

Our Ref. No. DB/459/19
Budget Department,
Ministry of Economic Planning & Budget,
Akure.

06 December, 2012.

CIRCULAR LETTER TO:

- The Chief of Staff to the Governor,
- The Senior Special Assistant to the Deputy Governor,
- State Commissioners,
- The Secretary to the State Government,
- The Head of Service,
- Special Advisers to the Governor,
- Chairmen of Commissions, Boards and Parastatals,
- Permanent Secretaries,
- The Clerk, Ondo State House of Assembly,
- The Chief Registrar, Ondo State Judiciary,
- The State Auditor-General,
- The Accountant-General,
- Administrative Secretaries,
- Tutors-General,
- Accountant-General of the Local Government,
- Statistician-General,
- Registrars of State Owned Tertiary Institutions,
- Heads of Extra-Ministerial Departments,

2013 ADVANCE PROPOSALS AND DRAFT ESTIMATE

This Ministry recently organized a Workshop on the 2013 Budget Preparatory Plan, where activities of the current fiscal year were reviewed and MDAs were encouraged to make pre-call circular preparations for the 2013 budget estimates. The workshop gave all stakeholders in the budgetary process ample time to adequately plan and prepare for the 2013 budgetary process. Therefore, it is expected that, by now, Ministries, Departments and Agencies (MDAs) would have thoroughly prepared for the 2013 budgetary process by completing all the online forms discussed at the workshop, which are also on display at the e-budget portal. Similarly, it is expected that all MDAs would have concisely articulated their key initiatives for 2013 Estimates preparatory to the issuance of indicative envelopes which precedes the defence of the budget at various levels of the budgetary process.

2. The State has, in the last three years, evolved a budgetary process that is comprehensive and incorporates the provisions of the Medium Term Plan (First Implementation Plan 2010-2013) and the twelve-point developmental agenda of the present administration (A CARING HEART). Therefore, MDAs are invited to study these two documents closely, as well as the strategic pronouncements of Mr. Governor, in articulating their proposals for the 2013 Budget.

PRINCIPLES AND POLICIES

3. The guiding principles for the 2013 Budget shall be the consolidation of current efforts aimed at improving the quality of life of residents of Ondo State and admission of selected dynamic initiative to boost same. Specific attention shall be given to the Policy Thrust that follow:

(a) **2013 Policy Thrusts**

- (i) Consolidation of the strategic approach to revenue generation drive through consistent implementation of revenue reforms;
- (ii) Completion and delivery of on-going projects;
- (iii) Implementation of strategic programmes directed at enhancing the quality of life of the people;
- (iv) Enhancing job creation initiative for youths through massive engagement in modern agricultural activities and technology;
- (v) Sustaining the regime of peace being enjoyed in the state through provision of requisite support to security agencies for crime prevention and control;
- (vi) Consolidation and expansion of the qualitative education strategy embarked upon in the state through provision of conducive learning environment and construction of more mega schools;
- (vii) Re-invigorating the culture of timely maintenance and strengthening of all public infrastructure and utilities;
- (viii) Ensuring food security in the state through expansion and replication of Model Farms (Agricultural Cities) and provision of farm inputs for mass production of food;
- (ix) Scaling up of the rural and urban renewal programme;
- (x) Vigorous pursuit of the Millennium Development Goals (MDGs);
- (xi) Ensuring Plan and Budget discipline in the implementation of projects in the State;

- (xii) Expanding the Free Shuttle Bus Scheme to cover all Urban Centres in the State;
- (xiii) Promoting greater transparency and accountability in the use of public funds;
- (xiv) Deepening democracy in our land through good governance and delivery of public goods;

(b) **Strategies:**

- (i) Dogged implementation of the revenue reform agenda for the expansion of the revenue base;
- (ii) Conduct of Impact Assessment of projects and programmes;
- (iii) Enlisting the support of members of the House of Assembly in quick monitoring and execution of projects/programmes contained in the budget in the performance of their oversight functions; and
- (iv) Aggressive monitoring of projects by appropriate organs of government and regular review of performance of the budget.

PROCEDURES

4. The process for the preparation of the 2013 Estimates will follow the laid down guidelines on budget preparation in the State. Hence, Accounting Officers must comply with the relevant provisions of the Laws of Ondo State and the Financial Regulations on the preparation of the annual estimates. Ministries, Departments and Agencies (MDA's) of government are to set targets that are Specific, Measurable, Achievable, Realisable Time-bound, Empowering and Revisable (SMARTER). They are also to state clearly the means of verifying their achievements (indicators).

5. In addition, technical documents like market survey of prices, Engineering Design, Bill of Quantity (B.O.Q) etc, used in the determination of cost should be comprehensive and brought along for the defence of the estimate. To achieve uniformity in the cost of common projects, the price list from the Project and Price Monitoring Unit (PPMU) of the Governor's Office must be preferred where they are more competitive than the market surveys done by MDAs. The PPMU benchmark prices are available on the e-budget portal.

6. It has been noted that MDAs often contract debt instruments without making provision for repayment strategies in the budget. More often than not, the state's Debt Management Unit (DMU) is not aware of such debt facilities, thus making it difficult for DMU to adequately capture and prepare for their repayment. Therefore, MDAs proposing any form of external financing in 2013 budget must obtain clearance from the DMU office and state unequivocally, the mode of repayment of any debt facility(ies) earlier granted before such proposal will be considered in the estimates.

7. MDAs and all other Stakeholders in the budgetary process should note that the e-budget module of the State has been fully deployed. Therefore, the 2013 budgetary process will continue to be fully internet-based using the e-budget application module. All returns should be made online. Also, all interactions between this Ministry and all other stakeholders on the budgetary process will be made online. Hence, MDAs are to provide necessary e-tools

for their budget officers (Laptop, Modem, etc) to facilitate unbroken communication between MDAs and this Ministry. To this end, Budget Officers are to constantly check the e-mail of their MDAs for further instructions on the budgetary process.

8. At a workshop held in May, MDAs were required to submit the details of their operation in the current fiscal year month-by-month on the web-portal. It is expected that by now that activity must have been completed up to the month of October, 2012. However, some MDAs are in default. As a matter of urgency, defaulting MDAs are to complete their profile online within one week of this circular before that aspect of the module is closed on the portal. Please note that submitting the required data will automatically populate the required field in the 2013 estimates which will eventually ease the budgetary process.

9. It is also important to re-emphasize the importance of the provisions of FR 25004 on Pre-Call Circular procedures and actions by MDAs. Therefore, Accounting officers are enjoined to ensure strict compliance with the provisions of the rules and guidelines contained therein. For the avoidance of doubt, however, the procedure for the preparation of the estimates is provided, hereafter, to guide MDAs and other stakeholders.

10. Accounting officers are to download the resource envelope for their MDAs from the web-portal and re-allocate to various departments which will in turn give to divisions and other sub-units under them to enable them

prepare their estimates. Please, note that the resource envelope is NOT FINAL or sacrosanct. In the final analysis, resource allocation to MDAs could increase or decrease depending on the veracity and effectiveness of their defence. It is, however, important to note that MDAs **cannot** go beyond the total allocated resource envelope in their submissions. Therefore, it is imperative for MDAs to prioritise their requests, and select programmes/projects in order of utmost importance before the online submission.

GENERAL

11. Accounting Officers are enjoined to take personal interest in the preparation of the estimates. All returns should be accurately filled. Budget Officers are to print copies of the submitted proposals for the validation of their Accounting Officers immediately after uploading. MDAs must provide all necessary details as required. All renditions of actual expenditure for 2011 Fiscal Year must be RECONCILED WITH THE APPROPRIATION ACCOUNTS of the Office of the Accountant-General of the State.

12. It is important to re-emphasize that all figures in Revenue Estimates and Recurrent Expenditure (Other Charges, Transfer to Other Funds, Consolidated Revenue Fund Charge, Grants to Parastatals) should be rendered in absolute forms and corrected to the nearest 1,000 Naira.

Whereas, figures in Capital Estimates should be rendered in Million Naira corrected to 3 places of decimal. It is also important to stress that the online

system is automated. All entries are automatically summed up and reported at the required field. **Hence, do not sum up your entries again.**

13. Finally, MDAs are required to maintain constant interaction with this Ministry, Office of Establishments, Ministry of Finance, PPMU, Board of Internal Revenue and the Director, Legislative Duties in the House of Assembly, until the 2013 Appropriation bill is signed into Law.

14. MDAs are to note that all submissions on the e-budget portal must be made on or before 15th December, 2012 after which the portal will be closed. MDAs should, however, print copies of the uploaded estimates for its defence both at the Pre-Treasury and Treasury Board levels. MDAs contributions to the budget speech of Mr. Governor are to be submitted to Budget Dept of this Ministry on or before 15th December, 2012. Please note that the submission of the budget speech is a pre-requisite for participation at the Pre-Treasury Board Meetings.

15. The time-table for the Pre-Treasury Board meeting will be forwarded very soon through the e-mail addresses of each MDA.

16. Kindly ensure strict compliance with the provisions of this call circular.

17. Thank you.



C.O. Kolawole, NPOM
Permanent Secretary.