

# ANNEXURE 1 FAAC POSTMORTEM SUB-COMMITTEE

## REPORT ON THE INFLOW INTO AND PAYMENTS FROM THE NON-OIL EXCESS REVENUE ACCOUNT FOR THE PERIOD JANUARY 2020 TO OCTOBER, 2023

### 1.0 Introduction

1.1 Members may recall that at the FAAC Plenary meeting held in September 2023, members observed the arbitral deductions from the Non-Oil Excess Revenue Account savings by the Federal Government specifically the huge amounts being borrowed as loan. Furthermore, the representatives of the Oil Producing States requested to know if 13% derivation was deducted from the amount being transferred as savings to the Non-Oil Excess Revenue Account. After extensive deliberation, FAAC Plenary referred the issue to the FAAC Postmortem Sub-Committee to examine and report back.

1.2 Accordingly, the Sub-Committee commenced the assignment by examining the Non-Oil Excess Revenue Account Ledger and also wrote the Office of the Accountant-General of the Federation (OAGF) to provide some information in respect of the subject. The analysis of the documents are summarized as follows:

### 2.0 INFLOW INTO THE OIL EXCESS REVENUE ACCOUNT

2.1 The sum of **N119,567,990,026.62** was the total amount paid into the Oil Excess Revenue Account for the period January, 2015 to October, 2023. This amount was made up of an opening balance of **N67,990,026.62** and March, 2020 receipt of **N119,500,000,000.00**. The 13% Derivation of **N119,500,000,000.00** amounting to **N15,535,000,000.00** was distributed to the Oil Producing States in April, 2020 while the balance of **N103,965,000,000.00** was shared to the three tiers of government in the month of May, 2020. The balance in the Oil Excess Revenue Account as at the end of October 2023 was **N67,990,026.62**. Details are shown in table 1 below:

**Table 1: Receipts and Payments from the Oil Excess Revenue Account**

| S/N   | Date       | Details                                       | Receipts (=N=)            | Payments (=N=)            |
|---|------------|---|---------------------------|---------------------------|
| 1   | 1/11/2015  | Balance brought Forward                       | 67,990,026.62             | -                         |
| 2   | 21-04-2020 | Transfer to Excess Oil Revenue, March, 2020   | 119,500,000,000.00        | -                         |
| 3   | 21-04-2020 | Payt of 13% Derivation on N119,500,000,000.00 | -                         | 15,535,000,000.00         |
| 4   | 14-05-2020 | Distribution to the three tiers of Govt.      | -                         | 103,965,000,000.00        |
| <b>TOTAL</b>                                  |            |   | <b>119,567,990,026.62</b> | <b>119,500,000,000.00</b> |
| <b>Balance as at the end of October, 2023</b> |            |   |                           | <b>67,990,026.62</b>      |



### 3.0 INFLOW INTO THE NON-OIL EXCESS REVENUE ACCOUNT

3.1 The Sub-Committee observed from the Statement of Non-Oil Excess Revenue Account presented by the OAGF that the total inflow into the Account for the period January 2020 to October 2023 was **N2,607,067,427,659.48** as shown in table 2 below.

**Table 2: Inflow into the Non-Oil Excess Revenue Account**

| S/N | DATE       | AMOUNT (=N=)       | CUMMULATIVE INFLOW<br>(=N=) |
|-----|------------|--------------------|-----------------------------|
| 1   | 15-01-2020 | 16,298,000,000.00  | <b>16,298,000,000.00</b>    |
| 2   | 16-07-2020 | 95,000,000,000.00  | <b>111,298,000,000.00</b>   |
| 3   | 21-04-2021 | 184,000,000,000.00 | <b>295,298,000,000.00</b>   |
| 4   | 14-07-2021 | 150,000,000,000.00 | <b>445,298,000,000.00</b>   |
| 5   | 21-10-2021 | 66,000,000,000.00  | <b>511,298,000,000.00</b>   |
| 6   | 15-12-2021 | 100,000,000,000.00 | <b>611,298,000,000.00</b>   |
| 7   | 21-04-2022 | 240,000,000,000.00 | <b>851,298,000,000.00</b>   |
| 8   | 21-06-2022 | 40,000,000,000.00  | <b>891,298,000,000.00</b>   |
| 9   | 21-07-2022 | 200,000,000,000.00 | <b>1,091,298,000,000.00</b> |
| 10  | 23-08-2022 | 80,000,000,000.00  | <b>1,171,298,000,000.00</b> |
| 11  | 21-08-2022 | 20,000,000,000.00  | <b>1,191,298,000,000.00</b> |
| 12  | 21-10-2022 | 80,000,000,000.00  | <b>1,271,298,000,000.00</b> |
| 13  | 13-01-2023 | 135,000,000,000.00 | <b>1,406,298,000,000.00</b> |
| 14  | 19-07-2023 | 389,769,427,659.48 | <b>1,796,067,427,659.48</b> |
| 15  | 18-08-2023 | 450,000,000,000.00 | <b>2,246,067,427,659.48</b> |
| 16  | 18-09-2023 | 150,000,000,000.00 | <b>2,396,067,427,659.48</b> |
| 17  | 18-10-2023 | 211,000,000,000.00 | <b>2,607,067,427,659.48</b> |

### 4.0 OUTFLOW FROM THE NON-OIL EXCESS REVEUE ACCOUNT

4.1 Out of the total inflow of **N2,607,067,427,659.48** for the period under review, the sum of **N1,035,298,000,000.00** was distributed to the three tiers of Government while the sum of **N864,159,187,753.64** represented deductions for other purposes. Details of these deductions are contained in Tables 3, and 4 below:

#### A. Distribution to the Three Tiers of Government

The amount distributed to the three tiers of Government was **N1,035,298,000,000.00**.



**Table 3: Amount Distributed to the Three tiers of Government**

| S/N | DATE       | DETAILS                                       | AMOUNT (=N=)                |
|-----|------------|---|-----------------------------|
| 1   | 26-02-2020 | Distribution to the three tiers of Government | 16,298,000,000.00           |
| 2   | 17-07-2020 | Distribution to the three tiers of Government | 50,000,000,000.00           |
| 3   | 13-10-2020 | Distribution to the three tiers of Government | 45,000,000,000.00           |
| 4   | 22/04/2021 | Distribution to the three tiers of Government | 30,000,000,000.00           |
| 5   | 20/05/2021 | Distribution to the three tiers of Government | 20,000,000,000.00           |
| 6   | 22/06/2021 | Distribution to the three tiers of Government | 50,000,000,000.00           |
| 7   | 22/06/2021 | Distribution to the three tiers of Government | 20,000,000,000.00           |
| 8   | 23/09/2021 | Distribution to the three tiers of Government | 50,000,000,000.00           |
| 9   | 15/11/2021 | Distribution to the three tiers of Government | 100,000,000,000.00          |
| 10  | 15/11/2021 | Distribution to the three tiers of Government | 50,000,000,000.00           |
| 11  | 23/02/2022 | Distribution to the three tiers of Government | 100,000,000,000.00          |
| 12  | 21/03/2022 | Distribution to the three tiers of Government | 80,000,000,000.00           |
| 13  | 26/05/2022 | Distribution to the three tiers of Government | 20,000,000,000.00           |
| 14  | 21/09/2022 | Distribution to the three tiers of Government | 20,000,000,000.00           |
| 15  | 26/10/2022 | Distribution to the three tiers of Government | 60,000,000,000.00           |
| 16  | 16/11/2022 | Distribution to the three tiers of Government | 70,000,000,000.00           |
| 17  | 16/11/2022 | Distribution to the three tiers of Government | 30,000,000,000.00           |
| 18  | 16/02/2023 | Distribution to the three tiers of Government | 100,000,000,000.00          |
| 19  | 16/02/2023 | Distribution to the three tiers of Government | 15,000,000,000.00           |
| 20  | 17/05/2023 | Distribution to the three tiers of Government | 20,000,000,000.00           |
| 21  | 19/05/2023 | Distribution to the three tiers of Government | 10,000,000,000.00           |
| 22  | 18/09/2023 | Augmentation for the month of September, 2023 | 79,000,000,000.00           |
|     |            |   | <b>1,035,298,000,000.00</b> |

**B. OTHER RELEASES FROM THE NON-OIL EXCESS REVENUE ACCOUNT**

The deductions from the Non-Oil Excess Revenue Account for other purposes were as follows:

**Table 4: Other Deductions from the Non-Oil Excess Revenue Account**

| S/N                           | DATE       | DETAILS  | PAYMENTS/OUTFLOW AMOUNT (NAIRA) |
|-------------------------------|------------|--|---------------------------------|
| <b>B1. RELEASE TO NMDPRA</b>  |            |  |                                 |
| 1                             | 23/12/2022 | Refund of Gas Flared penalty to NMDPRA   | <b>20,009,001,423.57</b>        |
| <b>B2. RELEASES TO STATES</b> |            |  |                                 |
| 2                             | 26/10/2022 | Transfer of =N=20Billion to the 20% of Amount due to States on ECA withdrawals | 20,000,000,000.00               |
| 3                             | 23/12/2022 | Refund of PAYE to States (1st Tranche)   | 65,000,000,000.00               |
| 4                             | 23/12/2022 | Refund of PAYE to States (2nd Tranche)   | 65,000,000,000.00               |
| 5                             | 4/8/2023   | Release of Infrastructure Fund to States                                       | 252,000,000,000.00              |
| 6                             | 16/02/2023 | Refund of PAYE to Lagos State  | 6,571,812,718.58                |
| <b>SUB-TOTAL (STATES)</b>     |            |  | <b>408,571,812,718.58</b>       |



| <b>B3. RELEASES TO FGN</b>  |            |  |                           |
|-----------------------------|------------|--|---------------------------|
| 7                           | 16/02/2023 | Amount borrowed by FGN for the Payment of final Settlement of Ground Rent Liabilities          | 41,844,164,400.00         |
| 8                           | 16/02/2023 | Amount borrowed by FGN for Funding of 2023 General Elections(22 Agencies)                      | 215,685,544,190.36        |
| 9                           | 16/02/2023 | Amount borrowed by FGN for Funding of 2023 General Elections(2 Agencies)                       | 7,303,417,000.00          |
| 10                          | 16/02/2023 | Amount borrowed by FGN for Funding of 2023 General Elections(2 Agencies)                       | 5,009,540,000.00          |
| 11                          | 19/05/2023 | Amount Borrowed by FGN for Payment of Contingencies to Office of the National Security Adviser | 2,750,000,000.00          |
| <b>SUB-TOTAL (FGN)</b>      |            |  | <b>272,592,665,590.36</b> |
| <b>B4. RELEASES TO FCT</b>  |            |  |                           |
| 12                          | 2/7/2023   | Balance of Refund of Paris Club Loan Deduction from SRA of FCTA                                | 28,608,118,834.81         |
| 13                          | 18/08/2023 | Payment of unremitted liabilities PAYE IFO FCT   | 31,311,515,329.52         |
| <b>SUB-TOTAL (FCT)</b>      |            |  | <b>59,919,634,164.33</b>  |
| <b>B5. FIRS</b>             |            |  |                           |
| 14                          | 18/08/2023 | Refund to CISS being amount borrowed for FIRS's Priority Projects                              | 30,000,000,000.00         |
| 15                          | 18/08/2023 | Difference between Foreign taxes figures on Component Statement and Actual                     | 73,066,073,856.80         |
| <b>SUB-TOTAL (FIRS)</b>     |            |  | <b>103,066,073,856.80</b> |
| <b>TOTAL OTHER RELEASES</b> |            |  | <b>864,159,187,753.64</b> |

#### **4.0 SUMMARY OF INFLOW AND OUTFLOW FROM THE NON-OIL EXCESS ACCOUNT**

4.1 The total amount that accrued into the Non-Oil Excess Revenue Account was **N2,607,067,427,659.48**, distribution to the three tiers of Government was **N1,035,298,000,000.00**, other releases was **N846,159,187,753.64** leaving a net balance of **N707,610,239,905.84** as at the end of October, 2023 as shown in table 5 below:

**Table 5: Summary of Inflow and Outflow from the Non-Oil Excess Account**

| <b>DESCRIPTION</b>                                     | <b>NAIRA (N)</b>            |
|--|-----------------------------|
| <b>TOTAL RECEIPTS</b>                                  | <b>2,607,067,427,659.48</b> |
| <b>LESS: DISTRIBUTION TO THE THREE TIERS OF GOVTS.</b> | <b>1,035,298,000,000.00</b> |
| <b>LESS: OTHER RELEASES</b>                            | <b>864,159,187,753.64</b>   |
| <b>NET BALANCES AS AT OCTOBER, 2023 FAAC MEETING</b>   | <b>707,610,239,905.84</b>   |



## 5.0 Findings:

5.1 From the Analysis of Oil and Non-Oil Excess Revenue Accounts, the Sub-Committee observed the following:

- i. That the sum of **N119,567,990,026.62** accrued into the Oil Excess Revenue Account in the period under review;
- ii. That the sum of **N119,500,000,000.00** was distributed to the three tiers of government leaving a net balance of **N67,990,026.62** in the Oil Excess Revenue account as at the end of October, 2023;
- iii. That the total inflow into the Non-oil Excess Account for the period January 2020 to October 2023 was **N2,607,067,427,659.48**;
- iv. That the total amount distributed to the three tiers of Government was the sum of **N1,035,298,000,000.00** in the period under review;
- v. Total deductions from the Account for other purposes amounted to **N846,159,187,753.64** in the period under review;
- vi. That the sum of **N20,009,001,423.57** was deducted as Refund of Gas Flared penalty to NMDPRA;
- vii. That the sum of **N20 billion** was transferred to the 20% of Amount due to States on ECA withdrawals Account;
- viii. That the sum of **N136,571,812,718.58** was used for Refund of PAYE to States and the sum of **N31,311,515,329.52** for FCT respectively;
- ix. That FGN borrowed the sum of **N41,844,164,400.00** for the payment of final Settlement of Ground Rent Liabilities;
- x. That FGN borrowed the sum of **N227,998,501,190.36** for the funding of 2023 General Elections;
- xi. That amount borrowed by FGN for Payment of Contingencies to the Office of the National Security Adviser was **N2,750,000,000.00**;
- xii. That the sum **N28,608,118,834.81** was deducted from the Account to Refund Paris Club Loan Deduction from SRA of FCTA;
- xiii. That the difference between Foreign taxes figures on Component Statement and Actual was deducted from the Non-Oil Account to the tune of **N73,066,073,856.80**;
- xiv. The sum of **N30,000,000,000.00** was deducted from the Account for refund to CISS being amount borrowed for FIRS's Priority Projects;
- xv. That there was no record that the amounts borrowed by FGN was paid back;

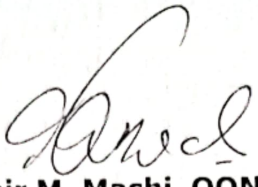
## 6.0 Recommendations:

6.1 The Sub-Committee recommends as follows:

- a) that the sum of **N864,159,187,753.64** deductions for other purposes should be refunded back to the account;
- b) that further deductions from the account should be in line with the Vertical Revenue Allocation Formular.

**7.0 Conclusion:**

- 7.1 Members are invited to consider the above submission for further deliberation.

  
**Kabir M. Mashi, OON**  
(Kaigaman Katsina)

Chairman, FAAC Postmortem Sub-Committee