that all MDAs are captured and activated on the platform.

- MDAs not yet on the CBS include:
  - Motor Vehicle Administration Agency (MVAA)
  - Physical Planning & Urban Development
  - Lagos State Building Control Authority(LABCA)
  - Lagos State Infrastructural Maintenance & Regulatory Agency (LASIMRA)
  - Lagos State General Hospitals (Revenue collection is done by MEGALEK
  - Lands Bureau
  - Lotteries Board
  - Ministry of Health
  - LASPARK
  - LASSA

Projections are based on Budget planning figures and trends from the previous year. Accuracy of the figures improve as year-to-date data becomes available.

2019 Budget Process Key Strengths

Strengths	Performance				
	Very Weak	Weak	Average	Strong	Very Strong
2019 Budget Implementation • Despite the 2019 previous Budget being signed into law on June 2019 and the Re-Ordered Budget signed into law by Mr. Governor on November 2019, the implementation closed at 81% performance.	○	○	○	○	●
Adherence to the Budget Process and Timing • The preparation and Submission of the 2020 Budget was completed within a reasonable time frame, has undergone Legislative Consideration and has been signed into law on December 31, 2019.	○	○	○	○	●
Revenue and Expenditure Tracking • The timely collation of Monthly Revenue and Expenditure returns, as well as deployment and adoption of other Budget tracking tools and mechanism requires a lot of improvement. • While reforms are in progress, outcomes achieved so far, are average at best.	○	○	●	○	○

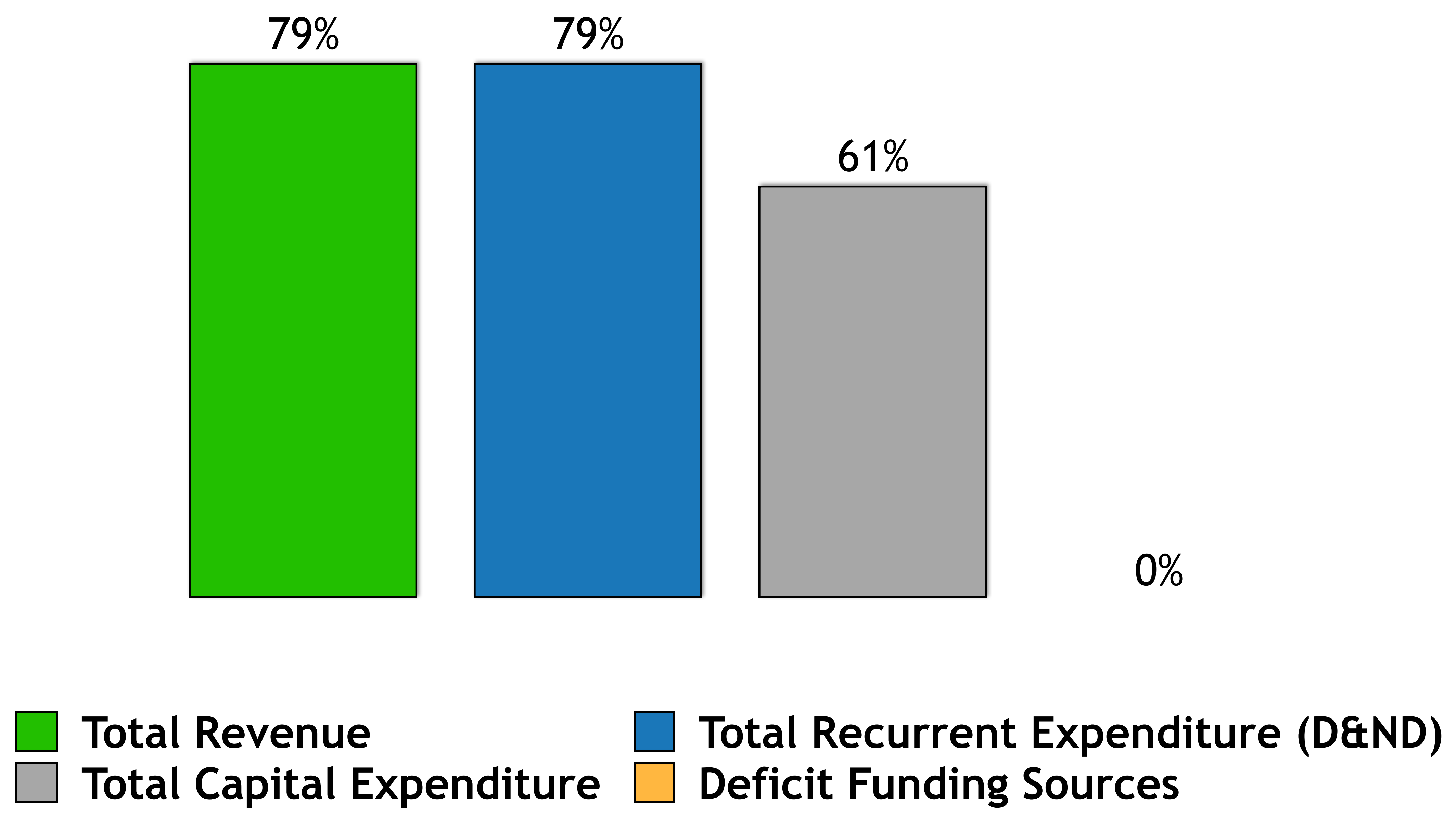
Projections are based on Budget planning figures and trends from the previous year. Accuracy of the figures improve as year-to-date data becomes available.

Budget Overview Highlights — Cumulative (Q1-Q3) 2019

Details	Previous Budget (₦'bn)	Actual Performance (₦'bn)	Performance (%)
Total Revenue	**599.997**	**472.575**	**79**
a. Internally Generated Revenue (Inclusive of Dedicated Revenue)	417.105	291.217	98
b. Capital Receipts	18.687	8.154	44
c. Federal Transfers	164.205	173.204	105
Total Recurrent Expenditure (Debt & Non-Debt)	**295.381**	**232.441**	**79**
a. Recurrent (Debt)	15.186	23.724	156
b. Recurrent (Non-Debt)	280.194	208.717	74
i. Total Personnel cost	127.167	79.044	62
ii. Total Overhead cost	153.027	159.673	104
Total Capital Expenditure	**359.769**	**217.764**	**61**
Deficit Funding Sources	**55.152**	**0.000**	**0**
a. External loans	0	0	0
b. Internal loans	0	0	0
c. Bond issuance	0	0	0
Budget Size	**655.149**	**450.204**	**69**

Budget Size & Performance

₦'bn 450.204 | 69%



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Budget Overview Highlights — Cumulative (Q1-Q4) 2019

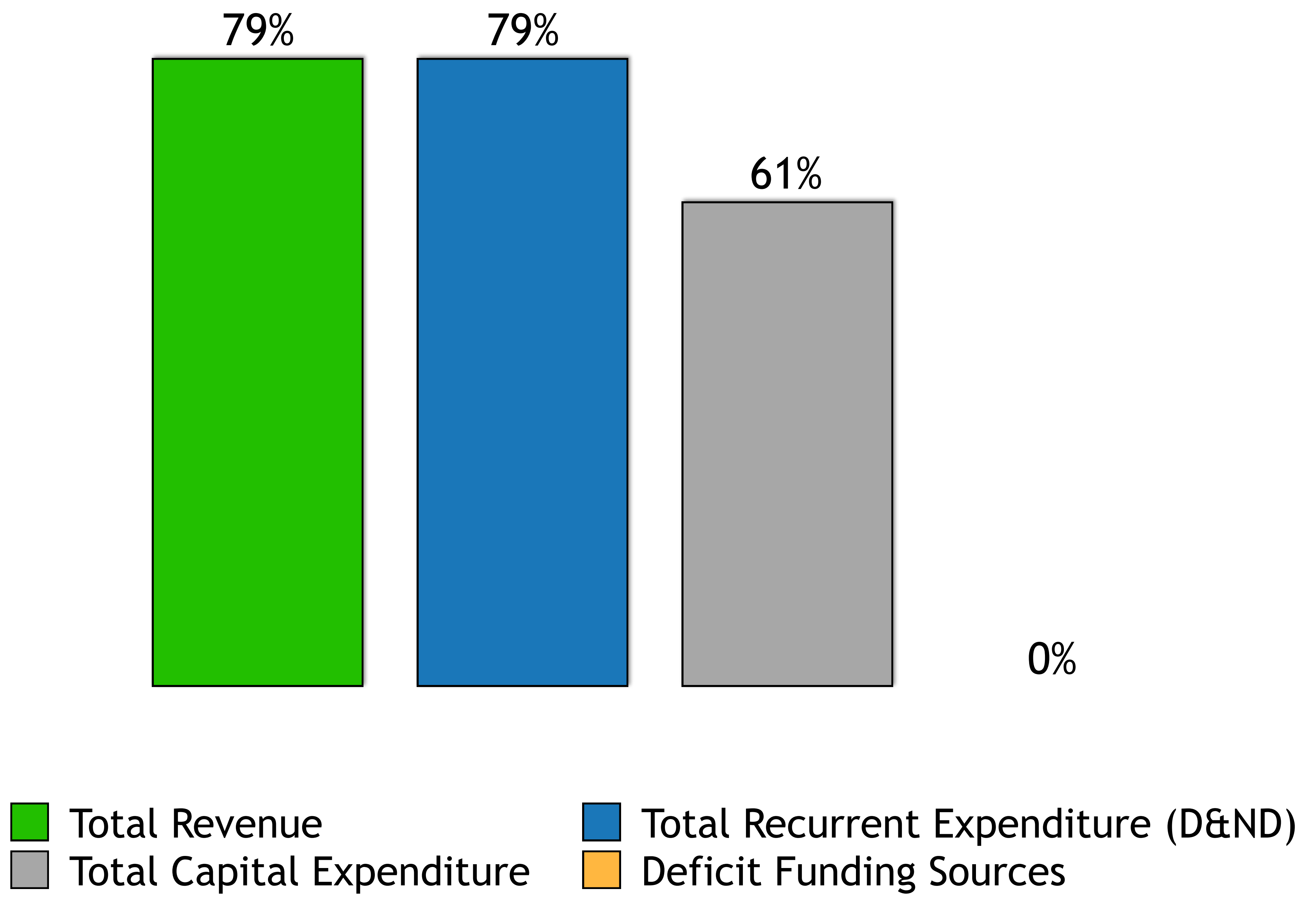
Details	Q4 2019 (₦'bn)			Q3 2019 (₦'bn)			Q2 2019 (₦'bn)			Q1 2019 (₦'bn)		
	Re-Ordered Budget Jan - Dec	Actual Jan - Dec	%	Previous Budget Jan - Sept	Actual Jan - Sept	%	Previous Budget Jan - Jun	Actual Jan - Jun	%	Previous Budget Jan - Mar	Actual Jan - Mar	%
Total Revenue	**620.532**	**623.413**	**100**	**599.997**	**472.575**	**79**	**399.998**	**339.307**	**85**	**199.999**	**140.676**	**70**
a. Internally Generated Revenue (Inclusive of Dedicated Revenue)	389.175	396.386	102	417.105	291.217	98	278.07	205.172	74	139.035	97.732	70
b. Capital Receipts	12.417	12.630	102	18.687	8.154	44	12.458	3.241	26	6.229	1.746	28
c. Federal Transfers	218.940	214.396	98	164.205	173.204	105	109.47	130.894	120	54.735	41.198	75
Total Recurrent Expenditure (Debt & Non-Debt)	**387.052**	**323.757**	**84**	**295.381**	**232.441**	**79**	**196.920**	**159.445**	**81**	**98.460**	**83.296**	**85**
a. Recurrent (Debt)	31.213	28.788	92	15.186	23.724	156	10.12	16.073	129	5.062	8.077	160
b. Recurrent (Non-Debt)	355.838	294.969	83	280.194	208.717	74	186.796	143.373	77	93.398	75.219	81
i. Total Personnel cost	153.556	111.269	72	127.167	79.044	62	84.778	51.198	60	42.389	25.291	60
ii. Total Overhead cost	202.282	183.699	91	153.027	159.673	104	102.018	122.184	120	51.009	49,928	98
Total Capital Expenditure	**486.480**	**383.397**	**79**	**359.769**	**217.764**	**61**	**239.846**	**159.279**	**66**	**119.923**	**65.009**	**54**
Deficit Funding Sources	**253.000**	**83.730**	**33**	**55.152**	**0.000**	**0**	**36.768**	**0**	**0**	**18.384**	**0**	**0**
a. External loans	3.000	1.541	51	0	0	0	0	0	0	6.168	0	0
b. Internal loans	3.000	0	-	0	0	0	0	0	0	6.168	0	0
c. Bond issuance	0	0	0	0	0	0	0	0	0	0	0	0
Budget Size	**873.520**	**707.154**	**81**	**655.149**	**450.204**	**69**	**436.766**	**318.725**	**73**	**218.383**	**148.306**	**68**

Projections are based on Budget planning figures and trends from the previous year. Accuracy of the figures improve as year-to-date data becomes available.

BUDGET OVERVIEW HIGHLIGHTS — CUMULATIVE (Q1-Q4) 2019

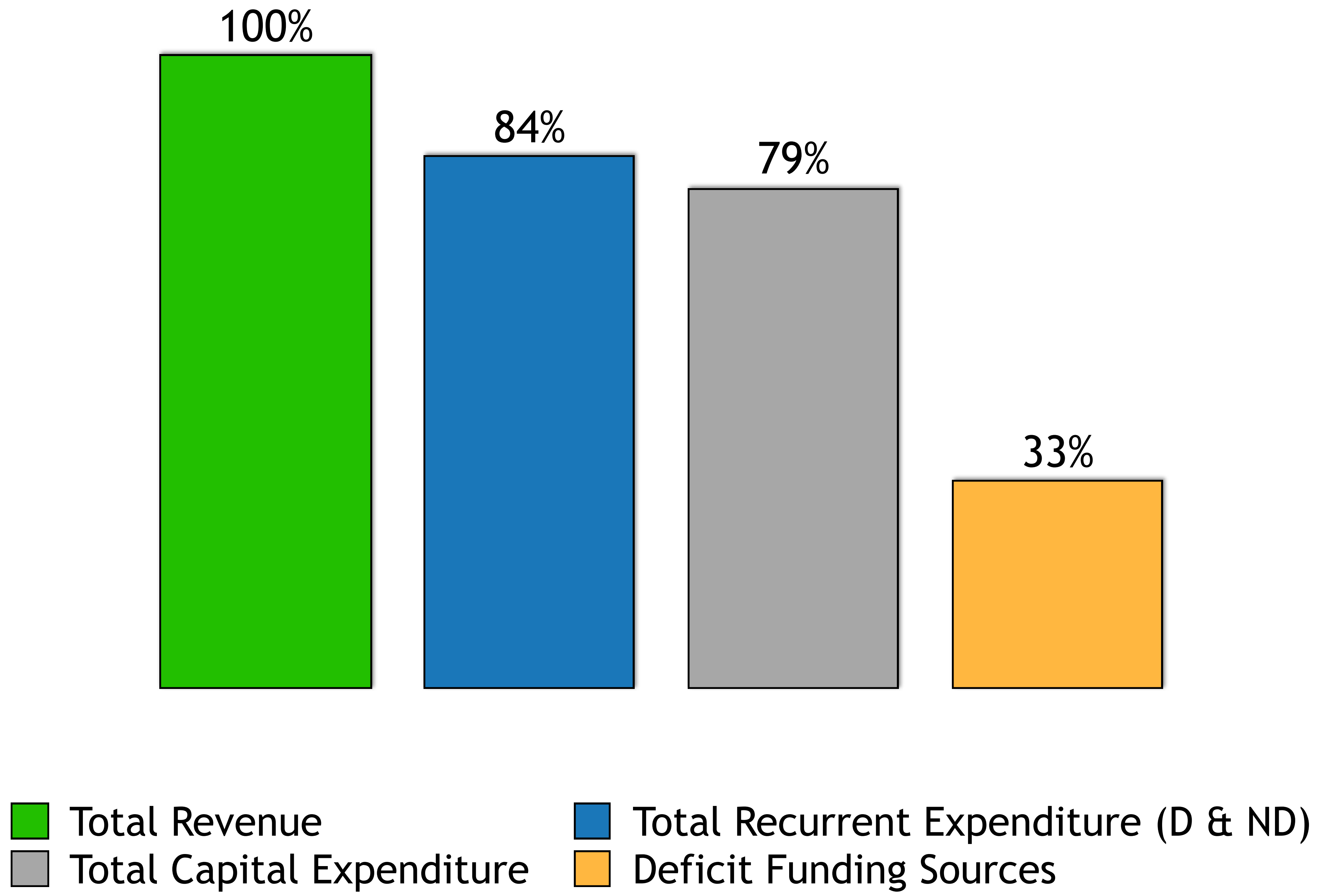
Budget Performance (Q1-Q3)

₦'bn 450.204 | 69%



Budget Performance (Q1-Q4)

₦'bn 707.154 | 81%



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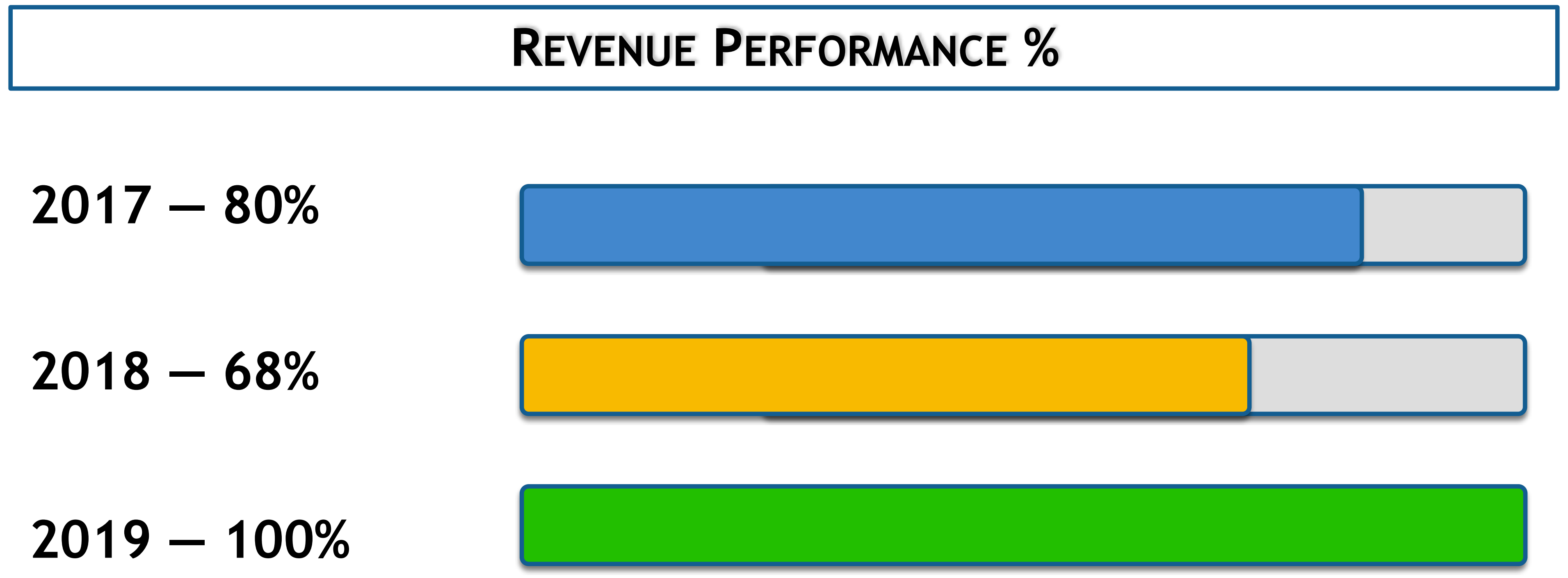
Revenue Performance Highlights — Comparative (Q1-Q4) 2017-2019

YEAR	PROVISION (₦'BN)	ACTUAL (₦'BN)
2017	642.848	514.405
2018	897.423	612.923
2019	620.532	623.413



- The Total Revenue performed at 100% in 2019
- It was also the highest in absolute terms compared to the last two years, despite being an election year
- This indicates the potential for MDAs to do better in 2020 with the provision of necessary tools and continuous monitoring of performance.

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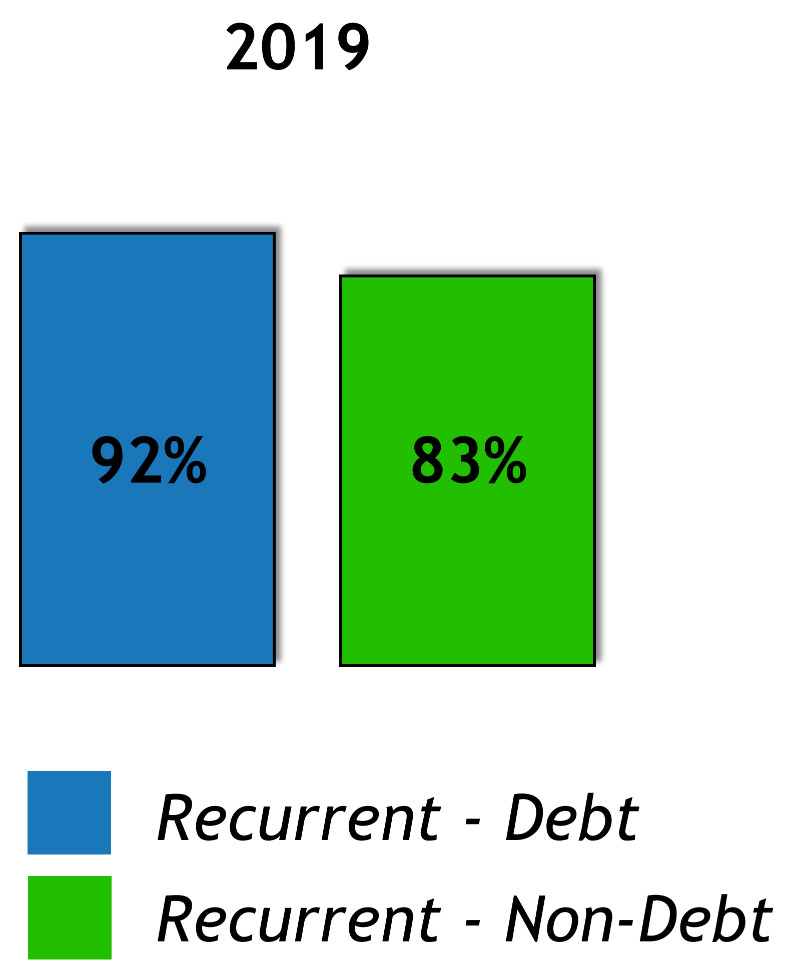
Expenditure Performance — Comparative (2017 - 2019)

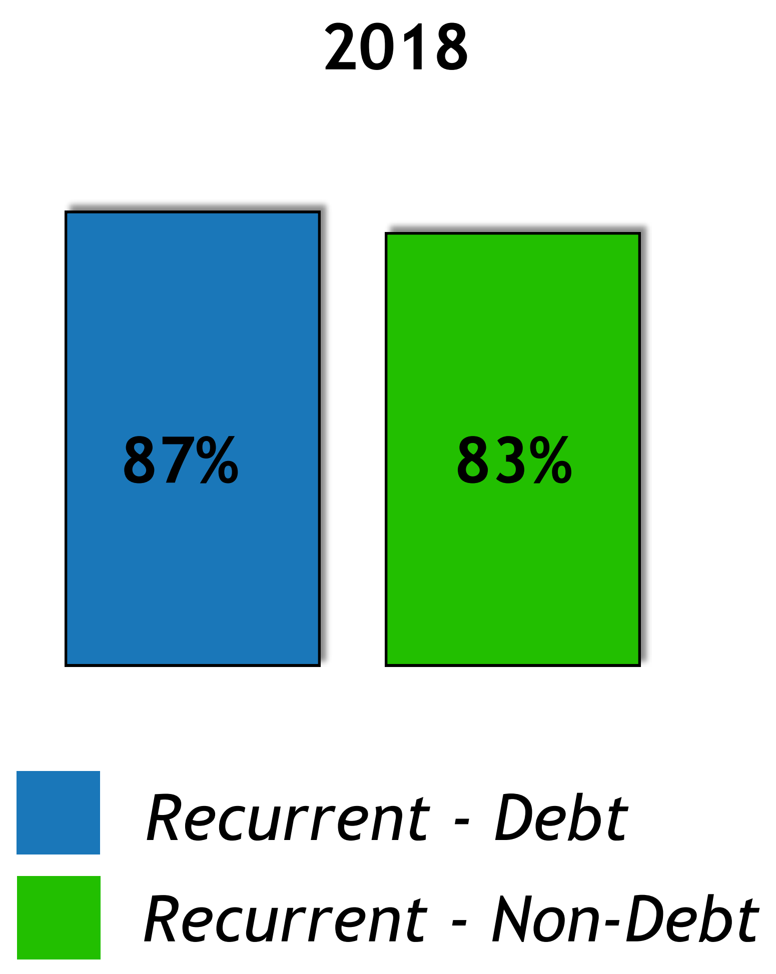
Details	2019			2018			2017		
	Re-Ordered Budget (₦'bn)	Actual (₦'bn)	%	Budget (₦'bn)	Actual (₦'bn)	%	Budget (₦'bn)	Actual (₦'bn)	%
Total Recurrent Expenditure (Debt & Non-Debt)	**387.051**	**323.757**	**84**	**347.039**	**290.713**	**84**	**305.182**	**281.33**	**92**
a. Recurrent (Debt)	31.213	28.788	92	35.906	31.393	87	30.078	22.694	75
b. Recurrent (Non-Debt)	**355.838**	**294.968**	**83**	**311.134**	**259.319**	**83**	**275.105**	**258.639**	**94**
i. Total Personnel Cost	153.556	111.269	72	112.242	102.970	92	104.712	103.184	99
ii. Total Overhead Cost	202.282	183.699	91	198.892	156.349	79	170.393	155.455	91

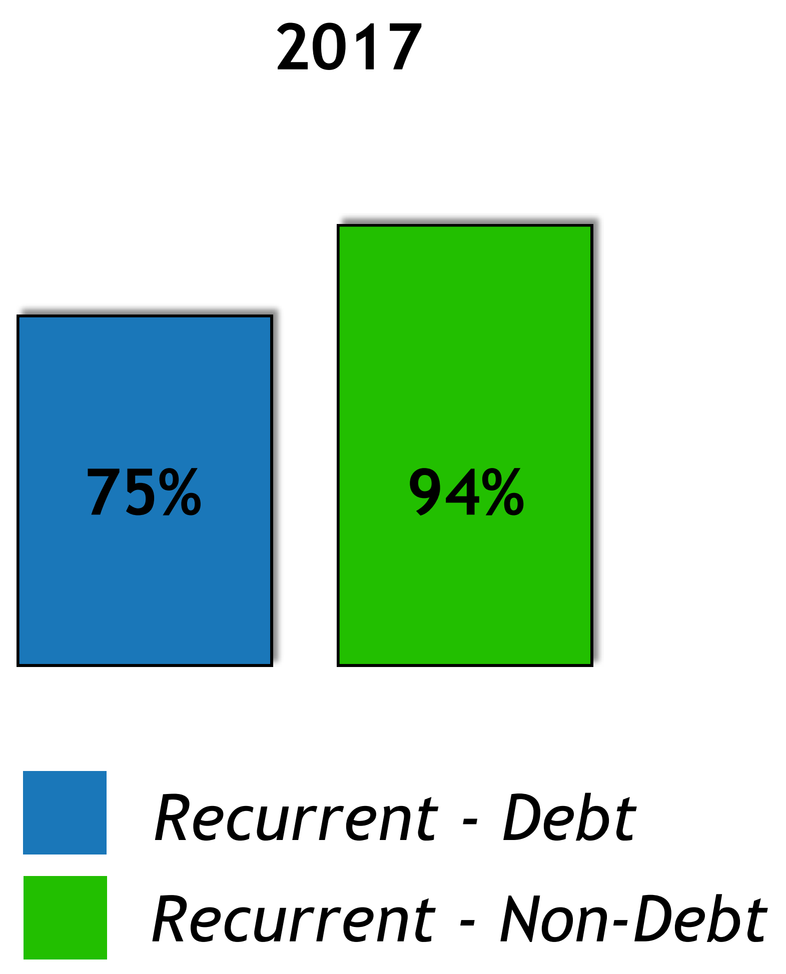
₦'bn 323.757 | 84%
2019 TRE Performance

₦'bn 290.713 | 84%
2018 TRE Performance

₦'bn 281.33 | 92%
2017 TRE Performance







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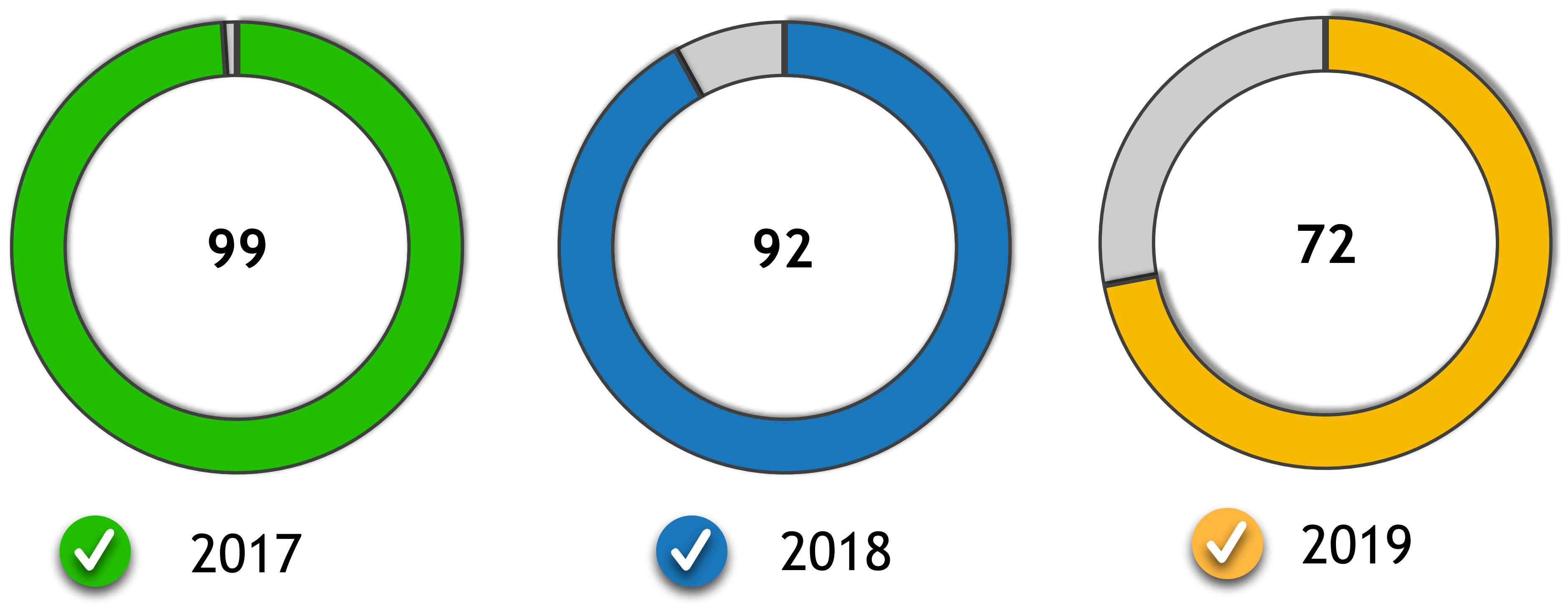
Personnel Cost Appraisal — Comparative (2017 - 2019)

YEAR	PROVISION (₦'BN)	ACTUAL (₦'BN)
2017	104.712	103.184
2018	112.242	102.970
2019	153.556	111.269

TPC Performance Year on Year (%)



- Total Personnel Cost (TPC) was 72% at ₦111.269bn. It includes the commencement of payment of ₦35,000 minimum wage in November 2019.
- The TPC was 18% of Total Revenue(TR) and 28% of IGR which is within Wage Policy of a maximum 25% of TR and 35% of IGR respectively.
- Going forward, the State's budget position will need to be appropriately sized.

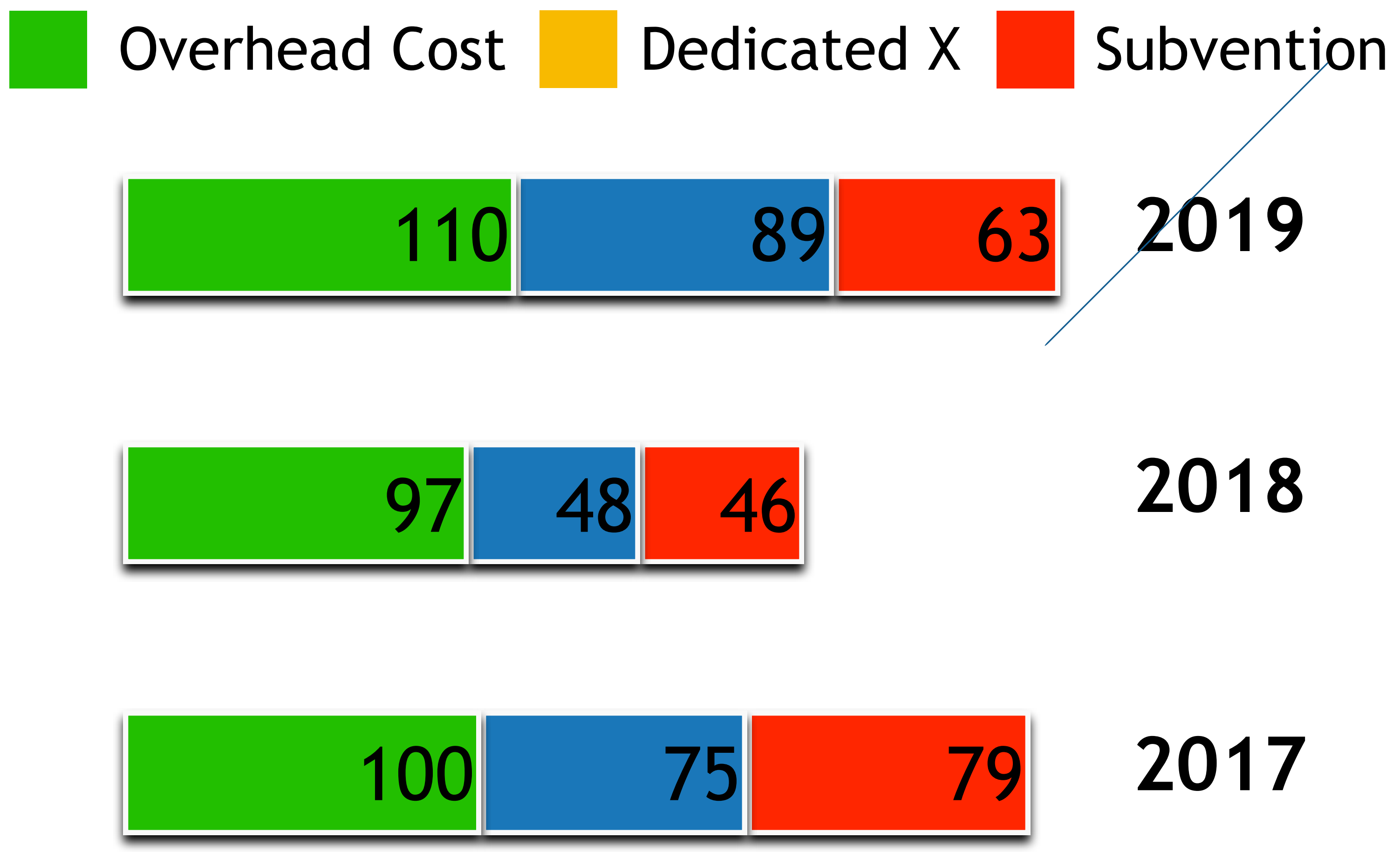
Total Overhead Cost Appraisal — Comparative (2017 - 2019)

Details	2019			2018			2017		
	Re-Ordered Budget (₦'bn)	Actual (₦'bn)	%	Budget (₦'bn)	Actual (₦'bn)	%	Budget (₦'bn)	Actual (₦'bn)	%
Total Overhead Costs	**202.282**	**183.740**	**91**	**198.892**	**156.349**	**79**	**170.393**	**155.455**	**91**
a. Overhead Costs	109.655	120.660	110	125.383	122.044	97	104.254	103.949	100
b. Dedicated Expenditure	18.992	16.995	89	26.105	12.514	48	23.722	17.908	75
c. Subvention	73.635	46.085	63	47.404	21.792	46	42.416	33.598	79

₦'bn 183.740 | 91%
2019 TOC Performance

₦'bn 156.349 | 79%
2018 TOC Performance

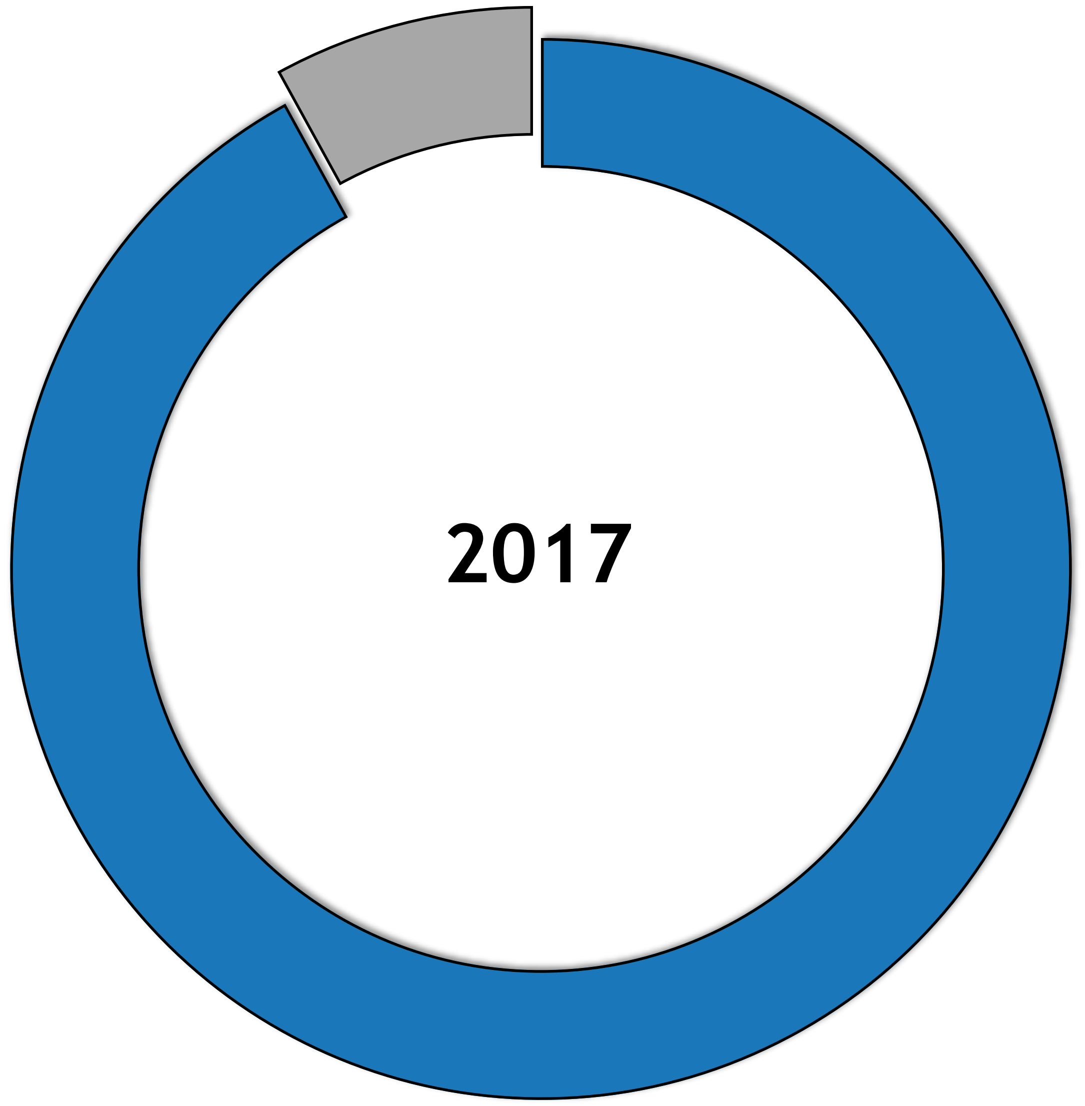
₦'bn 155.455 | 91%
2017 TOC Performance



- Total Overhead Cost performed at 91%
- Subventions to Parastatal Organizations/Tertiary Institutions performed at 63% | ₦46.085bn against 46% | ₦21.792bn in 2018.
- This indicates that an increased dependence on subventions continues to persists.

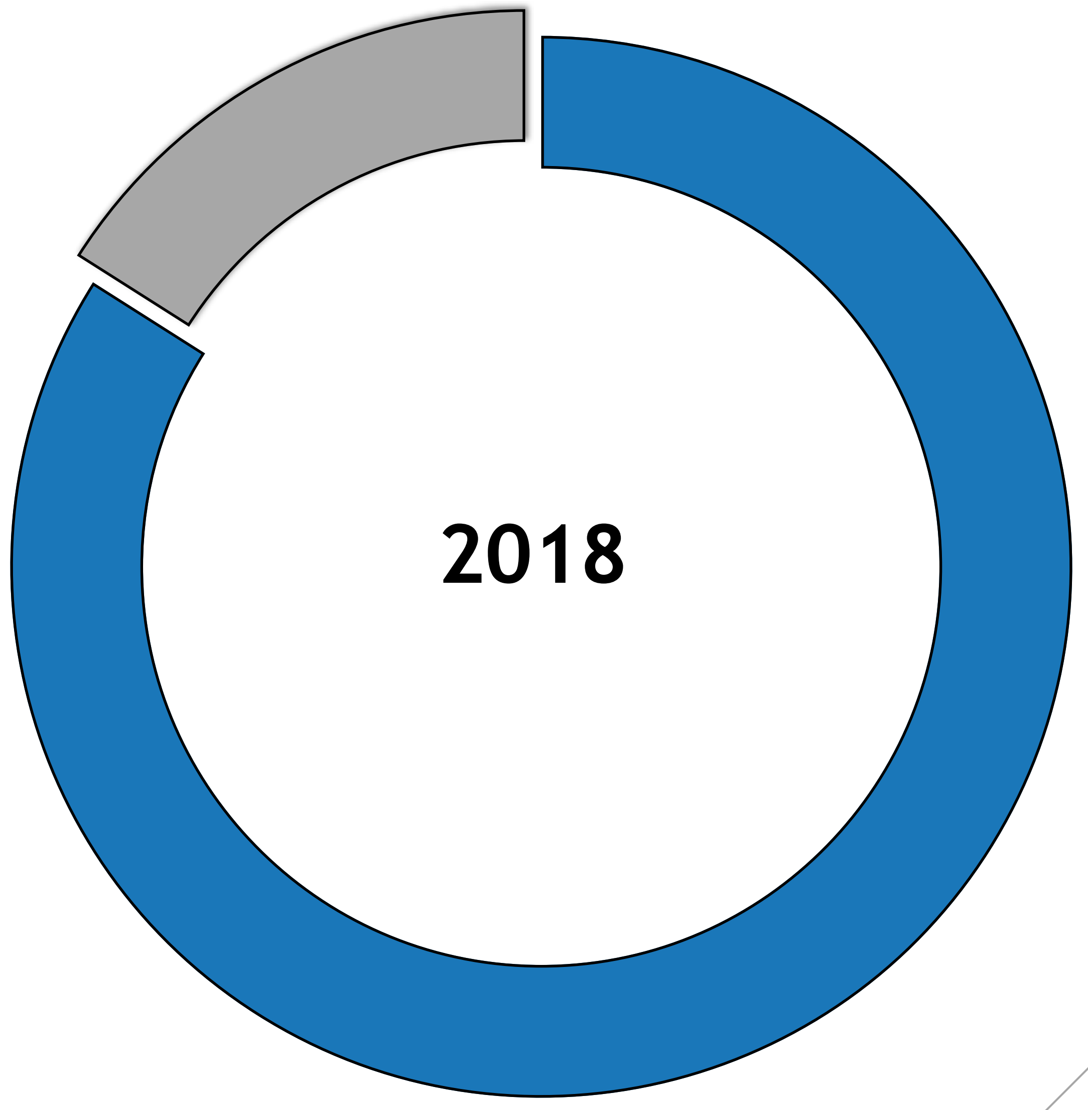
Projections are based on Budget planning figures and trends from the previous year. Accuracy of the figures improve as year-to-date data becomes available.

RECURRENT EXPENDITURE — COMPARATIVE (2017 - 2019)



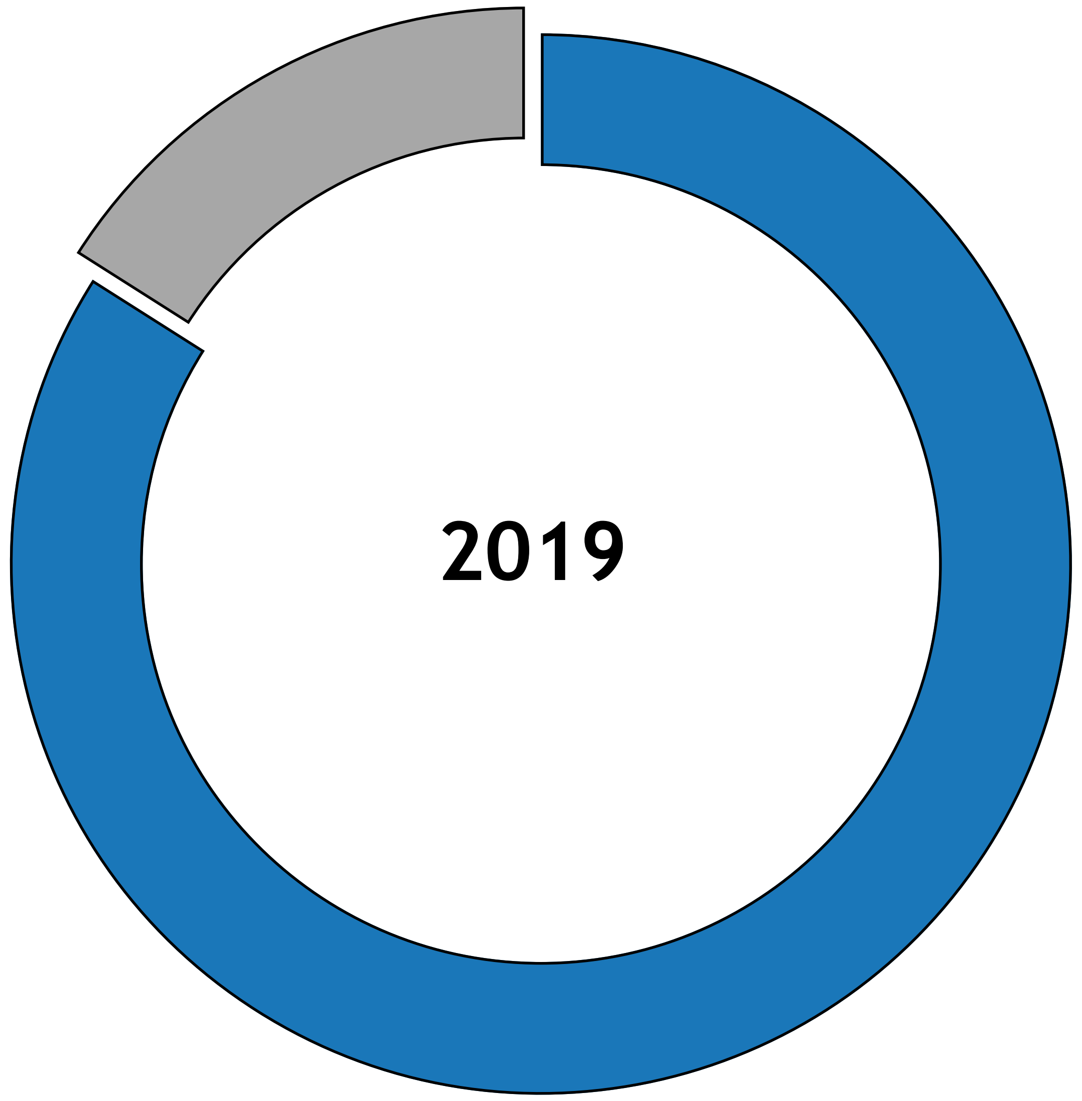
92%

PROVISION	305.182 (₦'BN)	
ACTUAL	281.333 (₦'BN)	



84%

PROVISION	347.039 (₦'BN)	
ACTUAL	290.713 (₦'BN)	



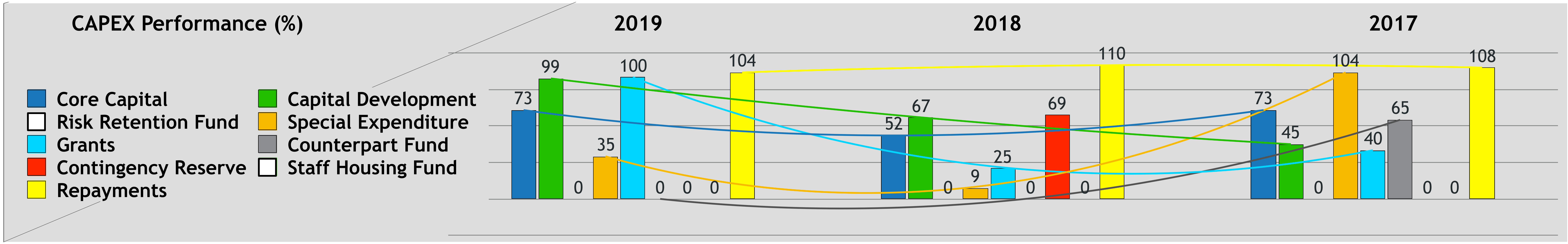
84%

PROVISION	387.051 (₦'BN)	
ACTUAL	323.757 (₦'BN)	

Projections are based on Budget planning figures and trends from the previous year. Accuracy of the figures improve as year-to-date data becomes available.

Capital Expenditure — Comparative (2017 - 2019)

Details	2019 Re-Ordered Budget (₦'bn)	2019 Actual (₦'bn)	2019 Perf. %	2018 Budget (₦'bn)	2018 Actual (₦'bn)	2018 Perf. %	2017 Budget (₦'bn)	2017 Actual (₦'bn)	2017 Perf. %
Core Capital	289.985	211.901	73	433.660	226.918	52	394.315	287.978	73
Capital Development	8.417	8.306	99	20.015	13.341	67	15.561	6.965	45
Risk Retention Fund	0.200	0	0	0.107	0	0	0.107	0	0
Special Expenditure	33.936	11.898	35	115.688	10.426	9	7.000	7.301	104
Grants	4.000	4.000	100	19.525	4.793	25	9.880	3.984	40
Counterpart Fund	5.000	0	0	6.544	0	0	6.197	4.046	65
Contingency Reserve	3.702	0	0	5.197	3.575	69	3.099	0	0
Staff Housing Fund	0.064	0	0	0.100	0	0	0.100	0	0
Repayments	141.178	147.293	104	98.246	107.858	110	71.557	77.322	108
a. External Loans (principal repayments)	8.604	8.591	100	5.376	5.760	107	3.298	6.809	206
b. Internal loans (principal repayments)	45.016	47.687	106	24.593	38.222	155	23.792	30.133	127
c. Consolidated Service Account	87.558	91.015	104	68.277	63.876	94	44.467	40.380	91
Total	8.604	8.591	100	699.082	366.910	52	507.816	388.096	76



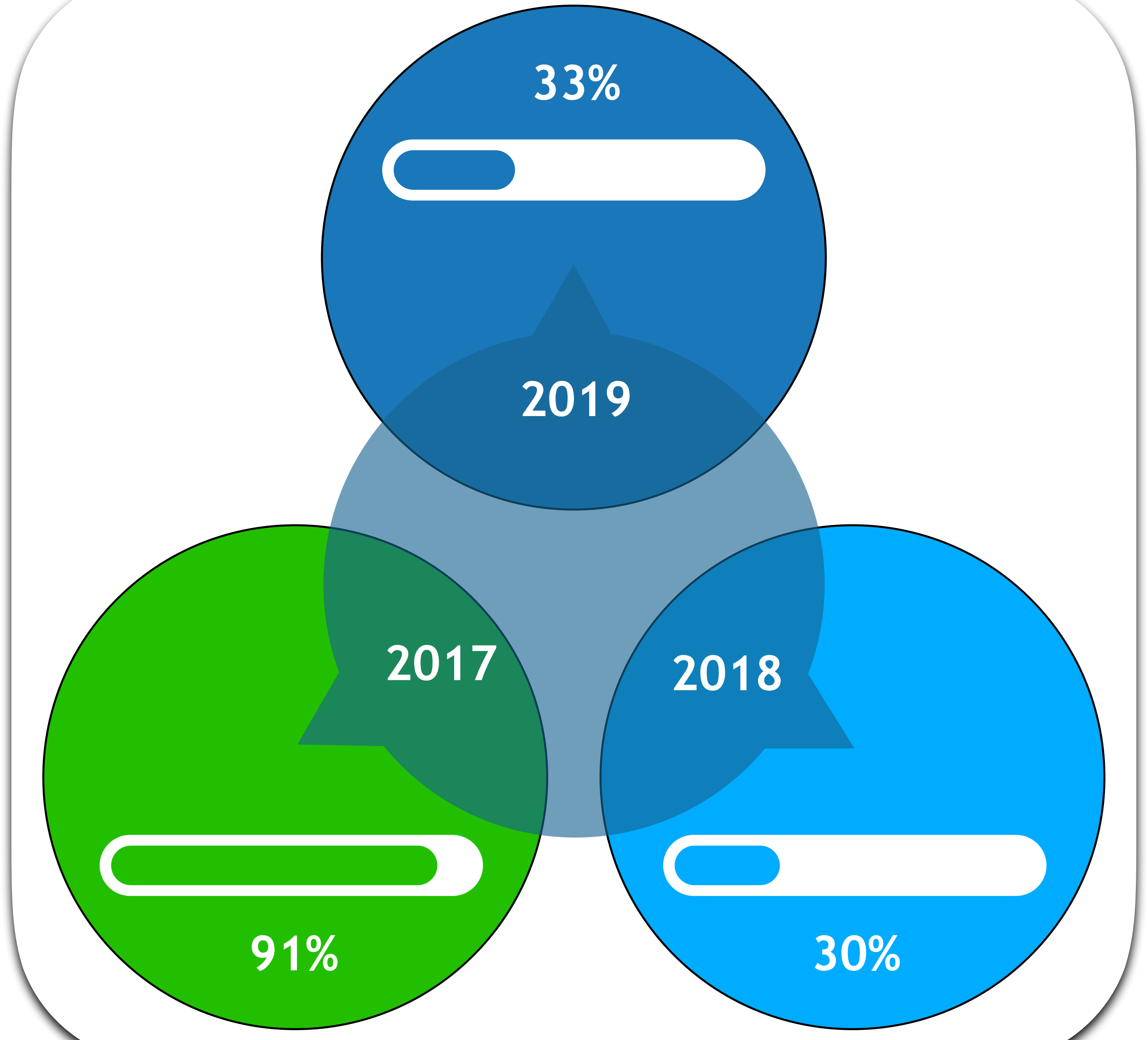
Projections are based on Budget planning figures and trends from the previous year. Accuracy of the figures improve as year-to-date data becomes available.

Financing Activities — Comparative (2017 - 2019)

Details	2019			2018			2017		
	Re-Ordered Budget (₦'bn)	Actual (₦'bn)	Perf. %	Budget (₦'bn)	Actual (₦'bn)	Perf. %	Budget (₦'bn)	Actual (₦'bn)	Perf. %
Financing Surplus/(Deficit)	(253.000)	(83.932)	33	(148.699)	(44.700)	30	170.151	154.774	91
External loans	3.000	1.541	51	18.850	0	0	22.551	10.527	47
Internal loans	3.000	0	0	44.849	44.700	100	47.600	47.000	99
Bond issue	0	-	-	85.000	0	0	100.000	97.247	97

Performance

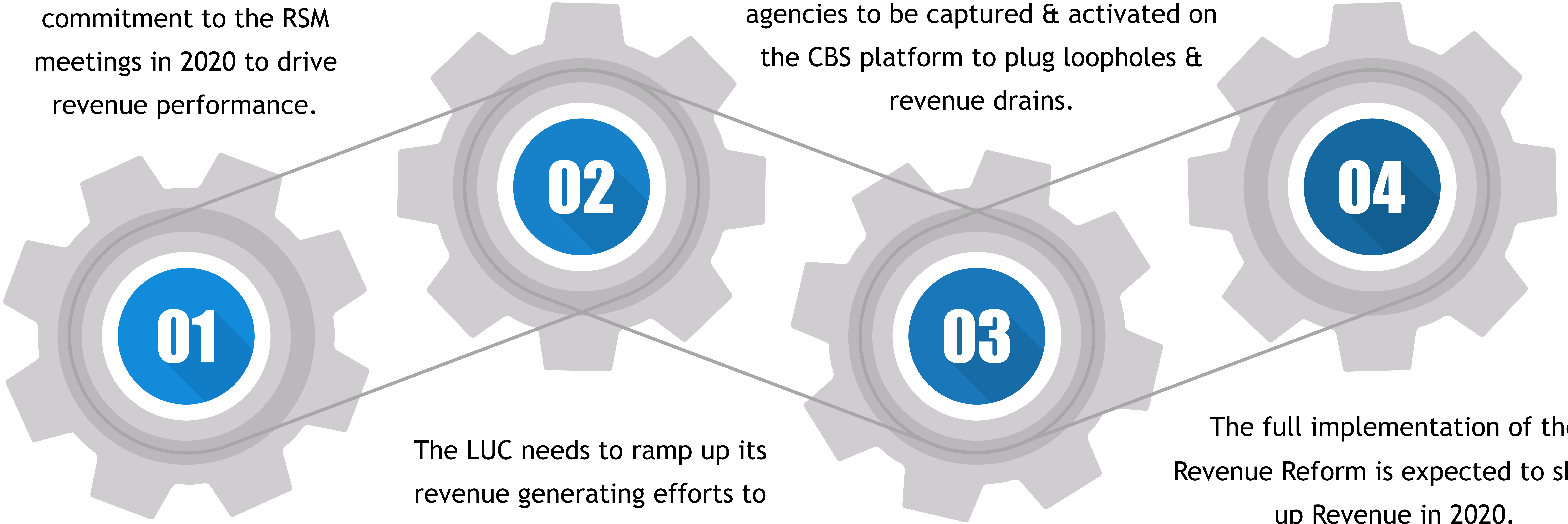
2019	(83.932) (₦'bn)
2018	(44.700) (₦'bn)
2017	154.774 (₦'bn)



- Financing in 2019 performed at 33% | ₦83.742bn from internal loans which was expended on various capital projects in 2019.

Projections are based on Budget planning figures and trends from the previous year. Accuracy of the figures improve as year-to-date data becomes available.

Observations & Recommendations — Revenue



The total IGR performed at 102%.

Efforts should be made to ensure commitment to the RSM meetings in 2020 to drive revenue performance.

The LUC needs to ramp up its revenue generating efforts to cover areas that are yet to be enumerated across the State including enforcement activities.

CENTRAL BILLING SYSTEM (CBS):

We recommend that the Head of Service issue a statewide circular compelling all revenue generating agencies to be captured & activated on the CBS platform to plug loopholes & revenue drains.

The full implementation of the Revenue Reform is expected to shore up Revenue in 2020.

Let us quickly operationalize all tax reforms and explore new channels for revenue generation.

Projections are based on Budget planning figures and trends from the previous year. Accuracy of the figures improve as year-to-date data becomes available.

Observations & Recommendations — Recurrent Expenditure

Recurrent Expenditure

Personnel Cost

Personnel Cost performance of 72% | ₦111.269bn in 2019 is higher in absolute terms compared to 92% | ₦102.970bn in 2018, but still within the World Bank recommended ratios of a maximum of 25% of TR and 35% of IGR respectively.

Overhead Expenditure

The Total Overhead Cost performance of 91% | ₦183.740bn in 2019 is higher in absolute terms compared to 79% | ₦156.349bn in 2018,

Overhead Expenditure

However, it should be noted that the cost of maintaining the existing infrastructures is part of the Overhead cost.

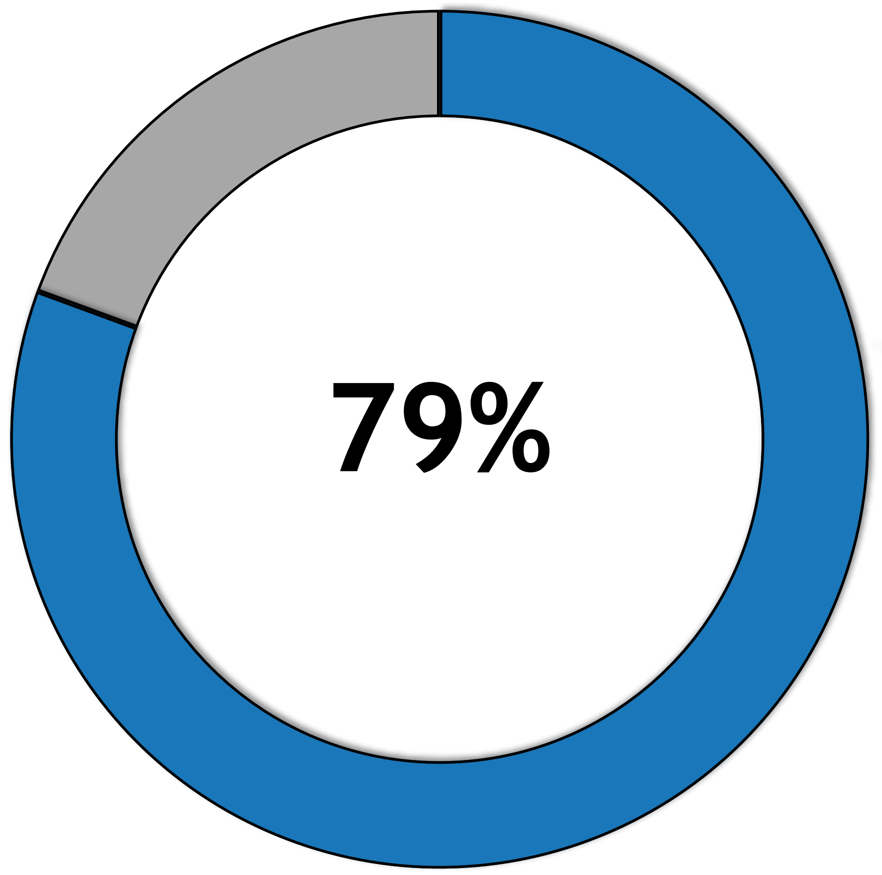
Overhead Expenditure

The subvention keeps increasing over time, indicating an over-dependence on Government funding. It is recommended that Commissioners and Agencies be creative in finding means to improve on their IGR.

Projections are based on Budget planning figures and trends from the previous year. Accuracy of the figures improve as year-to-date data becomes available.

Observations & Recommendations – Capital Expenditure

The Total Capital Expenditure at 79% | ₦383.397Bn reveals a Capex/Recurrent ratio of (54:46), though impressive, requires improvement.



01 In view of the massive infrastructural deficit in the State, there is a need to increase support for delivery of infrastructure in areas such as Road Rehabilitation, Transportation, Security, Environment, Housing etc. to ensure that a greater Lagos is attained

02
- MDAs need to be more proactive in engaging the procurement process making focused efforts to fully understand the process.
- MDAs, MEPB and STO (State Treasury Office) should ensure better coordination of their budget.

03
- In 2020, MDAs must obtain approvals and execute expenditures (both Recurrent & Capex) strictly within their budgetary provisions as opposed to seeking State Wide Votes from MEPB;
- the state wide votes are only earmarked for specific programmes and projects.

Observations & Recommendations — Projects

We recommend that the Executive Committee take a decision on these 4 projects under the Ministry of Physical Planning and Urban Development

Relocation of Oko-Baba

- This project has been reoccurring on the budget since 2012.
- The contract awarded to the previous contractor has been terminated due to non performance.

Relocation of Computer Village

- This has been a long-standing project reoccurring for 6 years. The new site is not ready.
- However, Approval has been secured for right of way for the 3 roads linking to the site.

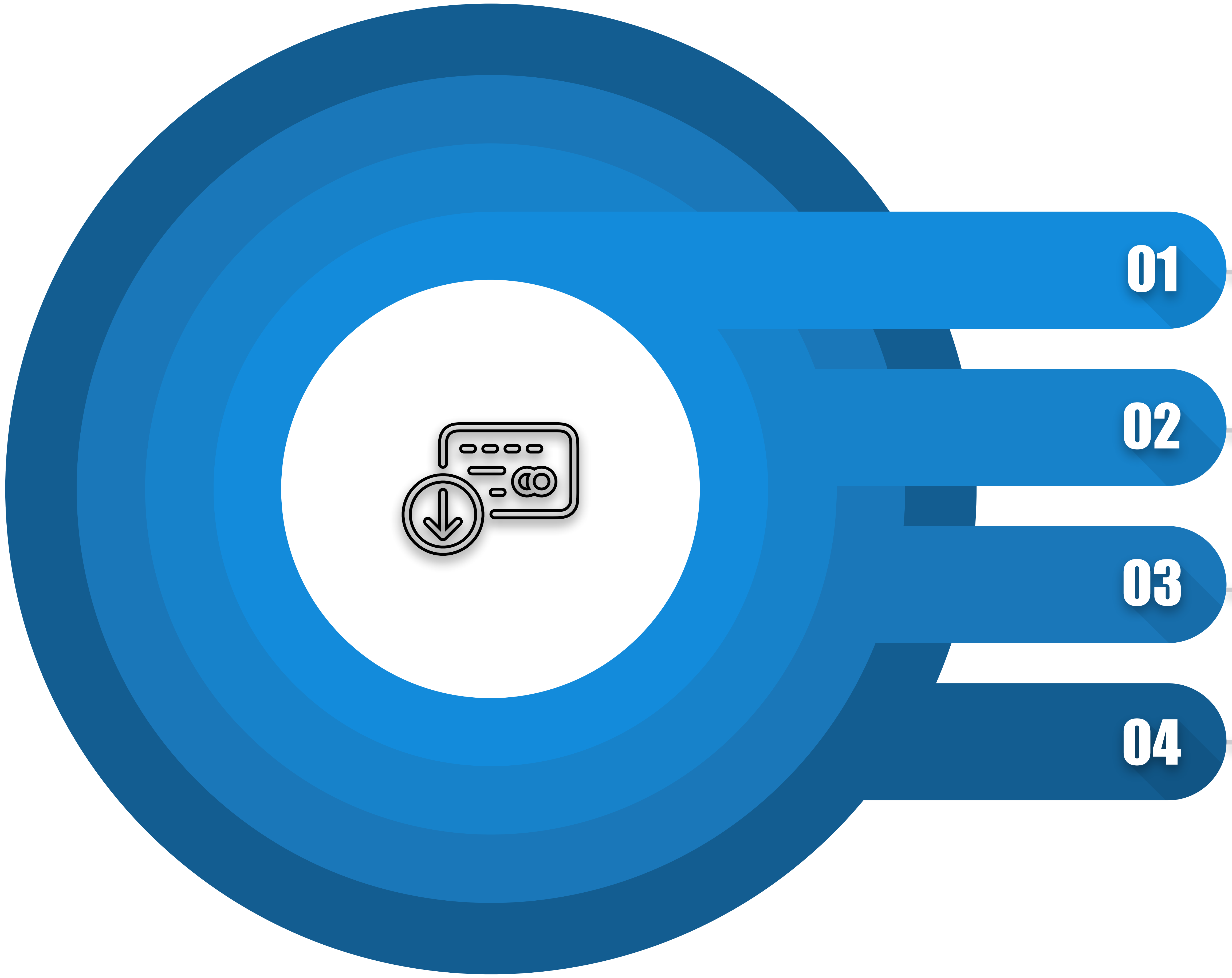
Isale-Gangan Project

- This project has been reoccurring on the budget since 2012.
- Families have been reporting that their lands should be returned.

Relocation of Mile 12 to Imota

- This project has been ongoing, since 2017.
- Attention should also be paid to the Ikorodu-Imota-itoikin Road with consideration to the volume of traffic that the new market location would attract.

Conclusion



Internal Loans enhanced the delivery of Capital Projects in 2019. The balance is expected to be utilized in 2020

The Bond Issuance did not materialize in 2019, however full implementation is expected in 2020

- The 2019 revenue performed at 100%
- Recurrent Exp. performed at 84%
- Capex performed at 79%

The 2019 budget closed at 81%

Projections are based on Budget planning figures and trends from the previous year. Accuracy of the figures improve as year-to-date data becomes available.