

Cross River State Government and its Local Government Councils Harmonized Budget Guidelines

The **Cross River State Government Budget Guidelines** outline the procedures, principles, and framework for the preparation, approval, and implementation of the state's annual budget and in the 18 Local Government Council's in the State. These guidelines ensure that the budgeting process aligns with national fiscal policies while meeting the specific development needs of the state and its 18 Local Government Councils.

Key Objectives

- To provide a structured and transparent process for budget preparation and execution.
- To ensure accountability, financial discipline, and alignment with the state's development priorities.
- To adopt and domesticate the **National Chart of Accounts (COA)** for consistency, uniformity, and better financial management.

Budget Framework

The budget process for Cross River State and its local governments is governed by legal provisions in the **Constitution of Nigeria**, the **Cross River State Public Finance Management Law, 2011**, **Cross River State Fiscal Responsibility Law, 2011**, relevant extant circulars and national guidelines. The process emphasizes transparency, public participation, and fiscal responsibility, ensuring that resources are allocated to critical sectors such as infrastructure, healthcare, education, and poverty alleviation.

Budget Preparation Process

1. **Issuance of Budget Circular:** The Department of Budget, Monitoring and Evaluation issues a budget circular to Ministries, Departments, and Agencies (MDAs), outlining the guidelines and fiscal limits for budget preparation.
2. **Revenue Forecasting and MDA Budget Submissions:** The state forecasts its revenue, including federal allocations, internal revenue, and grants, and MDAs submit their budget proposals.
3. **Review and Approval:** The Department of Budget, Monitoring and Evaluation reviews all proposals for alignment with the state's strategic priorities, and the governor submits the final budget to the **Cross River State House of Assembly** for approval.
4. **Implementation and Monitoring:** Once approved, the budget is implemented, with regular monitoring and quarterly reviews to ensure adherence to the financial plan.

Budget Calendar

The Cross River State Government follows a detailed budget calendar to guide key activities, including the issuance of the budget circular, review and approval processes, and commencement of budget implementation. This calendar runs annually, with regular quarterly evaluations.

Activity

Timeline

Issuance of Budget Circular

June - July

Activity	Timeline
Revenue Forecasting & MDA Budget Preparation August - October	
Initial Review of Submitted Budget Proposals	September - October
Preparation of Governor's Budget Speech	October
Presentation of Budget to State Assembly	Late October
Public Hearing/Budget Defence	November - December
Assembly Scrutiny and Approval	December
Governor's Assent to the Budget	Late December
Commencement of Budget Implementation	January 1st
Quarterly Budget Reviews	Ongoing (April, July, October and January)

Domestication of the National Chart of Accounts (COA)

The state adopts the **National Chart of Accounts** to standardize the classification of financial transactions. This ensures consistency in reporting, improves financial transparency, and supports better public sector financial management. The domestication process includes training, system integration, and regular updates to reflect fiscal policies and best practices.

Key Objectives of Domestication of NCoA

- **Uniformity:** Ensures consistency and standardization across all government tiers (federal, state, and local governments).
- **Transparency and Accountability:** Facilitates clear tracking of revenues and expenditures.
- **Better Financial Reporting:** Supports comprehensive and accurate financial statements that align with national guidelines and global best practices.

Key Areas of the NCoA to Focus On

- **Revenue Categories:** Tax, non-tax revenue, grants, and transfers.
- **Expenditure Categories:** Personnel cost, overheads, capital expenditure, etc.
- **Assets and Liabilities:** Proper classification of physical and financial assets, as well as liabilities.

Monitoring and Evaluation

Continuous monitoring and evaluation of budget performance are crucial. The state conducts regular reviews, audits, and public reporting to ensure proper management of resources, accountability, and the achievement of budget goals.

The Cross River State Budget Guidelines provide a comprehensive framework to ensure that the state's financial resources are effectively managed and allocated to priority areas. By following these guidelines, the state aims to foster economic growth, improve service delivery, and maintain fiscal discipline while ensuring transparency and public involvement in the budget process.

Here's a comprehensive breakdown of the guidelines:

Budgeting Framework for Cross River State and its Local Governments

Legal and Policy Framework

- **Constitutional Provision:** The Constitution of Nigeria provides the general framework for budgeting for both state and local governments. It mandates the preparation and approval of annual budgets.
- **State Financial Management Law:** Cross River State's financial management law, such as the **Cross River State Public Finance Management Law**, outlines the procedures and responsibilities of the executive and legislative arms in preparing and approving the budget.
- **National Budgeting Guidelines:** The **National Budgeting Guidelines** developed by the Budget Office of the Federation provide directives on budgeting for all government tiers.

Key Budgeting Documents

- **Revenue and Expenditure Estimates:** These outline the state and local government's expected revenue sources and planned expenditure.
- **Medium-Term Expenditure Framework (MTEF):** A strategic tool for planning that spans over 3 years, showing the priority programs and their financial implications.
- **Fiscal Responsibility and Transparency:** Adherence to principles that ensure accountability, equity, and fairness in resource allocation.

Key Principles for Budget Preparation

1. **Public Participation:** Engaging citizens, through town halls meeting and consultative processes across the three senatorial districts.
2. **Priority Program Funding:** Ensuring budget allocation is targeted toward development priorities, such as infrastructure, education, healthcare, and poverty alleviation.

Local Government Councils

Local governments must also follow a similar process with slight variations:

- **Issuance of Circular:** Each of the 18 Local Governments will receive a similar budget circular from the Ministry of Local Government Affairs in the state.
- **Revenue Generation:** Local governments generate revenue from sources such as fines, taxes, market fees, and grants.
- **Submission and Review:** Budget proposals from local government Departments are submitted for review by the council.

- **Approval by the Local Government Council:** Each Local Government Legislative Council reviews and approves the budget.
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Conclusion

The comprehensive budgeting process for Cross River State and its local governments must adhere to national standards while incorporating local priorities and policies. The process ensures that funds are effectively managed to support the development needs of the state and its 18 Local Government Councils. Effective budgeting, proper domestication of the national chart of accounts, and timely adherence to the budget calendar are crucial to achieving sustainable economic growth and improved service delivery.

**Produced by Department of Budget, Monitoring and Evaluation
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