

ENUGU STATE GOVERNMENT OF NIGERIA: DOMESTIC EXPENDITURE ARREARS AS AT 31ST DECEMBER 2019.

Domestic expenditure arrears are: arrears of salaries, arrears of contractors' obligations, pensions arrears, gratuities arrears and judgement debts of a State.

As at the end of December 2019, Enugu State Government had no outstanding salaries unpaid. The State Government even made a bonus payment which was tagged "13th Month Payment". There were no outstanding contractors' obligations' and outstanding monthly pensions.

These positions were clearly reflected in Enugu State Government domestic debt and service figures report, forwarded to the Debt Management Office, Abuja for the quarter ended 31st December, 2019.

This scenario was made possible because of prudent financial management being practiced by this administration for example, consideration of cash availability before the award of a contract, efficient cash forecast to pay monthly salaries and pensions, etc.

However, by 31st December 2019, Enugu State Government's outstanding domestic expenditure arrears was **₦24,252,954,596.73** (Twenty four billion two hundred and fifty two million nine hundred and fifty four thousand five hundred and ninety six Naira seventy three Kobo) only.

The domestic expenditure arrears as at 31st December, 2019 were solely outstanding gratuities & pensions (**initial, relate, recomputed, balance of pensions and harmonization**) owed to retired workers from 2010 to 2019, as there were no contractors' obligations arrears, salaries arrears nor monthly pensions arrears.

The unpaid gratuities from 2010 to December 2019 are analyzed as in 'APPENDIX A' below.

The accumulated gratuities were as a result of long sluggish reduction of the outstanding gratuities by previous administrations in the State and rapid increase in the number of workers that retire annually in recent years.

DOMESTIC EXPENDITURE ARREARS CLEARANCE FRAMEWORK

As stated earlier, the State Government had only one subhead of domestic expenditure arrears un-cleared as at 31st December, 2019. That is Gratuities & Pensions (initial, relate, recomputed, balance of pensions and harmonization)

To tackle this, Enugu State Executive Council in May 2019 approved a program and the release of **₦100,000,000.00** (One hundred million Naira) **monthly** to pay the outstanding gratuities and pensions owed to beneficiaries on first come first paid basis.

The implementation and strict adherence to this initiative/program have continued since its inception and the result has been yielding dividends culminating to all arrears of gratuities owed to retirees up to 2009 being cleared.

Transaction Dynamics:

After the approval by EXCO in 2019 the Ministry of Budget and Planning, on monthly basis raises recurrent expenditure warrant for N100,000,000.00 only which is the authority for the Accountant General to release cash to pay the number of retirees whose total gratuities amount to (One hundred million Naira (N100,000,000.00), having due regard to the age of each debt.

This outstanding approval by EXCO and the subsequent monthly payments by the Office of the Accountant General form the State current frame-work to liquidate the **only** outstanding Domestic Expenditure Arrears (Gratuities & Pensions) in the State.

Presently there is a proposal to double the amount being paid monthly, all in an effort to clear rapidly the outstanding gratuities.

VERIFICATION PROCEDURE FOR RETIREES

The State Government had earlier carried out biometric data capture of all pensioners and there is a committee whose mandate is to verify and pay outstanding gratuities to beneficiaries in order of retirement, as documented in the office of the Accountant General.

While the total amount of gratuities and pensions outstanding in each year is as contained in 'APPENDIX A' below, the detailed names of retirees are domiciled in the Office of Accountant General of the State.

The amount owed to an individual retiree as gratuity, is as contained in the **Enugu State Government Retiring Benefits Authority** duly completed for each retiree. The original of this document, as a rule, must have been given to the retired officer.

Therefore, the question of whether any retiree knows how much is owed him/her does not arise.

Any retiree who wishes to confirm whether the amount of gratuity owed to him/her by the State Government is contained in the detailed list of the summary in 'APPENDIX A', is free to go the Pensions Unit, Office of the Accountant General, Enugu State.

From:

Debt Management Office, Enugu.

20th July 2020.

APPENDIX A'

SUMMARY OF OUTSTANDING GRATUITY AND OTHER PENSION ARREARS FROM 2010 TO 31ST DECEMBER, 2019

YEAR	GRATUITY AMOUNT		INITIAL PENSION AMOUNT		RELATE PENSION AMOUNT		RECOMPUTATION AMOUNT		BALANCE OF PENSION AMOUNT		HARMONIZATION AMOUNT	
	₦	NO OF RETIREES INVOLVED	₦	NO OF RETIREES INVOLVED	₦	NO OF RETIREES INVOLVED	₦	NO OF RETIREES INVOLVED	₦	NO OF RETIREES INVOLVED	₦	NO OF RETIREES INVOLVED
2010	589,236,504.72	573	-	0	-	0	-	0	-	0	871,100,081.31	2517
2011	627,889,973.27	800	-	0	2,688,400.50	9	-	0	-	0	-	-
2012	1,326,356,304.15	903	217,484,290.28	505	26,599,275.25	13	-	0	-	0	-	-
2013	1,223,707,702.84	911	136,852,572.60	213	-	0	2,936,757.14	14	-	0	-	-
2014	2,785,879,907.49	1140	255,625,232.65	415	108,450,481.61	74	-	0	-	0	-	-
2015	1,721,625,044.29	940	218,645,724.22	451	218,290,329.86	96	12,852,115.52	52	-	0	-	-
2016	2,974,925,557.60	1428	242,047,574.79	598	349,983,559.63	97	14,425,125.50	158	-	0	-	-
2017	2,905,484,608.77	1422	331,252,495.31	847	388,554,863.14	101	38,273,796.00	293	-	0	-	-
2018	3,897,123,191.64	1465	196,844,892.07	508	363,713,534.58	85	38,216,190.84	402	95,089,753.10	31	-	-
2019	1,536,864,880.47	816	142,494,119.34	396	307,892,791.60	70	36,002,088.10	135	47,544,876.55	21	-	-
TOTAL	19,589,093,675.24	10398	1,741,246,901.26	3933	1,766,173,236.17	545	142,706,073.10	1054	142,634,629.65	52	871,100,081.31	
GRAND TOTAL					<u>N24,252,954,596.73</u>							