



GOVERNMENT OF CROSS RIVER STATE OF NIGERIA
Budget, Monitoring and Evaluation Office
Office of the Governor
Calabar

OUR REF:GO/CRS/BMED/13/VOL II/369

18th July, 2022

The Honourable Chief Judge,
Chief of Staff to the Governor
Secretary to the State Government
The Clerk of the House of Assembly
All Commissioners / Special Adviser / Director General
The Head of Service
The Head of Personal Staff to the Deputy Governor
Chairmen of Boards and Commissions
All Permanent Secretaries
All Special Assistants to the Governor
All Heads of Extra-Ministerial Departments
and Subvented Parastatals
CBOs NGOs CSOs etc.

CALL CIRCULAR FOR 2023 BUDGET PREPARATION

Preamble

Our letter number GO/CRS/BME/AD/13/VOL.II/369 of 1st July 2022 titled commencement of the preparation of 2023 Budget is relevant.

You may wish to note that we are in the third quarter implementation of the 2022 Approved Budget. In this regard, there is a need for early preparation towards 2023 Proposed Budget Estimates. I wish to draw your attention to the fact that the proposed 2023 Budget is a transition budget. MDAs are advised not to introduce any capital-intensive expenditure activities that are not realistic. Take notice, all ongoing projects must be included in your proposal while activities in the 2022 Budget that are not performing should be dropped not roll over. This largely will ensure the delivery of a well-articulated policy oriented Budget that will be consistent. However, the 2023 budget targets at strengthening Government achievements, which includes but are not limited to;

Complete ongoing projects
Expansion of our revenue base in the area of Internal Generated Revenue (IGR)
Enhance greater transparency and proper accountability in our public sector expenditure management.
Ensure a conducive environment for investors and Donor Agencies to operate in the State and
Reduce the level of debt profile of our State.

1.0 INTRODUCTION:

The 2023 Budget Call Circular sets out the requirements and instructions that must be followed in the preparation of the 2023 Cross River State Budget Proposals. Thus all, Ministries/ Chief Accounting Officers and other Officers responsible for Budget preparation are advised to read the Budget Call Circular carefully and adhere strictly to these guidelines and instructions including but not limited to the cost control measures indicated herein.

1.1 All Ministries, Departments and Agencies (MDAs) are by this circular requested to prepare and submit their 2023 Budget proposals in the format given to them by the Department of Budget, Monitoring and Evaluation. All Chief Executives of MDAs are advised to be realistic as possible and ensure the full participation of all departments, sections and units under them.

1.2 The annual stakeholder's consultative forum will hold at a date to be communicated to all concerned.

1.3 The 2023 Budget shall be based on the 52 digits National Chart of Account and in compliance with the International Public Sector Accounting Standards (IPSAS).

1.4 MDAs are expected to have submitted their revenue and expenditure returns for January to June in the new Budget format, highlighting the various segments and aligned with the 52 digit National Chart of Account.

2.0 REVENUE ESTIMATES:

2.1 INTERNALLY GENERATED REVENUE (I.G.R)

In a continued bid to de-emphasize our dependence on Federal Allocation as the main funding source, we shall be relying on Internal Revenue Generation by MDAs as the prime source of revenue for the State.

MDAs are therefore encouraged to review all their services and identify existing and potential sources of revenue to be captured in the 2023 Budget. It is pertinent to mention the need for MDAs to set realistic and achievable revenue targets and ensure proper accountability for all revenue generated.

The State Internal Revenue Service (IRS) should also present all relevant laws for revenue generating to responsible MDAs for capture in their 2023 Budget estimates submission.

2.1.1 TAXES:

Tax Revenue should be activity based. Therefore, the State Internal Revenue Service (IRS) should for every activity identify and list all existing and potential tax revenue earning transactions. Consideration should still be given to planned activities to improve tax collection and reporting mechanism.

The State IRS should present their monthly tax revenue estimates for 2023 - 2025 and the proportions should be reflected for each element and tax revenue to enhance performance budgeting.

2.2 FEDERAL ALLOCATIONS:

The Office of the Accountant-General should make realistic estimates using the figures of Nigerian Governors Forum or Federal Ministry of Finance for Statutory Federal Allocation, Value Added Tax (VAT), Excess Crude and other expected Federal revenues. The estimates should be based on the current sharing formula of the Federal Government.

2.3 OTHER FEDERAL FUNDS:

All MDAs involved in the execution of Programmes/ Projects with federal funds such as SDG-Fund, Ecological Fund, Education Trust Fund and Subsidy Re-investment Fund among others should articulate related activities and documents

appropriately for the State Budget Committee's attention. The frequency and level of interaction with relevant Federal Government Agencies and outcomes should be indicated, including transactions within the year 2021-2022.

3.0 INTERNATIONAL DEVELOPMENT CO-OPERATION

Government policy of centralizing all International Donor assistance remains in force. All MDAs are therefore to compile and submit reports on all existing International Donor Assistance to the Ministry of International Development Cooperation. Quarterly breakdown of the proportions of the total programmes and projects and the associated financial resources for executing them in the first year of the medium term should be shown. The annual figures should be shown for outer years. MDAs are enjoined to liaise with the MIDC to ascertain the status of existing and potential assistance before including them in their estimates. They should ensure compliance with the relevant Memorandum of understanding (MOU) particularly the form of assistance, whether cash / kind and involvement of both local and international experts. In addition affected Government Agencies should endeavour to capture the commitments in the UN/CRS 2023 Annual Work Plan in their proposals. Only Donors activities that have passed the qualifying exercise should include such fund in their proposed Budget estimates.

4.0 DOMESTIC DONORS:

MDAs are encouraged to clearly identify existing Domestic donations and prospective assistance for their programmes / projects. Such cash assistance should be stated for the 2022 fiscal year and 2023 -2024 outer years. All assistance not to be received in cash should appear as notes in MDAs estimates. Again, only Donors that are qualify can capture such fund in the 2023 budget.

5.0 RECURRENT EXPENDITURE:

5.1 PERSONNEL COST:

The component of Personnel Costs that relates to the State Political Office Holders should be separately shown with the accompanying allowances. These should be comprehensively captured by the MDAs. The application should be based on the

current revised remuneration. Where such appointment is in an MDA that is not in the budget, should meet with Chief of Staff to account for such a person.

5.2 OVERHEAD COST:

Estimates on overhead costs should be activity-based. MDA's comprehensive and detailed elements of overhead should be identified through review of MTSS documents and cost estimates. This will provide justification for every element of overhead provision. Precisely overhead cost to be captured in 2023 budget must equate the year's imprest. MDAs are advised to earmark more resources to items that would make the greatest impact in terms of performance and service delivery with less emphasis on non-critical areas. Please note that Section 21 of the Cross River State Public Finance Management Law 2011 forbids MDAs from transferring allocations without approval from the Department of Budget, Monitoring and Evaluation.

5.3 CONSOLIDATED REVENUE FUND CHARGES:

5.3.1 POLITICAL OFFICE HOLDERS REMUNERATION:

The component of Personnel Costs that relates to the State Political Office Holders should be separately shown with the accompanying allowances. These should be comprehensively captured by the MDAs. The estimates should be based on the current revised remuneration. Where such appointment is in an MDA and is not in the 2022 Budget, MDAs should meet with the Chief of Staff to account for such a person.

5.3.2 JUDGMENT DEBTS:

MDAs with Judgment Creditors should forward same to Ministry of Justice (MOJ) for verification and compilation. If verified, the acceptable judgment debt should be sent to the Department of Debt Management resident in Ministry of Finance.

5.3.3 CONTRACTUAL LIABILITIES:

The Office of the Accountant –General should verify and complete all outstanding payment and other debt instruments and forward same to Debt Management Department for inclusion in their estimates. Outstanding debt repayment should be properly classified to distinguish between current and non-current liabilities as to determine what amount must be paid in 2023.

5.3.4 PENSION AND GRATUITIES:

The Office of the Accountant-General in collaboration with the Office of the Head of Service should make provision for pension and gratuities for all retired and out-going staff. A comprehensive list should be forwarded to the Budget Department.

5.3.5 PARAMOUNT RULERS STIPENDS

Paramount Rulers' stipends should be provided for by the Chieftaincy Affairs Department.

6.0 CAPITAL EXPENDITURE:

In preparing the Capital Budget, all MDAs are reminded to consider the State's resource constraints and make modest capital proposals. All capital estimates should be strictly limited to ongoing projects / programmes. Nevertheless, proposals for new projects should be accompanied with His Excellency, the Governor's approval and bills of quantities.

7.0 BASELINE DATA FOR SOCIAL SERVICES SECTOR:

Baseline data is very critical; they provide benchmarks for assessing progress in key performance indicators. It also helps the State to make better informed policy and resource allocation decisions. MDAs particularly those involved in *social services*, must bring along available baseline figures when submitting their Budget Proposals to the Budget Department.

8.0 UNIVERSITY OF CROSS RIVER STATE/ COLLEGE OF HEALTH TECHNOLOGY / COLLEGE OF EDUCATION / TEACHERS CONTINUOUS TRAINING INSTITUTE / INSTITUTE OF TECHNOLOGY AND MANAGEMENT / SCHOOL OF NURSING:

Estimate for the above Institutions should be forwarded with the following information:

- i) List of school facilities, department by department and student enrolment in each of the department for the period January – June 2022.
- ii) Details of fees charged by the University/ College in respect of students for the period January – December 2021 and January – June 2022 respectively.
- iii) Details of other, charges, dues and other sums received or receivable by the University/College for the period January – December, 2021 and January – June 2022 respectively.
- iv) Details of earnings from consultancy programmes from January – December, 2021 and January – June 2022 respectively and plans/strategies to improve on revenue-yielding programmes/activities.
- v) Details of sums accruing to the University/ College whether by way of grant, endowment, subvention or otherwise for the period January to December 2021 and January to June 2022 respectively.
- vi) Details of interest on monies invested by the University/ College from any source for the general or special purposes of the University/College for the period January to December 2021 and January to June 2022 respectively.
- vii) Details of actual expenditure for recurrent and capital accounts for the period January to December 2021 and January to June 2022 respectively.

9.0 MINISTRY OF EDUCATION/ SECONDARY AND TECHNICAL EDUCATION BOARDS:

The estimate for the above Boards should be forwarded with the following information:

- i. List of schools by zone with their respective students' enrolment in each school.

- ii. Class by class distribution of students who wrote promotion examination in the 2020/2021 academic session and in the 2nd term session should be submitted by the Education Resource Centre (ERC) of Ministry of Education.
- iii. Details of actual expenditure for each school released as imprest for the current year should be shown to support proposals for overhead cost for each school in 2023.
- iv. Revenue generated from each school from all sources for the period January to December 2020, 2021 and January to June 2022.

10.0 MINISTRY OF HEALTH & HOSPITALS:

All General Hospital, Health Centres and all facilities under the Ministry of Health headquarters and relevant Agencies making deduction of any percentage from services should state such clearly in their estimates, how much the Health facility had realized as revenue from Jan – June 2022 and forecast for 2023.

11.0 BUDGET HEARING – CROSS RIVER STATE HOUSE OF ASSEMBLY:

All MDAs shall present their proposed estimates as approved by the Department of Budget to the Cross River State House of Assembly with their MTEF / Rolling Plan for 3 years. Accordingly, Commissioners, Secretary to Government, Senior Special Advisers, Special Advisers, Chairmen of Boards and Commissions, Permanent Secretaries, MDA Budget Directors, Planning Officers and Staff of their respective Statistics Unit must appear for defence. This will take the period of 19th September to 14th October 2022.

12.0 SUBSCRIPTION PAYMENT / CONTRIBUTION:

Affected MDAs should not forget to provide in their various budget proposals for software payment, legal fees, International and Local subscription and contribution but must show evidence of last payment.

13.0 LETTERS OF CREDIT

The Department of Debt Management should ensure that all letters of credit and loans whose maturity period are within and beyond 2022 fiscal year should adequately and comprehensively be budgeted for in 2023 and the MTEF /Rolling plan. The various

MDAs should avail Debt Management Department with their intending loans, letters of credit, local and foreign support and mortgage before providing such in their various budget estimates. Only loans approved by the House of Assembly should be in 2023 Budget proposal. Both Department of Budget, Monitoring and Evaluation and the State Budget Committee shall not accept the provision of such activity in any MDA's *Chart of Accounts* if such information is not with the Debt Management Department.

14.0 BUDGET TIME – TABLE:

Below is the summary of 2023 Budget Time table for MDAs;

August 22nd – September 9th, 2022: Submission of MDAs budget proposal to the Director of Budget; Budget Office.

September 19th – September 30th 2022: Defence of MDAs estimates proposal with the Budget Committee in the conference room of the Budget Office.

October 17th to 21st, 2022: Presentation to Exco and Approval.

NOTE: MDAs day for bilateral meeting/defence will be communicated soon.

15.0 BUDGET FORMATS

The expected format for this year's Budget presentation should be in segments, where the economic and functions of various MDAs can easily be identified for easy decision making.

The formats attached as Annexures below are not applicable to all the MDAs but relate only to Revenue/Capital Receipts and Baseline Data format for specific MDAs and should be submitted in soft copies to the Budget Department while hard copies are attached as Annexures in their 2023 estimates.

16.0 BUDGET INSTRUCTION:

Each MDA's submission must be accompanied by the relevant documents, e.g. authenticated supporting nominal roll for personnel cost, Bill of quantities for Capital Projects, Proforma invoice/price list for capital items etc.

All heads of MDA must attend Budget defence on their dates of defence, otherwise such MDAs will not be attended to and that means such MDA has no 2023 Budget. The provision of AIE is thus abolished so capture all relevant activities in your 2023 budget.

Five (5) sets of spiral bound copies, a CD Drive (*earlier given to MDAs by the Department of Budget*) containing MDAs Returns from January to June and their 2023 estimates should be submitted to the Budget, Monitoring and Evaluation Department. A Flash Drive is required where need apply to MDAs who have to include the attached Budget Formats found in Annexures 1-6 in their submission to the Budget Department.

MDAs will be expected to make electronic presentations.

17.0 MONITORING AND EVALUATION (M&E)

During 2023, a more detailed M&E framework shall be put in place and deployed to all MDAs. There shall be a more rigorous M&E strategy to improve revenue generation and provide valuable input to the process of capital releases to MDAs.

18.0 FURTHER INFORMATION

For further enquiries, please contact your respective Schedule/Sector Officers at the State Budget Office or reach out to us at *crsbudgeto@gmail.com*

Otu Otu-Ita
Special Adviser

INTERNALLY GENERATED REVENUE

ANNEXURE 1

MINISTRY/DEPARTMENT/AGENCY

Codes	Details of Revenue	1 Estimates 2023	2 Approved 2022	3 Actual Collections Jan – June 2022	4 Actual Collection Jan – Dec. 2021	5 Total Col. 3 + Col.4	6 Average Collection Col. 5 ÷ 19	7 Col. 6* 12
	TAXES							

ANNEXURE 2

FOR USE BY CRS UNIVERSITY OF TECHNOLOGY /POST PRIMARY/TECHNICALEDUCATION BOARD

S/n	Name of School	Location of School	Total Student Enrollment	Pupils		Amount of Imprest Release	Total Imprest Release	Total Expen. Jan. June 2022	Total Expen. Jan. Dec. 2021	Propose Expen. 2023
				Males	Females					

CAPITAL RECEIPTS

Code	Details Receipts	1 Estimates 2023	2 Approved 2022	3 Actual Receipt 2022 Jan. - June	4 Actual Receipt Jan. - Dec. 2021	5 Total Col. 3+ col.4	6 Average Receipts col. 5÷19	7 Col. 6 x 12

SUPPORTING NOMINAL ROLL (PERSONNEL COST)

S/n	Name of Officer	Designation	Date of Last Promotion	GL	Step	Annual Basic Salary	Rent	Transport	Utility	Meal subsidy	Provision for Promotion	Total

ANNEXURE 6

ACTUAL EXPENDITURE RETURNS JANUARY – DECEMBER 2021 AND JANUARY – JUNE 2022

Code	Details of Expenditure	1 Approved Provision 2022	2 Revised Provision 2021	3 Expenditure Jan. –June 2022	4 Expenditure Jan. – Dec. 2021	5 Total Expenditure (3+4)	6 Outstanding Liabilities	7 Balance	Remarks

**2023 BUDGET DEFENCE / HEARING TIME TABLE SEPTEMBER
2022**

SECTOR	DATE OF APPEARANCE	TIME
General Administration Sector	19 th – 20 th September, 2022	9:00am to 5:00pm
Social Services Sector	21 st – 23 rd September, 2022	9:00am to 5:00pm
Economic Sector	26 th -28 th September, 2022	9:00am to 5:00pm
Regional Development Sector	28 th – 29 th September, 2022	9:00am to 5:00pm
Law & Justice Sector	29 th -30 th September, 2022	9:00am to 5:00pm