

Ekiti State Budget Analysis & Monitoring Report



Citizens Report on Budgets and Projects in Selected
Local Governments in Ekiti State, Nigeria

2022

ADO-EKITI LOCAL GOVT

2021 Budget Analysis

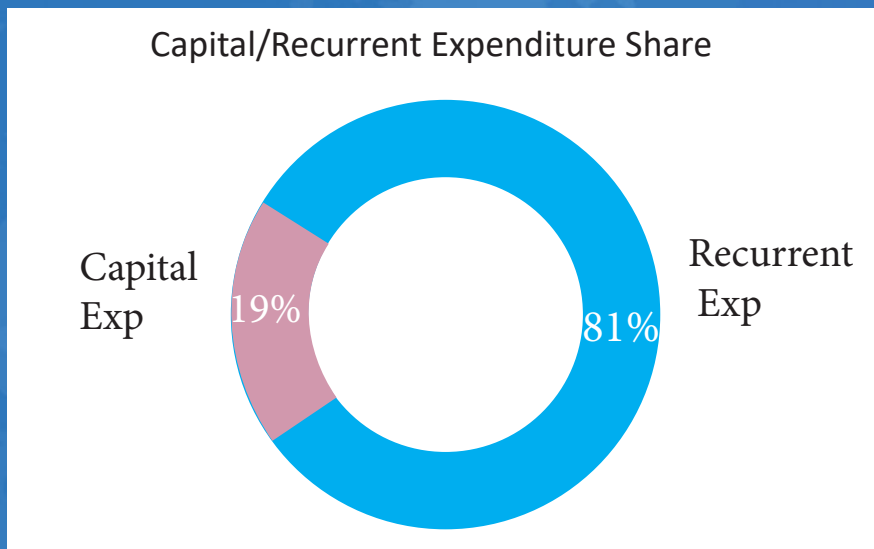
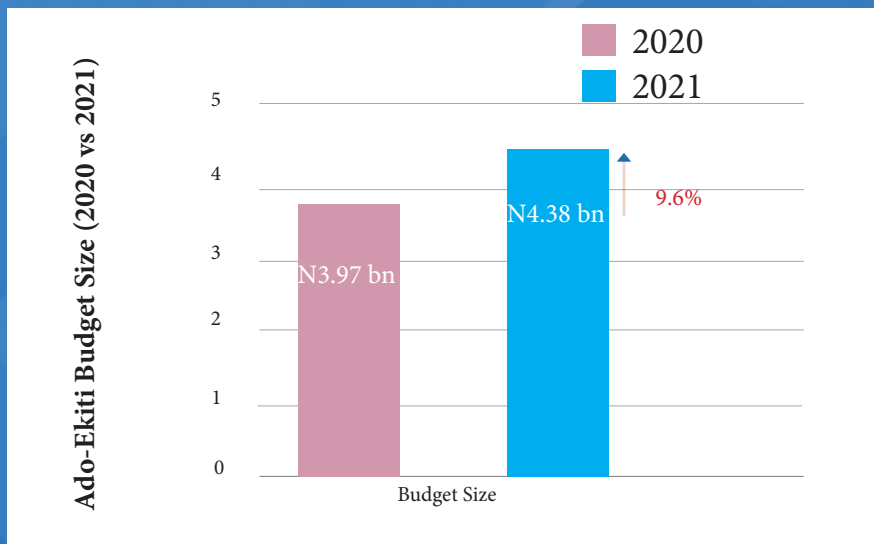
The sum of four billion, three hundred and seventy-six million, five hundred and eleven thousand, seventy-two naira (N4,376,511,072.00) was proposed as the total budget size by the Ado -Ekiti local Government Council for the 2021 fiscal year. This figure is higher than the budget size of Three billion, nine hundred and sixty-six million, three hundred and seventy-five thousand, five hundred and fifty-four naira (N3,966,375,554.00) for the 2020 fiscal year by the sum of Four hundred and ten million, one hundred and thirty-five thousand, five hundred and eighteen naira (N380,135,518) or 9.6 percent.

A summary of breakdown of the budget shows that the sum of Three billion, five hundred and forty-seven million, nine hundred and sixteen thousand, eight hundred and sixty-six naira (N3,547,916,866.00) representing eighty-one percent (81%) is allocated to recurrent expenditure. On the other hand, the sum of Eight hundred and twenty -eight million, five hundred and ninety-four thousand, two hundred and five naira (N828,594,205.00) or nineteen percent (19%) is allocated to capital expenditure. The allocation of Three billion, five hundred and forty-seven million, nine hundred and sixteen thousand, eight hundred and sixty-six naira (N3,547,916,866.00) to recurrent expenditure is higher than the sum of Three billion, four hundred and sixty million, four hundred and nineteen thousand, thirty-one naira (N3,460,419,031.00) that was allocated to recurrent expenditure for the 2020 fiscal year. Similarly, the budget share of eight hundred and twenty-eight million, five hundred and ninety-four thousand, two hundred and five naira (N828,594,205.00) allocated to capital expenditure for the 2021 fiscal year is higher than the sum of Five hundred and five million, nine hundred and fifty-six thousand, five hundred and twenty-three naira (N505,956,523.00) that was allocated to capital expenditure for the 2020 fiscal year.

While the percentage share for capital expenditure for the 2021 budget increased from a meagre thirteen percent (13%) in 2020 to nineteen percent (19%), the percentage share of recurrent expenditure decreased from eighty-seven percent (87%) in 2020 to eighty-one percent (81%) in the 2021 budget. From the foregoing, there is an increase in the amount of money allocated to both capital and recurrent expenditure in 2021 over the 2020 figures, but there is an increase in percentage share to capital expenditure in 2021, and a decrease in the percentage share to recurrent expenditure.

To fund the 2021 budget, the Ado -Ekiti Local Government Council



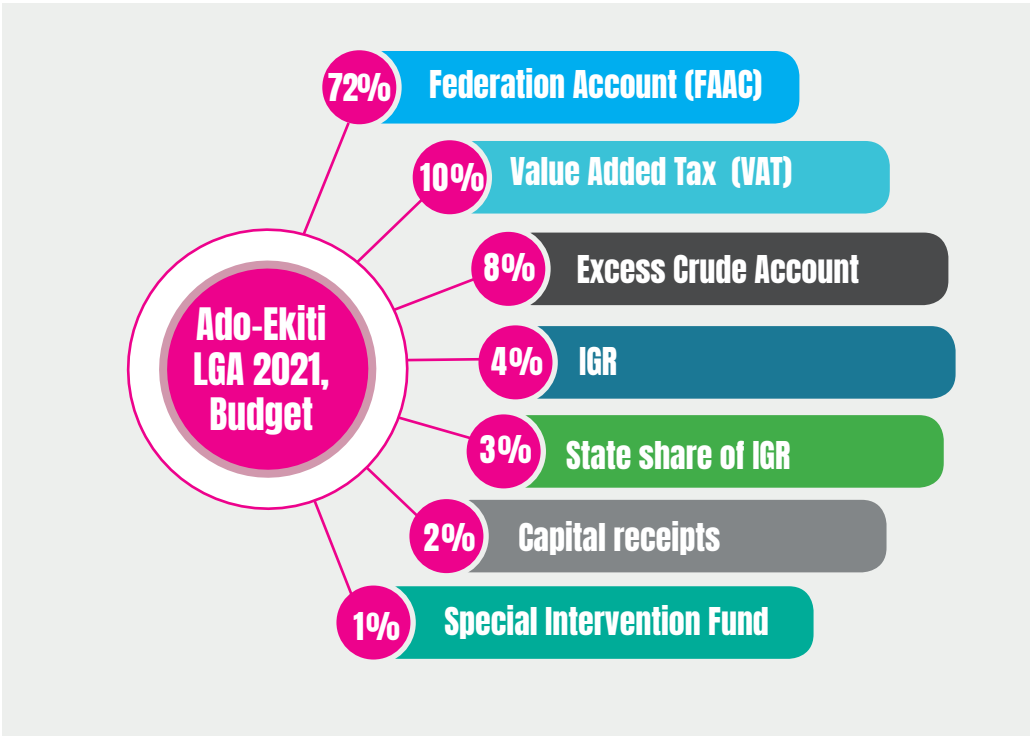


Expenditure	2021	Percentage	2020	Percentage
Capital	828,594,205	19%	505,956,523	13%
Recurrent	3,547,916,866	81%	3,460,419,031	87%
Total	4,376,511,072	100%	3,966,375,554	100%

intends to raise a large chunk of its revenue from statutory allocations from the Federation Account, and other internal and external sources. According to the revenue estimate over ninety-five percent (95%) of projected revenue to the Local Government Council in the 2-21 fiscal year is expected to come from statutory allocations from the Federation Account. Internally Generated Revenue (IGR) accounts for only three percent (3%) of projected revenue. A detailed look at the revenue profile reveals that the sum of Three billion, one hundred and fifty-four million naira (N3,154,000,000.00) or seventy-two percent (72%) of projected revenue will come from statutory allocation. Value Added Tax (VAT) is projected to yield the sum of four hundred and forty million, two thousand, two hundred and sixty-nine naira (N440,002,269.00) representing ten percent (10%) of total estimated revenue. The sum of three hundred and forty-one

million naira (N341,000,000.00) or eight percent (8%) is projected to accrue from Excess Crude Oil Account. Other sources of revenue \to fund the budget include the sum of one hundred million naira (N100,000,000.00) or two percent (2%) from Internally Generated Revenue (IGR), Forty-four million naira (N44,000,000.00) or one percent (1%) being share of state IGR, the sum of one hundred and sixty-nine million, nine hundred and fifty-five thousand, two hundred and ninety-five naira (169,955,295.00) or four percent (4%) from capital receipts, and the sum of one hundred and twenty-seven million, five hundred and fifty-three thousand, five hundred and seven naira (N127,553,507.00) or three percent (3%) from special intervention fund, respectively. The revenue profile of the Ado-Ekiti Local Government Council for the 2021 fiscal year is as shown below.

Source	Amount (N)	Percent %
Federation Account (FAAC)	3,154,000,000.00	72%
Value Added Tax (VAT)	440,002,269.00	10%
Excess Crude Account	341,000,000.00	8%
Internally Generated Revenue (IGR)	100,000,000.00	2%
State share of IGR	44,000,000.00	1%
Capital receipts	169,955,295.00	4%
Special Intervention Fund	127,553,507.00	3%
Total	4,376,511,072.00	100%



A breakdown of the Internally Generated Revenue IGR shows that the sum of sixty-six million, two hundred and thirty-five thousand naira (N66,235,000.00) is expected to be collected from Fees, while Earnings will account for the sum of eleven million naira (N11,000,000.00). Another major source of internally Generated revenue to the Local Government Council is Licenses, which is projected to yield the sum of nine million, eight hundred and fifteen thousand naira (N 9,815,000.00). others include Rent on land and others, Rent on Government buildings, Sales, Corporate Tax, and Fines, which are expected to provide the sum of Four million, five hundred thousand naira (N4,500,000.00), Three million, five hundred thousand naira (N3,500,000.000), Two million, seven hundred and fifty thousand naira (N2,750,000.00), Two million naira (N2,000,000.00), and two hundred thousand naira (N200,000.00) respectively.

A sectoral breakdown of the budget reveals that the administrative sector received the largest share of expenditure in the sum of Two billion, six hundred and ninety-one million, seven hundred and eighty-two thousand, three hundred and eighty-one naira (N2,691,782,381.00) this represents sixty-one percent (61%) of total expenditure for the fiscal year. The social sector received the sum of Nine hundred and ten million, four hundred and seventy-six thousand, four hundred and ninety-four naira (N910,476,494.00) or twenty-one percent (21%) of total expenditure. The Economic sector received the sum of seven hundred and seventy-four million, two hundred and fifty-two thousand, one hundred and ninety-six naira (N774,252,196.00) representing eighteen percent (18%) of the budget.

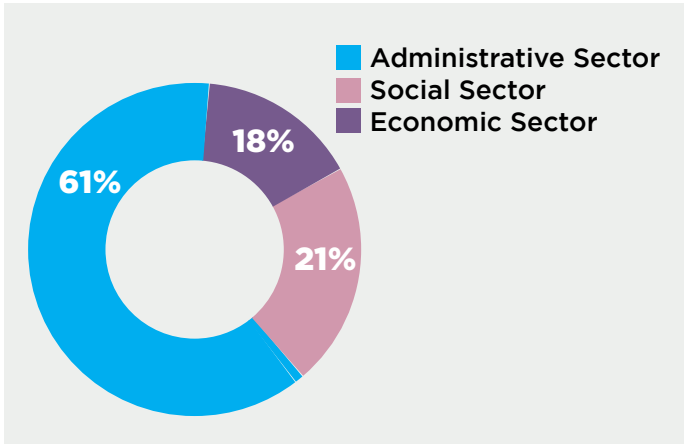
Further details of the sectoral breakdown show that the administrative sector has a share of Two billion, five hundred and ninety-one million, eight hundred and thirty-two thousand, three hundred and eighty-one naira (N2,591,832,381.00) or ninety-six percent

(96%) as allocation to recurrent expenditure. The sum of Ninety-nine million, nine hundred and fifty thousand naira (N99,950,000.00) or four percent (4%) is allocated to capital expenditure. The Economic sector has the sum of Three hundred and fifty-four million, five hundred and fifty-two thousand, one hundred and ninety-six naira (N354,552,196.00) or forty-six percent (46%) allocated to recurrent expenditure, and the sum of four hundred and nineteen million, seven hundred thousand naira (N419,700,000.00) or fifty-four percent (54%) as allocation to capital expenditure. The Social sector on its part received the sum of six hundred and one million, five hundred and thirty-two thousand, two hundred and eighty-seven naira (N601,532,287.00) or sixty-six percent (66%) as allocation for recurrent expenditure, and the sum of three hundred and eight million, nine hundred and forty-four thousand, two hundred and five naira (N308,944,205.00) or thirty-four percent (34%) as allocation to capital expenditure.

Details of the above sectoral breakdown reveals that apart from the Economic sector which has a greater share of its allocation to capital expenditure, the administrative sector, and the social sector have a greater share of their resources allocated to recurrent expenditure.

A review of some critical sub sectors showed that the budget allocated the sum of one hundred and thirty-four million, one hundred and fifty-seven thousand, four hundred and forty-nine naira (N134,157,449.00) to the sub-sector of agriculture. The sum of five hundred and ten million, three hundred and ninety-six thousand, nine hundred and forty-eight naira (N510,396,948.00) is allocated to health. The education sub-sector received a whopping sum of one billion, two hundred and sixty-two million, six hundred thousand naira (N1,262,600,000.00) as allocation for teachers' salaries, and the sum of thirty-four million, three hundred thousand naira (N34,300,000.00) as capital expenditure.

Sector	Recurrent	%	Capital	%	Total	Total %
Administrative	2,591,832,381.00	96%	99,950,000.00	4%	2,691,782,381.00	61%
Economic	354,552,196.00	46%	419,700,000.00	54%	774,252,196.00	18%
Social	601,532,287.00	66%	308,944,205.00	34%	910,476,494.00	21%
Total	3,547,916,866.00		828,594,205.00		4,376,511,071.00	100%



The 2021 budget of the Ado-Ekiti Local Government Council does not respond adequately to the concerns of a typical Post COVID-19 recovery economy. The areas of capital expenditure that addresses COVID-19 issues and those of critical economic recovery at the local level did not receive the required attention and requisite funding. For instance, there is no provision for soft loans to traders and farmers to boost commercial activities and food production. What one finds in this regard is the sum of fifteen million naira (N15,000,000.00) for repairs and rehabilitation of agricultural facilities, and the sum of thirty million naira (N30,000,000.00) for the purchase of agricultural equipment. How these translates into food production hangs in the balance. The provision of the sum of twenty million naira (N20,000,000.00) for the construction and provision of agricultural facilities and services is too vague for comprehension.

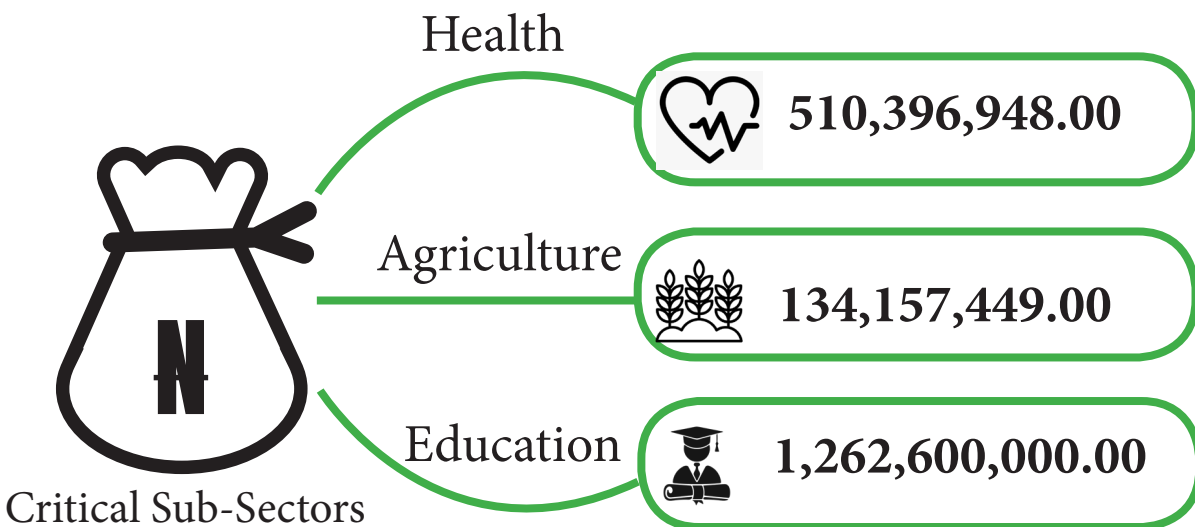
The largest capital expenditure allocations went to construction and repair of roads. The sum of one hundred and fifty million naira (N150,000,000.00) is

allocated to the construction and provision of roads. Again, the sum of fifty million naira (N50,000,000.00) is allocated to the repair and rehabilitation of roads. This brings the total allocation to the building of roads in Ado-Ekiti Local government area for the 2021 fiscal year to the sum of two hundred million naira (N200,000,000.00).

Other areas that received a large chunk of capital expenditure is the purchase of motorcycles, motor vehicles and buses with an allocation of the sum of seventy-eight million naira (N78,000,000.00). Flood and erosion control received the sum of fifty million naira (N50,000,000.00), and tree planting received the sum of fifty-one million naira.

Finally capital expenditure projects for the education sub-sector include an allocation of the sum of forty million naira (N40,000,000.00) for the construction and provision of public schools, and the sum of twenty million naira (N20,000,000.00) for the rehabilitation and repair of public schools respectively. The health subsector received the sum of forty million naira (N40,000,000.00) for the rehabilitation and repairs of hospitals and health centers, and the sum of thirty million naira (N30,000,000.00) for the construction and provision of hospitals, health centers, and health services. Capital expenditure investment in the area of provision of water received a cumulative sum of thirty million naira (N30,000,000.00)

The foregoing revenue and expenditure propositions summarizes the budget of the Ado-Ekiti local government council for the 2021 fiscal year.



CHALLENGES

Challenges of Local Government Administration in Nigeria include:

1. **Corruption and Mismanagement:** The prevalence of corruption within local government administrations hinders effective service delivery. Funds meant for development projects may be misappropriated, leading to a lack of accountability and transparency.
2. **Inadequate Capacity and Training:** Local government officials and staff often lack the necessary skills and training to effectively perform their roles. This includes financial management, project planning, and implementation, human resource management, and public service delivery.
3. **Political Interference:** Local government administration is often subject to undue political interference from state and federal authorities. This can hinder decision-making processes and limit the autonomy of local governments to address local issues effectively.
4. **Infrastructural Deficits:** Local governments struggle to provide adequate infrastructure such as roads, schools, healthcare facilities, and water supply systems due to insufficient funding and limited technical capacity.
5. **Limited Citizen Participation:** Many local government administrations in Nigeria face challenges in actively engaging citizens in decision-making processes and involving them in local development initiatives. This lack of citizen participation leads to a disconnection between government and the needs of the community.
6. **Insecurity and Conflict:** Some local government areas in Nigeria face security challenges, including insurgency, communal clashes, and banditry. These situations pose significant obstacles to effective governance and development efforts.
7. **Inequality in Resource Allocation:** Local governments in resource-rich areas often struggle with the equitable distribution of revenue and resources among communities within their jurisdiction. This inequitable allocation can lead to social tensions and conflicts.
8. **Inadequate Data Management Systems:** Local governments often lack reliable data management systems, making it challenging to plan effectively, monitor progress, and make informed decisions based on accurate information.

RECOMMENDATIONS

Addressing LGA challenges requires concerted efforts at various levels of government; including reforms to strengthen financial autonomy, review of the current constitution, anti-corruption measures, capacity-building programs, citizen engagement initiatives, and investment in infrastructure and technology. The LGA is an integral part of any civilized society, Hence, the need to consider some salient views to make it achievable;

Comprehensive reform of the 1999 Constitution should be done in a manner that treats LGA as a matter of State law, not Federal law; thus clearly defining roles, duties, relationship between State Government, mode of election, tenure of elected officials, income generation, accountability as well as

financial control.

States and Local Government joint account should be abolished to allow autonomy for the councils, albeit with in-built mechanism to check corrupt practices by council officials.

Engendering Civic Engagement: Government should foster civic engagement within communities across LGA; by considering citizens involvement in budget process and platforms to communicate effectively should also be established to ensure accountability and transparency among elected officials.

Conclusively, the Executive and Legislature should demonstrate political will and commitment that will furtherance accountability and transparency.

PROJECTS MONITORING REPORTS

State and LGA visited: Ekiti/Ado

PROJECT TITLE	Construction of lockup shop
RATIONALE FOR PICKING THE PROJECT	To boost the economic livelihood of citizens in Ado LGA
SECTOR	Local Government
APPROVED ESTIMATE	Information regarding the approved budget was not available as at point of monitoring.
LOCATION	Ojumose, Ado Ekiti
START DATE: END DATE:	January 2021 – November 2022
BENEFICIARY	Market Men and women
PROJECT IMPLEMENTATION STATUS	Construction ongoing (85percent completion)
DETAILS OF CONTRACTOR (Name of Contractor, Company Name, Registration information etc.)	Direct Labor
MONITORING REPORT:	<p>The project has reached at least 85percent completion, though few shops were seen occupied. Effort should be increased to ensure completion of the shops to ease hardship among citizens of the area.</p> <p>Monitors will also follow up with Ado LGA to elicit information on the project.</p>



PROJECT TITLE	Construction of Perimeter Fence
RATIONALE FOR PICKING THE PROJECT	For Safety and Security
SECTOR	Maintenance
APPROVED ESTIMATE	#25,000,000
LOCATION	Igirigiri, Ado Ekiti
START DATE: END DATE:	April 22-2022 to November 2022
BENEFICIARY	Ado Local Government Secretariat
PROJECT IMPLEMENTATION STATUS	Completed and in use.
DETAILS OF CONTRACTOR (Name of Contractor, Company Name, Registration information etc.)	Direct Labor
MONITORING REPORT:	The project was carried out through direct labor, constructed within 8months, commissioned on 15 th February 2023 and currently in use which was constructed by the administration of Hon. Chief Bosun Osaloni.

Photo Section of the Perimeter Fence



PROJECT TITLE	Grading of Roads in Ado LGA.
RATIONALE FOR PICKING THE PROJECT	To make road accessible to users.
SECTOR	Road Construction
APPROVED ESTIMATE	#22,000,000
LOCATION	Ado Ekiti
START DATE: END DATE:	November 2022 to January 2023
BENEFICIARY	Commuters and other road users.
PROJECT IMPLEMENTATION STATUS	Completed and in use
DETAILS OF CONTRACTOR (Name of Contractor, Company Name, Registration information etc.)	Direct labor
MONITORING REPORT:	The project has been completed and carried out twice (November 2022 and January 2023) Project has been completed and presently in good condition. Subsequent fiscal budget should consider laying of asphalt and construction of drains on/or side of the road as a major priority.



PROJECT TITLE	Grading of Roads in Ikere LGA.
RATIONALE FOR PICKING THE PROJECT	To make road accessible to users.
SECTOR	Road Construction
APPROVED ESTIMATE	#5,000,000
LOCATION	Uro Odo Oja, Ikere Ekiti
START DATE: END DATE:	June 2022 – November 2022
BENEFICIARY	Commuters and other road users.
PROJECT IMPLEMENTATION STATUS	Completed and in use
DETAILS OF CONTRACTOR (Name of Contractor, Company Name, Registration information etc.)	Direct Labor
MONITORING REPORT: Odo – Oja Road On going Ikere / Ilawe Road Re- Construction	Information gathered at the LGA revealed that project has been executed and completed. Monitors observed that no grading was carried out along Uro and Odo-Oja axis of Ikere LGA. However, the monitoring team sighted an on-going road re-construction along Ikere and Ilawe Road; which is being executed by Ekiti State Government.



PROJECT TITLE	Grading of Ikere Stadium road, Obasanjo/Onward/Hon. Yomi Area in Ikere LGA.
RATIONALE FOR PICKING THE PROJECT	To make road accessible to users.
SECTOR	Road Construction
APPROVED ESTIMATE	#280,000
LOCATION	Ikere Stadium road, Obasanjo/Onward/Hon. Yomi Area in Ikere LGA.
START DATE: END DATE:	November 01/2022 – November 30/2022
BENEFICIARY	Commuters and other road users.
PROJECT IMPLEMENTATION STATUS	Completed and in use
DETAILS OF CONTRACTOR (Name of Contractor, Company Name, Registration information etc.)	Direct labor
MONITORING REPORT:	Project has attained 100 percent completion status, but drains along these axis are densely congested and inhabitants of these areas are at risk of flooding or erosion during rainy season. Authority responsible for works at Ikere LGA should urgently attend to the decongestion of the drains along these area.



PROJECT TITLE	Construction of 36 lockup shops
RATIONALE FOR PICKING THE PROJECT	To boost the economic livelihood of citizens in Ikere LGA.
SECTOR	Local Government
APPROVED ESTIMATE	#49,131,823.25
LOCATION	Odo-Oja, Ikere Ekiti
START DATE: END DATE:	January 2021 – November 2022
BENEFICIARY	Market Men and women
PROJECT IMPLEMENTATION STATUS	98% Completion
DETAILS OF CONTRACTOR (Name of Contractor, Company Name, Registration information etc.)	Developer
MONITORING REPORT:	<p>The 36 Block shops constructed by Ikere LGA is located at a centralized area within Odo –Oja, Ikere Ekiti. The project has attained 98percent completion with over 40 percent occupants. However, it was observed that minor works are still being carried out in a section of the project.</p> <p>The Developer/Contractor’s name was not provided for clarification on the project.</p>



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