



**BUDGET OFFICE OF THE FEDERATION,
FEDERAL MINISTRY OF FINANCE
WORKSHOP ON
'ENHANCING INTERNALLY GENERATED REVENUE COLLECTION &
REMITTANCE SYSTEM IN THE FEDERAL PUBLIC SERVICE'**

*Keynote Address by Olusegun Olutoyin Aganga
Honourable Minister of Finance*

Protocol

It is with great pleasure that I warmly welcome you to this auspicious Workshop on “Enhancing an Efficient Internally Generated Revenue Collection & Remittance System in the Federal Public Service”. The theme of this Workshop was carefully chosen to focus on the urgent need to diversify government’s revenue base from its over-dependence on oil revenue, by increasing collection of non-oil revenue. It is also important to ensure compliance with extant fiscal rules and regulations that require Federal corporations and agencies to remit operating surpluses and other internally generated revenue to Treasury.

At this juncture, I wish to appreciate the efforts of the National Assembly, many of whose Distinguished and Honourable Members have relentlessly urged for the reform of our non-oil revenue generation system to yield the higher levels of remittances that we all believe are possible. I thank the Distinguished and Honourable

Chairmen and other Members who have taken the time to participate in this event.

Addressing the Challenges to Effective Collection of Internally Generated Revenue

Shortly after my assumption of office as Minister of Finance, I indicated three strategies that I would pursue to refocus the economy. One of these is implementing *Fiscal/Budget Reforms* (the other two being delivering *Enhanced Economic Growth* and *Institutional Reforms*). The foremost of the Fiscal/Budget Reform initiatives is to **enhance the effective management of our country's revenues** by minimising leakages and introducing effective fiscal risk management strategies where appropriate. The other two key Fiscal/Budget Reform priorities I intend to drive are to **enhance the quality and efficiency of spending** and to **prudently manage our national savings** in the Excess Crude Account.

The theme of this Workshop relates to all three of these priorities in different ways. By achieving higher levels of remittances from internally-generated revenue and other sources of non-oil revenue, we will accelerate the realisation of our policy to diversify our revenue base and wean our public expenditures from an unhealthy dependence on oil revenue. Higher non-oil revenues will also provide a more reliable and less volatile resource base; facilitate our efforts to convert our non-renewable mineral assets into a more diversified portfolio of financial assets; and promote intergenerational equity and resource transfers.

Enhancing the quality and efficiency of public expenditure requires us to ensure that we spend wisely on outlays that represent value for money and that we hold all stewards of the public purse accountable for the financial resources entrusted to their care. Our Distinguished

and Honourable lawmakers have provided an excellent framework for implementing these objectives in the *Fiscal Responsibility Act of 2007*. Section 21 of this law requires certain Government corporations and agencies to submit to me, as Minister of Finance, by the end of June in every financial year, their forward estimates of revenue and expenditure for the next three financial years. These corporations and agencies are further required to submit their annual budgets prepared on the basis of these forward estimates, clearly indicating the levels of operating surplus they intend to remit to the Treasury. As Minister of Finance, I am, in turn, required to submit these forward estimates and annual budgets to the National Assembly as part of the Executive Budget Proposal.

It is evident that the law adopts the twin principles of ***scrutiny*** and ***accountability*** to ensure that agencies of government improve the quality of their spending. By requiring these Federal entities to submit their forward estimates and annual budgets to independent scrutiny, first by the Ministry of Finance, and then by the relevant committees of the National Assembly, the chief accounting officers of these agencies are to be held accountable for each and every expenditure they incur, and the levels of operating surplus they generate. While in the past this practice has not always been followed, this Administration is committed to complying fully with the letter of the law by ensuring that these Federal corporations and agencies act in accordance with these extant fiscal rules. This is in line with Mr. President's commitment to focus on monitoring the deliverables achieved by MDAs and holding them accountable for the financial and other resources over which they have stewardship, as recently indicated in his 2010 Budget Signing Speech.

Finally, as indicated by the Director-General of the Budget Office in his earlier remarks, to improve revenue management, the Ministry of

Finance will (1) conduct audits of non-oil revenue remittances including independently generated revenue, (2) adopt appropriate strategies to ensure that the relevant corporations remit their operating surpluses to the Treasury as and when due, and (3) close any identified loopholes to minimise revenue leakages.

Conclusion

The purpose of this Workshop, therefore, is to address these challenges with a view to identifying and overcoming obstacles which impede the ability of our revenue generating corporations and agencies to remit internally generated revenue as and when due.

During this Workshop, our discussions will constructively address these challenges to institutionalising an efficient internally generated revenue collection and remittance system. This Workshop brings together senior officials of our main revenue generating agencies, Federal parastatals as well as key functionaries from the Ministry of Finance to bring their perspectives to bear on the resolution of these issues. We will also hear the views of our Distinguished and Honourable Members of the National Assembly, particularly the Chairmen of Senate and House Committees on Finance and Appropriation.

The outcomes of our discussions will yield viable strategies to enable us to achieve our common objectives. By focusing on the key issues, identifying obstacles and loopholes, and evaluating possible responses, this Workshop will serve as a veritable forum to enhance the skills, technical capacity and determination of participants to deliver better fiscal outcomes in the year ahead.

Once again, I welcome you to this Workshop and thank you for your time and participation.