



**KW-IRS**  
KWARA STATE INTERNAL REVENUE SERVICE

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# KWAREVE*News*

A publication of Kwara State Internal Revenue Service

January/February 2018 Volume 5 Issue 31

## GOVERNOR AHMED: MAKING KWARA STATE STRONGER THROUGH REVENUE REFORM STATE OF STATES

(FACTS AND FIGURES: 2015 -2018)

### KW-IRS GENERATES **N23 BILLION** IN 2018

OUR QUEST FOR  
**2019**  
ANCHORS  
**BIGGER**  
TASKS  
PROFESSOR AWODUN



41 HEALTH TIPS

### WONDERFUL BENEFITS OF DATES



KW-IRS, MOST  
TRANSPARENT  
GOVERNMENT  
AGENCY IN  
KWARA STATE  
- PROF. AWODUN

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## Editorial

# MAKING KWARA STATE STRONGER THROUGH REVENUE REFORM



We have had cause to look at the reform efforts of the Kwara State Government in the past issues of this magazine. However, we have not had cause to base those reviews on assessment by secondary sources or other independent agencies. In this issue, we are looking at the situation of Kwara State finances prior to the establishment of the Kwara State Internal Revenue

Service in 2015, and after, based on the *State of States Report* of Budget Research using data obtained from Federal Ministry of Finance, Office of the Accountant General of the Federation, National Bureau of Statistics, Debt Management Office, and Joint Tax Board.

For us to be able to do a realistic comparative study of Kwara State's performance over the period (2015-2018), we selected a sample of 10 out of the 36 states based on common geographical relationship and neighbourliness. Thus, we selected all the 6 states within the north central of Nigeria that Kwara belongs, and 4 out of the 6 south western states based on closeness. The selected 10 states are therefore, Benue, Kogi, Kwara, Nasarawa, Niger, Plateau, Ekiti, Ondo, Osun and Oyo.

For each of these states, we extracted the data, as compiled by the Budget Research, of the States' Net Federal Allocation (FAAC), Total Internally Generated Revenue (IGR), Total Debt, Sustainability Index, IGR Ranking, Least Indebted State Ranking, and IGR per Capita. What we found was very revealing and impressive, as the results show the positive impact of the reform efforts of the Kwara State Government with IGR position moving from 17<sup>th</sup> in 2015 to top ten in subsequent years after, IGR per capita moving from 27<sup>th</sup> to top five by 2018, and improved sustainability index position over the years of operations of KW-IRS.

The most fascinating aspect of it all is the fact that by the singular efforts of the revenue reform, various other sectors of the economy of the State have benefitted, and this is responsible for the Africa Development State of the States ranking of the 36 states of Nigeria that ranked

“  
*The most fascinating aspect of it all is the fact that by the singular efforts of the revenue reform, various other sectors of the economy of the State have benefitted, and this is responsible for the Africa Development State of the States ranking of the 36 states of Nigeria that ranked Kwara 2<sup>nd</sup> after Lagos on the overall ranking based on various development indices for 2018.*  
 ”

Kwara 2<sup>nd</sup> after Lagos on the overall ranking based on various development indices for 2018. What this portend is that the consistent improvement in revenue mobilization has robbed off on several facets of the economy of the State, knowingly or unknowingly through the effective multiplier effects without throwing the State into any form of long-term debt beyond the position of 2015.

The facts presented in this issue will speak for themselves.

**Muritala Awodun, PhD**  
**Executive Chairman**  
**KW-IRS**

# GOVERNOR AHMED:

MAKING KWARA STATE STRONGER THROUGH REVENUE REFORM

## STATE OF STATES

(FACTS AND FIGURES: 2015-2018)

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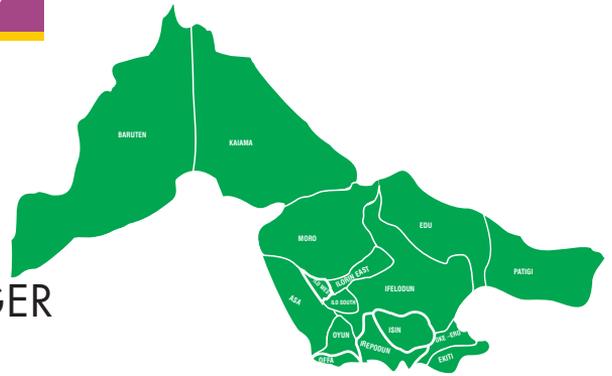


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# GOVERNOR AHMED:

MAKING KWARA STATE STRONGER THROUGH REVENUE REFORM



# STATE OF STATES

(FACTS AND FIGURES: 2015 -2018)

**T**he Impact of the Kwara State Government Revenue Reform embarked upon by the administration of Governor Abdulfatah Ahmed in 2015, at the beginning of his second term in office, cannot be better measured than using facts and figures. For us at the Revenue Service, performance measurement is key, and as a result, we not only measure the performances of our staff, but also that of the Service as a whole, hence the need to align the effect of these performances on the State, in general.

At the institutional level, KW-IRS has towered high as an agency of government with clearly defined vision, mission, values and processes that have made it internationally certified through ISO 9001 and ISO 22301 obtained in 2018. From ground zero in 2015, the agency has grown to be a formidable force with 732 staff and 5 Area Offices spread across the State. This has placed us ahead of our peers in the tax industry, as an

organization with well trained and committed people, uncompromising processes, and appropriate technology in the drive for revenue growth.

The outcome of this revenue reform over the period 2015-2018 will be considered by the conduct of a comparative study using data obtained from the State of States Reports of 2016, 2017, and 2018 for all the six States in the North Central Region of the country where Kwara belongs, and four other neighbouring States in the South Western Region, namely Ekiti, Ondo, Osun and Oyo.

We will be presenting the Net FAAC of these States over the years, the States IGR Collections, and the Total Debt. Further to this, we will be looking at the IGR ranking, the IGR per capita ranking and the sustainability ranking of these States as well.

In the year 2015, which was the year of creation of KW-IRS, and thus serves as our base year, the statistics extracted are as presented below:

**Figure 1: State of States 2015**

Catchment States	Net FAAC	IGR Collection	Total Debt	Catchment States Ranking			Catchment States Ranking			Overall 36 States Ranking	
				FAAC	IGR	Debt	IGR	Sustain ability	IGR	Sustain ability	
Benue	37.8bn	7.6bn	46.9bn	5	4	4	4	3	18	16	
Kogi	40.4bn	6.8bn	48.67bn	3	7	5	7	5	21	21	
Kwara	34.1bn	7.2bn	42.03bn	7	5	3	5	4	19	20	
Nassarawa	34.9bn	4.3bn	51.0bn	6	9	6	9	8	30	34	
Niger	40.1bn	5.9bn	30.3bn	4	8	1	8	2	23	12	
Plateau	33.8bn	6.9bn	102.2bn	8	6	9	6	10	20	36	
Ekiti	28.2bn	3.3bn	63.4bn	9	10	8	10	7	34	32	
Ondo	41.6bn	10.1bn	36.9bn	2	2	2	2	1	15	10	
Osun	20.2bn	8.1bn	159.9bn	10	3	10	3	9	17	35	
Oyo	42.9bn	15.7bn	60.6bn	1	1	7	1	6	7	24	

Source: Budget Research

From the above statistics, we will see that Kwara State as at 2015 generated a paltry sum of N7.2 billion as total IGR, receiving Net Federal Allocation of N34.1 billion with a total debt figure of N42 billion which placed the State on the 19<sup>th</sup> position in terms of IGR ranking out of the 36 States of the Federation, and 5<sup>th</sup> position on the same ranking out of the 10 States in the catchment area presented above. In terms of sustainability of the States, Kwara State ranked 20<sup>th</sup> of the 36 States and 4<sup>th</sup> of the 10 States.

After a year of operations of the Revenue

Service, Kwara State generated the sum of N17.3 billion as IGR for 2016 which catapulted it from 19<sup>th</sup> position out of the 36 States to 9<sup>th</sup> position, and from 5<sup>th</sup> position out of the 10 States in the catchment area to 2<sup>nd</sup> position. In terms of IGR per capita, the State moved from 26<sup>th</sup> position out of 36 States to 6<sup>th</sup> position, and 1<sup>st</sup> position out of the 10 states in the catchment area. In addition, the State moved from the 20<sup>th</sup> position on the sustainability index to 10<sup>th</sup> position out of the 36 States of the Federation and 1<sup>st</sup> position out of the 10 States in the catchment area.

**Figure 2: State of States 2016**

Catchment States	Net FAAC	IGR Collection	Total Debt	Catchment States Ranking			Catchment States Ranking			Overall 36 States Ranking		
				FAAC	IGR	Debt	IGR	IGR Per Capita	Sustainability	IGR	IGR Per Capita	Sustainability
Benue	29.7bn	9.6bn	74.2bn	5	4	4	4	7	4	16	21	23
Kogi	31.8bn	9.69bn	81.17bn	4	3	6	3	4	3	15	16	17
Kwara	25.8bn	17.3bn	53.14bn	7	2	2	2	1	1	9	6	10
Nassarawa	27.8bn	3.4bn	76.2bn	6	9	5	9	8	5	30	23	24
Niger	32.1bn	5.9bn	45.9bn	3	8	1	8	9	2	23	26	13
Plateau	20.7bn	9.2bn	119.3bn	8	5	8	5	3	8	17	15	33
Ekiti	18.8bn	2.9bn	102.5bn	9	10	7	10	10	9	33	29	35
Ondo	34.5bn	8.7bn	68.3bn	1	7	3	7	6	6	19	20	25
Osun	5.9bn	8.9bn	168.9bn	10	6	10	6	5	10	18	19	36
Oyo	33.5bn	18.9bn	137.9bn	2	1	9	1	2	7	8	13	30

Source: Budget Research

While the Net FAAC position remained the same at 7<sup>th</sup> of the 10 States in the catchment area, the ranking on the least indebted state moved from 3<sup>rd</sup> to 2<sup>nd</sup> of the 10 States in the catchment area.

At the end of the second year of operations of the Revenue Service, the total IGR of Kwara State has moved to N19.6 billion, placing the

State at the 10<sup>th</sup> position of the 36 States, and remaining in the second position in the catchment area of the 10 States. However, in terms of IGR per capita, Kwara remain the 1<sup>st</sup> in the catchment area in 2017 and moved up to the 5<sup>th</sup> position out of the 36 States of the Federation. Also Kwara became the least indebted State, moving to the 1<sup>st</sup>

**Figure 3: State of States 2017**

Catchment States	Net FAAC	IGR Collection	Total Debt	Catchment States Ranking			Catchment States Ranking			Overall 36 States Ranking		
				FAAC	IGR	Debt	IGR	Per Capital	Sustainability	IGR	Per Capital	Sustainability
Benue	39.8bn	12.3bn	85.8bn	4	3	4	3	7	5	16	20	26
Kogi	39.6bn	11.2bn	112.5bn	5	4	6	4	4	4	17	17	21
Kwara	33.1bn	19.6bn	55.8bn	6	2	1	2	1	3	10	5	20
Nassarawa	31.9bn	6.1bn	90.6bn	7	9	5	9	5	6	26	18	27
Niger	42.5bn	6.5bn	57.5bn	3	7	2	7	10	2	23	30	17
Plateau	29.6bn	10.7bn	131.6bn	8	6	7	6	3	8	19	16	31
Ekiti	25.6bn	4.9bn	141.4bn	9	10	8	10	8	9	33	25	34
Ondo	45.9bn	10.9bn	73.9bn	1	5	3	5	6	1	18	19	9
Osun	10.4bn	6.4bn	167.9bn	10	8	10	8	9	10	24	27	35
Oyo	44.5bn	22.4bn	157.8bn	2	1	9	1	2	7	8	15	30

Source: Budget Research



Alhaji (Dr) Abdulfatah Ahmed  
Executive Governor, Kwara State

position on that ranking, in 2017 from the 2<sup>nd</sup> position in 2016 and 5<sup>th</sup> position in 2015 in the catchment area. On the sustainability index, Kwara moved to the 3<sup>rd</sup> position in the catchment area, and 20<sup>th</sup> position out of the 36 States. All the above improvements are attributable to the revenue reform of the government. The significance of the Revenue Reform could be seen further in the contributions of the IGR collected to the total revenue of the State which has improved from 17% in 2015 to 35% in 2016, 36% in 2017 and 31% in 2018 respectively.

Aside from the obvious fact that Kwara State refused to plunge itself into debt like all the other states, both in the catchment area and the Federation, the introduction of the Infrastructure Fund, Kwara (IF-K), as a model of channelling the improved IGR collected into meaningful development of the State cannot be over-emphasized.

**Figure 4: State of States (Net Monthly Revenue) of Catchment States**

Catchment States	Net Monthly Revenue (Revenue - Expenditure)			Ranking of Net Monthly Revenue		
	2015	2016	2017	2015	2016	2017
Benue	(2.12)	(1.71)	(1.41)	6	5	5
Kogi	(1.93)	(1.04)	(0.11)	5	3	2
<b>Kwara</b>	<b>(2.4)</b>	<b>(1.38)</b>	<b>(1.49)</b>	<b>7</b>	<b>4</b>	<b>6</b>
Nassarawa	(1.55)	(0.23)	(0.15)	3	2	3
Niger	(0.15)	(0.22)	0.65	1	1	1
Plateau	(3.2)	(2.82)	(2.0)	8	7	7
Ekiti	(1.08)	(2.44)	(2.14)	2	6	8
Ondo	(1.67)	(3.58)	(0.47)	4	8	4
Osun	(3.6)	(4.95)	(4.97)	10	9	10
Oyo	(4.0)	(5.66)	(3.54)	9	10	9

Source: Budget Research

Prior to the commencement of the reform, specifically in 2015, there were a total of 62 abandoned projects that the administration had embarked upon in the first term (2011-2015) that the dwindling Federal Allocation and IGR could not sustain. However, with the introduction of the IF-K that mandates the setting aside of the sum of N500 million monthly from the improved IGR beginning from 2016, as a result of the revenue reform, all these once abandoned 62 projects, spread across the State, were re-

invigorated and completed, within a year through funding from the IF-K.

After the completion of these 62 projects, the government embarked on new projects cutting across, education, roads, electricity, water, etc through funding from the IF-K. Thus, the earlier plan of the government to borrow the sum of N20 billion for infrastructural development was jettisoned for the more sustainable and economical approach of IF-K model linked

directly to the revenue reform. This also was complemented with the consistent payment of salaries of State Civil Servants, and public servants which kept the economy of the State vibrant.

It is therefore not surprising to see Kwara State ranking 2<sup>nd</sup> on the African Development State of the States 2018 Report of study of the 36 States in Nigeria using a cumulative of varieties of indices such as poverty index, access to health index, access to electricity index, access to internet index, education index, etc. The efforts of the government in carrying out a study on the infrastructure gaps in the State that puts the figure at N255 billion in 2014 led to the development of the Kwara State Medium Term Strategic Plan Document that gave birth to the revenue reform. The reform was to form the nucleus of the developmental agenda of the State and had not only given birth to other reforms in the area of health services, health insurance, land administration and staff salary automation, but have had significant multiplier effects on job creation and poverty alleviation in the State.

It is therefore not out of place to expect that with an increase in the 2018 IGR figure to N23 billion from the N19.6 billion figure of 2017, by the time the 2019 State of States Report is released using the 2018 data of the various States of the Federation, the position of Kwara State cannot but improve to further confirm the consistency and sustainability of the reform of Governor Abdulfatah Ahmed's administration.

What this implies is that getting the revenue reform right with the complements of the Land Administration reform that is ongoing, the future of Kwara State in the comity of States in Nigeria is nothing other than bright under an administration that may be ready to consolidate on the gains of these reforms.

*It is therefore not surprising to see Kwara State ranking 2<sup>nd</sup> on the African Development State of the States 2018 Report of study of the 36 States in Nigeria using a cumulative of varieties of indices such as poverty index, access to health index, access to electricity index, access to internet index, education index, etc. The efforts of the government in carrying out a study on the infrastructure gaps in the State that puts the figure at N255 billion in 2014 led to the development of the Kwara State Medium Term Strategic Plan Document that gave birth to the revenue reform.*

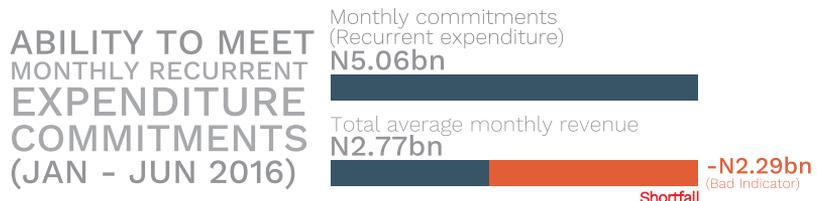
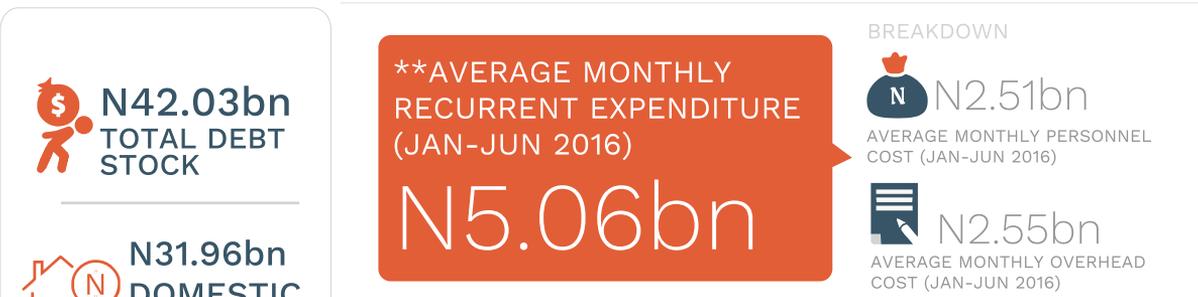
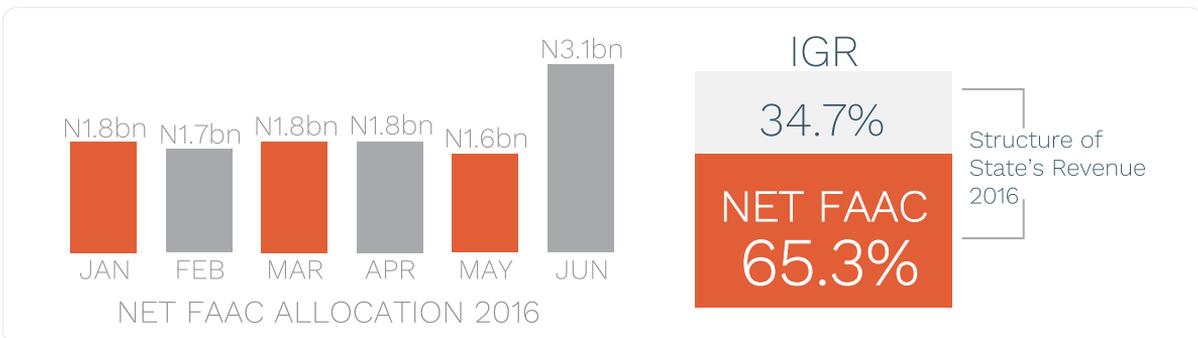
Extracted from 2016 Edition of State of States Report



# Kwara

## State of Harmony

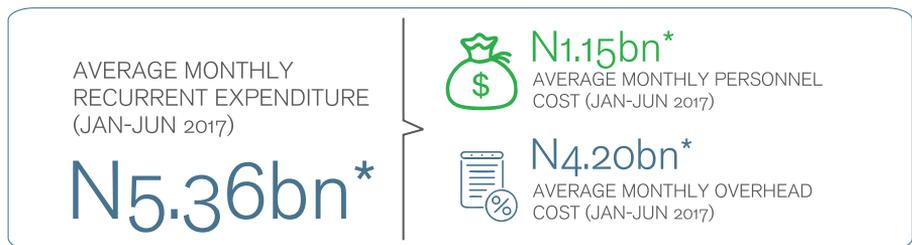
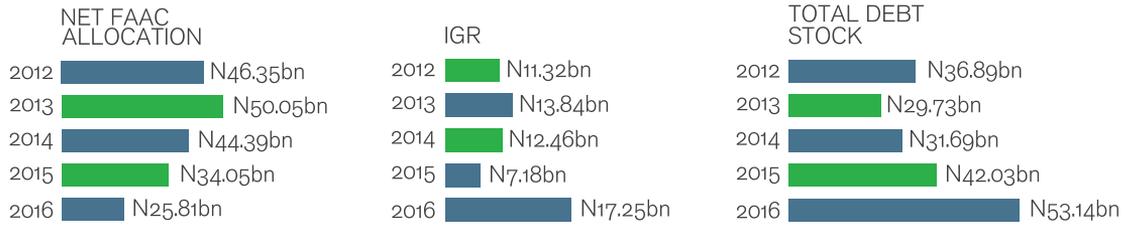
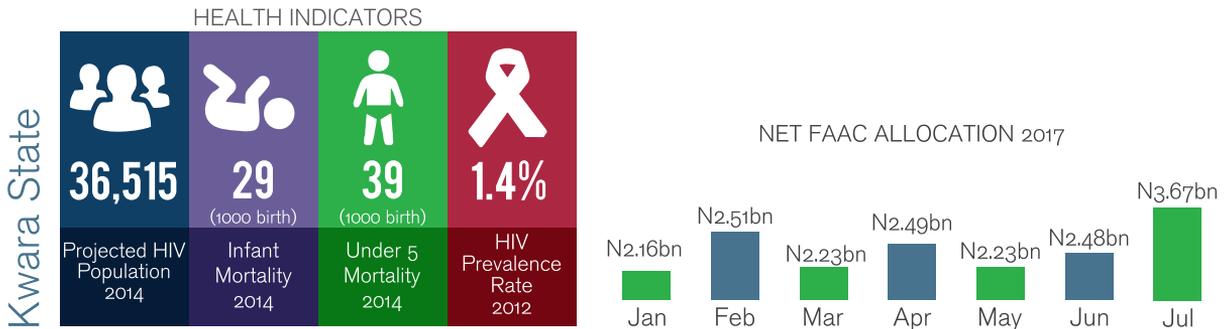
With Kwara state experiencing a fall in IGR in the first half of year 2016 and a total debt of N41.99bn (end of 2015), a bail out of N19.92bn last year had to be taken in order to pay salaries. Interestingly, the state abounds with mineral resources and rich Islamic cultural heritage.



**ABILITY TO MEET MONTHLY RECURRENT EXPENDITURE COMMITMENTS (JAN - JUN 2016)**

\*Based on Average FAAC Allocation and IGR Calculations on previous year  
 \*\*Based on Average 2016 Recurrent Expenditure projections

Extracted from 2017 Edition of State of States Report



Source: NBS, OAGF, DMO, World Bank, Budget Research

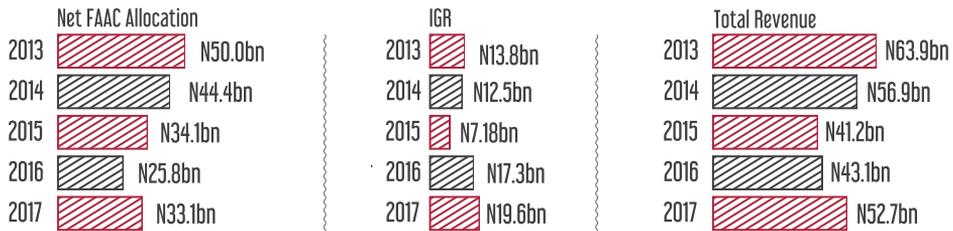
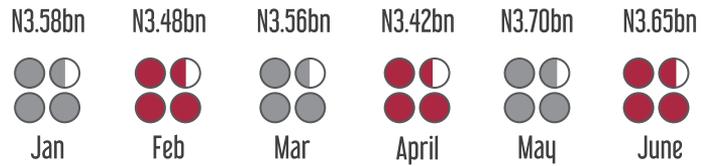
Budget Estimate\*

State of States

Extracted from 2018 Edition of State of States Report



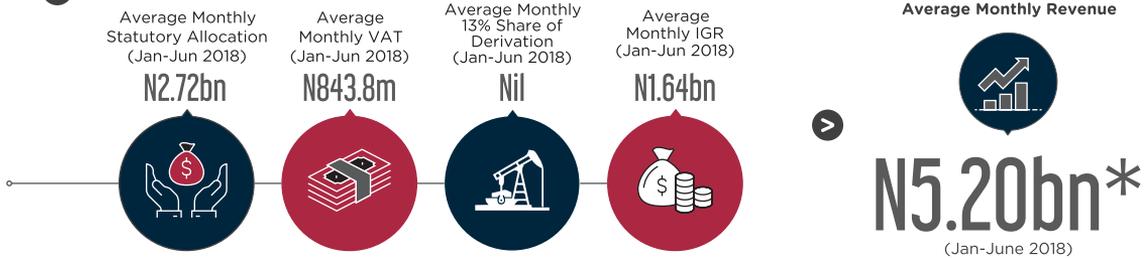
Net FAAC Allocation 2018



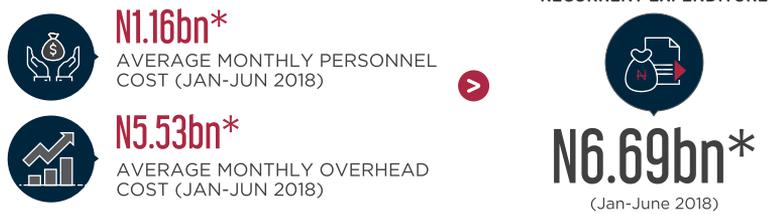
Structure of State's Revenue 2018



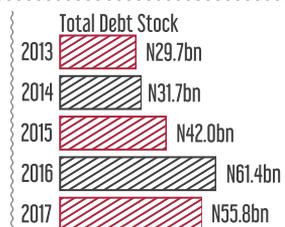
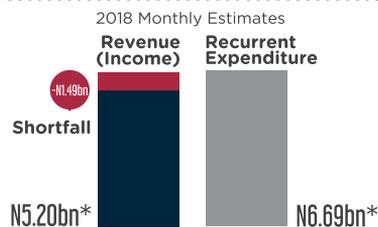
REVENUE



EXPENDITURE



**Ability to Meet Monthly Recurrent Expenditure Commitments**



Source: NBS, OAGF, DMO, World Bank, BudGIT Research BudGIT Estimate\*





Extracted from 2018 Edition of State of States Report

## INTERNALLY GENERATED REVENUE RANKING 2017

State	(NGN'bn)
LAGOS	333,967,978,880
RIVERS	89,484,983,409
OGUN	74,835,979,001
DELTA	51,888,005,338
KANO	42,418,811,471
KADUNA	26,530,562,881
EDO	25,342,829,212
OYO	22,448,338,825
ENUGU	22,039,222,903
<b>KWARA</b>	<b>19,637,873,512</b>
CROSS RIVER	18,104,562,226
ANAMBRA	17,365,385,831
AKWA IBOM	15,956,354,035
ABIA	14,917,141,806
BAYELSA	12,523,812,451
BENUUE	12,399,414,558
KOGI	11,244,260,975
ONDO	10,927,871,480
PLATEAU	10,788,283,409
SOKOTO	9,018,844,307
IMO	6,850,796,866
JIGAWA	6,650,200,980
NIGER	6,517,939,033
OSUN	6,486,524,226
ADAMAWA	6,201,369,567
NASARAWA	6,174,136,953
KATSINA	6,029,850,858
ZAMFARA	6,023,994,931
TARABA	5,764,251,234
GOMBE	5,272,273,408
EBONYI	5,102,902,367
BORNO	4,983,331,049
EKITI	4,967,499,816
KEBBI	4,393,773,965
BAUCHI	4,369,411,450
YOBE	3,598,131,937

Source: NBS

# Methodology: States' Sustainability Index 2016

State	*Gross Statutory Allocation	*13% share of derivation oil producing State	*Gross VAT Allocation	*Internally Generated Revenue (IGR)	*Total Average Monthly Revenue	Total Debt Stock	Recurrent Expenditure	Index A	Index B	Index C	Sustainability Index	Scores
RIVERS	4,038,467,854.15	6,491,518,330.32	977,771,051.10	7,426,037,362.30	18,933,794,597.87	100,657,859,308.06	119,000,000,000.00	7.99	6.29	5.32	6.74	14.85
LAGOS	3,956,838,134.43	-	6,145,381,906.50	23,013,664,889.66	33,115,884,930.60	500,837,875,154.86	241,970,000,000.00	8.30	7.31	15.12	8.83	11.33
ENUGU	2,970,424,779.45	-	727,409,932.86	1,604,195,466.08	5,302,030,178.39	36,342,480,722.88	41,790,000,000.00	17.92	7.88	6.85	11.24	8.90
DELTA	4,098,740,668.65	8,123,161,952.86	804,716,364.17	3,566,267,418.77	16,594,886,404.45	216,775,703,997.01	161,606,000,000.00	12.93	9.74	13.06	11.35	8.81
KATSINA	3,630,789,109.37	-	888,408,661.46	518,586,466.58	5,037,784,237.41	16,292,846,019.15	32,290,500,000.00	22.95	6.41	3.23	11.72	8.53
AKWA IBOM	4,353,076,367.56	10,382,598,475.58	769,416,708.00	1,306,375,201.92	16,811,466,753.06	93,474,451,741.09	209,000,000,000.00	16.78	12.43	5.56	12.92	7.74
EBONYI	2,642,490,661.89	-	609,542,687.07	919,372,709.33	4,171,406,058.29	15,991,671,757.75	33,990,000,000.00	26.16	9.59	3.83	14.52	6.89
BAVELSA	3,472,668,620.91	6,588,786,355.11	582,884,804.29	913,188,640.67	11,557,528,420.98	96,613,470,304.16	155,350,000,000.00	19.21	13.44	8.53	14.73	6.79
EDO	2,892,176,378.00	975,185,114.63	702,690,936.34	1,418,632,935.97	5,988,685,364.94	64,552,530,075.97	70,700,000,000.00	22.83	11.81	10.78	15.51	6.45
ONDO	2,915,002,582.81	1,261,047,326.04	697,416,072.93	976,561,791.87	5,850,027,773.64	29,752,680,155.54	76,700,000,000.00	26.13	13.11	5.09	16.46	6.07
KANO	4,685,061,220.64	-	1,205,723,544.61	1,138,487,827.99	7,029,272,593.24	43,323,214,290.44	75,200,000,000.00	32.08	10.70	6.16	17.50	5.71
NIGER	3,498,706,011.52	-	729,678,529.48	478,098,752.99	4,706,483,293.99	32,359,873,478.22	42,164,000,000.00	34.91	8.96	6.88	17.73	5.64
ANAMBRA	2,936,807,153.46	-	753,095,180.54	871,192,693.02	4,561,095,027.01	11,861,947,511.99	53,517,000,000.00	32.95	11.73	2.60	17.79	5.62
ABIA	2,818,431,143.54	385,726,929.18	662,596,402.20	1,030,932,907.92	4,897,687,382.85	31,850,563,448.18	62,200,000,000.00	29.91	12.70	6.50	17.80	5.62
JIGAWA	3,303,125,899.08	-	775,195,564.45	522,775,884.70	4,601,097,348.23	8,677,785,421.31	47,700,000,000.00	36.75	10.37	1.89	18.33	5.46
BENUE	3,312,488,455.05	-	742,128,796.89	690,368,763.39	4,744,886,015.33	24,353,820,133.42	52,500,000,000.00	36.65	11.06	5.13	19.13	5.23
IMO	3,118,209,815.58	361,934,653.82	726,981,491.88	676,312,615.50	4,883,438,576.77	39,483,416,476.52	60,700,000,000.00	34.39	12.43	8.09	19.46	5.14
KEBBI	3,118,865,959.14	-	682,230,690.20	319,511,970.16	4,120,608,619.50	25,984,870,199.51	39,930,000,000.00	39.86	9.69	6.31	19.74	5.07
CROSS RIVER	2,970,168,433.86	-	680,473,089.98	1,311,570,895.33	4,962,212,419.17	133,505,361,104.28	58,300,000,000.00	29.27	11.75	26.90	20.15	4.96
KWARA	2,629,224,923.28	-	623,833,678.84	1,038,376,496.21	4,291,435,098.33	32,639,261,567.84	58,290,000,000.00	35.07	13.58	7.61	20.21	4.95
KOGI	3,264,511,103.51	-	683,616,287.12	547,494,054.46	4,495,621,445.09	17,426,523,040.05	50,150,000,000.00	40.74	11.16	3.88	20.42	4.90
KADUNA	3,869,996,178.80	-	895,038,217.71	1,065,210,209.54	5,830,244,606.05	63,332,545,972.26	72,800,000,000.00	37.14	12.49	10.86	20.87	4.79
SOKOTO	3,255,221,559.93	-	709,395,093.47	468,146,938.36	4,432,763,591.77	16,578,218,444.90	50,800,000,000.00	43.14	11.46	3.74	21.39	4.68
OYO	3,312,854,445.57	-	932,599,843.29	1,358,936,141.69	5,604,390,430.54	27,310,402,522.43	86,720,000,000.00	37.84	15.47	4.87	21.71	4.61
TARABA	2,845,199,649.51	-	621,862,990.13	316,586,739.46	3,783,569,379.10	18,928,529,232.53	43,220,000,000.00	46.05	11.42	5.00	22.58	4.43
GOMBE	2,782,129,035.46	-	628,282,235.63	433,038,365.16	3,843,395,636.26	37,461,017,124.93	46,650,000,000.00	43.96	12.14	9.75	22.92	4.36
YOBE	2,933,035,601.83	-	613,443,207.02	256,148,346.74	3,802,627,155.59	7,854,726,520.11	43,300,000,000.00	49.79	11.39	2.07	23.43	4.27
OGUN	2,744,112,951.48	-	743,952,006.39	1,458,135,065.63	4,946,200,023.49	91,915,278,645.94	82,940,000,000.00	37.66	16.77	18.58	24.35	4.11
ZAMFARA	2,939,282,111.23	-	682,967,721.07	262,469,212.83	3,884,719,045.13	18,146,008,293.16	50,000,000,000.00	52.89	12.87	4.67	25.65	3.90
BAUCHI	3,533,077,400.19	-	787,415,004.03	404,454,432.07	4,724,946,836.29	45,426,728,119.23	62,800,000,000.00	52.69	13.29	9.61	26.53	3.77
ADAMAWA	2,942,319,242.16	-	688,557,319.97	416,206,823.40	4,047,083,385.53	35,751,525,548.32	58,000,000,000.00	52.50	14.33	8.83	26.87	3.72
EKITI	2,640,999,519.81	-	616,722,879.69	288,528,454.03	3,546,250,853.53	39,704,767,665.64	48,710,000,000.00	53.81	13.74	11.20	27.38	3.65
BORNO	3,669,762,482.17	-	734,935,393.23	230,064,481.57	4,634,762,356.99	26,893,232,282.84	63,900,000,000.00	65.18	13.57	5.80	30.47	3.28
NASSARAWA	2,723,882,670.08	-	585,549,671.15	340,427,298.77	3,649,859,736.01	44,464,297,026.02	63,400,000,000.00	68.47	17.37	12.18	34.48	2.90
OSUN	2,693,807,906.66	-	692,302,593.29	709,439,515.56	4,095,550,015.50	52,557,432,017.26	90,600,000,000.00	64.63	22.12	12.83	35.61	2.81
PLATEAU	3,084,376,660.26	-	701,241,877.47	690,368,763.33	4,475,987,301.06	84,573,638,234.29	92,400,000,000.00	66.40	20.64	18.89	36.40	2.75

\* Average Monthly (Jan-July 2015)

Note:

Index A = Recurrent Expenditure / IGR + Derivation + VAT  
 Index B = Recurrent Expenditure / Total Revenue  
 Index C = Total Debt Stock / Total Revenue

sustainability Index = (Index A x 35) + (Index B x 50) + (Index C x 15)  
 Scores = 100 / Sustainability Index

100

## LEAD STORY

# States' Fiscal Sustainability Index 2017

## METHODOLOGY

Rank	States	**Gross Statutory Allocation (NGN/bn)	**19% Share of Derivation/Net (NGN/bn)	**Gross VAT Allocation (NGN/bn)	***Internally Generated Revenue Based on 2016 estimate (NGN/bn)	Total Estimated Monthly Revenue after deductions (NGN/bn)	*Total Debt Stock (NGN/bn)	Recurrent Expenditure budget estimate (NGN/bn)	Index A (Recurrent Expenditure / (GR+19% Derivation+VAT))	Index B (Monthly Recurrent Expenditure / Estimated Total Revenue)	Index C (Total Debt Stock / Total Revenue)	Sustainability Index ((Index A x 0.35) + (Index B x 0.50) + (Index C x 0.15))	Scores (100/Index)
1	RIVERS	75.89	33.38	10.65	85.29	16.27	157.21	141.00	1.09	0.72	0.81	0.86	116.28
2	LAGOS	67.84	0.2	44.69	302.43	32.08	734.72	305.28	0.88	0.79	1.91	0.99	101.01
3	OGUN	22.01	0	6.09	72.98	8.01	107.6	102	1.29	1.06	1.12	1.15	86.98
4	KANO	39.38	0	12.2	30.96	7.67	111.56	79.43	1.84	0.86	1.21	1.26	79.55
5	AKWAIBOM	88.49	47.04	6.03	23.27	13.49	170.92	169.3	2.22	1.05	1.06	1.46	68.82
6	ANAMBRA	23.95	0	6.31	16.19	4.54	23.26	56.6	2.52	1.04	0.43	1.46	68.29
7	DELTA	66.55	30.5	6.41	44.06	10.8	284.2	158	1.95	1.22	1.96	1.59	63.03
8	ENUGU	23.18	0	5.94	14.24	4.08	70.96	52.4	2.74	1.13	1.45	1.74	57.55
9	ABIA	23.92	1.77	5.38	12.69	4.03	66.17	57.4	2.89	1.19	1.37	1.81	55.23
10	KWARA	20.41	0	5.16	17.25	3.98	53.14	64.28	2.87	1.35	1.11	1.84	54.22
11	EDO	24.05	1.59	5.93	23.04	4.36	101.95	76.56	2.51	1.46	1.94	1.9	52.86
12	KATSINA	28.17	0	7.11	5.55	4.14	42.3	47.73	3.77	0.96	0.85	1.93	51.87
13	NIGER	26.85	0	6.06	5.88	3.78	45.88	48.00	4.02	1.06	1.01	2.09	47.87
14	BAYELSA	66.11	33.38	5.1	7.91	8.6	152.2	155.1	3.34	1.5	1.48	2.14	46.66
15	KADUNA	30.18	0	7.73	17.05	5.3	131.56	83.47	3.37	1.31	2.07	2.25	46.63
16	KEBBI	23.69	0	5.6	3.13	3.33	94.77	40.23	4.61	1.01	0.87	2.25	44.49
17	KOGI	24.59	0	5.65	9.57	3.85	81.17	58.71	3.86	1.27	1.76	2.25	44.46
18	YOBE	22.15	0	5.13	3.24	3.31	22.32	41.9	5	1.06	0.56	2.36	42.31
19	ZAMFARA	22.61	0	5.56	4.78	2.61	68.62	41	3.97	1.31	2.19	2.37	42.2
20	BAUCHI	26.92	0	6.43	8.69	3.67	99.76	58.85	3.9	1.34	2.27	2.37	42.15
21	TARABA	21.65	0	5.15	5.9	3.05	45.59	49.3	4.46	1.35	1.25	2.42	41.27
22	IMO	26.66	1.93	6.05	5.87	3.41	111.72	53.73	3.88	1.31	2.73	2.42	41.24
23	BENUE	25.89	0	6.17	9.56	3.82	74.15	66.3	4.22	1.45	1.62	2.44	40.95
24	NASARAWA	20.71	0	4.9	3.4	2.99	76.2	38.6	4.65	1.08	2.12	2.48	40.27
25	ONDO	32.83	7.92	5.75	8.68	4.35	68.33	95.16	4.26	1.82	1.31	2.6	38.49
26	EBONYI	20.45	0	5.12	2.34	2.95	42.27	40.17	5.38	1.13	1.19	2.63	38.03
27	ADAMAWA	22.7	0	5.63	5.79	3.34	87.81	60.06	5.26	1.5	2.19	2.92	34.27
28	JIGAWA	25.63	0	6.36	3.54	3.92	28.94	61.88	6.25	1.35	0.63	2.96	33.82
29	SOKOTO	24.74	0	5.85	4.55	3.67	34.64	63.33	6.09	1.44	0.79	2.97	33.68
30	OYO	28.98	0	9.16	18.88	4.97	137.92	127.57	4.55	2.14	2.21	3.01	33.23
31	CROSS-RIVER	22.71	0	5.48	14.78	2.92	163.87	74.52	3.68	2.12	4.66	3.05	32.81
32	GOMBE	21.27	0	5.13	2.94	2.61	46.89	59.91	5.81	1.5	3.07	3.11	32.57
33	PLATEAU	23.58	0	5.69	9.19	2.96	119.27	69.36	4.66	1.95	3.35	3.11	32.16
34	BORNO	27.4	0	6.11	2.68	3.8	37.69	59.66	6.79	1.31	0.83	3.15	31.7
35	EKITI	20.44	0	5.12	2.99	2.15	102.47	55.03	6.78	2.14	3.98	4.04	24.76
36	OSUN	21.34	0	5.71	8.88	1.37	168.68	75.8	5.19	4.6	10.24	5.65	17.69

\*\* OAGF \*\*\* NBS \* DMO | Budget Research

# 2018 STATES' FISCAL SUSTAINABILITY INDEX

Rank	States	Gross Statutory Allocation (Average January to July 2018)	-1% Share of Derivation Oil Producing State	-Gross VAT (Average January to July 2018)	Internally Generated Revenue	Total Average Revenue	Total Debt Stock (as at Dec 31, 2017)	Recurrent Expenditure (Budget Allocation)	METHODOLOGY			Sustainability Index (Index A x 0.35) + (Index B x 0.50) + (Index C x 0.15)	Scores (100/Index)
									Index A	Index A	Index A		
1	RIVERS	15,278,463,871.61	9,453,672,002.58	1,453,534,866.39	7,457,081,981.00	33,642,752,691.58	21,657,173,396.56	132,000,000,000.00	718,965,428.53	3,923,579,060.55	6,290,721,075.55	5,421,149,891.59	18,446,270,994.11
2	DELTA	18,914,071,693.69	13,449,778,523.68	1,059,579,920.76	4,324,000,445.00	37,747,370,583.13	246,239,949,897.99	147,270,000,000.00	7,819,654,067.6	3,901,638,033.0	6,523,669,534.94	5,666,109,373.26	17,647,642,216
3	BAVELSA	14,235,935,815.67	9,759,867,459.84	791,624,599.43	1,043,661,038.00	25,831,078,909.94	144,122,841,088.97	160,000,000,000.00	9,676,969,042.71	17,125,646,243.39	5,579,435,939.51	8,763,568,163.43	11,410,877,183.25
4	LACOS	12,837,825,126.48	18,573,517.65	8,011,590,803.26	27,880,664,907.00	48,698,704,564.39	183,038,116,912.70	347,000,000,000.00	14,802,672,861.0	17,125,646,243.39	16,659,272,034,26	16,659,272,034,26	9,546,326,153.91
5	AKWA IBOM	17,479,330,795.47	12,170,604,672.88	992,177,104.06	1,329,686,170.00	31,971,808,742.41	202,775,585,548.46	216,510,000,000.00	14,802,672,861.0	6,740,628,543.98	6,542,318,233.61	9,546,326,153.91	10,497,226,148.29
6	EDO	6,146,671,565.51	988,421,517.80	988,421,517.80	2,111,902,434.00	10,967,924,486.22	139,743,045,444.87	67,500,000,000.00	14,009,276,389.8	6,154,039,303.34	12,741,065,606.34	9,891,543,297.6	10,109,645,162
7	KANO	7,286,145,667.14	1,722,929,170.91	1,603,615,250.56	3,534,900,956.00	12,454,667,373.70	112,666,568,467.84	83,430,000,000.00	6,709,470,469.94	9,060,667,735.1	9,060,667,735.1	9,618,613,208.92	9,618,613,208.92
8	OCUN	4,394,691,745.69	1,060,488,768.38	1,060,488,768.38	6,236,331,483.00	11,691,512,092.07	139,490,533,407.23	121,100,000,000.00	16,596,629,903.5	10,357,941,641.50	11,330,923,324,154	12,773,273,373,64	7,232,563,863.3
9	ONDO	5,848,842,588.18	1,479,333,827.59	925,305,392.56	910,655,956.60	9,152,197,764.93	73,965,520,460.96	78,500,000,000.00	23,678,192,609.9	8,577,231,026.92	8,081,752,486.6	13,789,283,371.0	7,232,563,863.3
10	ENUGU	4,530,177,261.33	920,996,692.37	920,996,692.37	1,836,601,509.00	7,287,775,862.70	100,577,293,749.16	60,700,000,000.00	22,019,056,617	8,339,015,757.84	13,800,821,491.22	13,937,928,050.4	7,174,219,310.2
11	ANAMBRA	4,596,090,679.92	645,475,531.84	1,027,756,821.55	1,447,115,468.00	7,070,862,987.07	28,969,632,224.82	64,400,000,000.00	26,021,544,473.6	9,107,670,358.02	4,096,985,414.55	14,275,923,827.8	7,004,807,346.2
12	ABIA	4,921,450,257.73	978,342,477.06	878,342,477.06	1,243,095,150.00	7,688,363,416.63	91,779,266,626.60	68,400,000,000.00	24,720,689,161.1	8,896,651,763.98	11,937,425,646.18	14,891,351,971.98	6,715,404,422.52
13	KATSINA	5,557,218,931.73	1,145,670,225.52	1,145,670,225.52	502,467,571.50	7,205,976,798.75	51,933,712,433.83	51,410,000,000.00	31,192,400,714.2	7,134,949,572.6	7,207,631,169.2	15,566,939,959.16	6,424,452,088.6
14	KADUNA	5,955,053,197.99	1,252,888,714.85	1,252,888,714.85	2,210,880,246.00	9,418,792,152.84	156,917,791,183.77	85,400,000,000.00	24,655,437,697.01	9,068,979,921.5	16,660,764,541.6	15,660,946,551.5	6,384,919,719.2
15	IMO	5,161,913,870.76	427,320,531.94	979,007,647.18	570,899,738.80	7,139,141,788.68	100,063,856,462.82	57,900,000,000.00	29,283,422,475.0	8,110,218,268.0	14,016,230,412.4	16,406,741,161.2	6,095,054,558.1
16	KEBBI	4,698,728,662.93	907,186,240.63	907,186,240.63	366,147,830.40	5,970,652,833.96	63,398,503,341.46	42,990,000,000.00	33,740,179,936.3	7,200,929,235.70	10,619,365,928.38	17,009,985,309.87	5,878,989,449.90
17	NIGER	5,225,030,199.25	973,967,576.63	973,967,576.63	543,161,586.10	6,742,159,361.98	57,661,841,253.18	53,200,000,000.00	35,066,629,934.54	7,890,647,067.76	8,527,652,103.9	17,489,618,785.3	5,715,920,046.0
18	EBONYI	4,029,739,522.01	819,031,562.45	819,031,562.45	425,241,883.90	5,274,032,928.36	54,053,178,026.28	42,700,000,000.00	34,317,216,603.75	8,096,627,102.82	10,248,889,670,930	17,596,649,931.33	5,682,946,989.89
19	ZAMFARA	4,469,033,930.59	897,692,803.56	897,692,803.56	501,999,577.60	5,868,726,411.75	80,608,468,924.48	46,400,000,000.00	35,150,187,801.6	7,906,631,505.791	13,735,266,064.583	17,615,993,198.88	5,676,659,131.5
20	KWARA	4,032,183,207.07	837,573,611.09	837,573,611.09	1,636,489,459.00	6,506,246,277.16	55,825,097,026.24	80,308,000,000.00	32,459,964,323.05	12,343,321,161.3	8,580,231,157.59	18,811,963,300,872	5,316,007,207.8
21	KOCHI	4,878,318,336.42	827,040,930.80	827,040,930.80	299,844,328.00	5,517,671,467.00	35,556,982,604.63	46,750,000,000.00	4,048,603,385.742	8,472,271,804.6	16,221,939,549.90	15,239,882,504.2	5,070,330,270.58
22	YOBE	4,390,792,208.20	936,517,570.17	936,517,570.17	751,570,358.90	6,579,825,130.81	38,654,208,481.53	67,600,000,000.00	40,535,492,777.5	10,273,292,669.0	6,440,569,028.79	19,372,821,068.4	4,931,521,826.7
23	SOKOTO	4,291,727,201.74	819,199,310.50	819,199,310.50	480,354,269.50	5,424,422,101.19	68,999,532,879.92	51,240,000,000.00	42,159,454,816	9,189,745,481.6	12,374,866,229.96	12,374,866,229.96	4,741,067,021.6
24	TARABA	4,197,720,048.75	817,336,064.49	817,336,064.49	439,356,117.40	5,454,422,300.64	53,991,998,426.94	52,970,000,000.00	40,535,492,777.5	9,189,745,481.6	12,374,866,229.96	12,374,866,229.96	4,741,067,021.6
25	COMBE	5,012,667,732.90	987,545,617.88	987,545,617.88	1,033,284,546.00	7,033,176,895.95	83,827,866,541.37	90,640,000,000.00	40,535,492,777.5	9,189,745,481.6	12,374,866,229.96	12,374,866,229.96	4,741,067,021.6
26	BENUE	4,091,426,287.14	781,803,881.28	781,803,881.28	514,511,412.70	5,387,761,212.12	90,640,000,000.00	53,240,000,000.00	40,535,492,777.5	9,189,745,481.6	12,374,866,229.96	12,374,866,229.96	4,741,067,021.6
27	NASSARAWA	5,434,926,320.80	976,023,494.85	976,023,494.85	416,277,587.40	6,826,427,403.05	60,972,952,291.25	61,800,000,000.00	43,470,173,888.02	9,881,877,181.9	16,924,860,079.48	16,924,860,079.48	4,788,565,961.6
28	BORNO	5,058,852,182.45	1,045,426,332.88	1,045,426,332.88	554,183,415.00	6,658,467,500.33	43,545,282,199.15	71,565,000,000.00	44,749,020,408.84	10,747,976,799.0	6,538,039,120	22,881,031,161.75	4,546,641,918.6
29	JIGAWA	4,504,356,909.41	1,377,911,100.97	1,377,911,100.97	1,890,624,902.00	6,851,762,912.38	157,808,422,185.94	75,900,000,000.00	37,468,222,222.54	10,747,976,799.0	6,538,039,120	22,881,031,161.75	4,546,641,918.6
30	OYO	4,654,135,909.41	906,699,381.96	906,699,381.96	1,870,624,902.00	6,851,762,912.38	157,808,422,185.94	75,900,000,000.00	37,468,222,222.54	10,747,976,799.0	6,538,039,120	22,881,031,161.75	4,546,641,918.6
31	PLATEAU	5,323,646,679.79	1,030,117,620.90	1,030,117,620.90	364,117,620.90	6,401,885,296.15	131,578,804,035.95	121,900,000,000.00	42,030,352,979.7	11,749,189,972.3	20,367,264,234.2	23,641,209,970.7	4,239,919,598.92
32	BALUHI	4,484,269,877.72	909,238,615.58	909,238,615.58	516,780,797.30	5,910,585,296.15	98,619,259,340.48	78,000,000,000.00	46,116,977,441.5	9,990,197,645.23	16,031,730,180.6	24,245,771,507.4	4,122,827,088.14
33	ADAMAWA	4,484,269,877.72	909,238,615.58	909,238,615.58	516,780,797.30	5,910,585,296.15	98,619,259,340.48	78,000,000,000.00	46,116,977,441.5	9,990,197,645.23	16,031,730,180.6	24,245,771,507.4	4,122,827,088.14
34	AKITI	4,039,746,852.78	830,830,666.31	830,830,666.31	419,984,318.00	5,284,335,829.09	14,434,608,953.26	66,500,000,000.00	53,446,809,645.40	12,585,953,591.92	26,764,620,303.58	29,011,588,563.08	3,540,351,028.10
35	OSUN	4,911,125,326.53	918,044,917.12	918,044,917.12	540,534,685.50	5,649,734,939.19	167,874,909,095.25	68,600,000,000.00	59,372,646,800.1	15,328,029,726.37	29,713,077,580.3	32,901,525,244.88	3,033,320,183.3
36	GROSS RIVER	4,484,336,133.26	875,467,034.07	875,467,034.07	1,508,313,519.00	6,888,516,686.33	177,158,924,414.40	390,000,000,000.00	163,578,213,537.75	56,778,808,189.744	25,792,894,376.60	89,517,177,156.90	1,171,215,690

OSUN, NBS, DMO, BUDGET RESEARCH

Extracted from 2017 Edition of State of States Report

## 2016: PER CAPITA INTERNALLY GENERATED REVENUE

Amount in NGN

State	Amount
LAGOS	24,096
OGUN	13,988
RIVERS	11,677
DELTA	7,779
EDO	5,440
<b>KWARA</b>	<b>5,404</b>
AKWA IBOM	4,245
CROSS RIVER	3,822
BAYELSA	3,470
ABIA	3,406
ENUGU	3,227
ANAMBRA	2,929
OYO	2,408
KANO	2,367
PLATEAU	2,188
KOGI	2,139
KADUNA	2,066
TARABA	1,922
OSUN	1,888
ONDO	1,859
BENUE	1,664
ADAMAWA	1,363
NASARAWA	1,348
BAUCHI	1,327
IMO	1,085
NIGER	1,059
ZAMFARA	1,058
YOBE	984
EKITI	914
SOKOTO	910
GOMBE	903
EBONYI	813
KATSINA	708
KEBBI	705
JIGAWA	607
BORNO	457

Average  
N3,395/Year

\* State Population  
Source: NPC 2016 Population Forecast

\*\* IGR Numbers  
Source: NBS 2016

Source: NBS, National Population Commission, BudgetIT Research

Extracted from 2018 Edition of State of States Report

## 2017: PER CAPITA INTERNALLY GENERATED REVENUE

Ranking	State	Amount
1	Lagos	25,772
2	Ogun	13,877
3	Rivers	11,842
4	Delta	8,874
5	Kwara	5,969
6	Edo	5,824
7	Bayelsa	5,341
8	Enugu	4,849
9	Cross-River	4,549
10	Abia	3,895
11	Kano	3,139
12	Kaduna	3,120
13	Anambra	3,055
14	Akwa Ibom	2,813
15	Oyo	2,767
16	Plateau	2,500
17	Kogi	2,439
18	Nassarawa	2,374
19	Ondo	2,270
20	Benue	2,096
21	Taraba	1,826
22	Sokoto	1,751
23	Ebonyi	1,723
24	Gombe	1,568
25	Ekiti	1,472
26	Adamawa	1,418
27	Osun	1,335
28	Zamfara	1,292
29	Imo	1,227
30	Niger	1,134
31	Jigawa	1,108
32	Yobe	1,055
33	Kebbi	959
34	Borno	822
35	Katsina	747
36	Bauchi	646



Average  
N3,818/Year

Source: NBS, CBN, Budget Research

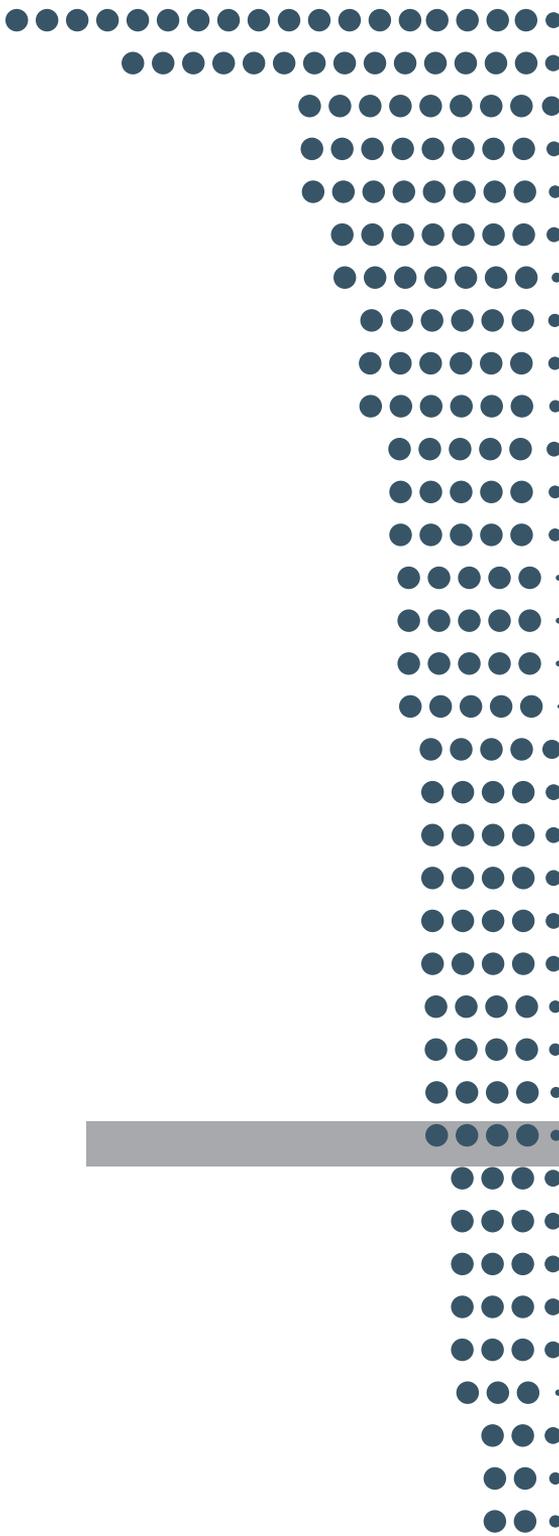
\* State Population  
2017 Population Forecast      \*\* IGR Numbers  
Source: NBS 2017

\*All IGR per capita figures are calculated based on IGR in 2017, and population figures from 2017.

Extracted from 2016 Edition of State of States Report

## DOMESTIC DEBT PROFILE (2015)

N



DELTA	320,605,705,560.12
LAGOS	218,538,866,537.99
AKWA IBOM	147,575,744,158.56
OSUN	144,699,560,798.75
RIVERS	134,966,595,276.76
CROSS RIVER	115,522,252,057.76
BAYELSA	103,374,234,640.82
PLATEAU	96,204,851,687.47
OGUN	75,921,433,395.59
IMO	71,743,513,593.94
KANO	65,007,329,454.77
KEBBI	63,793,338,564.49
BAUCHI	57,652,771,752.74
GOMBE	53,454,395,426.58
EKITI	52,564,975,851.05
KADUNA	49,847,912,415.07
OYO	47,437,006,181.97
ADAMAWA	47,201,622,579.96
EDO	46,289,079,475.93
ZAMFARA	46,280,694,674.28
KOGI	42,034,626,226.84
NASARAWA	40,557,054,662.42
BENUE	39,944,214,752.45
ENUGU	37,550,234,882.49
EBONYI	34,168,940,626.65
ABIA	33,530,526,404.80
<b>KWARA</b>	<b>31,966,815,195.18</b>
TARABA	27,646,234,687.08
ONDO	26,647,789,528.58
BORNO	22,338,730,000.00
JIGAWA	22,194,825,541.33
NIGER	21,501,786,900.47
SOKOTO	11,658,206,030.82
KATSINA	11,495,034,109.56
YOBE	3,867,455,411.90
ANAMBRA	3,575,774,874.94

State of States | Factsheet

Extracted from 2017 Edition of State of States Report

**RANKINGS -DOMESTIC DEBT ( 2016)**

<b>States</b>		<b>(NGN)</b>
<b>LAGOS</b>		<b>311,755,801,825.04</b>
<b>DELTA</b>		<b>241,231,439,060.79</b>
<b>AKWA IBOM **</b>		<b>155,431,513,524.27</b>
<b>OSUN</b>		<b>147,069,973,626.49</b>
<b>RIVERS **</b>		<b>142,424,091,344.00</b>
<b>BAYELSA</b>		<b>140,177,083,911.42</b>
<b>CROSS-RIVER</b>		<b>128,142,093,128.98</b>
<b>OYO</b>		<b>115,886,553,198.89</b>
<b>PLATEAU</b>		<b>110,340,669,344.38</b>
<b>KANO</b>		<b>93,715,181,155.05</b>
<b>IMO</b>		<b>93,267,764,679.14</b>
<b>EKITI</b>		<b>85,049,678,107.89</b>
<b>OGUN ***</b>		<b>75,921,433,395.59</b>
<b>KOGI</b>		<b>71,381,258,449.39</b>
<b>BAUCHI</b>		<b>69,988,356,863.98</b>
<b>BENUE</b>		<b>63,526,706,066.01</b>
<b>KADUNA</b>		<b>63,276,471,968.43</b>
<b>ADAMAWA</b>		<b>62,157,535,395.46</b>
<b>NASARAWA</b>		<b>59,033,751,798.50</b>
<b>ZAMFARA</b>		<b>58,321,024,470.39</b>
<b>ABIA</b>		<b>53,525,312,006.52</b>
<b>ONDO</b>		<b>53,159,719,890.95</b>
<b>ENUGU</b>		<b>48,417,542,411.95</b>
<b>GOMBE</b>		<b>48,312,227,448.91</b>
<b>EDO</b>		<b>45,091,949,113.97</b>
<b>TARABA</b>		<b>38,868,702,728.14</b>
<b>KWARA</b>		<b>38,136,723,517.24</b>
<b>NIGER</b>		<b>31,984,093,598.83</b>
<b>BORNO</b>		<b>30,929,430,222.10</b>
<b>EBONYI</b>		<b>28,057,144,823.57</b>
<b>SOKOTO</b>		<b>22,450,254,651.14</b>
<b>KATSINA *</b>		<b>21,449,608,359.00</b>
<b>KEBBI</b>		<b>20,650,989,926.98</b>
<b>JIGAWA *</b>		<b>19,005,549,048.55</b>
<b>YOBE</b>		<b>13,581,297,872.19</b>
<b>ANAMBRA</b>		<b>3,993,892,365.13</b>

Source: DMO

\*Jigawa and Katsina States' Figures are as at March 2016

\*\* Akwa-Ibom and Rivers States' Figures are as at June 2016

\*\*\*Ogun State's Figures are as at December 2015

State of States

Extracted from 2018 Edition of State of States Report

## RANKINGS - DOMESTIC DEBT ( 2017)

Rank	States	(NGN)	
1	LAGOS	363,292,140,059.09	
2	DELTA	228,328,360,009.20	
3	RIVERS	191,156,694,184.66	
4	AKWA IBOM	187,277,308,914.29	
5	OSUN	138,239,593,287.18	
6	BAYELSA	129,469,645,258.94	
7	OYO	129,213,604,205.51	
8	CROSS RIVER	125,648,705,542.50	
9	PLATEAU	122,349,286,591.51	
10	EKITI	117,495,679,340.86	
11	OGUN	106,530,499,037.83	
12	KOGI	102,359,193,069.66	
13	KANO	92,257,051,132.42	
14	KADUNA	83,825,686,332.40	
15	IMO	80,785,160,471.66	
16	BENUE	74,937,383,496.72	
17	BAUCHI	74,020,717,883.30	
18	NASARAWA	71,359,977,984.75	
19	ZAMFARA	69,923,231,483.13	
20	ADAMAWA	69,609,083,183.53	
21	EDO	68,514,312,630.61	
22	TARABA	60,851,260,638.76	
23	ABIA	60,648,431,912.05	
24	ENUGU	59,746,077,051.15	
25	ONDO	58,550,792,418.38	
26	BORNO	54,042,067,995.82	
27	KEBBI	48,729,499,853.64	
28	GOMBE	41,939,190,055.53	
29	KWARA	40,264,714,626.56	
30	NIGER	40,031,508,233.85	
31	EBONYI	34,613,143,814.14	
32	JIGAWA	33,269,858,797.75	
33	KATSINA	31,116,244,034.12	
34	YOBE	26,467,942,394.82	
35	SOKOTO	26,028,103,448.98	
36	ANAMBRA	2,612,431,503.89	

\* 32 State Domestic Debt Stock Figures are as at December, 2017  
 \*\* 3 States (Akwa Ibom, Katsina and Lagos States) were as at September, 2017  
 \*\*\* While Borno State Figure was at June, 2017

Source: DMO

# Professor Muritala Awodun,

an academia and the  
pioneer Executive Chairman of  
**Kwara State Internal Revenue Service (KW-IRS)**  
in this interview with *KWAREVE NEWS*  
speaks on the reform of the Service



**KWAREVE NEWS:** Sir, how has been your journey as the first Executive Chairman of the reformed Revenue Service?

**PROF. AWODUN:** The journey so far has been good, coming into a new Service that we have to build from the scratch, and knowing that we have to rely on capacity not on experience to do something new and meet the expectation of the Government. Looking back into the past three (3) years, one will thank Almighty God for the opportunity to start the Service and being able to build a formidable Kwara State Internal Revenue Service with standardised operations, and committed human capital because more than 90% of the people that came in had no prior knowledge or experience in taxation but today through consistent training and staff development, we have been able to

come up with people that know their onions in taxation and that is a thing of joy. If we look at it from the angle of the community that we are serving, they have come to accept the reality which we brought that tax is compulsory, and the Government that set up the Service have come to see that they did not make a mistake in their decision to reform the revenue collection process in Kwara State.

**KWAREVE NEWS:** What informed the reform of KW-IRS?

**PROF. AWODUN:** Revenue collection process in Nigeria has been inefficient. This has encouraged a lot of leakages and the Government cannot continue to allow it to be so. The Government of Kwara State was bold enough to put a stop to it and

*If we look at it from the angle of the community that we are serving, they have come to accept the reality which we brought that tax is compulsory, and the Government that set up the Service have come to see that they did not make a mistake in their decision to reform the revenue collection process in Kwara State.*

The reform in every ramification has been successful in the sense that there is more consciousness about tax, we also have more responsible people that are administering tax in the State and the Internally Generated Revenue is growing and it has its own multiplying effect in developing the economy.

put the Revenue Administration Law in place to start the process of reform, and then they got the leadership and management provided resources required to change the People, Process and Technology (PPT) and this shore up the Internally Generated Revenue (IGR) in Kwara State.

**KWAREVE NEWS: What are some of the lessons or features from the Kwara model that some States have come to understudy?**

**PROF. AWODUN:** Quite a number of States have come to understudy Kwara State's revenue generation process. Some of them have been able to adopt and put the strategies into use to reform their various States' revenue because it is not something that can be achieved overnight but we are happy that we have been able to do something that other States see as worthy of emulating.

**KWAREVE NEWS: There are some State IRS that have not been reformed. What do you have to say about them and their State Governments?**

**PROF. AWODUN:** Nigerian States are not on the same pedestal, some States are far ahead of others. For instance, what we started in Kwara State in 2015 had already begun in Lagos State in 2004. By implication, Lagos Started more than ten (10) years before Kwara. Also, what Kwara State has done in the last three (3) years some states are yet to emulate. For example, in 2004 Lagos State started their reform, the IGR was about N500 Million monthly, in the same year the IGR of Kwara State was around N150 Million monthly, now Lagos State has moved to about N20 Billion monthly and Kwara State to about N2 Billion monthly, so we can see similarities that it's just for them to start to accept the fact that there is need for reform and block loopholes to grow IGR.

**KWAREVE NEWS: What was the people's reaction to the reform?**

**PROF. AWODUN:** Reaction of Kwarans varied, this was because the reform was strange to them which called for a lot of tax education and over time, people got to understand that it is a civic responsibility they cannot run away from, and because they cannot run away from it gradually they started adjusting to it. It is a welcome development because the reform made Kwara Sate Residents more sensitive, and people started asking questions on what Government is doing with the taxes collected and this also made the Government more accountable and responsive to the needs of the people.

**KWAREVE NEWS: In your own opinion would you say the reform has been successful or unsuccessful and how do you justify your opinion?**

**PROF. AWODUN:** The reform in every ramification has been successful in the sense that there is more consciousness about tax, we also have more responsible people that are administering tax in the State. The Internally Generated Revenue is growing and it has its own multiplier effect on the development of the economy of the State.

**KWAREVE NEWS: What are some of the challenges you faced and how did you address them?**

**PROF. AWODUN:** There have been a lot of challenges. For instance, there was a huge gap between the people and the government. We have been able to close it by getting to know what the needs of the people are and get back to the Government. We also try to intervene in areas where the people have issues through our Community Impact Program (CIP).

## Dr Bunmi Jetawo-Winter, a pharmacist, former Managing Director of Harmony Advance Diagnostic Centre and DG Kwara State Health Insurance Scheme explains on the reform of the new Health Insurance Scheme

**KWAREVE NEWS:** Tell us about the newly launched Health Insurance Scheme in Kwara State?

**DR JETAWO-WINTER:** The Kwara State Health Insurance Scheme is intended to be a scale up of the old Community based health insurance scheme and the focus of that scheme was to provide access to health care services for rural dwellers and the program was successful in collaboration with the Dutch Government. The law that enacted the program was repelled when the State wide Health Insurance scheme was introduced, the focus was that the Government wanted a scheme that was more self-sustaining and won't have to rely on donor funding.

We know in the Society that poor people are not only limited to the rural areas, there is also the urban poor and as a result everybody needed to benefit from this scheme. To make it sustainable the operations will be hitched on having people who have a little bit more to pay just a little bit more and the little bit more that they pay will now serve as subsidy to cover for those who don't have. It doesn't matter if you're rich or poor it's a fundamental human right to have access to health care services.

**KWAREVE NEWS:** The Community Based Health Insurance Scheme was for people in the Rural Areas, what did we have for people in Urban Areas?

**DR JETAWO-WINTER:** The pattern in Nigeria is a fee for Service system and that has not been sustainable and that has made it almost impossible for poor people to access health care because a visit to the hospital for



*“To make it sustainable the operations will be hitched on having people who have a little bit more to pay just a little bit more and the little bit more that they pay will now serve as subsidy to cover for those who don't have. It doesn't matter if you're rich or poor it's a fundamental human right to have access to health care services”.*

something just as simple as malaria may cost N4,000 and here is a scheme that you can enrol in and pay N6,000 for a whole year worth of services not minding the number of times you visit, the essence is to have a healthier population and also grow the economy because you have more people working.

### **KWAREVE NEWS: How will the Kwara State Health Insurance work?**

**DR JETAWO-WINTER:** We have divided the population into the formal and informal sector, the informal sector forms the larger majority of our population while the formal sector both on the public and private side are more structured unlike the informal sector. The formal sector already have a pay roll system and we can directly deduct the premium from them and as a result we are going to roll out in phases so that we can address all the bottle necks and challenges that we will come across before we roll out in mass.

Secondly if we start with the formal sector we will be able to harness all the resources from them, the essence is to pull funds so suddenly someone who didn't have money will seem like they have, the assumption is that the whole entire populace cannot be sick at the same time so while you are using somebody's fund somebody else will get to use your fund when they become sick. On the flip side we also need to have an overview of what the risks are and what kind of disease are prevalent in the environment but it doesn't cover diseases like cancer but it will cover everyday ailments like cold, malaria, joint pains, urinary tract infection etc.

### **KWAREVE NEWS: How do you capture the informal sector category into the scheme?**

**DR JETAWO-WINTER:** It is mandatory by law for all Kwara State Residents, I believe we don't have to sell the mandatory nature of the law what we are selling is value and it gives you financial risk protection, rich people sometimes are broke and

they have no worry because they paid in advance for this care, the insurance card is like an access card that gives you access for a whole year once you pay your premium. The informal sector is an area where when value is sold to them they will automatically come on board, because the sector is very broad we have some people who are rich and not so rich, we are also looking at many ways of collaborating with Microfinance Banks to teach people on how to bank and save towards paying for their premiums ahead.

There are two basic packages at the moment; there's a comprehensive and basic package. We have looked at disease patterns that are prevalent in our areas so we are going to cover diabetics and hypertension because they can become costly to manage because we could have complications and they won't be covered. A stitch in time saves nine, if we try to mitigate it from the beginning. For the informal Sector we will charge them N6,000 as their premium and for the comprehensive it's N8,950 a year and that covers a little bit more.

### **KWAREVE NEWS: The Scheme have not come into implementation, what have you done so far?**

**DR JETAWO-WINTER:** The first major phase of implementation is the registration exercise, this is where we will capture the base line data of everybody in Kwara State whether they are going to enrol or not and we have some partners that are hoping to fund the registration. The law also states that we need to get basic line health information but the beauty of it all with the registration is that its ICT based and there will be interconnectivity between all the providers, the scheme and the agency, the period of duplicate treatment will be a thing of the past. So that means each enrollee can access care in any of the registered hospitals and they will be attached to primary care doctor in their locality where they live.

*The first major phase of implementation is the registration exercise, this is where we will capture the base line data of everybody in Kwara State whether they are going to enrol or not and we have some partners that are hoping to fund the registration.*



**KWAREVE NEWS: How do people enrol in the Kwara State Health Insurance Scheme?**

**DR JETAWO-WINTER:** Once we are done with the registration exercise that would take place at the ward level to capture as many people as possible, they will be issued a blank card that would be activated when payment is made to have access to the scheme. After completion of the enrolment phase, then we would be on multiple platforms like Banks, ATM points, Agents, etc. However, since civil servants are on direct payroll deduction, their cards would be activated once they start deduction.

**KWAREVE NEWS: Has basic work started on Kwara State Health Insurance Scheme?**

**DR JETAWO-WINTER:** We have started with assessment of hospitals, because when people start to pay for services they demand for quality. And we are hoping that through this we will improve on the quality of services. So far, we have assessed close to 100 both private and public hospitals across the State. From the assessment carried out a quality improvement plan would be developed to help know where we are and where we need to be and the timeline will be given to meet the quality improvement mark. After this, we will be given a baseline to fill the gap to meet the minimum standard.

**KWAREVE NEWS: Are there ways for the enrollees to give feedback on their service providers?**

**DR JETAWO-WINTER:** There will be multiple platforms for customer feedback to know whether

it's positive or negative therefore others can benchmark those that are performing very well.

**KWAREVE NEWS: What challenges do you anticipate that may be peculiar to Kwara State and how do you intend to address them?**

**DR JETAWO-WINTER:** The challenges we will face is not particularly specific to Kwara, for a new scheme and initiative we will always have challenges along the way. We are accessing a whole lot of facilities but it does not mean we will use them all at once, it's a business proposition especially for the private sector even the public sector because they are expecting us to pay capitation, and if it's not worthwhile they won't see the value in what we are giving to them even though we are assessing so many hospitals we are not planning to empanel them, the enlistment will be based on the number of people who are enrolled and in what locality.

*We have started with assessment of hospitals, because when people start to pay for services they demand for quality. And we are hoping that through this we will improve on the quality of services. So far, we have assessed close to 100 both private and public hospitals across the State.*

# MEDICAL TOURISM TO BOOST KWARA STATE ECONOMY - DG HMB

Dr Dimeji Saad is the Director General of Kwara State Hospital Management Bureau, in this interview with KWAREVE NEWS, the DG speaks on the reform of the Bureau.



**KWAREVE NEWS:** Sir, what is Hospital Management Bureau?

**DR DIMEJI SAAD:** Hospital Management Bureau is a carved out establishment as part of the Ministries Department and Agencies to look at the operations and functionality of the secondary and tertiary hospitals in Kwara State. Currently, Kwara State has forty-five hospitals under the purview of the Hospital Management. Some of the functionalities range from Human Resource and normal day to day running of operations of the hospital in the State.

**KWAREVE NEWS:** Can You Elaborate on what the primary objective of The Hospital Management Bureau is?

**DR DIMEJI SAAD:** The primary objective of the Hospital management bureau is to have efficiency and cut back bureaucracy, otherwise processes are delayed. as a result of this development. The primary health care however, is cupped from the Ministry of Health so that there could be a direct leadership to manage the affairs of the Hospital Management which enhances the improvement of response time and efficiency of service delivery, and prompt assessment of facility for effective management.

**KWAREVE NEWS:** Hospital Management Bureau has been in existence for quite a while now, how can you describe what you met on ground, and how are you looking forward to improve on what you met on ground?

**DR DIMEJI SAAD:** What I met on ground span across structure, process, staffing capacity, equipment deficit, and some gap in the system. The last administration has transited from an existing structure to a new structure of the Hospital Management Bureau. There were several challenges in the Hospital Management when the last administration came on board. Apparently, there have been significant improvement in what the past administration achieved; therefore, this administration is building on the legacy we met on ground. In the last couple of months, essentially, we have achieved a milestone by carrying out a gap analysis on what we need in the State. The question of what we need stem from what do we actually have. We need to know and based on the assessment of what have, we can then justify what we need. I started by carrying out a survey to analyze key aspects of our service delivery that I mentioned earlier.

**KWAREVE NEWS: What are your future plans for the HMB?**

**DR DIMEJI SAAD:** Looking at what we plan to do for the future, we are working on creating a document for a five year plan with regards to how we can systematically manage the gaps we have in the system such that we can have a functional system which the State can be proud of. We also have a lot of schemes we are currently working on, we are fixing infrastructures as well as equipment at various hospitals. . Precisely, we have fixed four hospitals so far to make sure they are fit for use. The hospitals are; Omu-Aran General Hospital, Offa General Hospital, Civil Service Hospital, Ilorin, and Sobi Special Hospital. While we are fixing the hospital equipments, we are equally training our staff on how to utilize the equipments appropriately, and we are looking forward to fixing more hospitals. To further implement our proposed future plan, we have invited a foreign expatriate, a Spanish company to look at some of our facilities, and how we can leverage on medical tourism to boost the economy of the State, improving the IGR as well as boost the capacity of medical personnel. If you'll agree with me, a country as big as Nigeria has no cancer centre we can call our own where we can manage cancer cases both in infants and adults. So, our five year project is looking forward to having a centre of such to compliment our milestone achievement. We currently have a lot we are cooking in the pot, and the aroma smells nice.

**KWAREVE NEWS: Hospital Management Bureau is an incredible platform introduced by the State Government, how enormous is the benefit of this scheme to the citizen of the State with the plan you have on ground?**

**DR DIMEJI SAAD:** When you talk about staffing capacity, efficiency and training, these are key areas we have keyed into and are currently working on. For instance, when a patient walks into a hospital for treatment, it is the duty of the staff to be sympathetic with the patient coming in. That is capacity building in the area of staffing where the citizen benefits in terms of welfare, customer service delivery is another area where we are equipping our staff with knowledge. We changed some processes in our hospitals for more flexibility in operations such as, reduce waiting time, provision of services at the point of need, making sure citizens won't have to go elsewhere for tests, an attempt to have seamless operations. All these will create comfort in service delivery, the deserved healthcare to the citizens of the state. We have also created an

electronic mechanism; website where people can lodge complains and get feedbacks immediately. These are some of the benefits for the citizens of the state.

**KWAREVE NEWS: Is there a preference for the citizens of the State over the residents?**

**DR DIMEJI SAAD:** Certainly not. The residency right of the state is clearly stipulated, its automatic and everyone enjoys the benefit. We are creating a healthcare platform that accommodates everybody regardless of where they come from. We understand that the healthcare of every individual is important to us. In essence, we are creating a reflective healthcare system.

**KWAREVE NEWS: You have designed a five year plan of restructuring of the HMB, how do you intend to achieve those targets?**

**DR DIMEJI SAAD:** How we intend to achieve the targets is segmented in four ways; the first is capacity building leveraging on NGOs, we have also raised a memo to the Executive Governor to set aside certain portion of the revenue generated for the equipment usage so we can be able to service those equipment as we use them. Infrastructural acquisition is the third thing we look forward to in the next budget of the state. We are also leveraging on the corporate social responsibility of organizations, part of what we are using now in the essential drug program project in the pharmacy in our drug revolving scheme, looking forward to revamping our inventory management system to make it electronic. We are working on how hospitals will be responsible for their operations and service delivery, lessen the burden of the government. If this can be achieved, people will be more responsible for their actions, when they realize the revenue they generated will be the source of their salary, they will be more enthusiastic to work and increase in production and capacity building, they will have different work ethics culture.

*If you'll agree with me, a country as big as Nigeria has no cancer centre we can call our own where we can manage cancer cases both in infants and adults. So, our five year project is looking forward to having a centre of such to compliment our milestone achievement.*

CONGRATULATIONS TO OUR  
EXECUTIVE CHAIRMAN



*The Management and staff of*



**KW-IRS**  
KWARA STATE INTERNAL REVENUE SERVICE

*felicitate with*

**Professor  
Muritala O.  
AWODUN**

*for his new academic achievement  
as he steps into the cadre of professorship.  
May God grant you more knowledge  
in your future endeavour.*

# KW-IRS

## presents Taxpreneurship as Governor Ahmed clocks 55

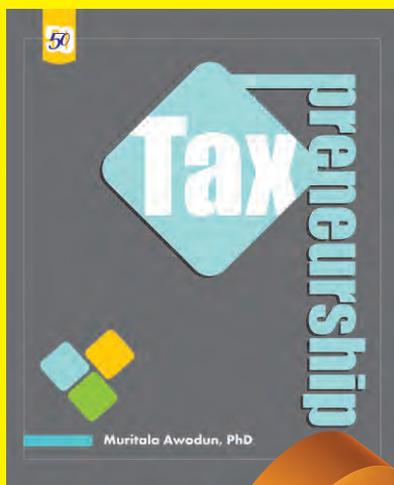


R-L: Speaker, KWAHA, Hon. Ali Ahmad, Governor Abdulfatah Ahmed, Wife of the Governor, Dns Omollewa Ahmed and Prof. (Mrs) Teju Somorin

**I**t was a joyous moment for a man of honour, a man of intellectual and amiable character, the number one citizen of Kwara State, Alhaji Dr Abdulfatah Ahmed when dignitaries and the entire Board, Management and Staff of Kwara State Internal Revenue Service (KW-IRS), turned out en masse to celebrate the 55th birthday of the Executive Governor in grand style on Saturday 29th December 2018 at M&M Event Centre, Offa Road, Ilorin.

The historic event was the public presentation of a book titled 'Taxpreneurship' written by the Executive Chairman, Kwara State Internal Revenue Service (KW-IRS) Dr Muritala Awodun to celebrate the establishment and achievements of the Service which were attributed to the Executive Governor's revenue reform in the State.

Speaking at the event, Governor Ahmed, to whom the book was dedicated, appreciated the gesture of Dr Muritala Awodun and KW-IRS staff for making



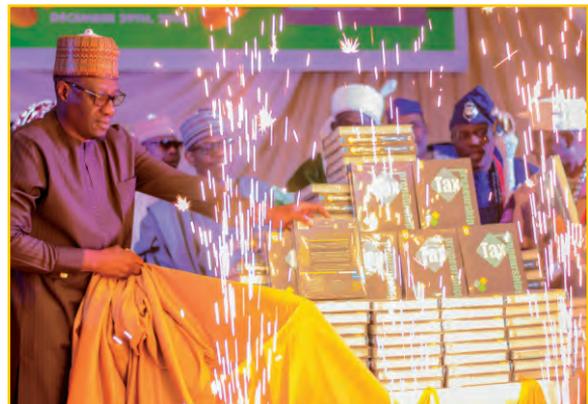


Governor Abdulfatah Ahmed, Dns Omolewa Ahmed and Hon. Ali Ahmad in a group photograph with KW-IRS Staff

his birthday remarkable and memorable, describing KW-IRS a 'Child of Necessity' that was entrusted in the hands of the Staff of the Service led by Dr Muritala Awodun to change the face of revenue mobilization in the State. Revamping the Revenue Mobilization in the State had brought rapid development to the State. He said KW-IRS performance is overwhelming and worthy of emulation by other State Internal Revenue Services in Nigeria.

In his address, the Executive Chairman of KW-IRS, Dr Muritala Awodun appreciated the Governor for giving the Service the enabling law, tools, and environment to carry out the enormous assignment to ensure the residents of Kwara State enjoy the dividend of democracy.

The occasion was attended by several people across the State including the Honorable Speaker, Kwara State House of Assembly, Dr Ali Ahmad, Commissioners of the State, Heads of Ministries, Chairmen of Local Governments, Traditional rulers, Heads of Financial Institutions, Captains of industries amongst others. The book was reviewed by Prof Abiola Sanni from University of Lagos and presented by Prof (Mrs) Teju Somorin, immediate past president of the Chartered Institute of Taxation of Nigeria (CITN).



Governor Abdulfatah Ahmed unveiling Taxprensursip Book



KW-IRS Executive Chairman, Dr Muritala Awodun making his remarks



Prof. (Mrs) Teju Somorin presenting Taxpreneurship



Dignitaries at the event



L-R: Mrs Adenike Babajamu, Barr. Lateef Okandeji and Mr Lekan Rotimi



Dignitaries at the event



Mr Akinyele Oladeji



Dignitaries at the event



Prof. & Prof. (Mrs) Kolawole



Dignitaries at the event



Traditional Rulers at the event



Some staff of KW-IRS



Dignitaries at the event





# IN KW-IRS WE VALUE PEOPLE AND PROCESS

MURITALA AWODUN Bolaji Abdullahi

**A**fter a rigorous year and efforts by the management and staff toward actualizing the N26.99 billion budget set by the State Government in 2018 for the infrastructural development of the State, it was time to celebrate the year and rejoice about the outstanding consistency in revenue drive in the State that had been getting recognition across the country.

Although the Service could not achieve the intended target, made a remarkable revenue of Twenty Three Billion Naira (N23 Billion) in 2018 which represents 86 percent of the budget, and marks the first time the State will be crossing the N20 billion mark. This figure has shown tremendous improvement in the revenue drive compared with what the Service generated in 2016 and 2017. Kwara State Internal Revenue Service has

been on a steady run in Internally Generated Revenue (IGR) growth from 2016 with N17.4 Billion, N19.6 Billion (2017) and N23 Billion (2018). This achievement was possible because of the capability in the 'People and Process strategy employed by the Service. Dr Awodun said.

In the startup year of the Service, the State Government reformed the Revenue Service through the Kwara State Revenue

Administration Law No 6. of 2015 (as amended) with the mandate to block leakages and improve the Internally Generated Revenue (IGR), and to achieve this, the change in People, Process and Technology (PPT) was adopted. it is however evident that the people and process sustained the service and assisted in revenue mobilization.

Therefore, for the diligence of staff to be sustained, the Service underwent standardization of its processes and meet the requirements, making KW-IRS to become the first State Revenue Agency to be Certified by International Organization for Standardization (ISO) for Business Continuity Management System (22301:2012) and Quality Management System (9001:2015) in Nigeria.

The certification will bring quality to the management system and continuity in the business of the Service.

The 2018 end of year event tagged "People and Process" held on Saturday 12th January 2019 at Arca Santa Event Center with the attendance of stakeholders, financial institutions, States' principal officers, captains of industries, traditional rulers, family and friends of the Service to celebrate the outstanding performance of the Service.

The Executive Chairman KW-IRS, Dr Muritala Awodun in his remark, commended the support from all stakeholders who made the year 2018 a memorable one. He applauded the giant stride taken by the people, especially the Royal Fathers, across the 16 Local Governments in the state whose efforts to make voluntary compliance by taxpayers a blueprint cannot be overemphasized.



KW-IRS Executive Chairman, Dr Muritala Awodun



Dr Muritala Awodun in a group photograph with some of the awardees



L-R: Director Corporates Alhaji N.O Muhammed, Director Special Duties, Alhaja Iyabo Abubkar and Director MDAs Mr 'Lekan Rotimi



Mrs Adenike Babajamu  
Director, Admin & Operations



Mr Kabiru Rufai  
Head, Accounts & Finance



Mr Temi Kolawole  
Head, ICT

CROSS SECTION OF STAFF AND DIGNITARIES AT THE EVENT



Dr Awodun added that one of the attitudes of KW-IRS is rewarding excellence of members of staff who had made significant impacts on the Service over the year. The awards were categorized into Internal and External. The internal awards were for the staff of the organization who distinguished themselves in official activities as well as in sporting activities. On the other hand, the external awards were basically for the stakeholders whose contributions could not go unnoticed.

Among the external awards were most supporting agency, most supporting traditional ruler, the most tax-responsive taxpayer, and the ministry with the highest performance, among others.



PRESENTATION OF AWARDS TO STAFF AND STAKEHOLDERS



# KW-IRS GENERATES N23 BILLION IN 2018

Fareedah Abdulwahab



**A**s part of the activities marking 2018 end of Year of Kwara State Internal Revenue Service (KW-IRS) held on 29th January 2019 at Whitefield Hotels, Ilorin, the Service played host to the members of the Kwara State Correspondents Chapel to appreciate the fourth realm of government for their objective reporting of the Service's programmes in 2018.

In his address, the Executive Chairman of Kwara State Internal Revenue Service, (KW-IRS), Prof Muritala Awodun stated that the motive behind the End of Year Media Parley is an opportunity to celebrate with journalists toward their cooperation and fair reporting in 2018 and also to give a cumulative report to the general public on the Internally Generated Revenue (IGR) collected for the year 2018.

Prof. Awodun said the achievement of KW-IRS can be attributed to the Executive Governor of Kwara State,

Dr Abdulfatah Ahmed who reformed the Service by the enactment of Kwara State Revenue Administration Law No. 6 of 22 June 2015.

He shared that the purpose of the reform was to introduce efficiency and technology into the process of revenue drive, collection and appropriate remittance to the Government.

In his presentation, Professor Awodun gave a breakdown of the N23 Billion generated in 2018 and pointed out that there is a significant increase in Internally Generated Revenue (IGR) compared to N7.2 Billion, N17.4 Billion and N19.6 Billion recorded in 2015, 2016 and 2017 respectively. He added that KW-IRS is the first State Revenue Agency in Nigeria to be ISO Certified for Business Continuity Management System (22301:2012) and Quality Management System (9001:2015). He said that the processes operating in KW-IRS are of international standard that can stand the test of time.

In the area of giving back to the Society, Professor Awodun reiterated that the Community Impact Program (CIP) centred on 5 E's: Employment, Environment, Education, Enterprise, and Empowerment to demonstrate that the taxes collected are judiciously utilized. He added that over 723 people are directly employed by the Service while over 2,000 are indirectly engaged with the Service.

He informed Journalists that the ongoing Property Enumeration is being carried out by the Service to gather data and afterward demand notices will be issued and taxpayers are expected to comply within the stipulated time. He added that assessment is done to gather detailed information for the Service to use to calculate the tax payable while companies and businesses that refuse to comply within the stipulated period are subjected to Best of Judgement (BOJ) as provided by law.

While answering questions from Journalists, the Kwara Revenue don revealed that the Kwara State House of Assembly has set a target of N33 Billion for 2019, the Service will focus more on Community Impact Projects (CIP) in 2019. "With the Infrastructure Fund Kwara (IFK), residents of Kwara State will enjoy the impacts of the government which will be funded by taxpayers' money" he added.

Earlier in his opening remarks, the Commissioner of the Ministry of Information and Communication, Alhaji Muhammed Sabi stated that the Press should be held in high esteem and the need to have an interactive forum such as the media parley cannot be overemphasized. He added that the gathering is a celebration of success recorded by the Service over the years and commended the efforts of KW-IRS for having capable hands in the revenue drive for the development of Kwara State and it is obvious that the State has embarked in the right direction and the higher the State is able to raise IGR, the easier and quicker it will be to meet statutory responsibilities.

The event which was in collaboration with the Kwara State Ministry of Information and Communication (MOIC) and had in attendance the Executive Chairman KW-IRS, Prof Muritala Awodun, Directors of KW-IRS, and representatives of various media outfits which includes National Moonlight, Thisday, Herald, National Pilot, AIT Ilorin, Guardian, Harmony FM, Director of Information Services, Mrs Olufunke Oludipe, and the Director of Public Orientation, Alhaji Abdulfatah Dankazeem, amongst others.



KW-IRS Directors



Cross Section of Kwara State Correspondents



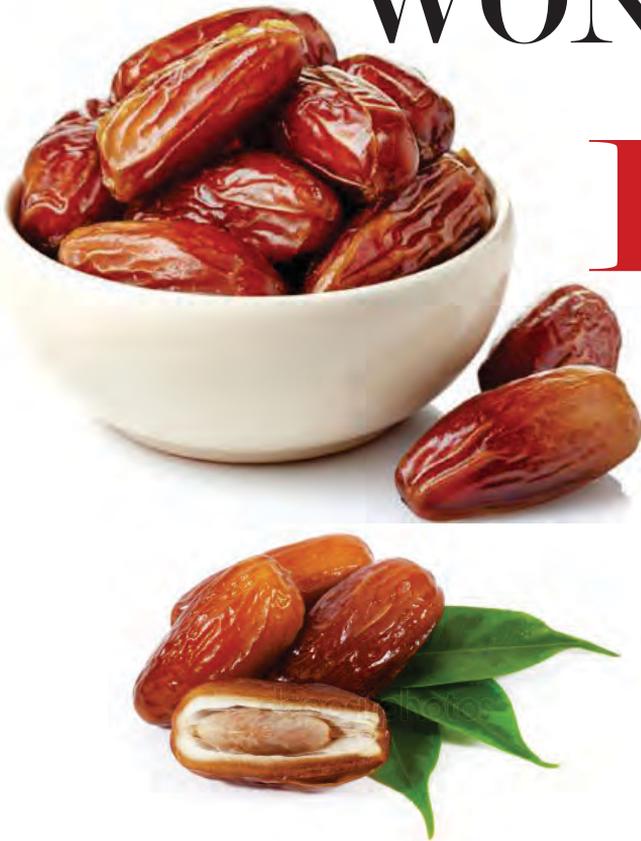
Alh. Muhammed Sabi, Commissioner of Inf. & Communications



KW-IRS and MOIC in group photograph



# WONDERFUL BENEFITS OF DATES



**D**ates are particularly not the most tempting fruits to look at because they are oddly wrinkled. But at the same time, these fruits are the most flavorful and chewy. Dates can be consumed in both fresh and dried forms. They are sweet with a rich deep flavor and a slightly chewy texture. Besides their rich taste, they are a powerhouse of nutrition that can greatly boost your energy. Muslims break their fast with dates in the holy month of Ramadan. They make a great combination of taste and health. Keeping this in mind, it is important to try and promote the consumption of dates on a frequent basis.

- Ø **Treatment of Constipation:** Dates are a wonderful laxative food. This makes them beneficial for those suffering from constipation. They are rich in soluble fibre, which plays an important role in promoting healthy bowel movements and comfortable passage of food through the intestinal tract. All you need to do is soak the dates in water overnight. Eat these soaked dates next morning like syrup to get the best results.

- Ø **Treatment of Diarrhoea:** Passing of 4 or more loose, watery stools in a day is called Diarrhoea. This nasty health problem is caused due to several factors, which may or may not be contagious. Ripe dates are effective in treating diarrhoea as they contain potassium which helps in managing looseness of the bowels. They are also easily digestible which helps in alleviating chronic diarrhoea. The soluble fibre in dates also provides bulk to the bowel movements and promotes healthy functioning of the excretory system.

- Ø **Bone Health:** Packed with significant amounts of minerals, dates are useful in strengthening bones and curing painful diseases like osteoporosis. Minerals such as selenium, manganese, copper and magnesium found in dates greatly contribute to healthy bone development and strength, particularly with the progression of age when bones gradually weaken.

- Ø **Prevents Abdominal Cancer:** Abdominal cancer includes stomach cancer, renal cancer, uterine cancer, ovarian cancer, pancreatic cancer, liver cancer and bowel or colorectal cancer. Research has shown that dates work to reduce the risk and impact of abdominal cancer. Additionally, they can be easily ingested and utilized for providing surplus energy.

## References

Patil, Kiran 13 Proven Health Benefits of Dates, Available at <https://www.organicfacts.net/health-benefits/fruit/health-benefits-of-dates.html> last accessed on

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# CROSSWORD PUZZLE

Bolaji Abdullahi

## KWIRS DIRECTORS AND HEAD OF DEPARTMENTS

I	F	H	M	T	O	S	Y	U	M	V	I	U	A	N
F	J	J	A	B	U	B	Y	C	G	Y	E	M	W	A
A	U	E	A	B	M	Q	N	G	I	M	L	A	O	K
X	N	Y	D	B	I	T	B	N	C	K	A	J	D	E
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R	A	K	A	B	U	B	A	O	O	I	V	H	Z	B
U	M	P	T	S	I	F	T	R	B	T	C	C	O	X
B	W	M	E	E	D	I	A	L	O	A	X	G	Z	E
P	U	G	S	J	M	D	C	F	X	L	Z	O	Y	L
D	U	D	Q	I	M	F	M	W	H	A	K	D	O	N
N	Y	B	I	R	J	O	M	O	L	A	R	A	M	E
A	V	U	M	V	Q	W	C	S	C	P	Y	F	O	P

ABUBAKAR  
AGBANA  
AWODUN  
BABAJAMU  
HABIBAH

IYABO  
LEKAN  
MURITALA  
OKANDEJI  
OLAIDE

OLANIYI  
OLUSEGUN  
OMOLARA  
ROTIMI  
RUFAY

Send your solutions, your name and phone number via email to [press@kw-irs.com](mailto:press@kw-irs.com) with the subject: Puzzle Solution to Volume 4 Issue 31

## Solution to Kwareve News Issue 30 Crossword Puzzle

K	N	K	D	P	C	D	P	M	L	C	F	R	U	V
L	U	N	A	B	A	R	U	T	E	E	N	N	K	J
B	D	O	Z	Q	F	M	Q	T	K	D	Q	A	J	G
H	O	R	S	W	E	N	Y	R	E	U	D	Z	K	O
T	P	O	I	L	O	R	I	N	W	E	S	T	L	R
U	E	M	O	R	W	X	T	E	N	W	M	E	F	Y
O	R	A	Z	J	Y	V	R	K	G	W	A	A	A	A
S	I	X	L	C	S	J	O	I	K	M	D	Z	T	B
N	B	V	D	B	E	A	F	T	A	Q	W	B	I	B
I	V	C	N	I	S	I	F	I	N	T	R	R	G	A
R	O	J	J	A	I	L	A	U	S	S	G	L	I	D
O	G	D	U	C	B	K	Y	K	O	J	R	G	S	E
L	E	G	V	I	L	O	R	I	N	E	A	S	T	N
I	F	E	L	O	D	U	N	O	X	K	R	L	Q	H
G	J	X	Q	D	I	S	S	O	R	E	E	K	O	G

ASA  
BARUTEEN  
OYUN  
MORO

IFELODUN  
IREPODUN  
EKITI  
EDU

ILORIN EAST  
OFFA  
OKE ERO  
ISIN

KAIAMA  
PATIGI  
ILORIN WEST  
ILORIN SOUTH

## CAPITAL TRANSFER TAX

Capital Transfer Tax is a tax imposed in Nigeria on the value of a property transferred by an individual in his life time. The capital transfer tax was introduced in 1974, although it did not apply on death until 1975. Following the Finance Act of 1986, the Capital Transfer Tax Act of 1984 was renamed the Inheritance Tax Act of 1984. It was imposed on the total value of gifts and property transferred during a donor's lifetime or after his or her death.

According to Ogundele, it's a form of personal tax that is imposed on the value of properties that pass a gifts from a donor to a done. The gift can be personal grant of the donor or one that passes by a testamentary disposition or by customary or other personal law on the death of the owner.

### Reference

Somorin, Teju (2015) *A Concise Review of Different Tax Types*, Chartered Institute of Taxation Nigeria. (CITN), CITN – TEJU TAX No2

## HALL OF FAME



### RIDWAN AYOKANMI AMUDA

Ridwan Ayokanmi Amuda a staff of Tax Audit Department has been nominated as deserving the hall of fame spotlight for the month of January and February, 2019.

Ridwan single handed printed over 900 Demand Notices for the Rendition of Annual Returns for the year 2018. He also contributed significantly to the distribution of the Demand Notices for the rendition of Annual Returns to the Directed Employers. He is a team player and played a major role in the successful hosting of the 2019 PAYE Workshop.

He displays great level of commitment to his duties and discharge them with dexterity. Ridwan is punctual, intelligent, hardworking and possess the ability to work under pressure.

The entire Kwareve Team congratulates you.

# HEAR ME OUT

A column just for you! Views to air, concerns to voice, questions to ask? Let's hear you out.

*Hello,  
Please, could you enlighten me on the rendition of annual returns?*  
ANONYMOUS

Hello, anonymous  
All directed employers are expected to file in their annual return on or before 31<sup>st</sup> of January every year. Failure to do so after the period of notice by the tax authority attracts penalty of N500,000 on corporate organisation and N50,000 on individual.  
Thank you.

*Hello,  
I want to collect my tax clearance certificate and the information I got is not satisfactory. I was told that I have to pay some back logs.*

Hello, anonymous  
To obtain your tax clearance certificate, you must pay for 3 preceding year of the current year before it can be issued as stipulated by law.  
Thank you

## ADVERT RATES

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We are committed to continually improving KWAREVE News, your foremost Kwara State Internal Revenue Service In-house Magazine.

Kindly give us your feedback on how we can serve you better.

CONTENT

LAYOUT/  
DESIGN

PRINT  
QUALITY

ANY OTHER  
SUGGESTION

Note: kindly fill and cut-out the completed form and scan or snap, then send via email to [press@kw-irs.com](mailto:press@kw-irs.com)



# KW-IRS

KWARA STATE INTERNAL REVENUE SERVICE

Hereby advise the general public to pay their taxes, levies and rates to the following **Kwara State IGR Accounts** only at any branch of the respective banks listed below

LIST OF IGR COLLECTION ACCOUNTS		
S/N	BANK NAME	ACCOUNT NUMBER
1	DIAMOND BANK	0072365510
2	ACCESS BANK	0004063946
3	ECOBANK	4822068065
4	FCMB	0897529151
5	FIDELITY BANK	5030063684
6	FIRST BANK	2029378380
7	GTB	0034886758
8	HERITAGE BANK	6003071503
9	POLARIS BANK	1790106140
10	STANBIC IBTC BANK	9201637207
11	STERLING BANK	0049380670
12	UBA	1019295290
13	UNION BANK	0018799797
14	UNITY BANK	0025014446
15	WEMA BANK	0122584028
16	ZENITH BANK	1010522867
17	KEYSTONE BANK	6010010789
18	JAIZ BANK	0002241278

	BANK	ACCOUNT NAME	ACCOUNT NO
TSA ACCOUNT	GTB	KWARA STATE CENTRAL REVENUE COLLECTION ACCOUNT	0199648356

*Signed:*

**Muritala Awodun, PhD**

*Executive Chairman*

KWARA STATE INTERNAL REVENUE SERVICE

Corporate Head Office: 27 Ahmadu Bello Way, Ilorin Kwara State

Email: [info@kw-irs.com](mailto:info@kw-irs.com)

Website: [www.kw-irs.com](http://www.kw-irs.com)

Telephone: 0700MYKWIRS (07006959477)

Mobilizing Revenue for the Strategic Development of Kwara State

# OUR LOCATIONS

## **KW-IRS CORPORATE HEAD OFFICE (REVENUE HOUSE Phase 1)**

27 Ahmadu Bello Way, G.R.A. Ilorin, Kwara State

## **KW-IRS (REVENUE HOUSE Phase 2)**

Address: 5, Commissioners Lodge Way, off Ahman Patigi Road, G.R.A. (Behind KWIRS Corporate Head Office, Ahmadu Bello Way, Ilorin, Kwara State)

## **KW-IRS (REVENUE HOUSE Phase 3)**

Address: Opposite Tuyil Pharmaceutical Ltd, along new Yidi Road, Ilorin

## **KW-IRS, ADEWOLE AREA OFFICE**

Address: 3, Jos Road, Adewole, Ilorin

## **MOTOR LICENSE AUTHORITY, FATE, ILORIN**

Address: 3, Fate Road, Near Roundabout, Fate Road, Ilorin

## **MOTOR LICENSE AUTHORITY, PAKE, ILORIN**

Address: Ilorin South LGA Office, Pake, Ilorin.

## **MOTOR LICENSE AUTHORITY, MINI CAMPUS OFFICE**

Address: University of Ilorin Mini Campus, Ilorin

## **MOTOR LICENSE AUTHORITY, VIO OFFICE, ILORIN**

Address: Kwara State Vehicle Inspection Officer Testing Ground, Opposite 'A' Division, Ilorin

## **KW-IRS, KWARTMA OFFICE, ILORIN**

Address: Kwara State Road Traffic Management Authority Opposite ITC, Ilorin

## **KW-IRS, OFFA AREA OFFICE**

Address: Igbonna Road, beside State High Court, Offa.

## **MOTOR LICENSE AUTHORITY, OFFA**

Address: Igbonna Road, beside Magistrate Court, Offa.

## **KW-IRS, OMU-ARAN AREA OFFICE**

Address: Sub Treasury Office, behind Irepodun LGA Road (FRSC Office), Omu-Aran.

## **MOTOR LICENSE AUTHORITY, OMU-ARAN**

Address: Irepodun LGA Road (FRSC Office), Omu-Aran.

## **KW-IRS, LAFIAGI AREA OFFICE**

Address: Along lafiagi Local Government Road, Opposite Quality Assurance Bureau(QAB), Lafiagi

## **KW-IRS, ILESHA BARUBA AREA OFFICE**

Address: Area Office, along Okuta Road, Ilesha Baruba LGA

## **KW-IRS, BODE SADU AREA OFFICE**

Address: Adjacent Moro LGA Secretariat, Olorunsogo/Molete Area, Bode-Sadu

## **MOTOR LICENSE AUTHORITY, KOSUBOSU**

Address: Baruten LGA Office, along Okuta Road, Kosubosu



# KWAREVE *News*

## Guidelines for Contributions

### Subject Matter

Kwareve News is a monthly publication of the Kwara State Internal Revenue Service. Articles on revenue and expenditure may be accepted for publication in Kwareve News. Articles on Tax Law, Policy and Administration are especially welcome.

### Format

- All articles sent should include the full name of the writer(s) with the first name first. A one paragraph bio-data including organisational affiliations of the writer(s) must also be included.
- All articles must be sent as an attached Word document file.
- Articles should be written in size 12 of Garamond font on a digital A4 sized paper.
- Text should have at least 1.5 line spacing.
- All pages must be paginated and fully justified.
- Where images are involved, they should be pasted within text where appropriate as well as

attached individually as .jpg or .png files. Images attached must be not less than 300 resolution and 2MB.

- Figures, tables, charts, graphs, photographs, etc must be consecutively labelled.
- Submissions must be limited to **3 pages** (including tables, charts, pictures, etc).

### Referencing

- All contents (text, diagrams, tables, images, etc) **must not be plagiarised**.
- All contents must be properly references, both in-text and end of text.
- References or bibliography are acceptable.
- The required style is the APA.

### Submission

Submissions should be sent to [press@kw-irs.com](mailto:press@kw-irs.com)

# EXPECTATIONS OF TAX AUDIT DEPARTMENT FROM DIRECT EMPLOYERS IN KWARA STATE IN 2019 AND BEYOND

A PAPER PRESENTED BY TAX AUDIT DEPARTMENT KWARA STATE  
INTERNAL REVENUE SERVICE ILORIN

AT THE 2019 PAYE WORKSHOP/SEMINAR HELD AT THE KWARA HOTEL  
HALL A, ILORIN ON 24TH JANUARY, 2019.

## INTRODUCTION

This Workshop was organized by the Kwara State Internal Revenue Service (KW-IRS), with all Directed Employers in Kwara State in mind, to create a medium where issues relating to filing of Annual Returns, Back duty Audit, Withholding Tax (WHT) Audit, Deductions and Remittances of all Taxes due to Kwara State Government can be discussed to achieve a harmonious relationship.

The importance of Directed Employers to the Service cannot be over emphasized as the law has made them collection Agents for ease of collection and the Service recognizes and appreciate your contributions to the revenue generation of the State.

This paper will highlight the importance, benefits, limitations, documents required and penalty of filing of Annual returns, Back duty audits and general Withholding tax and the applicable penalty for default.

We implore all the stakeholders to collaborate with the Service to ensure less friction in order to achieve the goal of improving revenue for strategic development of our dear State.

## IMPORTANCE OF FILING OF ANNUAL RETURNS

Directed employers are required to file their Annual Returns in respect of PAYE and other statutory deductions from their employees' incomes in the preceding year. The returns must be filed on or before 31st January of the current year.

Any employer who contravenes the provisions of Section(47)of Personal Income Tax Act, 2011 as amended by not filing their Annual returns, shall be liable on conviction to a penalty of N500,000.00 in case of a body corporate and N50,000.00 in case of an individual.

## DOCUMENTS REQUIRED FOR FILING ANNUAL RETURNS

The following are the documents needed for filing Annual returns

- Hard and soft copies of the Pay Roll in the required format
- Monthly receipts of remittances of PAYE
- Evidence of remittances of Pension, NHIS, NHF etc.
- Receipts of payment of Water Rate, Development Levy and Business Premises Registration/Renewal fee.

## BENEFITS OF FILING AND PENALTY FOR NON FILING OF ANNUAL RETURNS

Filing of Annual returns comes with some benefits amongst which are the following;

- Early detection and correction of under-deductions and over-deductions from staff salaries
- Non-accumulation of Tax liability
- Ease of processing and obtaining Tax Clearance Certificates for employees

The penalty for non-filing of Annual returns is as stated above.

## EXPECTATION FROM DIRECTED EMPLOYERS ON ANNUAL RETURNS

Our expectation from the Directed Employers includes their understanding of the importance of submitting Annual Returns and submitting the returns:

- On or before 31st January of every year
- In the required format
- In both soft and hard copies
- Along with all the necessary documents and
- Seeking clarification on the rendition of Annual Returns, where necessary

## BACK DUTY AUDIT

Back Duty audit is the field audit carried out to ascertain the correctness and genuineness of the information and documents availed the Service while filing Annual returns in the past years. This audit is carried out in the office of the Directed Employer and all the required documents must be provided to the field Auditors.

**DOCUMENTS REQUIRED FOR BACK DUTY AUDIT**

- Certified STAFF PAYROLL indicating components i.e. Basic, Housing and Transport etc. (in both hard and soft copies).
- Schedule of TAX REMITTANCES/Receipts (PAYE & WHT)
- Schedule of DEVELOPMENT LEVY Paid and Receipts
- Evidence of NHF Remittances
- Evidence of NHIS Remittances/Deposit Slips/Receipts
- Evidence of BUSINESS PREMISES Registration/Renewal fees
- Evidence of Pension Remittances
- Name/Addresses of Directors with Copies of their Tax Clearance Certificates
- Last Tax Audit Clearance Certificate issued by KWIRS
- Schedule of RENT Showing Property Owner, Address, Gross Rent Paid and WHT Deducted.
- Schedule of Commission and PROFESSIONAL FEES Paid
- Schedule of Other WHT Paid
- Schedule of GRATUITIES Paid and Beneficiaries
- Schedule of Staff allocated COMPANY VEHICLES showing their Designation and Cost of the Vehicles.
- Schedule of Staff living in Company's Allocated Apartments
- Copy of Certificate of Incorporation and MEMART
- Letter of disengagement with respect to core staff
- Copies of Expatriate Quota and Monthly Returns to Immigration Service
- Deletion letter with respect to expatriates that have left the organization
- General Ledger
- Trial Balance
- Bank Statement
- All Other Documents required for the Audit

**PENALTY AND INTEREST ON TAX LIABILITY**

Tax liability arising from back duty audit exercise shall attract Penalty at 10% of the liability as well as Interest at the prevailing Central Bank of Nigeria Monetary Policy Rate (MPR).

**EXPECTATION FROM DIRECTED EMPLOYERS ON BACK DUTY AUDIT**

The following are our expectation from Directed Employers on BackDuty Tax audit. Directed Employers are expected to:

- Allow the representatives of the Service entry into their premises to carry out audit exercises
- Provide all required documents in the course of carrying out Audit exercises.
- Give out information that will help the Auditors in carrying out fair assessment.
- Receive letter communicating tax liability
- Raise objection in writing and within the statutory

period of 30 days stating the grounds of objection and supported with documentary evidences, where necessary

**WITHHOLDING TAX**

Withholding tax is an advance payment of income tax. In principle, it is a payment for the ultimate income tax liability of a taxpayer or company. The tax is deducted at source when a payment is to be made to the beneficiary. It is not a final tax.

**TYPES OF WITHHOLDING TAX AND THEIR RATES**

The following are the major types of Withholding tax that is obtainable in Nigeria.

**TYPE PERCENTAGE**

Withholding Tax on Rent	10%
Withholding Tax on Contract	5%
Withholding Tax on Interest	10%
Withholding Tax on Dividend	10%
Withholding Tax on Royalty	15%
Withholding Tax on Consultancy Services	10%

**RATE OF WITHHOLDING TAX ON BANK INTEREST**

The rate at which Withholding tax is to be deducted is 10% (percent) of gross interest paid.

**HOW TO CALCULATE WITHHOLDING TAX ON BANK INTEREST**

The calculation of Withholding tax on bank interest is on a straight line.

1. For fixed deposits, obtain the gross interest payable by considering principal amount, tenor and rate
2. Charge 10 percent flat on the gross interest as the withholding tax.

**EXEMPTION FROM WITHHOLDING TAX ON BANK INTEREST**

Section 70 (6) of Personal Income Tax Act, 2011 as amended exempts payment of interest by any person engaged in banking where interest is due and payable on pass-book savings account, which is less than N50,000.00.

**WHO IS TO DEDUCT WITHHOLDING TAX**

The duty to deduct WHT from payments rests on who makes such payments. The payer is defined in Section 70 (5) of Personal Income Tax Act, 2011 as amended, as any company (corporate or unincorporated) including government Ministries and Departments, Parastatals, Statutory bodies, Institutions and other established organizations approved for the operation of PAYE system. In the case of interest, the payer also includes any person engaged in banking.

**TO WHOM THE WITHHOLDING TAX BE REMITTED**

In line with Section 70 (4) of Personal Income Tax Act, 2011 as amended, Withholding taxes on individuals and enterprises deducted are payable to the relevant tax authority. In the case of individuals and enterprises in Kwara State, to Kwara State Internal Revenue Service (KWIRS) while in the case of companies to Federal Inland Revenue Service.

**WHEN TO DEDUCT AND REMIT WITHHOLDING TAX**

When an income liable to withholding tax becomes due or payable to a person, the payer is under an obligation to deduct withholding tax at the appropriate rate. The tax deducted is to be remitted to the relevant tax authority on or before 21st day of the month, following the month of deduction.

**PENALTIES FOR NON-DEDUCTION OR NON-REMITTANCE OF WITHHOLDING TAX**

Any person or body corporate who, being obliged to deduct tax at source, fails to deduct, or having deducted, fails to remit such deductions to the relevant tax authority within the stipulated time, shall be liable to a penalty of an amount of 10 percent of the tax not deducted or remitted in addition to the amount of tax not deducted or remitted plus interest at the prevailing Monetary Policy Rate of the Central Bank of Nigeria.

**RENDITION OF MONTHLY RETURNS**

The law requires the agent of deduction (i.e. the payer) for withholding tax on bank interest, to remit to the relevant tax authority together with a schedule showing the following particulars in the format below.

- Name and address of the recipient
- Principal amount Invested, Rate and Tenor
- Gross amount of interest paid to the customer
- Amount deducted as withholding tax

S/N	NAME	ADDRESS	PRINCIPAL	TENOR	RATE OF INVESTMENT	INTEREST PAID	WHT DEDUCTED

**DOCUMENTS REQUIRED FOR AUDIT OF WITHHOLDING TAX ON BANK INTEREST**

For the purpose of field audit exercise, the following documents are required by the Service.

- Soft Copies of Excel Format of Customers' Monthly Account Balances for Savings and Fixed Deposits showing Account Name, Account Number and Addresses for the period under review.
- Soft Copies of Excel Format of Customers Monthly Time/Fixed/Call Deposits, Tenor, Transaction Date, Interest Rates, Interest Paid, WHT Deducted including Account Name, Account Numbers and Addresses for the period under review.
- Soft Copies of Excel Format of Breakdown of Annual Report Interest Expense analyzed into Individual and Business Enterprises for the period under review.
- Evidence of Monthly remittances of WHT on interest paid to the Service with evidence for the period under review.
- Soft and Hard Copies of Published Annual Report for the period under review.
- Copies of Management Accounts for the period under review.
- Soft and Hard Copies of Excel Format of Monthly Trial Balance for the period under review.
- Monthly Returns to Central Bank of Nigeria (CBN) – MMFR 1000, Monthly Returns on Interest Rates and Monthly Breakdown of Total Interest Expense for the period under review.

- Evidence of Payment arising from previous audit exercises for the period under review, if any.
- Letter authenticating that the information, documents, and records submitted are true position of the bank's transactions.

**EXPECTATION FROM COMMERCIAL AND MICROFINANCE BANK ON WITHHOLDING TAX ON BANK INTEREST**

The following are our expectation from Commercial and Microfinance banks with respect to Withholding Tax on Bank Interest. Basically, Commercial and Microfinance Bank are expected to submit:

- Annual audited financial statements with notes on the category of deposit by sector and amount.
- CBN returns (MMBR 1000) showing interest paid on deposits by category, i.e. Savings, Current and Term Deposit.
- End of year Trial Balance.
- Monthly remittance of WHT interest before 21st of succeeding month to avoid paying interest and penalty.
- Ensure details of payments are well stated in the deposit teller / e-transfer form
- Receipts issued by our Corporate Directorate for all payments made.

Participants are encouraged to ask questions and seek clarification.

# KWIRS, MOST TRANSPARENT GOVERNMENT AGENCY IN KWARA STATE

## – PROF AWODUN Olufemi Oguntokun

The Executive Chairman of Kwara State Internal Revenue Service (KW-IRS) Prof Muritala Awodun has described the Service as the most transparent government agency in the State because KW-IRS demonstrated a high level of integrity in service delivery since inception.

Prof Awodun made this statement while answering questions from taxpayers at a workshop organized for corporate organizations and organized private sector in Kwara State on Pay As You Earn (PAYE) operation and other statutory deductions due to State Government held at Kwara Hotels, Ilorin on Thursday 24<sup>th</sup> of January 2019.

He added that the Service was recently certified by the International Organization of Standardization (ISO) which assures that KW-IRS processes have abided by the international best practices. He said for the Service to have undergone the scrutiny of ISO was a way to prove that the processes and procedures of the Service are transparent, hitherto making KW-IRS as the first and only State Internal Revenue Service to be ISO certified.

Prof Awodun noted that apart from the quarterly media parley and radio programs, the revenue collected is always available on the Service's website, publications and the Audited Financial Reports which are available on the Service's website.

In his presentation, the guideline on PAYE operation and rendition of statutory returns, the Head of Tax Assessment, Mr Sunday Samuel Agbana explained that Without prejudice to paragraph 21 of PAYE regulation and any other provisions, any employer that fails to register formally with RTA shall be liable on conviction to payment of fine in the sum of N25, 000 in addition to arrears of tax due.

He added that, a notice of direction to operate PAYE scheme shall be in writing addressed to the directed employer or be published in Gazette. In the said letter, the emolument of employee(s) shall be specified and the amount of income tax to be deducted whether by reference to e-TDS (Electronic Tax Deduction Sheet) issued by Relevant Tax Authority or otherwise (soft copy) S.81 (5) of PITA.

Similarly, the Head of Tax Audit, Alhaji Umar Alege made his presentation on expectations of tax audit department from directed employers in Kwara State in 2019 and beyond. He emphasized on Section 70 (4) of Personal Income Tax Act, 2011 as amended, that Withholding taxes



KW-IRS Management at the event



Participants at the workshop



Participants at the workshop

on individuals and enterprises deducted are payable to the relevant tax authority. In the case of individuals and enterprises in Kwara State, it will be paid to Kwara State Internal Revenue Service (KWIRS) while in the case of companies it will be remitted to Federal Inland Revenue Service.

Also, the Director of Corporate, Alhaji Nuhu Olaide Muhammed enlightened the participants on remittance and rendition of returns under PAYE scheme. He urged taxpayers to make use of the Service's online platform in rendering tax returns.

## Netherlands Announces Tax 'Blacklist'

On December 28, 2018, the Dutch Government published in the Official Gazette a list of 21 low-tax jurisdictions. Companies doing business in these territories will face new anti-avoidance measures, intended to tackle tax base erosion and profit shifting.

Jurisdictions on the list have a corporate tax rate of less than nine percent. These include the five territories already on the European Union's tax blacklist: American Samoa, Guam, Samoa, Trinidad and Tobago, and the US Virgin Islands. The other jurisdictions listed are Anguilla, the Bahamas, Bahrain, Belize, Bermuda, the British Virgin Islands, Guernsey, the Isle of Man, Jersey, the Cayman Islands, Kuwait, Qatar, Saudi Arabia, the Turks and Caicos Islands, Vanuatu, and the United Arab Emirates.

Jurisdictions named on the list will fall within the scope of new Dutch controlled foreign companies (CFC) rules, which became effective from January 1, 2019, under the framework of the EU's Anti-Tax Avoidance Directive.

The Directive's new CFC rules are intended to ensure that the EU country in which a parent company is located will be required to tax certain profits that are "parked" in a low or no tax country. The company will be given a tax credit for any taxes paid abroad.

In addition, withholding tax equal to the Dutch headline corporate tax rate will be imposed on interest and royalty payments to these jurisdictions from 2021. The Dutch rate of corporate tax is 25 percent, but it will fall to 20.5 percent by 2021.

The Dutch tax authority will also no longer issue tax rulings to taxpayers with regards to tax structures involving companies established in these listed low-tax territories.

The list of low-tax jurisdictions will be reviewed on an annual basis.

## Canadian Tax Regime To Be Enhanced From 2019

Canada's small business tax rate will be reduced from 10 percent to nine percent from January 1, 2019, as part of a suite of new year tax changes.

The rate was previously reduced from 10.5 percent in January 2018.

The federal Government said that, thanks to this reduction, the combined federal, provincial, and territorial average income tax rate for small business will be 12.2 percent. It said this rate is the lowest in the G7 and the fourth lowest among members of the OECD. The measure should save small businesses up to CAD7,500 (USD5,556) in federal taxes a year.

The taxation of non-eligible dividends – generally dividends distributed from corporate income taxed at the small business rate – will be adjusted to reflect the reduction in the small business rate.

Canada's Fall Economic Statement also included new write-off and investment incentives, to be effective from January 1, 2019.

The Government will allow businesses to immediately write off the full cost of machinery and equipment used for the manufacturing and processing of goods, as well as the full cost of specified clean energy equipment. It will introduce an Accelerated Investment Incentive, to allow businesses of all sizes and in all sectors to write off a larger share of the cost of newly acquired assets in the year the investment is made. Other tax changes taking effect in 2019 include:

Measures to limit the ability of Canadian-controlled private corporations holding significant passive investments to benefit from the small business tax rate, and to restrict Canadian-controlled private corporations from obtaining refunds of taxes paid on investment income while distributing dividends from income taxed at the general corporate rate;

As part of the phase-out of the accelerated capital cost allowance rate for mining, the percentage of the additional allowance that a taxpayer can claim will be reduced from 80 percent to 60 percent;

Eligible oil and gas corporations will generally no longer be able to treat the first CAD1m of Canadian Development Expenses as Canadian Exploration Expenses when renounced to shareholders under a flow-through share agreement;

The tax exemption for insurers of farming and fishing property will be eliminated; and The goods and services tax/harmonized sales tax (GST/HST) treatment of investment limited partnerships will be brought into line with the GST/HST treatment of other investment plans such as mutual funds, segregated funds, and pension plans.

# OUR QUEST FOR 2019 ANCHORS BIGGER TASKS

Professor Awodun...

Bolaji Abdullahi

**T**he quest for Internally Generated Revenue (IGR), for the year 2019 began with generating 2.1 billion representing 77 percent of its monthly target of 3 Billion realized in January.

The Kwara State Government 2019 IGR approved budget and the target set for the Kwara State Internal Revenue Service is 34 Billion Naira.

Professor Muritala Awodun, Executive Chairman KW-IRS, in his remarks at the January 2019 Field Feed Back session appreciated the entire management and staff of the Service for their relentless effort in the year 2018 and urged everyone to be up and running and remain optimistic towards achieving the 2019 target. He reiterated the enormous support shown to the Service by the Executive Governor, Dr Abdulfatah Ahmed as well as the stakeholders from the beginning of the journey of the tax reform in the State. He admonished the management and staff. Everybody have a vital role to play in the realization of our set target for the year, and should not be complacent at no point in time”, said the Executive Chairman.

Professor Awodun also said that the organization is in the latter part of its PRAISE strategy, the growth

Continue on page 47



Prof. Muritala Awodun (Executive Chairman, KW-IRS)



L-R: Abiodun Sadiq, Mr Segun Olaniyi, Director, Special Duties and Barr. Lateef Okandeji, Director, Legal and Enforcement



Director Corporates,  
Alh. Nuhu Muhammed



Director Admin & Operations  
Mrs Adenike Babajamu



Head, Property Tax  
Mrs Shade Olanipekun



Mr Moshood Kosamat



Mr Abdullahi Gegele



Mr Bolarin Ibadamitan



Mr Olajide Aina



Mr Aliyu Adebayo



Presentation of January Revenue



Cross Section of Staff



Cross Section of Staff

period in the Service, which has brought significant improvement in the activities of the Service, explaining that relishing all the components of the strategy to its maximum capacity is a task to look forward to in 2019 if the service must record outstanding success more than the former years. The monthly target for IGR in 2019 is Three Billion Naira, compared to the Two Billion Naira monthly benchmark in the previous year, he said. In order to meet such target, it is imperative to put all hands on deck, improve on stakeholder's engagement as well as prioritizing the needs of the Service by expanding the operation of the Service to areas where tax and revenue potentials reside across the State.

## LESS IS MORE

Too much of every thing  
They say is bad  
Indeed less is more

Just a little more pleasure  
A little more liquor  
Some more puff on the cigar  
And the rich man's offal  
Winds up like an old grinding machine

Won kilo fun Olode  
The hunter is cautioned  
The hunter would not listen  
Just a little more  
And he goes on a journey of no return

The hen! The hen is warned  
'Go not to the bin'  
Lured by the aroma of the maize  
She says just a 'little more'  
And soon becomes a meal for the hawk  
Baby shaprapra  
'Slow down, flee for your life'  
But no! Just a little more  
'My eyes must see'  
Abi kilode?  
Make I chop my life  
Slay Mama's life is consumed

If only Alakori discern and comprehend,  
That less is always more than enough  
And just that little more might be the last  
He will be wiser

## MIND YOUR GRAMMAR Emmanuel Duntoye

1. The office is alright (Wrong)  
The office is all right. (Right)

*"Alright" is considered to be nonstandard. Therefore, it is not all right to say alright.*

2. I ordered for rice and beans at the restaurant (Wrong)  
I ordered rice and beans at the restaurant (Right)

*\* "Order" is a ditransitive verb, which means it can be followed by an indirect or a direct object\**

3. I want to wet your appetite for Nollywood movies (Wrong)  
I want to whet your appetite for Nollywood movies (Right)

4. You have to arrive early on Monday so that the Tax Auditor can be able to finish the work (Wrong)  
You have to arrive early on Monday so that the Tax Auditor can finish the work (Right)

*"The sentence is incorrect because there is an error of undue tautology. When the modal verb "can" is used you don't need to add 'be able'. "Can" already encompasses "be able"*

## MONTHLY COMMUNITY IMPACT PROGRAM

February 2019

Donation of office equipment to Federal Road Safety Corps, Ilorin



# PHOTO NEWS

## Admin & Operations Staff Appreciation



## HNI Staff Appreciation



# KW-IRS DONATES N10 MILLION FOR OFFA MOPOL BARRACKS MARKET

Olufemi Oguntokun

**T**he Kwara State Internal Revenue Service (KW-IRS) has donated a sum of Ten Million Naira to Offa Community to establish a modern market within the newly constructed Mobile Police force MOPOL Barracks for the wives of the police to engage in commercial activities so as to cater for the immediate needs of their families. The Executive Chairman, Prof Muritala Awodun presented the cheque for this sum to the Olofa of Offa, Oba Mufutau Gbadamosi at the Palace in Offa Local Government Area, Offa on 12th of February 2018.

In his remarks, Prof Awodun said that the donation came as a result of the identified absence of market called “mammy market” in the barracks which is common at all barracks across the country and the market is to make the barrack conducive for the security officers.

He added by thanking the Majority Leader, Kwara State House of Assembly, representing Essa, Sawo,

Igbodun Constituency, Honourable Hassan Oyeleke, for his continuous support and constant reminder on how to ensure the Service get the appropriate support for the CIP of the Service at the State House of Assembly.

Responding, the Olofa of Offa, Oba Mufutau Gbadamosi, Esuwoye II, appreciated the agency for fulfilling its promise. He recalled that the gesture was not the first, as the agency had previously donated the sum of N5 Million for the reconstruction of Owode market and another donation of 50 dozens of chairs to the palace in previous years.

According to the monarch, apart from the fact that tax is a compulsory civic responsibility, it is also a reciprocating act that everyone must imbibe in for continuous infrastructural development in Offa and Kwara State at large.

Oba Gbadamosi, however, urged all concerned



Presentation of Cheque to Olofa of Offa by the Executive Chairman, KW-IRS, Prof. Muritala Awodun

citizens to pay their taxes regularly to enable the government to meet up with its numerous challenges and assured the Service that the fund will be judiciously used.

The occasion also highlighted the presentation of Taxpreneurship a book authored by Prof Muritala Awodun which gave account on the startup of Kwara State Internal Revenue Service (KW-IRS).

Dignitaries present at the ceremony include Chairman of Offa Local Government, Alhaji AbdulLateef Gbadamosi, Chairman of Offa Descendants Union (ODU), Alhaji Fasansi Balogun and high chiefs in Offa, among others.



Prof. Awodun with Mr Temi Kolawole and Mrs Habibah Aiyelabegan



Members of Offa Community



High Chiefs of Offa Community



KW-IRS Staff



High Chiefs of Offa Community



Dignitaries at the event



Presentation of Taxpreneurship Book to Olofa of Offa



# ON VEHICLE PARTICULARS RENEWAL

**ENJOY DISCOUNT**

**5%** ON MINIMUM OF 10 - 19 VEHICLES PARTICULARS RENEWED

ENGINE CAPACITY	RENEWAL FEES	FLEET DISCOUNT	DISCOUNTED AMOUNT
1.6 - 2.0	6,525.00	166.25	6,358.75
2.1 - 3.0	7,150.00	197.50	6,952.50
3.0 and above	9,025.00	191.25	8,833.75
Tipper	14,150.00	447.50	13,702.50
Truck	15,400.00	510.00	14,890.00

**7%** ON 20 VEHICLES PARTICULARS AND ABOVE RENEWED

ENGINE CAPACITY	RENEWAL FEES	FLEET DISCOUNT	DISCOUNTED AMOUNT
1.6 - 2.0	6,525.00	232.75	6,292.25
2.1 - 3.0	7,150.00	276.50	6,873.50
3.0 and above	9,025.00	267.75	8,757.25
Tipper	14,150.00	626.50	13,523.50
Truck	15,400.00	714.00	14,686.00



**KW-IRS**  
KWARA STATE INTERNAL REVENUE SERVICE

Contact Address: 27, Ahmadu Bello Way, GRA, Ilorin, Kwara State Tel. 07006959477

*...mobilising revenue for the strategic development of Kwara State*

www.kw-irs.com • info@kw-irs.com

0700MYKWIRS (07006959477)



KwaraIRS



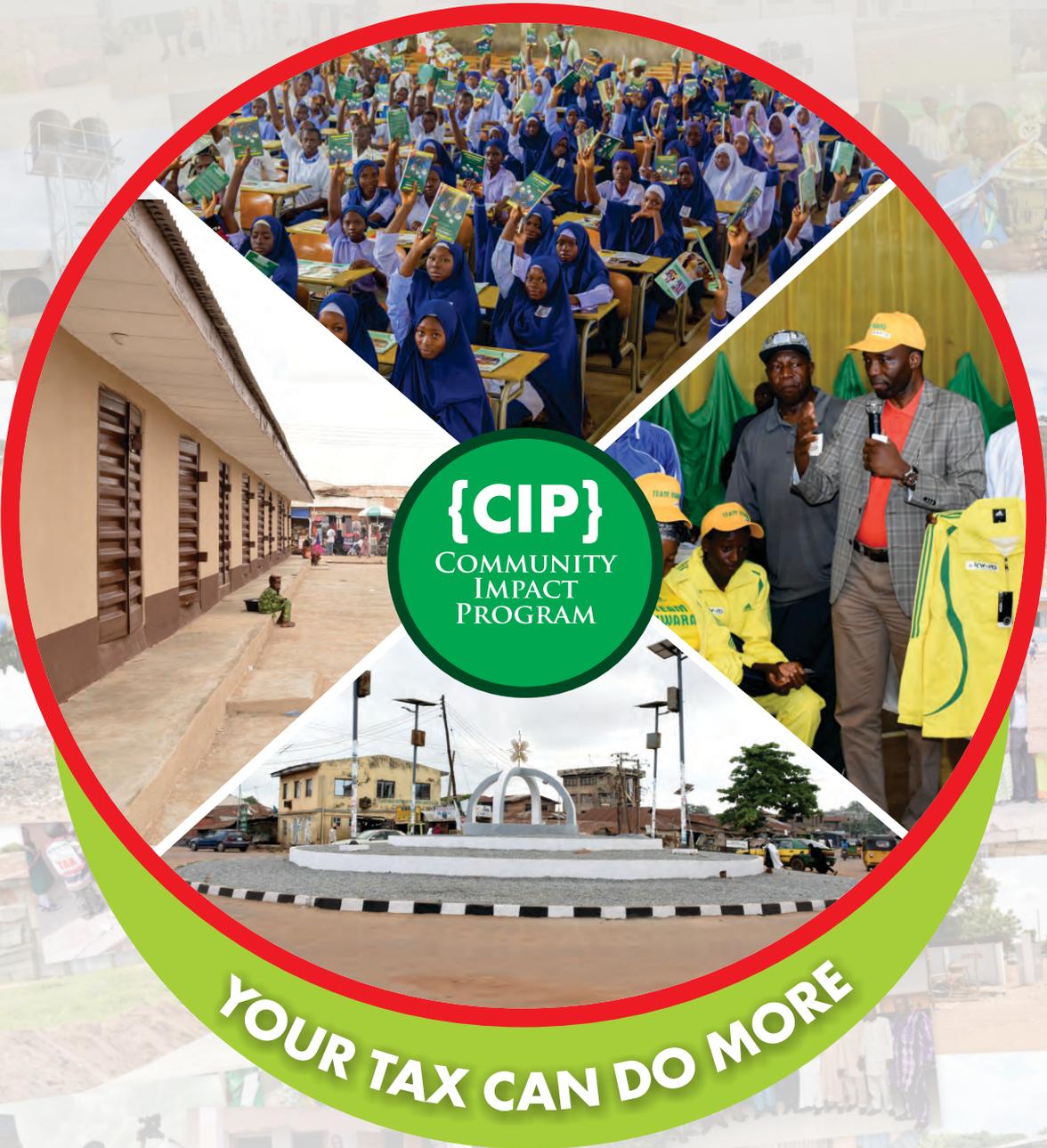
KwaraIRS

**PLAY YOUR PART, PAY YOUR TAX**



# KW-IRS

KWARA STATE INTERNAL REVENUE SERVICE



PLAY YOUR PART

# PAY YOUR TAX

Community Impact Program is an initiative of KW-IRS to impact positively the lives of the residents of Kwara State

**Tax Payers' Money at Work.**