

# 2024 BUDGET CALL CIRCULAR



Government of Kano state

## MINISTRY OF PLANNING AND BUDGET

(Audu Bako Secretariat)

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Date: 27<sup>th</sup> August, 2023

The Chief of Staff,  
Government House,  
The Permanent Secretary,  
Deputy Governor's office,  
The Clerk,  
Kano State House of Assembly,  
The Secretary to the State Government,  
Cabinet Office,  
The Head of Civil Service,  
Office of the Head of Civil Service,  
All honorable Commissioners,  
The Chairman,  
Civil Service Commission,  
All Permanent Secretaries,  
The Chief Registrars,  
High Court of Justice/Shari'ah Court of Appeal,  
The Secretary,  
Judicial Service Commission,  
The Auditor General  
State/Local Government Audit,  
All Directors General,  
All Head of Extra-Ministerial Departments,  
All Chief Executives of Government Owned Companies/Parastatals

### **CALL CIRCULAR FOR THE SUBMISSION OF 2024 BUDGET PROPOSALS**

Adherence to the Principles of Transparency and Accountability in Governance, which is the cardinal objective of the Public Financial Management (PFM) Reform process as well as in compliance with section 10 Sub section (1) of the Public Financial Management Law (2020) that empowers the Ministry to issue appropriate guidelines, directions and instructions to MDAs on Budget Preparation and submission. I have the pleasure to issue call circular containing detailed requirements and expectations on the preparation and submission of the year 2024 budget proposals.

The issuance of this instrument and detailed requirements contained herein signifies the commencement of the year 2024 Budget Process, where MDAs are expected to ensure compliance with the stipulated guidelines and instructions outlined in the succeeding paragraphs of this document.

## **2024 BUDGET CALL CIRCULAR**

The purpose of this circular is to request all Government Ministries, Departments and Agencies (MDAs); and other stakeholders to Prepare and submit their Proposed Revenue and Expenditure Estimates for the 2024 fiscal year. The proposal should capture Revenue, Personnel cost (establishments, basic salary, allowances and social contribution) Non-personnel Services (Overhead Costs) Debt services and Capital Expenditure including Capital Receipts as approved in the work plan.

It is imperative for all Revenue generating MDAs to comply with the existing Medium Term Revenue Strategy (MTRS) that set Medium Term Revenue Target (MTRT) on both statutory taxes, MDAs rates and levies, Capital Receipts as well as estimates of Corporate Social Responsibility shall be treated separately, and prepare effective cost proposal of it as agreed upon or approved in the work plan for the case of draw down. This is to allow adequate budgetary provision and subsequent tracking of performance in the Budget.

It is important also for MDAs to submit all Actuals on Revenue, including Capital Receipts, Expenditure incurred in the previous fiscal year of Jan – Dec 2022 and also Jan – Aug. 2023 period.

Equally, for the Sectors in the State Development Plan (KSDP), MDAs should note that 2024 Budget will be configured using NCoA under the guidance of Nigerian Governor’s Forum Template (NGF) for integration into Budget proposals. While sectors with Medium Term Sector Strategy (MTSS) shall abide by reviewed projects and programs for subsequent integration into their proposals. Further to the foregoing, training and capacity building are expected to hold.

### **SECTION II: REVIEW OF 2023 BUDGET PERFORMANCE**

The half year performance of 2023 Budget shows that the total actual collection from the Federation Account Allocation Committee (FAAC) which consists of Statutory Allocation, VAT, and other Receipts was stood at Sixty One Billion, One Hundred and Thirty Eight Million, Five Hundred and Sixty Thousand , Four Hundred and Twenty Four Naira Only **(N61,138,560,424.00)** from January to June against Budget Estimate of One Hundred and Fifty Four Billion, Six Hundred and Sixty Two Million, Four Hundred And Sixty Eight Million, One Hundred and Thirty Two Naira, Eleven Kobo only. **(N154,662,468,132.11 )** representing **40.0%** achievement.

On the Part of Internally Generated Revenue (IGR), the collection is to the tune of Sixteen Billion nine hundred and Forty Seven million Seventy Six thousand six hundred and twenty eight naira Forty Seven kobo only **(N 16,947,076,628.47 )** was collected for the period under review, against the Year approved Budget Target of Forty Billion, Three Hundred and Twenty Seven Million, forty Six Thousand, Eight Hundred and Fifty Four Naira Forty Seven kobo Only **(N 40,327,046,854.47 )** which indicated 42% performance/achievement.

The IGR collection is commendable with hope that will be improved due to areas of Revenue opportunity in the state.

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The summary is illustrated in table below:

| RECURRENT REVENUE                             | 2022<br>Actual Jan-Dec.<br>(Nbn) | 2023<br>Approved<br>Estimates<br>(Nbn) | 2023<br>Actual Jan-Jun.<br>(Nbn) | 2024<br>Proposed<br>Estimates<br>(Nbn) |
|---|----------------------------------|--|----------------------------------|--|
| Statutory Allocation                          | 60.215                           | 83.795                                 | 28.420                           | 144.850                                |
| Value Added Tax (VAT)                         | 45.810                           | 54.978                                 | 24.454                           | 76.638                                 |
| Internally Generated Revenue (IGR)            | 43.058                           | 40.327                                 | 16.947                           | 43.180                                 |
| Others  | 35.629                           | 15.890                                 | 8.268                            | 46.317                                 |
| <b>TOTAL RECURRENT REVENUE</b>                | <b>184.712</b>                   | <b>194.990</b>                         | <b>78.089</b>                    | <b>310.985</b>                         |
| <b>RECURRENT EXPENDITURE</b>                  |                                  |  |                                  |  |
| Consolidated Revenue Fund Charges (CRF)       |                                  |  |                                  |  |
| Personnel Costs                               | 69.029                           | 72.980                                 | 33.591                           | 85.725                                 |
| Overhead Costs                                | 35.211                           | 36.989                                 | 19.909                           | 57.230                                 |
| <b>TOTAL RECURRENT EXPENDITURE</b>            | <b>104.240</b>                   | <b>109.969</b>                         | <b>53.500</b>                    | <b>142.954</b>                         |
| <b>Transfer to Capital Dev. Funds</b>         | <b>80.472</b>                    | <b>85.021</b>                          | <b>24.589</b>                    | <b>168.25</b>                          |
| <b>CAPITAL RECEIPTS</b>                       |                                  |  |                                  |  |
| Miscellaneous General                         |                                  |  |                                  |  |
| Grants General/ Loans                         | 27.031                           | 47.200                                 | 19.574                           | 39.265                                 |
| Treasury Opening Balance                      | 31.502                           | 26.008                                 | 15.000                           |  |
| <b>TOTAL CAPITAL RECEIPTS</b>                 | <b>58.533</b>                    | <b>73.208</b>                          | <b>19.574</b>                    | <b>39.265</b>                          |
| <b>TOTAL CAPITAL DEVELOPMENT FUNDS</b>        | <b>158.229</b>                   | <b>158.228</b>                         | <b>44.163</b>                    | <b>207.512</b>                         |
| <b>TOTAL CAPITAL EXPENDITURE</b>              | <b>158.229</b>                   | <b>158.228</b>                         | <b>44.163</b>                    | <b>207.512</b>                         |
| <b>TOTAL EXPECTED REVENUE</b>                 | <b>243.245</b>                   | <b>268.198</b>                         | <b>97.659</b>                    | <b>350.225</b>                         |
| <b>TOTAL BUDGET ESTIMATES (REC &amp; CAP)</b> | <b>243.245</b>                   | <b>268.198</b>                         | <b>97.659</b>                    | <b>350.250</b>                         |

Based on the above table, the total Recurrent Revenue (FAAC + IGR) collected for the half year period stood at Seventy-Eight Billion, Eighty-Five Million, Six Hundred and Thirty-Seven Thousand, Fifty-Two Naira, Forty-Seven Kobo only (N 78,085,637,052.47) out of the approved Budget Target of One Hundred and Ninety-Four Billion, Nine Hundred and Eighty-Nine Million, Five Hundred and Fourteen Thousand, Nine Hundred Eighty-Six Naira, Fifty-Eight Kobo Only. (N194,989,514,986.58) showing **40%** performance.

On the part of capital receipts comprising Grants, loans and contributions which are funds earmarked to finance capital projects, the actual draw down for the period of Jan.-June stood at Nineteen Billion, Five Hundred and Seventy-Four million, one Hundred and Forty-Seven Thousand, Forty-one Naira, Fifty-Eight Kobo Only (N19,574,147,041.58). These exclude

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treasury opening balance, however, the Total approved 2023 Capital receipt is stood at Forty-Seven

Billion, Two Hundred Million, One Thousand, One Hundred and Seven Naira, Fifty Kobo Only (N 47,200,001,107.50) representing 41.47% performance.

The Analysis of the half year Performance of the 2023 Approved Budget inform stakeholders that effort has to made consistency to improved collection of domestic revenue in order to maintain 15% deviation of our budget performance report.

Accordingly, Medium Term Expenditure Framework (MTEF) as well as Budget Policy Statement provides bases for forecasting the entire resource profile on basis of present administration priority.

Specifically, the Actual Revenue collection, Actual Expenditure and other macro-economic parameters such as GDP Growth, Inflation rate, Crude Oil Price, Oil Production, Mineral ratio, IGR growth etc. forms the basis of the projection of 2023 resource profile of the State. As it may be clearly observed in the above table, the preliminary Revenue and Expenditure Projection for 2024 is gloomy and point to tight financial year due to the post Covid – 19 pandemics, removal of fuel subsidy, situations of insecurity and other Bi-lateral/ multilateral conflict etc. It is in line with the above development that the Government had come up with some policy statement and objectives to guide the focus and Preparation of the 2024 Budget.

### **FOCUS AND DIRECTION OF THE 2024 BUDGET**

#### **Policy Statements**

- Improving quality of basic and post basic education
- Improving quality Health Care Delivery Services
- Reintroduction of empowerment institute to improve skill acquisition programs
- Empowerment program
- Agriculture and food security
- Water supply and sanitation
- Improving security, lives and properties of citizens
- Fight against corruption

#### **Objective**

- Efficient and Effective Public spending through Public Financial Management Law (PFM) 2020
- To continue Synergy and collaboration with various Stakeholders

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### **SECTION 11: SPECIFIC GUIDELINE FOR SUBMISSION OF THE 2024 BUDGET PROPOSALS**

#### **REVENUE:**

In view of the current Economic realities in the country and impact of post Covid – 19 Pandemics, petroleum subsidy removal, unification of exchange rate and other insecurity challenges on economy, the revenue expectation from both IGR and Federal account transfers as mentioned above has been affected. Base on this, all revenue generating MDAs are to reflect reality projections in line with Medium Term Revenue Target (MTRT) set on Revenue through separation of Statutory taxes, MDAs rates and levies, capital receipt as well as estimates on corporate social responsibility projects. This will ensure effective realization of revenue growth in the state.

- Proposals on Revenue for 2024 should be clearly based on Realistic Estimate and according to the sources as outlined in the format
- The basis of the Revenue Estimates should be clearly stated.
- Equally all Revenue Target set should be Realistic and Achievable.
- A detailed appropriate designed action plan and other strategies should be put in place by each MDA with a view of improving Revenue Generation.

#### **BUDGET CEILINGS**

In line with section 10, sub- section 1 (10:1) of the Public Financial Management Law 2020, Budget ceilings are allocated for each sectors/MDAs that will guide the consolidation of Budget estimates subject to the approval of the State Executive Council. Therefore, all sectors/MDAs should work within the limit of discretionary and non-discretionary funds provided for both Recurrent and Capital Expenditure that should not exceed the ceilings provided.

#### **RECURRENT EXPENDITURE**

##### **Personnel Cost**

Proposals on Personnel cost under Recurrent Expenditure should be in conformity with all instructions and Policy guidelines issued by Office of the Head of Civil Service. Therefore, as usual, Personnel cost ceilings are expressed in terms of establishment positions Approved by the Office of the Head of Civil Service and should not exceed the ceiling made available for each Sector /MDA.

##### **Overhead Cost**

All proposals in this respect shall be based on the current Budget ceilings provided in this circular being implemented by the Ministry of Finance through its monthly releases to MDAs, standing Order payment should carefully be addressed when making proposal against each project/program Equally, Covid-19 special expenditures shall be integrated with Budget proposal as there is need for its separate report at the end of each quarter for the purpose of Principles of Prudence, Transparency and Accountability of Public spending.

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### Capital Expenditure Proposal

As you are fully aware, the present Administration reintroduce so many Capital projects that improved the wellbeing of Kano citizens. Priority attention was also given to the post Covid-19 projects, social protection programs, Climate change and other projects in order to restore the economy.

**It is important for MDAs to** undertake a detailed prioritization of the projects and ensure that ceilings provided are strictly allocated to critical projects and new ones introduced and reintroduced by the present administration. Submissions on capital projects should be categorized into *A and B* as follows: -

- Category A projects – critical Ongoing Projects
- Category B projects – New projects/ Reintroduce by present administration

MDAs are therefore required to use the relevant formats for each category while drawing their 2024 proposals. Equally, National Charts of Account (NCOA) template on 52-digit Budget Classification (BC) and Chart of account (CoA) will be provided for subsequent Presentation to the State House of Assembly followed by capacity building to strengthen your knowledge in completing the format/Template.

### Medium Term Sector Strategy (MTSS)

The main objective of the MTSS is to provide a robust framework for linking policy, planning and Budget across government. By now most MDAs are familiar with the reform imperatives as well as processes being followed to prepare MTSS.

The Present Administration is committed to adopt the MTSS/MTEF as a planning tool to provide the required framework for implementing programmes/projects over the medium term. Equally, the government is consistently examine the potential programmes/projects as well as activities which will largely involve around 11 Development Sectors as listed below:

1. Education
2. Health
3. Agriculture
4. Infrastructure Development
5. Manufacturing, Commerce, Industry and Tourism
6. Environment and Sanitation
7. Governance Institutions
8. Security, Justice and Emergency Services
9. Water Supply and Rural Development
10. Transport Development
11. Women, Youth and People with Special Needs

It is envisaged that all the 11 sectors enumerated above will eventually be subjected to an MTSS process. Already the MTSS for nine (9) sectors had been developed, in order to link with 52 digits BC & CoA and 2024 budget.

Therefore, all MDAs under Education, Health, Agriculture, Infrastructure development, Manufacturing, Commerce, Industry and Tourism, Environment and Sanitation, water supply and rural development, transport as well as Women, Youth and People with Special Needs sectors should tailor their Budget proposals in line with their MTSS developed and Review some project/program that are likely more deliverables to the agencies and ceilings allocated.

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**Note that:** All Social sector MDAs are hereby requested to include nutrition and social protection related interventions into their 2024 Budget proposal.

Accordingly, Subsequent changes in the MTSS document should be attached with proposal for integration if desk review or sector consultative engagement are carried out

### **Projects with Counterpart Funding Requirement**

All Executing, Agencies implementing projects and programmes with counterpart funding are required to provide us with actual draw down from Jan. - Dec 2022 and Jan. – Aug. 2023 as well as expected funds for the 2024. This will ensure that such projects/programmes are adequately catered for.

### **Deadline for the Submission of Proposals (On or before 30<sup>th</sup> September, 2023)**

It is important for all the MDAs to note the intention of the government is to present the 2024 Proposed Budget to the State House of Assembly as early as possible, especially considering the time limit for the state House of Assembly members to Pass the Budget. Therefore, in order to ensure a hitch free take-off of the 2024 budget exercise in line with Government approved calendar, I must request you to submit **your budget proposals officially to this Ministry** in soft and five (5) hard copies **on or before 30<sup>th</sup> September, 2023.**

However, capacity building on budget completion template using National Chart of Account on E-Budget Platform will be provided on or before 20<sup>th</sup> September, 2023. This is to carry all MDAs Planning Research and Statistics officers and Accountants on new reform introduced by the Office of Accountant General Ministry of Finance Via [www.ebudgetkano.ng:2083/](http://www.ebudgetkano.ng:2083/).

The Time-Table for subsequent bilateral budget discussions with MDAs will be conveyed in due course. You should however note that the discussions are expected to commence after submission of your budget proposal.

Sectors and MDAs should please note that, the Ministry Budget Support Team is available for each sector that requires technical support and assistance.

Attached with this call circular are the following: Budget Reporting Template and sector ceilings in soft & hard copies for your usage.

It is equally important to note that, Town Hall Meeting will be hold for collecting citizens' demand, MDAs should work with CSOs/NGOs/communities in preparing their sector budget in order to enrich their proposals with community and citizen Demand generated as a result of Town hall meetings.

Finally, I wish to reiterate that organizations should feel free to contact this Ministry for any enquiry or further explanation regarding the content of this circular, please.

Best regards.



Hon. Musa Suleiman Shanono  
Commissioner

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**KANO STATE**  
**2024 SECTOR ALLOCATION**

| No. | Sector  | %           | Personnel Cost           | %             | Overhead                 | %           | Capital                   | %          | Grand Total            |
|-----|---|-------------|--------------------------|---------------|--------------------------|-------------|---------------------------|------------|------------------------|
| 1   | AGRICULTURE                                   | 3.01        | 2,580,332,813            | 0.28          | 159,445,489              | 5.00%       | 10,375,598,059            | 3.74       | 13,115,376,362         |
| 2   | GOVERNANCE INSTITUTIONS                       | 11.01       | 9,438,360,222            | 27.24         | 15,531,502,727           | 6.00%       | 12,450,717,671            | 10.68      | 37,420,580,620         |
| 3   | MANUFACTURING, INDUSTRIES, COMMERCE & TOURISM | 0.44        | 377,191,507              | 0.26          | 147,500,588              | 3.00%       | 6,225,358,836             | 1.93       | 6,750,050,931          |
| 4   | ENVIRONMENT & SANITATION                      | 1.25        | 1,071,566,783            | 1.04          | 593,983,848              | 3.41%       | 7,070,314,401             | 2.49       | 8,735,865,032          |
| 5   | EDUCATION                                     | 49.11       | 42,099,715,757           | 17.71         | 10,097,072,367           | 18.81%      | 39,040,550,051            | 26.05      | 91,237,338,176         |
| 6   | HEALTH  | 23.69       | 20,308,333,665           | 10.06         | 5,736,244,815            | 15.48%      | 32,124,653,327            | 16.61      | 58,169,231,807         |
| 7   | INFRASTRUCTURE                                | 1.82        | 1,560,201,236            | 2.15          | 1,223,288,880            | 21.00%      | 43,590,329,474            | 13.24      | 46,373,819,589         |
| 8   | WATER   | 2.29        | 1,963,110,346            | 2.18          | 1,240,558,859            | 10.73%      | 22,260,582,987            | 7.27       | 25,464,252,192         |
| 9   | TRANSPORT                                     | 0.05        | 42,862,671               | 0.32          | 185,185,923              | 6.88%       | 14,281,288,213            | 4.14       | 14,509,336,807         |
| 10  | WOMEN, YOUTH & PEOPLE WITH SPECIAL NEEDS      | 0.30        | 257,176,028              | 2.20          | 1,255,100,290            | 3.58%       | 7,418,951,712             | 2.55       | 8,931,228,030          |
| 11  | SECURITY, JUSTICE & EMERGENCY                 | 7.03        | 6,026,491,586            | 9.30          | 5,302,210,581            | 2.09%       | 4,331,635,616             | 4.47       | 15,660,337,783         |
|     |   |             |                          |               |                          |             |                           |            |                        |
|     | Public Debt Services                          |             |                          | 20.26         | 11,551,952,550           |             | -                         | 3.30       | 11,551,952,550         |
|     | Recurrent Contingencies                       |             |                          | 7.00          | 3,988,970,082            |             | -                         | 1.14       | 3,988,970,082          |
|     | Capital Planning Reserve                      |             |                          |               |                          | 4%          | 8,341,980,840             | 2.38       | 8,341,980,840          |
|     | <b>GRAND TOTAL</b>                            | <b>100%</b> | <b>85,725,342,612.42</b> | <b>100.00</b> | <b>57,013,016,997.94</b> | <b>100%</b> | <b>207,511,961,187.92</b> | <b>100</b> | <b>350,250,320,798</b> |