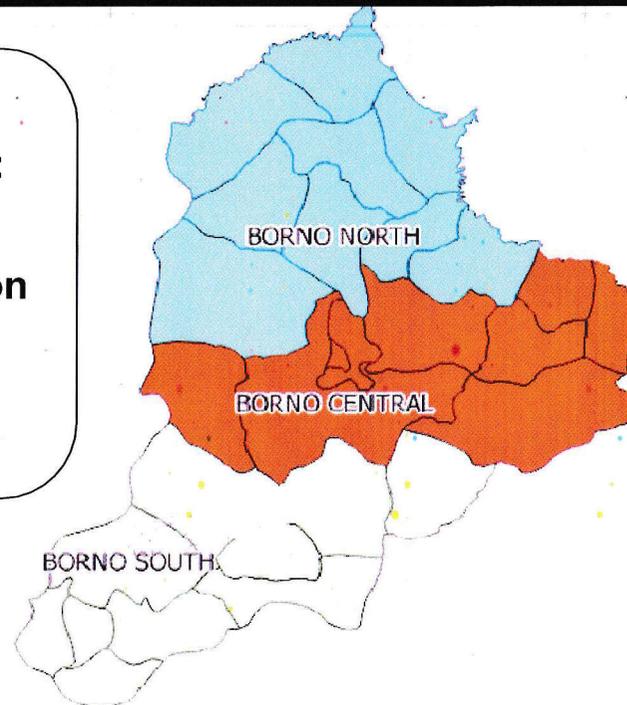


BORNO STATE CITIZEN'S ACCOUNTABILITY REPORT (CAR)

On
Implementations of the 2020 Budget:
The Budget of Recovery & Stabilization

Published: 27th/09/2021



ABOUT THE CITIZENS ACCOUNTABILITY REPORT

The Citizens Accountability Report (CAR) is a series of graphic and tabular illustrations of the contents captured in the Audited Financial Statements prepared by the Borno State Audit office on behalf of the Borno State Government to the citizens to ensure accountability of public funds. This report contains details of the government's performance in the execution of its duties and responsibilities and utilization of funds in the coffers of the government. This accountability report is drafted on the financial statements for the Financial Year (FY) 2020 and in accordance with the reports of state budget revenue and expenditure for the year 2020.

Key Terms Explanation

- **Budget** – Unless otherwise stated, the budget refers to the Final Budget (i.e. the original budget, and any adjustments that have been made via a **supplementary** Budget / revised budget).
- **Actual** – This is the actual amount of revenue collected or expenditure incurred for the year.
- **Variance** – For revenue items, this is calculated as Actual minus budget - a negative variance for revenues and inflows means actual fell below budget, and vice versa for a positive variance. For expenditure, variance is calculated as budget minus actual - a negative variance for expenditures means actual expenditure was above budget, and vice versa.

Performance – This refers to the actual revenue/expenditure as a percentage of the budget. A performance of 100% means the full budgetary allocation was collected (revenue) or spent (expenditure). Performance of less than 100% means the full level of revenue collection or expenditure was not achieved. A performance of more than 100% means more revenue was collected than anticipated, or more money was spent than anticipated in the budget.

EXECUTIVE SUMMARY

The Borno State 2020 Budget, tagged Budget of Recovery & Stabilization, with a size of N134.5 billion was passed on the 29th day of December 2019 and implementation commenced on 1st January 2020. The impact of COVID-19 pandemic couple with the global economic downturn, including the reduction in crude oil price and production, has significant impact that occasioned for a revised budget, which was prepared and passed on the 15th July 2020, & a supplementary budget was subsequently passed on 30th October 2020. Despite the mid-year budget review, the implementation was affected by poor revenue performance and mildly optimistic expectations of federal allocation, loans and grants.

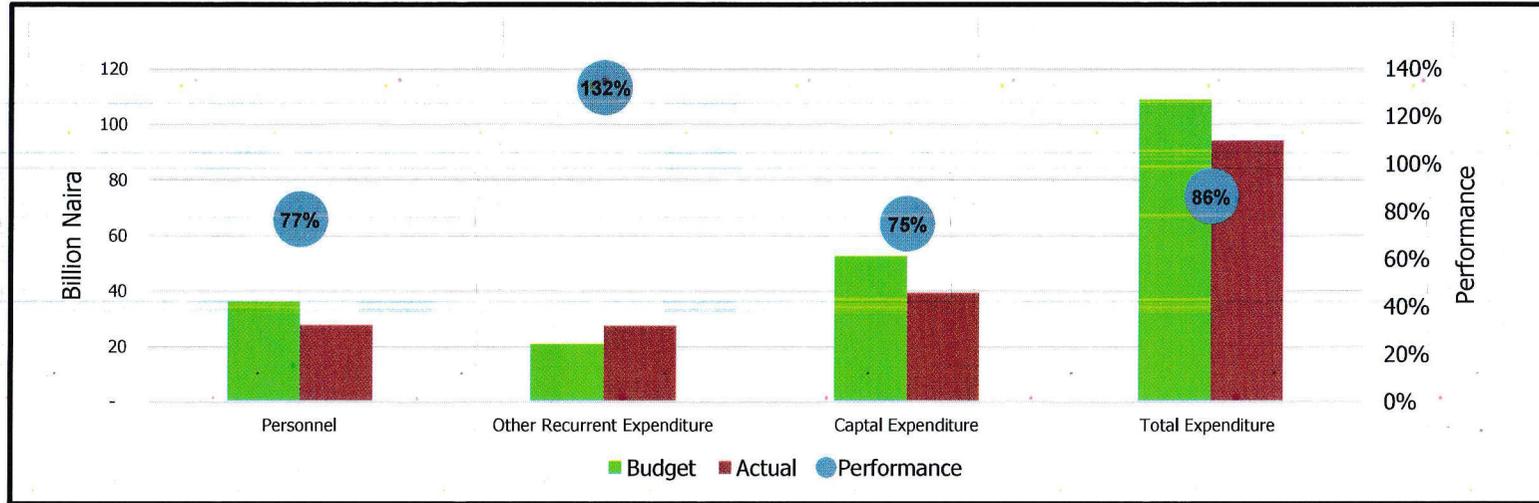
Aggregate revenue performance was 108.5% of the budgeted N108.8 billion in the final budget, this is equivalent to an N9.28 billion increase where Federation Account revenues, domestic loan and internally generated revenue (IGR) performed over 100%. On the expenditure, the actual total expenditure is about N94.04 billion (86.4%) less than the budgeted amount which was N108.86 billion. A closing balance of N6 billion was allowed for due to the anticipated receipt of SFTAS grants in the final month of the year.

Capital Expenditure took the brunt of the expenditure shortfall, with performance of less than 75%. Much of the recurrent expenditure in 2020 was obligatory so, capital expenditure was largely focused on completing ongoing projects. Very few new projects, except those that targeted COVID-19 responsive matters, were started.

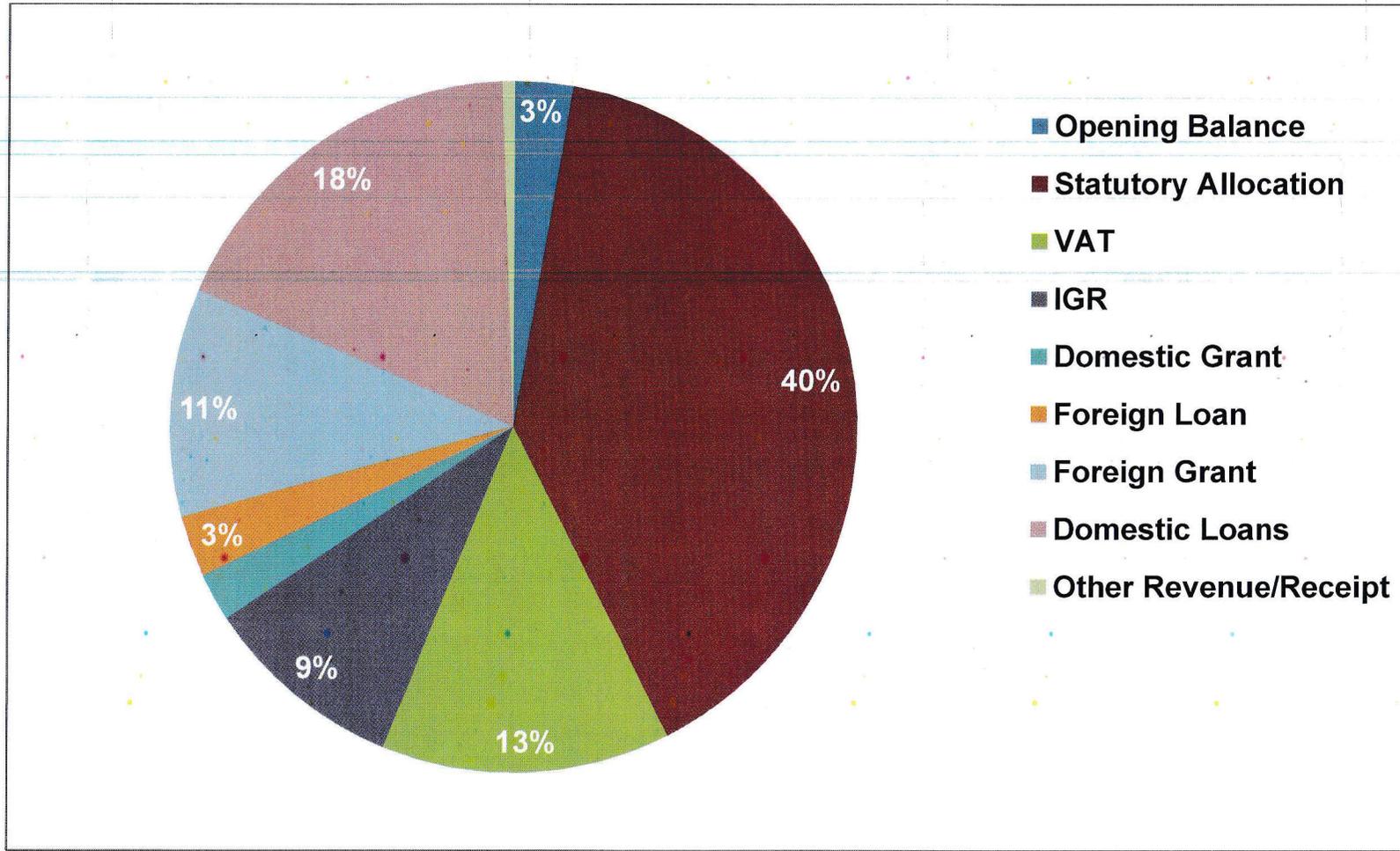
Some of the larger contracts were subject to delays due to weather and funding, and some amendments were made. Citizen's projects were largely implemented as planned and with increment, with exception of few transcending to 2021 as a result of timing.

There was a total of twenty-nine audit queries for the year under review, the most material audit findings related to contract document, receipt/invoice in fifteen projects under Ministry of Religious Affairs and Special Education, procedural and lack of receipt in five projects in Ministry of Home Affairs, Information and Culture, and missing supporting documents for payment voucher for two contracts under Ministry of Water Resources.

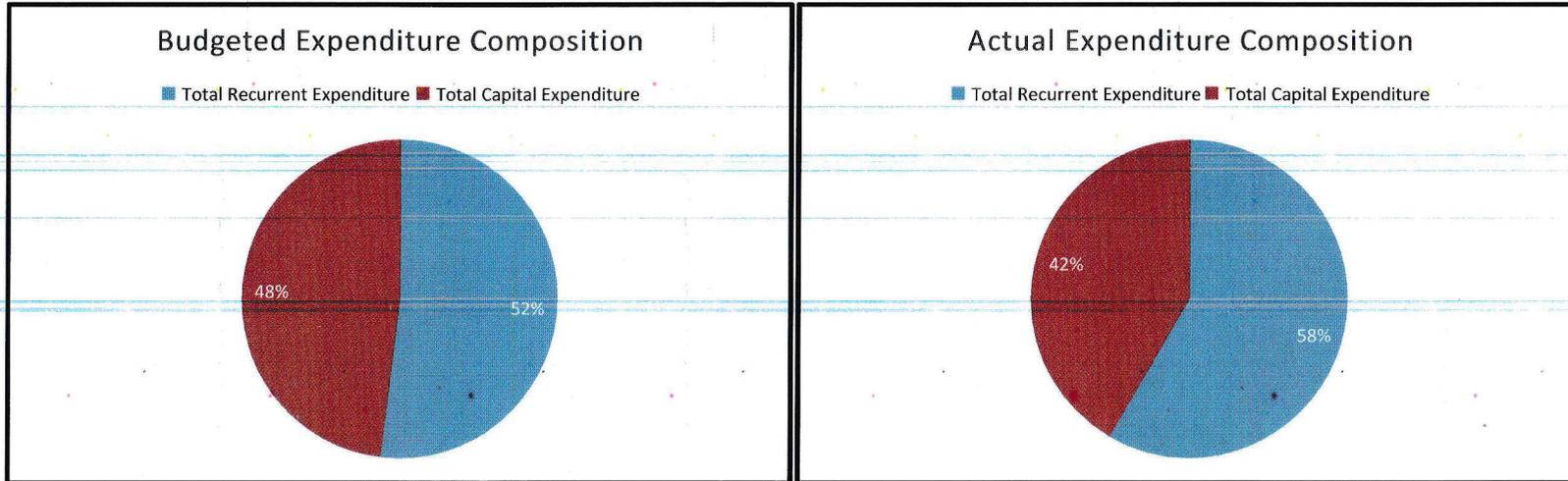
HOW THE MONEY WAS SPENT



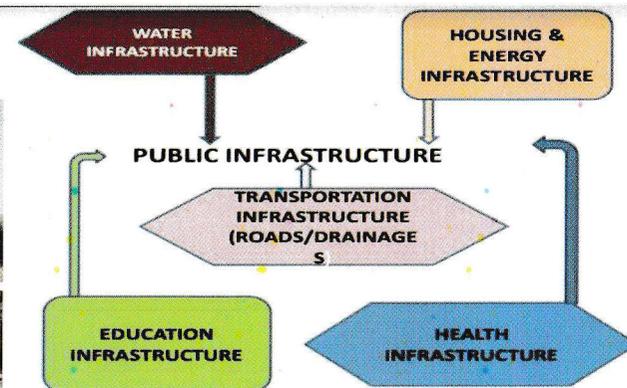
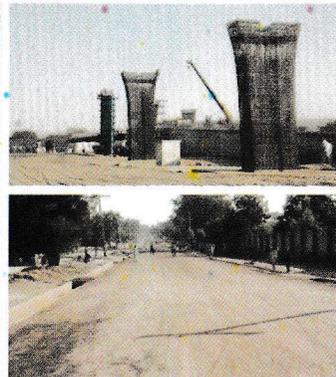
WHERE THE MONEY TO FINANCE THE BUDGET CAME FROM;



HOW THE MONEY WAS SPENT



EXPENDITURE ON PUBLIC INFRASTRUCTURE
(Custom Area Fly Over; Township Roads)



AUDIT FINDINGS

Top Ten Audit Queries					
Details of Expenditure	No. of Queries	Nature of Queries	Amount Queried	Total Cash Expenditure	Percentage (%)
Ministry of Religious Affairs and Special Education	15	Lack of Contract Agreement; Bill of Quantity, Receipts or Invoices	350,972,703	350,972,703	100.0%
Ministry of Home Affairs, Information and Culture	5	Lack of Internal Approval & Lack of Official Receipts of NAWOJ.	21,650,000	21,650,000	100.0%
Ministry of Housing and Energy	4	lack of attaching relevant supporting documents to the payment vouchers	505,800	505,800	100.0%
Ministry of Housing and Energy	2	Lack of Internal Approval and signature of Payee	1,120,000	1,120,000	100.0%
Ministry for Local Governments and Emirate Affairs	2	non-deduction of relevant taxes from the payments as provided in the Contract	40,000,000	40,000,000	100.0%
Ministry of Agriculture and Natural Resources	1	Lack of Supervision Fee Claimants' List duly signed	357,720	357,720	100.0%
Total Number of Queries	29		414,606,223	414,606,223	100.0%

Audited Financial Statements

This Section outlines a breakdown on the state's audited public expenditure and revenue for the fiscal year in review. The expenditure budget figures, consolidated revenue fund and audited cash flow statement based on the audited financial statement are represented here for citizens' understanding.

For the year 2020, Borno had a COVID-19/final total revenue budget of ₦107.37 billion while its actual total revenue was ₦117 billion resulting to a favorable variance of ₦ 9.63 billion with performance of 8.97%. Out of this, statutory allocation received from the Federal Government constituted the largest share with budget figure of 47.44 billion and actual figure of 63.04 billion. Therefore, the state remains largely dependent on statutory allocation for its revenue.

The state government's share of VAT for the year had an actual figure of 12.22 billion against the budget figure of 16.02 billion with a performance of 82.0%. For Other Federation Account Distributions, the state received 1.26 billion while its budget was 13.01 billion which has positive variance of 9.63 billion and performance of 12%.

Actual independent tax revenue for the year was 14.8 billion budget was 18.4 billion and performance was 17%. Performance for independent non-tax revenue was 8%. Borno received foreign grants of 21.1 billion against its budget figure of 25.9 billion and had a performance of 28.6%. It did not receive any domestic grants.

For foreign loans, the state had a budget of 3.6 billion, in terms of domestic loans, the budget was 9.5 billion while actual figure stood at 21.2 billion with performance of 11.70%. In terms of expenditure, the budget share of government revenue went to salaries, wages and allowances. The budget was 29.5 billion, actual was 21.22 billion and performance was 33%. Social contribution had performance of 10%, overheads had 19%, while public debt charges achieved performance of 75.5%.

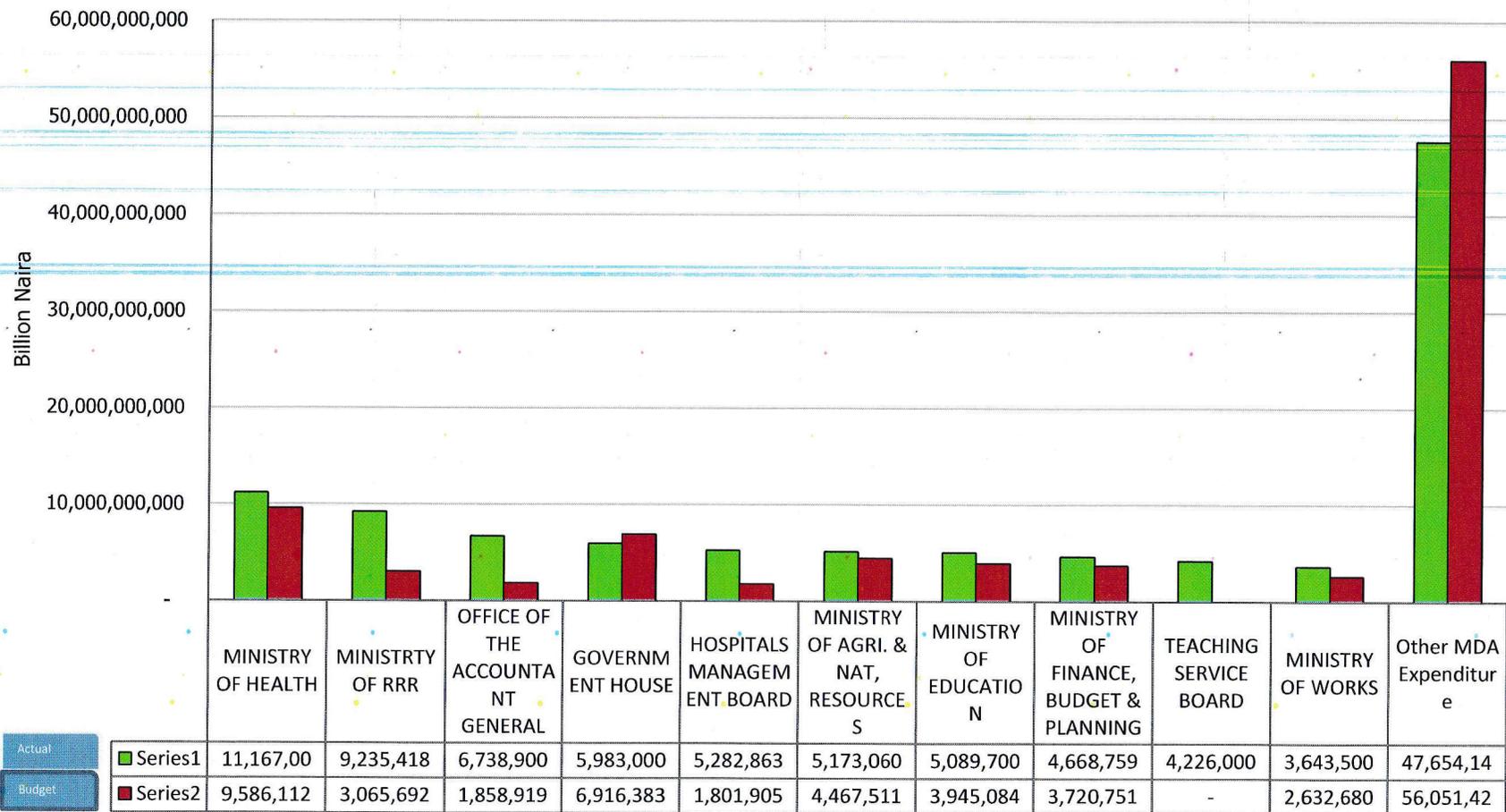
Although government budget for capital expenditure was 52.34 billion, actual expenditure was 39.2 billion with performance of 48%. This puts capital expenditure behind government expenditure on salaries, wages and allowances for the year, and for behind total recurrent expenditure for the year.

Total expenditure for the state in the budget was 108.8 billion, actual expenditure was 97.04 billion and performance was 100%.

For 2020, the state recorded on changes in net assets as it remained at 351 million throughout the year.

In summary, although Borno received a significant share of its budgeted amount (100%), the bulk of this was consumed by recurrent expenditure with salaries, wages and allowances constituting the largest share, leaving a meagre 48% for capital expenditure. In order to reverse this trend, government will need to invest and pay serious attention to increasing its revenue, particularly its IGR, reducing its over dependence on statutory allocations, cutting waste and losses in the system through adoption of technology, internal controls and other mechanisms aimed at improving transparency and effectiveness.

Top Ten Total Allocation by Sectors



Top Value Capital Project

Top Value Projects								
Project	Project Location	Programme Code	MDA Responsible	2020 Final Budget	2020 Actual Amount	Variance*	Performance (%)*	Completion Status
GAIN RESERVES COSTS & SUBSIDIES	MMC	190000000000	MIN. OF AGRI. & NAT.RES	1,200,000,000	-	1,200,000,000	0.0%	Not Yet Started
CULTIVATION OF SPECIAL CROPS & PROVISION OF FARM	MMC	190000000000	MIN. OF AGRI. & NAT.RES	1,360,000,000	-	1,360,000,000	0.0%	Not Yet Started
RURAL ACCESS AND AGRIC MARKETING	MMC, JERE, MAFA & AUNO	190000000000	MIN. OF AGRI. & NAT.RES	1,200,000,000	109,245,206	1,090,754,794	9.1%	Ongoing
CONSTRUCTION/PROVISION OF ROADS	MMC AND JERE	190000000000	MINISTRY OF WORKS	1,240,000,000	2,378,587,350	1,138,587,350	191.8%	Ongoing
CONSTRUCTION/PROVISION OF HOUSING	MMC & JERE	190000000000	MINISTRY OF RRR	5,900,000,000	2,092,504,676	3,807,495,324	35.5%	Ongoing
CONSTRUCTION/PROVISION OF RESIDENTIAL BUILDING	BAMA, DIKWA & MAGUMERI	190000000000	MINISTRY OF RRR	1,800,000,000	1,536,885,790	263,114,210	85.4%	Ongoing
CONSTRUCTION/PROVISION OF HOSPITALS (ISOLATION CENTER)	MMC	190000000000	MINISTRY OF HEALTH	1,500,000,000	3,961,259,505	2,461,259,505	264.1%	Ongoing
CONSTRUCTION/PROVISION OF HOSPITALS (TESTING CENTER)	MMC	190000000000	MINISTRY OF HEALTH	1,000,000,000	-	1,000,000,000	0.0%	Not Yet Started
SURVEILLANCE & EPIDEMIOLOGY (COORDINATION OF POE & IPC ETC)	MMC	190000000000	MINISTRY OF HEALTH	1,460,000,000	1,302,039,939	157,960,061	89.2%	Ongoing
CONSTRUCTION/PROVISION OF PUBLIC SCHOOLS	JERE & MMC	190000000000	MINISTRY OF EDUCATION	2,400,000,000	3,047,595,979	647,595,979	127.0%	Ongoing
CONSTRUCTION/PROVISION OF ROADS	MMC AND JERE	190000000000	BORMA	1,000,000,000	2,378,587,350	1,378,587,350	237.9%	Ongoing
LOCAL INVESTMENT: QUOTED COMPANIES (RECAPITALIZATION)	MMC AND JERE	190000000000	BORNO INVESTMENT COM.	1,000,000,000	57,517,110	942,482,890	5.8%	Ongoing

* Variance and Performance is assessed against final budget. Negative variance for expenditure items means actuals were above budget.

KEY PROJECT/INITIATIVES IN THE 2020 BUDGET



Ministry of Works

- 1) Construction/provision of roads in MMC & Jere = ₦1.24 billion

Borno Road Maintenance Agency (BORMA)

- 2) Construction/Provision of Roads in MMC & Jere = ₦1 billion

Agriculture

- 1) Grain reserves costs & subsidies in MMC = N1.2 billion
- 2) Cultivation of special crops & provision of farm = N1.36 billion
- 3) Rural access and agric marketing (MMC, Jere, Mafa & Auno) = N1.2 billion



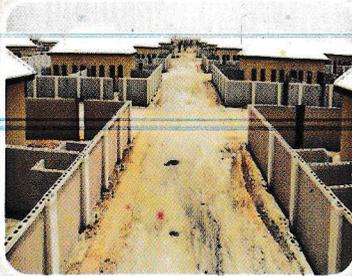
Health



- 1) Construction/provision of Hospitals (Isolation Center) in MMC = ₦ 1.5 billion
- 2) Construction/provision of Hospitals (Testing Center) in MMC = ₦ 1 billion
- 3) Surveillance & Epidemiology (Coordination of POE & IPC Etc) in MMC = ₦1.46 billion

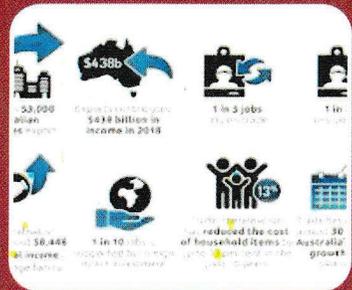
Education

- 1) Construction/Provision of Public Schools = ₦2.4 billion



Reconstruction, Rehabilitation & Resettlement

- 1) Construction/Provision Of Housing In Jere & MMC ₦ 5.9 billion
- 2) Construction/Provision of Residential Building In Bama, Dikwa & Magumeri = ₦1.8 billion



Trade, Investment & Tourism

- 1) Local Investment: Quoted Companies (Recapitalization) = ₦1 billion

CITIZENS NOMINATED PROJECTS

Citizens Nominated Projects								
Project	Project Location	Programme Code	MDA Responsible	2020 Final Budget	2020 Actual Amount	Variance*	Performance (%)*	Completion Status
Construction of 2 storey building of 48 classrooms, 48No Labs, 2No 8 Compartmen	Kushari, Behind CBN, Konduga	100000000000	Ministry of Education	987,986,700	930,986,200	5,000,000	98.9%	Complete
Construction of Higher Islamic sec. sch. 2 storey building of 50 classrooms, 6No La	Monguno town, Monguno	100000000000	Ministry of Education	600,029,178	590,483,080	57,000,500	94.2%	Complete
Construction of School 2 storey building of 33 classrooms as Govt sec. sch.	Buratai, Biu LGA	100000000000	Ministry of Education	264,351,117	210,004,377	9,546,098	98.4%	Complete
Drilling of Solar Powered Borehole with overhead tank	Moro-Moro, Jere	23020105	MINISTRY OF WATER RE	20,000,000	17,409,289	54,346,740	79.4%	Complete
Drilling of 1 no. Deep borehole	Magumeri	23020106	MINISTRY OF WATER RE	60,000,000	50,948,303	2,590,711	87.0%	Complete
Drilling of 2NOS of deep boreholes	Mafa	23020107	MINISTRY OF WATER RE	38,000,000	25,093,473	9,051,697	84.9%	Complete
construction of Health care center (Quarters)	Karoram, Magumeri	040000000000	MINISTRY OF HEALTH	120,333,235	110,333,235	12,906,527	66.0%	Complete
construction of Health care center (Quarters)	Gasi, Shani LGA	040000000000	MINISTRY OF HEALTH	120,333,235	110,333,235	10,000,000	91.7%	Complete
construction of Primary Health care center	Gwange Layin Tanki, Maiduguri	040000000000	MINISTRY OF HEALTH	120,333,235	110,333,235	10,000,000	91.7%	Complete
construction of Health care center (Quarters)	Dusuman, Jere	040000000000	MINISTRY OF HEALTH	120,333,235	110,333,235	10,000,000	91.7%	Complete
construction of Health care center (Quarters)	Kwaya Bura, Kwaya Kusar	040000000000	MINISTRY OF HEALTH	120,333,235	110,333,235	10,000,000	91.7%	Complete
construction of Health care center (Quarters)	Banki, Bama LGA	040000000000	MINISTRY OF HEALTH	120,333,235	110,333,235	10,000,000	91.7%	Complete
construction of Health care center (Quarters)	Ajiri, Mafa	040000000000	MINISTRY OF HEALTH	120,333,235	110,333,235	10,000,000	91.7%	Complete
construction of Health care center (Quarters)	Monguno town, Monguno	040000000000	MINISTRY OF HEALTH	120,333,235	110,333,235	10,000,000	91.7%	Complete
construction of Health care center (Quarters)	Goni Damgari, Bolori 1 Maiduguri	040000000000	MINISTRY OF HEALTH	120,333,235	110,333,235	10,000,000	91.7%	Complete
construction of Health care center (Quarters)	Chachanda, Askira Uba	040000000000	MINISTRY OF HEALTH	120,333,235	110,333,235	10,000,000	91.7%	Complete
Construction and Reconstruction of Houses	at Ngoro seye, Bama	90288880000	Ministry of Reconstruction F	2,190,904,989	1,903,987,533	286,917,456	91.7%	Ongoing
construction of Health care center (Quarters)	1000 Housing Estate	040000000000	MINISTRY OF HEALTH	120,333,235	55,033,235	10,000,000	45.7%	Ongoing
Construction of road	Bolori 2, Maiduguri	30200000000	BORMA	509,302,902	500,033,929	286,917,456	98.2%	Complete



Public Consultations with Citizens presenting the Annual Financial Statements

The FY 2020 Audited Annual Financial Statements for Borno State can be found on the State Government public finance management Website, at the following specific address: www.https://pfm.bo.gov.ng.

Borno State Government published the Audited Annual Financial Statements on the 28th July 2021. Subsequently, One- day town hall consultations were held on the 15th September 2019. The events having been advertised in more than five daily national newspapers (Daily trust, Premium times, Guardian and Punch). Citizen's comments were documented and minutes of the meetings are also available at the above web address.