

**Circular Letter**

His Excellency, the Deputy Governor,  
Rt. Hon. Speaker,  
The Chief Judge,  
The Secretary to the State Government,  
The Chief of Staff,  
The Head of Service,  
Honourable Commissioners,  
Special Advisers/Executive Assistants,  
Senior Special Assistants/Special Assistants,  
Chairmen of Boards and Parastatals,  
Permanent Secretaries/Heads of Non-Ministerial Departments,  
The Clerk/Permanent Secretary Oyo State House of Assembly,  
General Managers/Executive Secretaries,  
The Chief Registrar,  
High Court of Justice,  
The Vice Chancellor, LAUTECH, Ogbomoso,  
The Vice Chancellor, First Technical University, Ibadan,  
The Vice Chancellor, Emmanuel Alayande University of Education, Oyo  
The Chief Medical Director, LAUTECH Teaching Hospital, Ogbomoso,  
The Rector, The Polytechnic, Ibadan,  
The Rector, Oke-Ogun Polytechnic, Saki,  
The Rector, Ibarapa Polytechnic, Eruwa,  
The Provost, Oyo State College of Agriculture and Technology, Igboora,  
The Provost, Oyo State College of Education, Lanlate,  
The Provost, Oyo State College of Nursing and Midwifery, Ibadan,  
The Provost, Oyo State College of Health Science and Technology, Ibadan,

## **YEAR 2024 BUDGET CALL CIRCULAR**

It would be recalled that the 2023 budget was signed into law on Friday, 23<sup>rd</sup> December, 2022 which made it possible for it to be operational with effect from 1<sup>st</sup> January, 2023. There is therefore, a need to commence the preparation for the 2024 exercise. The Budget, being the tool consistently and strategically used to achieve the fiscal policies of Governments over the years, need to be prepared. As such, the year 2024 budget as usual is, to highlight proposed programmes and projects that are not only pragmatic but are realizable for the benefits of the citizenry.

**2.0** This circular, therefore, sets out guidelines for the preparation of Year 2024 Budget that would consolidate on initiative and programmes of Government in the last **five (5) years**. which in addition, should continue to be compliant with the concepts of the International Public Sector Accounting Standards (IPSAS) and the Fiscal Responsibility (FR) Act.

**3.0** These concepts are to ensure improved revenue generation, prudent resource allocation and debt management for optimal performance. The draft proposal should continue to reflect Multi - Year Budget Framework (MYBF) which will adjust expenditure priorities with resource availability and therefore, provide a realistic fiscal outline towards achieving the State's Policy Priorities objectives. This will ensure the delivery of a well-articulated policy-oriented Budget that is consistent with the Vision and Mission of the Present Administration in line with the Roadmap to Sustainable Development (2023-2027) and the State Action for Business Enabling Reforms (SABER).

**4.0** Thus, in making the 2024 Budget proposals, MDAs are to ensure that resource allocation complies with strategic sector prioritization while balance

must be maintained among competing needs. Prioritization of projects and programs should further be guided by the following:

- (i) Improving Internally Generated Revenue;
- (ii) Completion of all on-going projects and programmes especially, agriculture, poverty alleviation and eradication schemes, grassroots development and social services schemes, employment generation, qualitative basic education, quality healthcare service delivery and security;
- (iii) Pursuance of projects and programmes that will attract assistance and Sponsorship from Development Partners;
- (iv) Promotion of Public-Private partnership as a vehicle in the delivery of infrastructure/services;
- (v) Stimulating the interest in micro, small and medium scale entrepreneurship;
- (vi) Effective and efficient utilization of resources through vigorous monitoring  
And impact evaluation of projects and programmes;
- (vii) Unlocking the State's economic potentials through Tourism, Agriculture and Agric business value chain;
- (viii) Improved security of lives and properties;
- (ix) Feedbacks from the Stakeholders' Engagement in the Seven (7) Geo-Political Zones of the State.

All Ministries, Departments, Agencies, Parastatals, Boards and State Owned Tertiary Institutions are hereby invited to submit to the Budget Department

of this Ministry, their respective Draft Estimates and Advance Proposals for the 2024 Fiscal Year in strict compliance with the instructions and guidelines contained in this Call Circular, and other Regulations and Laws

## **5.0 REVENUE ESTIMATES:**

5.1 Although the outgoing 2024 Budget was to emphasize self-reliance in revenue generation. The current global economic crises reflects the grave consequence on our revenue generation and consequence reliance on the national revenue sources. There is therefore, an urgent need to be more aggressive on Internal sourcing of revenue. In the light of this, all revenue generating entities are expected to introduce better and more innovative strategies for IGR generation to meet performance targets, rather than paying lip service to its essence.

5.2 All Agencies are therefore enjoined to intensify efforts at identifying all hidden and untapped sources of revenue and advice on how to improve and block leakages in the existing sources of Internally Generated Revenue (IGR). The basis for preparing the Revenue Estimates must be clearly stated and such figures must be achievable and reliable. Agencies are encouraged to initiate process that will require the review of statute that will assist in achieving their Ministerial targets.

5.3 Revenue items are to be classified as follows:-

(i) **Independent Revenue/Internally Generated Revenue (IGR);**

This is to be sub-divided into Tax and Non-Tax Revenue and should be estimated in comparison with Actual and Percentage performance of the budgeted estimates in the last 2 years. Cognizance should be taken of the current economic realities in proposing rates/tariffs for

coming year;

(ii) **Statutory Allocation/Share of FAAC;**

All the various components of share of FAAC (i.e Statutory Allocation, Value Added Tax etc. should be properly captured and estimated.

(iii) **Aids and Grants;**

Sources and amount of revenue from Aids and Grants should be indicated

and(iv) **Capital Development Fund Receipt such as loan and borrowings should be budgeted for as applicable and ring - fenced, while expected refund/remittance on projects should be stated, where applicable**

**5.4 Agencies of Government are expected to specify details of their proposed Capital Receipts. The sources of such Capital Receipts, condition(s) attached and capital projects tied to such receipts should be clearly stated in Annexure 1B format.**

**6.0 ESTABLISHMENT / PERSONNEL COSTS**

6.1 Specifically, the Establishment Estimates (proposals), Annexure II, should include Pensions and Gratuities, Public Debt Charges, (all Public Office holders who draw their salaries and allowances from the Consolidated Revenue Fund Charge) (CRFC) as well as the State Government's contribution to the Local Government and Primary School Staff Pension Fund.

6.2 Additionally, all agencies are expected to take into consideration the following in preparing their proposal:-

- (i) any proposed increase in establishment structure that may increase personnel cost must be backed with justification and prior approval. Despite this, in line with fiscal sustainability action plan of the State Government, ratio of personnel expenditure to total budget (expenditure) must not exceed 40:60 ratio;
- (ii) the Establishment Services Department, Ministry of Establishment, will issue a separate Call Circular that would contain comprehensive guidelines on the preparation of the Establishments proposals. These guidelines should be strictly adhered to by all agencies of Government.

## **7.0 OVERHEAD COSTS**

7.1 All agencies of Government are required to keep strictly to **Annexure III** using correct and relevant IPSAS classifications and codifications. In view of the current economic crisis, MDAs are enjoined to cut down overhead expenses to the barest minimum in line with the Fiscal Sustainability Plan (FSP) conditions.

## **8.0 CAPITAL EXPENDITURE**

8.1 The template (**Annexure IV**) should be used in preparing Capital Expenditure Estimates. The proposal should indicate the source of funding, location and programme of Government that the project is related to. It is important to note that **completion of ongoing projects should be taken as priorities.**

**9.0** All Assets and Liabilities of Government should be properly determined and provision for their management and settlement be adequately made. New additions should be properly documented in the Assets/Liability Register.

**10.0** It is to be reiterated that adequate but realistic provision should be made in the budget. Again, in line with Fiscal Responsibility doctrines, it will be expected that your proposal is accompanied with work plan for both revenue and expenditure estimates. You should therefore endeavor to carry out detailed investigation as regards the costing, timing and expected impacts of projects before they are included in the Budget. For the avoidance of doubt, projects and/or services and payments not in the approved Budget will not be funded in the 2024 fiscal year. In this light, the Budget proposals should clearly indicate:

- (i) vision and mission statements, key achievements (in the last two years), inputs, challenges and projections;
- (ii) draft estimates on Revenue for the year 2024 with actual Revenue collected in years 2021 and 2022 and during the first nine months of this year 2023 (**Marked Annexure 1A&B**);
- (iii) advance proposals on Recurrent Expenditure, including proposals involving numerical changes in the approved Establishments as well as those involving Policy issues for which prior approval has been obtained;
- (iv) advance proposals for Capital Expenditure (as contained in **Annexure IV**).

**11.0** In view of the importance attached to the exercise, **all Political Heads and Accounting Officers of Ministries/ Department and Agencies are enjoined to accord considerable interest**

**to the preparation of their proposals and estimates. Efforts should also be made to ensure that the proposals are submitted within the stipulated period in preparation for the pre-Treasury Board Meeting scheduled to commence on Monday 16th October 2023 (as contained in the time-table attached as Annexure (V))**

**12.0** All agencies of Government are expected to submit one soft copy and **twenty (20) hard copies** of their proposals on/or before Friday, 13<sup>th</sup> October, 2023.

**13.0** Any further clarification on the contents of this Circular Letter should be obtained from the **Director of Budget, Room CS29, Ministry of Budget and Economic Planning.**



**Ojelabi, S. A. PhD,  
Permanent Secretary,  
for: Honourable Commissioner.**