

MINISTRY OF HEALTH YENAGOA, BAYELSA STATE

**CONSOLIDATED BUDGET EXECUTION REPORT FOR 2016
FINANCIAL YEAR FOR PRIMARY HEALTH CENTRES
(PHCs)/DEPARTMENT IN BAYELSA STATE**

MINISTRY OF HEALTH, YENAGOA BAYELSA STATE
2016 CONSOLIDATED BUDGET EXECUTION REPORT FOR
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1.0 Introduction

Budget execution is a critical aspect of fiscal operations of government. Therefore, a consolidated budget execution report in this case entails a combined budget implementation report for utilization of estimated and actually utilized funds for different health activities cutting across all the Primary Health Care Centres and Entities in Bayelsa State.

Basically, an established consolidated budget execution report is a fundamental requirement to account for the use of government Health-Care funds in the implementation of Primary Health-Care activities in the State. The main objective of preparing this report is to ensure financial accountability and transparency in the management and utilization of funds for the designated health purposes and activities in terms of realizing set goals and deliverables. Furthermore, the need to comply with the Fiscal Responsibility Act of government is imperative.

This remarkable development strengthens the role of the State Government and promotes the attainment of its social objectives through execution of various health programmes to improve the overall health and wellbeing of the people in the State.

The review period of this report is 2016 financial year which examined the extent of implementation of the Primary Health-Care Budget for 2016 in Bayelsa State.

The basis of this report is anchored on relevant financial information which was derived from the 2016 consolidated financials for the PHCs/Entities in Bayelsa State.

It is pertinent to state that in 2016, SOML Program funds were not received by the Bayelsa State Government. Therefore, the State Government

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Primary Health-Care pool of funds excluded the expected SOML Program grants during the period under review. However, health expenditures were categorized into the following headings in anticipation of the requirements of the SOML Program for Results in Bayelsa State:

Category A: Compensation of Employees which includes Salaries & Allowances.

Category B: Goods and Services such as Expenditure for drugs and medical commodities and operational expenses.

Category C: Investment (Capital Expenditure) on health activities.

In addition, the summary and full breakdown of planned and actual expenditures for 2016 incurred for operations of the PHCs/Department of the Ministry of Health, Bayelsa State are stated in the appendices' section. It is important to state that all expenditure classifications mentioned above are complementary in nature and not isolated for the attainment of the desired health objectives. The main emphasis is to ascertain the aggregate financial effect of health-care funds utilized on different health activities for effective performance and outcome.

Furthermore, some performance management and statistical techniques in the areas of budgetary analysis, tabular presentation, percentages and charts/graphs are used to analyze and evaluate the planned and actual expenditures in order to ascertain the aggregate effect of funds utilization on the various health activities in Bayelsa State.

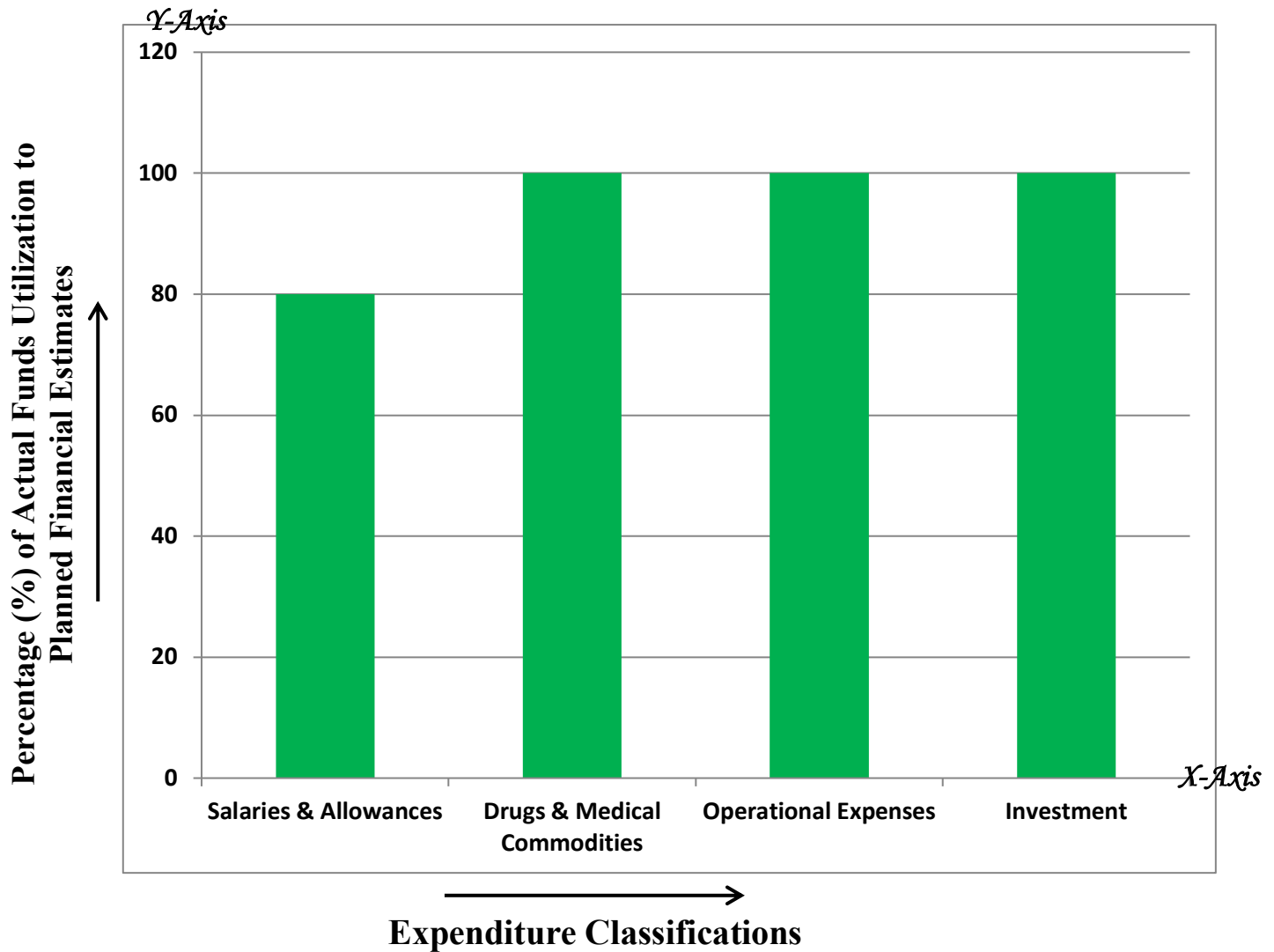
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1.1 – Table 1: Bayelsa State Government Primary Health Care (PHC) Funds Utilization And Performance Analysis For 2016

EXPENDITURE CLASSIFICATION	PLANNED FINANCIAL ESTIMATE	ACTUAL FINANCIAL UTILIZATION	PERCENTAGE (%) OF FUND UTILIZATION	REMARK/SOURCE OF FUNDS
A. <u>COMPENSATION OF EMPLOYEES:</u>	₦	₦		
Salaries & Allowances	3,210,093,268.33	2,568,074,614.67	80%	Bayelsa State Government
B. <u>GOODS & SERVICES:</u>				
B1. Drugs & Medical Commodities	50,089,463	50,089,463	100%	✓
B2. Operational Expenses	24,895,300	24,895,300	100%	✓
SUB-TOTAL FOR B	74,984,763	74,984,763	100%	
C. <u>INVESTMENTS (CAPITAL EXPENDITURE)</u>				
Investment	844,604,966	844,604,966	100%	✓
GRAND TOTAL (A+B+C)	4,129,682,997.33	3,487,664,343.67	84.45%	

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Figure 1.2: A Simple Bar Chart on Budgeted/Actual Funds Utilization On Primary Health Care Activities for 2016 By The State Government.



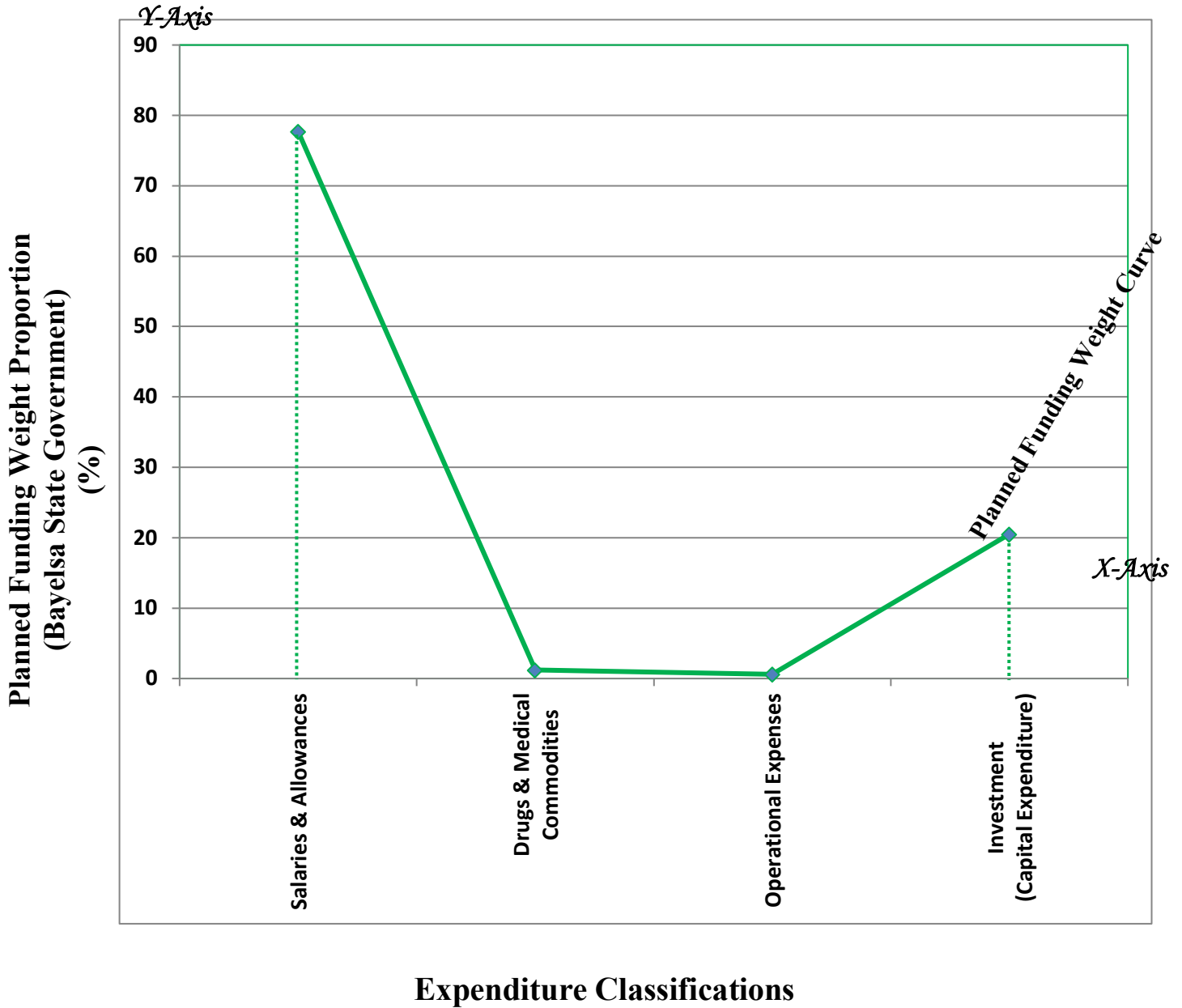
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1.3 – Table 2: Analysis Of Bayelsa State Government PHC Funding And Expenditures For 2016

EXPENDITURE CLASSIFICATION	PLANNED FINANCIAL ESTIMATE	PLANNED FINANCIAL WEIGHT PROPORTION	ACTUAL FINANCIAL UTILIZATION	ACTUAL FUNDING WEIGHT PROPORTION
A. <u>COMPENSATION OF EMPLOYEES:</u>	₦	%	₦	%
Salaries & Allowances	3,210,093,268.33	77.70%	2,568,074,614.67	73.63%
B. <u>GOODS & SERVICES:</u>				
B1. Drugs & Medical Commodities	50,089,463	1.20%	50,089,463	1.44%
B2. Operational Expenses	24,895,300	0.60%	24,895,300	0.71%
SUB-TOTAL FOR B	74,984,763	1.80%	74,984,763	2.15%
C. <u>INVESTMENTS (CAPITAL EXPENDITURE)</u>				
Investment	844,604,966	20.50%	844,604,966	24.22%
GRAND TOTAL (A+B+C)	4,129,682,997.33	100%	3,487,664,343.67	100%

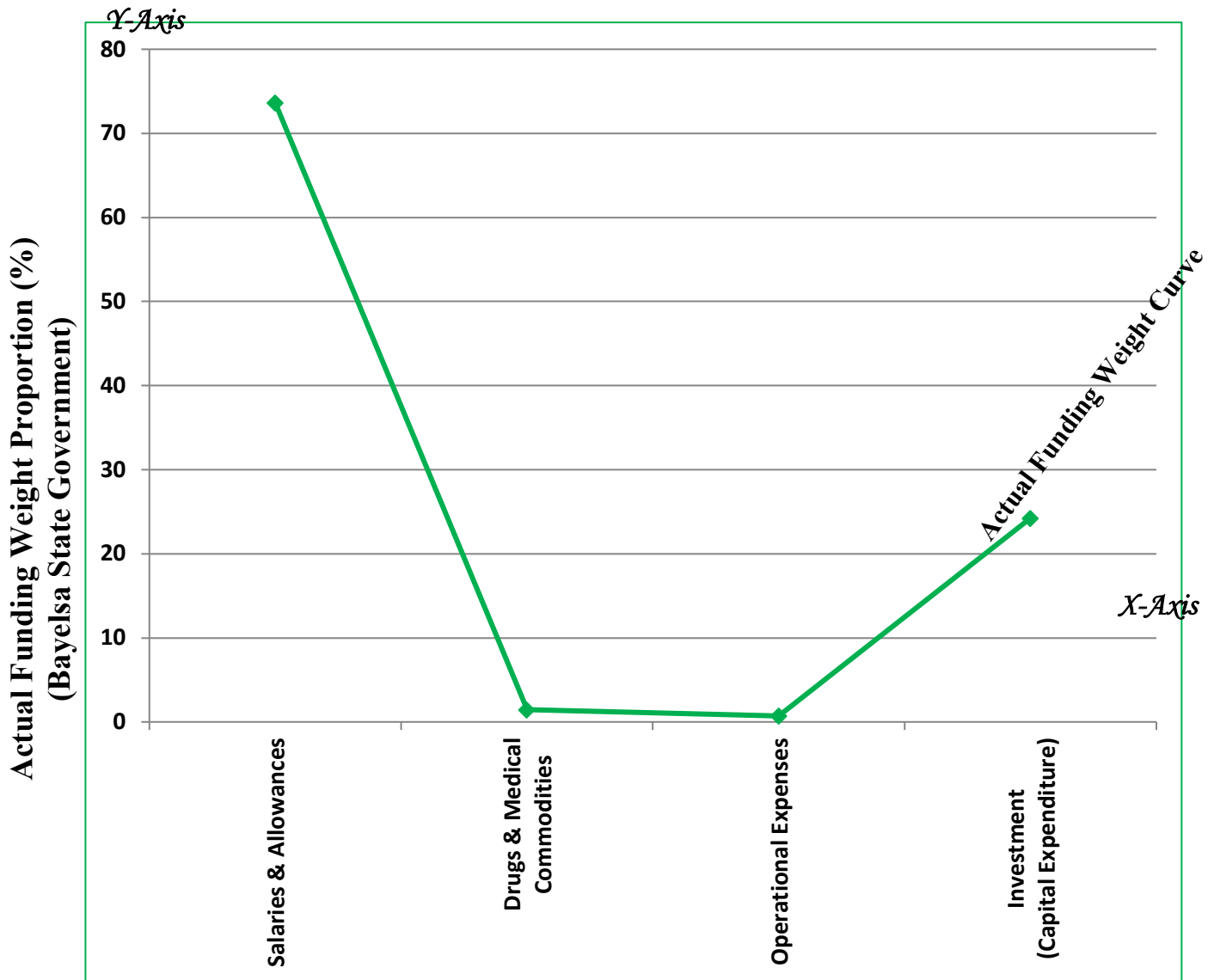
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1.4 – Figure 1.3A: Planned Funding Weight Of Health Activities For 2016 By The Bayelsa State Government



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**1.5 – Figure 1.3B: Actual Funding Weight Of Health Activities For 2016 By
The Bayelsa State Government**



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2.0 Reasons For Preparation Of A Consolidated Budget Execution Report

The following reasons necessitate the preparation of a consolidated Budget Execution Report:

- (i.) To ensure financial transparency and accountability in the use and management of public funds.
- (ii.) To ascertain the level of implementation of government programmes in terms of economy, efficiency and effectiveness.
- (iii.) To evaluate the impacts of government fiscal policy on health operations and other activities.
- (iv.) To determine the level of compliance with the Fiscal Responsibility Act of Government.
- (v.) To facilitate the monitoring and control of the consolidated budget performance for operating entities and institutions in the State.
- (vi.) To comply with the financial management and performance requirements of International Finance Institutions, e.g. World Bank, IMF, ADB, UNICEF etc.

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3.0 Findings:

- (i.) The Health budget of 2016 for the Primary Health Care Centres/Entities in Bayelsa State was reasonably executed despite the economic recession.
- (ii.) It was found that the Bayelsa State Government has immensely invested in the Primary Health Care Sector of the State in view of Comparative Financial Analysis of health activities conducted in the State overtime.
- (iii.) It was found that Primary Health Care activities were classified into the following expenditure headings in order to anticipate for the expected SOML Program funds:
 - A. Compensation of Employees:** Salaries/Allowances.
 - B. Goods & Services:** Drugs & Medical Commodities and Operational Expenses.
 - C. Investment:** (Capital Expenditures).
- (iv.) It was found that funds utilized on health expenditures were based on planned/budgeted activities which were duly approved and executed.
- (v.) During the period under review, there was proper monitoring and control of Health Expenditures by the Bayelsa State Government.

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4.0 Recommendations & Conclusion:

In the light of the above stated findings, the following recommendations are made;

- (i.) In view of the huge financial investment by the Bayelsa State Government say **84.45%** in the State Primary Health-Care Sector, the government is commended to maintain the trend in order to continuously improve the health-care delivery in Bayelsa State.
- (ii.) Following the expected **SOML Program for Result** in the State, the State government may continue the efforts of partnering/collaborating with other international donor institutions to enhance the sources of off-shore financing for health activities in Bayelsa State.
- (iii.) The continuous training and re-training of accounts and finance officers in the State Health Institutions is underscored in order to maintain and analyse up to date financial records on various health activities.
- (iv.) Financial expenditures on health activities be always categorized into salaries/allowances, drugs and medical commodities, operational expenses and Capital Expenditure for effective financial analysis.
- (v.) There should be continuous monitoring and control of the performance of the State Primary Health-Care Sector Budget in order to sustain the existing high social health-care delivery in the State.

It is important to state that the financial analysis and statistics for 2016 showed that the consolidated budget execution for designated health activities indicated a favourable and high performance outcome. This notable development indicates strong financial accountability and transparency for effective operation of Primary Health-Care Centres and Entities in Bayelsa State.

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5.0 Appendices:

5.1 Appendix 1 – Statement Of Estimated Salaries/Allowances For PHCs/Department For 2016

EXPENDITURE ITEM	AMOUNT FOR 8 LGAs	AMOUNT FOR STATE PHC DEPARTMENT	TOTAL AMOUNT
	₦	₦	₦
Salaries & Allowances	3,187,593,268.33	22,500,000	3,210,093,268.33

Note: The 2016 Budgeted Performance for Salaries/Allowances was the total actual amount being grossed up by **80%**.

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5.2 Appendix 2 – Statement of Actual Salaries/Allowances for
PHCs/Department for 2016

EXPENDITURE ITEM	AMOUNT FOR 8 LGAs	AMOUNT FOR STATE PHC DEPARTMENT	TOTAL AMOUNT
	₦	₦	₦
Salaries & Allowances	2,550,074,614.67	18,000,000	2,568,074,614.67

Note: In view of the economic recession in 2016 which adversely affected the public finance operations of governments in the country, the actual amount for Salaries/Allowances was assumed to be **80%** of Budgeted Performance of 2016.

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5.3 Appendix 3 – Schedule of Planned/Actual Expenditure for Drugs & Medical Commodities For PHCs/Department for 2016

EXPENDITURE ITEM	AMOUNT FOR 8 LGAs	AMOUNT FOR STATE PHC DEPARTMENT	TOTAL AMOUNT
Consumables	12,574,440	–	12,574,440
Purchase of Drugs	7,515,023	30,000,000	37,515,023
Total	20,089,463	30,000,000	50,089,463

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5.4 Appendix 5 – Statement of Consolidated Planned/Actual Operational Expenses for PHCs/Departments for 2016

EXPENDITURE ITEM	AMOUNT FOR 8 LGAs	AMOUNT FOR STATE PHC DEPARTMENT	TOTAL AMOUNT
	₦	₦	₦
Training & Welfare Expenses	1,308,700	–	1,308,700
General Health Admin.	7,690,600	–	7,690,900
Overhead & Maintenance on Health Facilities	2,261,000	3,000,000	5,261,000
Ambulatory Health Care Expenses	10,000,000	–	10,000,000
Other Expenses	635,000	–	635,000
Total	21,895,300	3,000,000	24,895,300

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5.5 Appendix 4 – Schedule of Planned/Actual Investment for PHCs/Departments for 2016

	Amount (₦)
Increase in Building & Property	743,684,166
Increase in Plant & Equipment	59,125,900
Increase in Furniture & Fittings	27,609,900
Increase in Other Fixed Assets	14,185,000
Total	844,604,966

Prepared by

OKUBOKEME & CO

Igbogene, Yenagoa, Bayelsa State

Email: okusbsmith@yahoo.com

Tel: 08131247816

Financial Consultant to the Bayelsa State Ministry Of
Health