

FAAC POSTMORTEM SUB-COMMITTEE

UPDATE ON THE WITHDRAWALS FROM THE OIL AND NON-OIL EXCESS REVENUE ACCOUNT (SAVINGS) FOR THE PERIOD JANUARY 2020 TO DECEMBER, 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 December, 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, 2023 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 December 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
	TOTAL		119,567,990,026.62	119,500,000,000.00
	Balance as at December, 2023			67,990,026.62

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 December 2023 was **N2,807,067,427,659.48** as shown in table 2 below.

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

S/ N	DATE	AMOUNT (=N=)	CUMMULATIVE INFLOW (=N=)
1	15-01-2020	16,298,000,000.00	16,298,000,000.00
2	16-07-2020	95,000,000,000.00	111,298,000,000.00
3	21-04-2021	184,000,000,000.00	295,298,000,000.00
4	14-07-2021	150,000,000,000.00	445,298,000,000.00
5	21-10-2021	66,000,000,000.00	511,298,000,000.00
6	15-12-2021	100,000,000,000.00	611,298,000,000.00
7	21-04-2022	240,000,000,000.00	851,298,000,000.00
8	21-06-2022	40,000,000,000.00	891,298,000,000.00
9	21-07-2022	200,000,000,000.00	1,091,298,000,000.00
10	23-08-2022	80,000,000,000.00	1,171,298,000,000.00
11	21-08-2022	20,000,000,000.00	1,191,298,000,000.00
12	21-10-2022	80,000,000,000.00	1,271,298,000,000.00
13	13-01-2023	135,000,000,000.00	1,406,298,000,000.00
14	19-07-2023	389,769,427,659.48	1,796,067,427,659.48
15	18-08-2023	450,000,000,000.00	2,246,067,427,659.48
16	18-09-2023	150,000,000,000.00	2,396,067,427,659.48
17	18-10-2023	211,000,000,000.00	2,607,067,427,659.48
18	20-11-2023	60,000,000,000.00	2,667,067,427,659.48
19	11-12-20-23	40,000,000,000.00	2,707,067,427,659.48
20	12-12-2023	100,000,000,000.00	2,807,067,427,659.48

4.0 OUTFLOW FROM THE NON-OIL EXCESS REVEUE ACCOUNT

4.1 Out of the total inflow of **N2,807,067,427,659.48** for the period under review, the sum of **N1,095,298,000,000.00** was distributed to the three tiers of Government

while the sum of **N1,489,338,148,240.92** 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 **N1,095,298,000,000.00**.

Table 3: Amount Distributed to the Three tiers of Government

DATE	DETAILS	PAYMENTS/OUTFLOW AMOUNT (=N=)
	Balance brought forward	16,298,000,000.00
17-07-2020	Distribution to the three tiers of Government	50,000,000,000.00
13-10-2020	Distribution to the three tiers of Government	45,000,000,000.00
22/04/2021	Distribution to the three tiers of Government	30,000,000,000.00
20/05/2021	Distribution to the three tiers of Government	20,000,000,000.00
22/06/2021	Distribution to the three tiers of Government	50,000,000,000.00
22/06/2021	Distribution to the three tiers of Government	20,000,000,000.00
23/09/2021	Distribution to the three tiers of Government	50,000,000,000.00
15/11/2021	Distribution to the three tiers of Government	100,000,000,000.00
15/11/2021	Distribution to the three tiers of Government	50,000,000,000.00
23/02/2022	Distribution to the three tiers of Government	100,000,000,000.00
21/03/2022	Distribution to the three tiers of Government	80,000,000,000.00
26/05/2022	Distribution to the three tiers of Government	20,000,000,000.00
21/09/2022	Distribution to the three tiers of Government	20,000,000,000.00
26/10/2022	Distribution to the three tiers of Government	60,000,000,000.00
16/11/2022	Distribution to the three tiers of Government	70,000,000,000.00
16/11/2022	Distribution to the three tiers of Government	30,000,000,000.00
16/02/2023	Distribution to the three tiers of Government	100,000,000,000.00
16/02/2023	Distribution to the three tiers of Government	15,000,000,000.00
17/05/2023	Distribution to the three tiers of Government	20,000,000,000.00
19/05/2023	Distribution to the three tiers of Government	10,000,000,000.00
18/09/2023	Augmentation for the month of September, 2023	79,000,000,000.00
20/11/2023	Augmentation for the month of November, 2023	60,000,000,000.00
TOTA OTHER PAYMENTS		1,095,298,000,000.00

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

DATE	DETAILS	PAYMENTS/OUTFLOW AMOUNT (=N=)
		16,298,000,000.00
17-07-2020	Distribution to the three tiers of Government	50,000,000,000.00
13-10-2020	Distribution to the three tiers of Government	45,000,000,000.00
22/04/2021	Distribution to the three tiers of Government	30,000,000,000.00
20/05/2021	Distribution to the three tiers of Government	20,000,000,000.00
22/06/2021	Distribution to the three tiers of Government	50,000,000,000.00
22/06/2021	Distribution to the three tiers of Government	20,000,000,000.00
23/09/2021	Distribution to the three tiers of Government	50,000,000,000.00
15/11/2021	Distribution to the three tiers of Government	100,000,000,000.00
15/11/2021	Distribution to the three tiers of Government	50,000,000,000.00
23/02/2022	Distribution to the three tiers of Government	100,000,000,000.00
21/03/2022	Distribution to the three tiers of Government	80,000,000,000.00
26/05/2022	Distribution to the three tiers of Government	20,000,000,000.00
21/09/2022	Distribution to the three tiers of Government	20,000,000,000.00
26/10/2022	Distribution to the three tiers of Government	60,000,000,000.00
16/11/2022	Distribution to the three tiers of Government	70,000,000,000.00
16/11/2022	Distribution to the three tiers of Government	30,000,000,000.00
16/02/2023	Distribution to the three tiers of Government	100,000,000,000.00
16/02/2023	Distribution to the three tiers of Government	15,000,000,000.00
17/05/2023	Distribution to the three tiers of Government	20,000,000,000.00
19/05/2023	Distribution to the three tiers of Government	10,000,000,000.00
18/09/2023	Augmentation for the month of September, 2023	79,000,000,000.00
20/11/2023	Augmentation for the month of November, 2023	60,000,000,000.00
OTHER PAYMENTS		1,095,298,000,000.00
23/12/2022	Refund of Gas Flared penalty to NMDPRA	20,009,001,423.57
RELEASES TO STATES		
26/10/2022	Transfer of =N=20Billion to the 20% of Amount due to States on ECA withdrawals	20,000,000,000.00
23/12/2022	Refund of PAYE to States (1st Tranche)	65,000,000,000.00
23/12/2022	Refund of PAYE to States (2nd Tranche)	65,000,000,000.00
4/8/2023	Release of Infrastructure Fund to States	252,000,000,000.00
16/02/2023	Refund of PAYE to Lagos State	6,571,812,718.58
2/11/2023	Pyt of Infrastructure to States and FCT	259,000,000,000.00
20/11/2023	Refund of PAYE to Akwa Ibom State	7,178,960,487.28
11/12/2023	Special Intervention to States	100,000,000,000.00
18/12/2023	Pyt of Infrastructure to States and FCT	259,000,000,000.00
SUB-TOTAL (TO STATES)		1,033,750,773,205.86

RELEASES TO FGN		
16/02/2023	Amount borrowed by FGN for the Payment of final Settlement of Ground Rent Liabilities	41,844,164,400.00
16/02/2023	Amount borrowed by FGN for Funding of 2023 General Elections(22 Agencies)	215,685,544,190.36
16/02/2023	Amount borrowed by FGN for Funding of 2023 General Elections(2 Agencies)	7,303,417,000.00
16/02/2023	Amount borrowed by FGN for Funding of 2023 General Elections(2 Agencies)	5,009,540,000.00
19/05/2023	Amount Borrowed by FGN for Payment of Contingencies to Office of the National Security Adviser	2,750,000,000.00
SUB-TOTAL (FGN)		272,592,665,590.36
RELEASES TO FCT		
2/7/2023	Balance of Refund of Paris Club Loan Deduction from SRA of FCTA	28,608,118,834.81
18/08/2023	Payment of unremitted liabilities PAYE IFO FCT	31,311,515,329.52
SUB-TOTAL (FCT)		59,919,634,164.33
OTHER RELEASES		
18/08/2023	Difference between Foreign taxes figures on Component Statement and Actual	73,066,073,856.80
18/08/2023	Refund to CISS being amount borrowed for FIRS's Priority Projects	30,000,000,000.00
SUB-TOTAL (OTHER RELEASES)		103,066,073,856.80
TOTAL PAYMENTS		1,489,338,148,240.92

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 **N2,807,067,427,659.48**, distribution to the three tiers of Government was **N1,095,298,000,000.00**, other releases was **N1,489,338,148,240.92** leaving a net balance of **N222,431,279,418.56** as at the end of December, 2023 as shown in table 5 below:

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

DESCRIPTION	NAIRA (N)
TOTAL RECEIPTS	2,807,067,427,659.48
LESS: DISTRIBUTION TO THE THREE TIERS OF GOVTS.	1,095,298,000,000.00
LESS: OTHER RELEASES	1,489,338,148,240.92
NET BALANCES AS AT DECEMBER, 2023 FAAC MEETING	222,431,279,418.56

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 December 2023 was **N2,807,067,427,659.48**;
- iv. That the total amount distributed to the three tiers of Government was the sum of **N1,095,298,000,000.00** in the period under review;
- v. Total deductions from the Account for other purposes amounted to **N1,489,338,148,240.92** 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 **N143,750,773,205.86** 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 **N1,489,338,148,240.92** 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