

**REPORT OF THE HOUSE COMMITTEE ON FINANCE ON THE 2016
BUDGET ESTIMATES OF THE FEDERAL INLAND REVENUE SERVICE
(FIRS)**

1.0 INTRODUCTION

The House Committee on Finance jointly with the Senate Committee on Finance at their Sitting of Wednesday, 21st September, 2016 considered and approved the request of Mr. President and Commander-in-Chief of the Armed Forces of the Federation on the 2016 Budget estimates of the Federal Inland Revenue Service. It will be recalled that Mr. President had on Tuesday July 12th 2016, transmitted to the National Assembly the Budget estimates of Thirty Eight (38) Agencies and Corporations under the Fiscal Responsibility Act 2001 for consideration and approval. The referral was formally conveyed to the Committee via a referenced letter **NASS/CHR/B/VOL.5/277 dated 16th August, 2016.**

2.0 BACKGROUND

Mr. Speaker, Honourable Colleagues, the Federal Inland Revenue Service is one of the Federal Government Agencies established in 2007 by an Act of the National Assembly. The overall mandate of FIRS is to collect taxes for the Federation and enforce compliance with tax laws across the Federation, the focus of FIRS is on non-oil taxes.

The Federal Inland Revenue Service (FIRS) is funded by 4% Cost of Collection of all Non-Oil and Gas taxes collected by the Service which may be appropriated by the National Assembly as stipulated in section 15(a) of the FIRS Act, 2007.

In compliance with the FIRS Act, the Service forwarded its proposed 2016 budget to the Senate and House of Representatives Committees on Finance for consideration and approval. The Executive Chairman and his Management team appeared before the Finance Committee of the House to defend the estimates. Thereafter, the Joint Committee on Finance met at various times, extensively scrutinizing the estimates to harmonize differences.

3.0 2015 BUDGET PERFORMANCE

In 2015, the House Committee on Finance in conjunction with the Senate Committee on Finance approved a Revenue Projection of ₦4.36 Trillion (Four trillion, thirty-six billion naira), comprising of ₦1.74 trillion (One trillion, seventy-four billion naira) Oil Revenue and ₦2.62 trillion (Two Trillion, Sixty-two billion naira) Non-Oil Revenue, respectively. The projected 4% Cost of Collection of Non-Oil Revenue was ₦104,723,880,000 Billion (One hundred and four Billion, Seven Hundred and Twenty-Three million, Eight hundred and eighty thousand naira). The total approved available funds for FIRS in 2015 Budget was ₦118, 959,467,080 (One Hundred and Eighteen billion, Nine Hundred and Fifty-Nine Million, Four Hundred and Sixty-Seven Thousand and Eighty Naira), comprising of 4% Cost of Collection and ₦14, 235,587,080 (fourteen billion, Two Hundred and Thirty-Five million, Five Hundred

and Eighty-Seven Thousand, and Eighty naira) arrears of 2014 Cost of Collection for Education and Personal Income Tax (PIT).

The breakdown of the 2015 Approved Budget is as follows:

1. Personnel - N49, 131,147,517
2. Overhead - N38, 917,482,063
3. Capital - N30, 910,837,500
- **N118, 959,467,080**

4.0 Summary of 2015 Budget Performance

(i) Revenue

S/N	2015 Approved Budget (N)		Actual Performance Jan - Dec (N)	4% Cost Of Collection (N)
1.	Oil Rev.	1,738,660,000,000	1,289,960,879,877	-
2.	Non-Oil	2,618,097,000,000	2,451,796,562,105	98,071,862, 484
TOTAL		4,356,757,000,000	3,741,757,441,982	98,071,862,484

(ii) INTERNALLY GENERATED REVENUE (IGR)

The Service generated the sum of N49, 001,848 (Forty-Nine million, and One thousand, eight hundred and forty-Eight Naira) in 2015 through the sales of boarded vehicles; obsolete inventory; replacement of I.D

cards; and contractors registration fees. The money has been remitted to the Consolidated Revenue Fund Account of the Federal Government.

(iii) Expenditure

S/N	2015 Approved Budget (N)		Actual Receipt (N)	Actual Expenditure (N)
1.	Personnel cost	49,131,147,517	47,148,045,128	47,019,533,808
2.	Overhead Cost	38,917,482,063	28,278,918,182	25,330,222,415
3.	Capital	30,910,837,500	14,827,512,003	12,192,002,901
TOTAL		118,959,467,080	90,254,475,314	84,541,759,124

5.0 2016 PROPOSED BUDGET

The Federal Inland Revenue Service (FIRS) projected to collect tax revenues to the tune of N4.082 trillion (Four Trillion and Eighty-Two Billion Naira) in 2016. This comprises of N484.7 Billion (Four Hundred and Eighty-Four Billion, Seven Million Naira) oil revenue and N3.597 trillion (Three Trillion, Five Hundred and Ninety-Seven billion Naira) non-oil revenues. The projected 4% Cost of Collection on non-oil revenue is N143, 904,640,000 Billion (One Hundred and Forty-three Billion, Nine Hundred and Four Million, Six Hundred and Forty Thousand Naira). The total projected available fund for 2016 Budget is

N146, 165,108,293 (One Hundred and Forty-Six Billion, One Hundred and Sixty-Five Million, One Hundred and Eight Thousand, Two Hundred and Ninety Three Naira) comprising of 4% Cost of Collection and N2,260,468,293 (Two Billion, Two Hundred and Sixty Million, Four Hundred and Sixty-Eight Thousand, Two Hundred and Ninety-Three Naira) 20% of 2015 operating surplus.

The summary of FIRS proposed 2016 total Expenditure is as follows:

1. Personnel - N64, 491,130,526
2. Overhead - N46, 363,000,000
3. Capital - N32, 868,300,000
- **N143, 722,430,526**

6.0 2016 REVENUE PROJECTION PERFORMANCE

The performance of the FIRS tax revenue collection for the fiscal year 2016 for all taxes from January – October is stated as follows:

Tax Types	2016 Rev. Projections (Nb)	Actual Collection. Jan.–Dec. (Nb)	% Perfor mance
Petroleum Profit Tax (PPT)	484,739,000,000:00	944.39993	195%
Company Income Tax (CIT)	1,525,459,000,000:00	820.2595	54%
*NLNG Tax	265,950,000,000:00	85.8781	32%

Stamp Duties	66,138,000,000:00	4.5058	7%
Capital Gains Tax	19,470,000,000:00	97.0193	49%
Education Tax	149,819,000,000:00	124.5796	83%
Value Added Tax (VAT)	1,475,030,000,000:00	673.3460	46%
Consolidated (PIT)	73,820,000,000:00	46.7356	63%
Technology Levy	21,930,000,000:00	6.7070	31%
TOTAL	4,082,355,000,000:00	2.803.43	69%

7.0 OBSERVATIONS:

The Committee made the following observations:

1. That FRIS as at October 2016, have recorded 69% revenue collection;
2. That the sum of N66,130,271,433:00 has been received by FIRS as 4% cost of collection (Jan. – Oct., 2016);
3. The service is confident that Tax collection will continue to improve in last quarter of the year with hope of achieving the targeted 100% collection;
4. That due to the non-conclusion of 2016 recruitment exercise, deferment of 2016 promotion arrears to the 2017 fiscal year and non-achievement of 2016 budget revenue targets, the total personnel cost has slumped N64,491,130,526:00 TO N55,000,000,000:00 (see appendix 1);

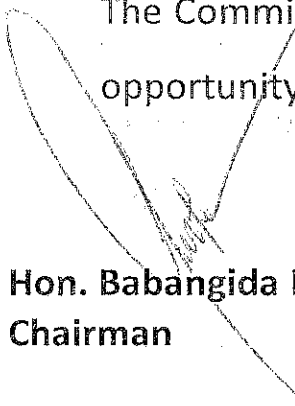
5. That due to the inability to fully engage the proposed new staff as well as waste reduction strategies employed, the total overhead cost dropped from N46,363,000,000:00 to N40,693,000,000:00 (see appendix 1);
6. That the capital expenditure has been reduced from N32,868,300,000:00 to N30,721,300,000:00. The CAPEX therefore reduced because some of the ICT projects proposed were moved to 2017 fiscal year budget while some ICT projects like 85% RMDT re-engineering and automation will be delivered by European Union (EU) under the bureau of public service reforms (see appendixes (2 & 3).

8.0 RECOMMENDATION:

The Committee recommends that a total expenditure of N126,414,300,000:00 (One Hundred and Twenty Six Billion, Four Hundred and Fourteen Million, Three Hundred Thousand Naira) be approved for FIRS in 2016 fiscal year.

9.0 CONCLUSION:

The Committee expresses deep appreciation to the House for the opportunity given to serve in this capacity.


Hon. Babangida Ibrahim
Chairman


Lawali Ibrahim
Committee Clerk

HOUSE COMMITTEE ON FINANCE

2016 FIRS PROPOSED BUDGET

REVENUE PROJECTION FOR THE YEAR 2016

Type of Taxes	2016 Revenue Projection	Committee Recommendation
	=N=	=N=
OIL REVENUE		
Petroleum Profit Tax	484,739,000,000	484,739,000,000
Sub Total Projected Oil Revenue (A)	484,739,000,000	484,739,000,000
NON-OIL REVENUE		
Company Income Tax	1,525,459,000	1,525,459,000
NLNG Tax	265,950,000,000	265,950,000,000
Stamp Duties	66,138,000,000	66,138,000,000
Capital Gains Tax	19,470,000,000	19,470,000,000
Value-Added-Tax	1,475,030,000,000	1,475,030,000,000
Education Tax	149,819,000,000	149,819,000,000
Personal Income Tax - FCT	29,528,000,000	29,528,000,000
Personal Income Tax - OTHERS	44,292,000,000	44,292,000,000
Technology Levy	21,930,000,000	21,930,000,000
Sub Total Projected Non-Oil Revenue (B)	3,597,616,000,000	3,597,616,000,000
Total Projected Collection (A+B)	4,082,355,000,000	4,082,355,000,000
Projected Non-Oil Cost of Collection @ 4% to FIRS	143,904,640,000	143,904,640,000
20% of 2015 Operating Surplus	2,260,468,293	2,260,468,293
Total Projected Revenue Available to FIRS	146,165,108,293	146,165,108,293

HOUSE COMMITTEE ON FINANCE

2016 FIRS PROPOSED BUDGET

Description	2016 Proposed Budget	Committee Recommendation	Remarks
	=N=	=N=	
TOTAL: FIRS BUDGET	143,722,430,526	126,414,300,000	Reduced
PERSONNEL COSTS (MAIN) - GENERAL	64,491,130,526	55,000,000,000	Reduced
SALARY & WAGES - GENERAL	34,485,370,758	32,885,370,758	Reduced
SALARY & WAGES - GENERAL (12 MONTHS CONSOLIDATED SALARY AND 13TH MONTH SALARY)	34,485,370,758	32,885,370,758	Reduced
ALLOWANCES - GENERAL	30,005,759,768	22,114,629,242	Reduced
NON-REGULAR ALLOWANCES: (STAFF PERFORMANCE BONUS 82% AND SUBSISTENCE ALLOWANCES 18%)	24,922,775,779	17,031,645,253	Reduced
SOCIAL CONTRIBUTION:- EMPLOYER CONTRIBUTION TO: (PENCOM 62.31%, NHIS 31.16% AND ITF 6.53%)	5,082,983,989	5,082,983,989	Sustained
GOODS AND NON - PERSONAL SERVICES - GENERAL	46,363,000,000	40,693,000,000	Reduced
TRAVELS & TRANSPORT - GENERAL	5,150,000,000	3,800,000,000	Reduced
LOCAL TRAVELS & TRANSPORT: (i) OUTSTANDING - N3.83BN (ii) STAFF DEPLOYMENT - N800M (iii) FIELD OPERATIONS GROUP REGIONAL MEETINGS - N200M	4,850,000,000	3,500,000,000	Reduced
INTERNATIONAL TRAVELS & TRANSPORT	300,000,000	300,000,000	Sustained
UTILITIES - GENERAL	1,570,000,000	1,450,000,000	Reduced
ELECTRICITY CHARGES	500,000,000	400,000,000	Reduced
TELEPHONE CHARGES	320,000,000	300,000,000	Reduced
INTERNET ACCESS CHARGES	300,000,000	300,000,000	Sustained
SATELLITES BROADCASTING ACCESS CHARGES/REVENUE COLLECTION SYSTEM SUPPORT	400,000,000	400,000,000	Sustained
WATER RATES	25,000,000	25,000,000	Sustained
SEWERAGE CHARGES	25,000,000	25,000,000	Sustained
MATERIALS & SUPPLIES - GENERAL	3,349,000,000	2,979,000,000	Reduced

Description	2016 Proposed Budget	Committee Recommendation	Remarks
OFFICE MATERIALS & SUPPLIES	440,000,000	350,000,000	Reduced
LIBRARY BOOKS & PERIODICALS	68,000,000	68,000,000	Sustained
COMPUTER MATERIALS & SUPPLIES	530,000,000	250,000,000	Reduced
PRINTING OF NON SECURITY DOCUMENTS	1,900,000,000	1,900,000,000	Sustained
PRINTING OF SECURITY DOCUMENTS	250,000,000	250,000,000	Sustained
DRUGS AND MEDICAL SUPPLIES	61,000,000	61,000,000	Sustained
OTHER MATERIALS & SUPPLIES	100,000,000.00	100,000,000.00	Sustained
MAINTENANCE SERVICES - GENERAL	3,151,000,000	2,901,000,000	Reduced
MAINTENANCE OF MOTOR VEHICLES	535,000,000	400,000,000	Reduced
MAINTENANCE OF OFFICE FURNITURE & EQUIPMENT	90,000,000	50,000,000	Reduced
MAINTENANCE OF BUILDING - OFFICE	300,000,000	300,000,000	Sustained
MAINTENANCE OF OFFICE EQUIPMENTS	266,000,000	266,000,000	Sustained
MAINTENANCE OF COMPUTERS & IT EQUIPMENTS	120,000,000	95,000,000	Reduced
MAINTENANCE OF PLANTS/GENERATORS	170,000,000	170,000,000	Sustained
ENTERPRISE ICT USERS	850,000,000	800,000,000	Reduced
LEASE CIRCUIT FEE (FIBRE)	700,000,000	700,000,000	Sustained
OTHER MAINTENANCE SERVICES	120,000,000	120,000,000	Sustained
TRAINING - GENERAL	4,450,000,000	3,350,000,000	Reduced
LOCAL TRAINING (EXCLUDING TRAVELLING COSTS)	3,950,000,000	3,000,000,000	Reduced
INTERNATIONAL TRAINING (EXCLUDING TRAVELLING COSTS)	500,000,000	350,000,000	Reduced
OTHER SERVICES - GENERAL	9,924,000,000	8,883,000,000	Reduced
SECURITY SERVICES	683,000,000	683,000,000	Sustained
CLEANING & FUMIGATION SERVICES	750,000,000	750,000,000	Sustained

Description	2016 Proposed Budget	Committee Recommendation	Remarks
OFFICE RENT	885,000,000	885,000,000	Sustained
SECURITY VOTE	250,000,000	250,000,000	Sustained
TAX DRIVE AND ENFORCEMENT PROGRAMMES	1,000,000,000	1,000,000,000	Sustained
FIELD OFFICE TAX DRIVE	400,000,000	400,000,000	Sustained
TAX AUDIT INVESTIGATION AND MONITORING	2,500,000,000	2,500,000,000	Sustained
TAX INVESTIGATION	500,000,000	500,000,000	Sustained
PROJECTS /PROCESS SUPERVISION	195,000,000	125,000,000	Reduced
AUTOMATION OF FINANCE & ACCOUNTS DEPARTMENT	296,000,000	250,000,000	Reduced
EXTERNAL GRANT COUNTER PART FUNDING	60,000,000	0	
SPECIAL PURPOSE SERVICES	600,000,000	600,000,000	Sustained
MODERNIZATION - CHANGE MGT SUPPORT	50,000,000	50,000,000	Sustained
ENTERPRISE SUPPORT CENTRE	50,000,000	15,000,000	Reduced
OTHER AUTOMATION PROJECTS	300,000,000	100,000,000	Reduced
BOARD EXPENSES	250,000,000	250,000,000	Sustained
ITAS PROJECT	689,000,000	250,000,000	Reduced
RETREATS AND OTHER OPERATIONAL MEETINGS	466,000,000	275,000,000	Reduced
CONSULTING & PROFESSIONAL SERVICES	5,690,000,000	5,440,000,000	Reduced
FINANCIAL CONSULTING	3,000,000,000	3,000,000,000	Sustained
INFORMATION TECHNOLOGY CONSULTING & SERVICE LEVEL AGREEMENT	200,000,000	150,000,000	Reduced
LEGAL SERVICES	500,000,000	350,000,000	Reduced
ENGINEERING SERVICES	40,000,000	40,000,000	Sustained
MONITORING AND COMPLIANCE ENHANCEMENT	1,500,000,000	1,500,000,000	Sustained
NETTI REMEDIATION SERVICES			

Description	2016 Proposed Budget	Committee Recommendation	Remarks
HUMAN RESOURCE SERVICES	200,000,000	150,000,000	Reduced
OTHER PROFESSIONAL SERVICES	250,000,000	250,000,000	Sustained
FINANCIAL GENERAL	1,720,000,000	1,650,000,000	Reduced
COMMISSION PAYABLE TO TAX COLLECTING BANKS	670,000,000	670,000,000	Sustained
BANK COMMISSION	70,000,000	0	
INSURANCE CHARGES	660,000,000	660,000,000	Sustained
NSITF EMPLOYEE COMPENSATION SCHEME	320,000,000	320,000,000	Sustained
FUEL & LUBRICANTS - GENERAL	1,450,000,000	1,200,000,000	Reduced
MOTOR VEHICLE FUEL COST	700,000,000	450,000,000	Reduced
GENERATOR FUEL COST	750,000,000	750,000,000	Sustained
MISCELLANEOUS EXPENSES	7,579,000,000	6,710,000,000	Reduced
REFRESHMENT & MEALS	586,000,000	586,000,000	Sustained
HIRE OF HALL, ACCOMMODATION & EVENTS	350,000,000	350,000,000	Sustained
HONORARIUM & SITTING ALLOWANCE PAYMENTS	150,000,000	150,000,000	Sustained
PUBLICITY, ADVERT & TAXPAYERS EDUCATION	2,000,000,000	2,000,000,000	Sustained
MEDICAL EXPENDITURE	700,000,000	400,000,000	Reduced
POSTAGES & COURIER SERVICES	244,000,000	75,000,000	Reduced
WELFARE PACKAGES	681,000,000	681,000,000	Sustained
CORPORATE OUTFIT GRANT	2,500,000,000	2,100,000,000	Reduced
SUBSCRIPTIONS TO PROFESSIONAL BODIES	168,000,000	168,000,000	Sustained
SPORTING ACTIVITIES	200,000,000	200,000,000	Sustained
GRANTS & CONTRIBUTION - GENERAL	1,780,000,000	1,780,000,000	Sustained
CONTRIBUTION TO LOCAL ORGANISATIONS	1,200,000,000	1,200,000,000	Sustained

Description	2016 Proposed Budget	Committee Recommendation	Remarks
CONTRIBUTION TO PROFESSIONAL BODIES	30,000,000	30,000,000	Sustained
CONTRIBUTION TO COLLECTING MDAs	500,000,000	500,000,000	Sustained
CONTRIBUTION TO FOREIGN ORGANISATIONS: (CATA, VADA, ATAF etc)	50,000,000	50,000,000	Sustained
SOCIAL BENEFITS - GENERAL	550,000,000	550,000,000	Sustained
REWARD FOR OUTSTANDING SERVICES:	500,000,000	500,000,000	Sustained
DEATH BENEFITS	50,000,000	50,000,000	Sustained
CAPITAL EXPENDITURE	32,868,300,000	30,721,300,000	Reduced
TRANSPORT EQUIPMENT - GENERAL	2,300,000,000	2,300,000,000	Sustained
PURCHASE OF VEHICLES	2,300,000,000	2,300,000,000	Sustained
PURCHASE OF FURNITURE & EQUIPMENT - GENERAL	5,180,000,000	5,180,000,000	Sustained
PURCHASE OF OFFICE FURNITURE FOR BIRNIN KEBBI, DUTSE, AUCHI, KATAMPE, UYO, ITO AND OTHER OFFICES	2,000,000,000	2,000,000,000	Sustained
COMPUTER EQUIPMENT	960,000,000	960,000,000	Sustained
SECURITY/SAFETY EQUIPMENT	660,000,000	660,000,000	Sustained
PURCHASE OF OFFICE EQUIPMENT	1,560,000,000	1,560,000,000	Sustained
ACQUISITION OF LAND & BUILDING - GENERAL	5,586,300,000	5,586,300,000	Sustained
PURCHASE OF LAND:	720,000,000	720,000,000	Sustained
UYO ITO	5,000,000	5,000,000	Sustained
ITO LAFIA	21,000,000	21,000,000	Sustained
ITO AUCHI	51,000,000	51,000,000	Sustained
ITO ADO EKITI	3,000,000	3,000,000	Sustained
ITO LOKOJA	30,000,000	30,000,000	Sustained
ITO ONITSHA	5,000,000	5,000,000	Sustained

Description	2016 Proposed Budget	Committee Recommendation	Remarks
ENUGU ITO	35,000,000	35,000,000	Sustained
REHABILITATION/MODERNIZATION OF FIRS BUILDING AT AWOLOWO ROAD, LAGOS	365,000,000	365,000,000	Sustained
REHABILITATION OF SCHOOL BUILDINGS: (I) RENOVATION OF FIRS TRAINING CENTRE DURUMI, ABUJA	250,000,000	250,000,000	Sustained
YABA ITO - PLANNED MODERNIZATION	118,000,000	118,000,000	Sustained
GENERAL REHABILITATION	300,000,000	300,000,000	Sustained
RENOVATION OF KANO CLUB ROAD N216M AND KANO ZARIA ROAD N84M	230,000,000	230,000,000	Sustained
CONSTRUCTION OF BOREHOLES/WATER SUPPLY PLANTS	40,000,000	40,000,000	Sustained
Rehabilitation/Repairs of Offices - New Projects:			
UPGRADE OF OFFICES IN SOUTH WEST REGION: ABEOKUTA AND ILORIN	200,000,000	200,000,000	Sustained
UPGRADE OF OFFICES IN NORTH CENTRAL REGION: MINNA AND MAKURDI	200,000,000	200,000,000	Sustained
UPGRADE OF OFFICES IN NORTH EAST REGION: YOLA AND MAIDUGURI	150,000,000	150,000,000	Sustained
UPGRADE OF OFFICES IN SOUTH SOUTH REGIONS: RUMUKURUSHI, CALABAR, SAPELE	245,000,000	245,000,000	Sustained
UPGRADE OF OFFICES IN SOUTH-EAST REGION: ABA N75,000 AND OWERRI N75,000	150,000,000	150,000,000	Sustained
UPGRADE OF OFFICES IN FCT REGION: UTAKO N30M, ASOKORO N288M	245,000,000	245,000,000	Sustained
REHABILITATION/REPAIR OF OFFICES - NEW PROJECTS	415,000,000	415,000,000	Sustained
RENOVATION OF GWAGWALADA MSTO	75,000,000	75,000,000	Sustained
RENOVATION OF FIRS ARCHIVES, SHELVING AND WAREHOUSING SYSTEM, LUGBE	250,000,000	250,000,000	Sustained
RENOVATION OF JOS MSTO	40,000,000	40,000,000	Sustained
RENOVATION BENIN MSTO	50,000,000	50,000,000	Sustained
INFRASTRUCTURE OTHERS - GENERAL	375,000,000	375,000,000	Sustained
POWER GENERATING PLANTS:			
PURCHASE OF GENERATORS			
PURCHASE OF GENERATORS FOR OFFICES	200,000,000	200,000,000	Sustained
POWER ELECTRICITY DISTRIBUTION	100,000,000	100,000,000	Sustained
ERECTION OF STREET LIGHTS/ACCESS ROADS	75,000,000	75,000,000	Sustained
OTHER INFRASTRUCTURE	1,083,000,000		

Description	2016 Proposed Budget	Committee Recommendation	Remarks
ITO KATSINA	18,000,000	18,000,000	Sustained
ITO OSHOGBO	20,000,000	20,000,000	Sustained
ITO JALINGO	12,000,000	12,000,000	Sustained
ITO DAMATURU	75,000,000	75,000,000	Sustained
ITO PORT HARCOURT	2,300,000	2,300,000	Sustained
ITO BAUCHI	585,000,000	585,000,000	Sustained
ITO KADUNA	637,000,000	637,000,000	Sustained
REGIONAL OFFICE ENUGU	564,000,000	564,000,000	Sustained
REGIONAL OFFICE KATSINA	350,000,000	350,000,000	Sustained
PURCHASE OF OFFICE BUILDINGS	1,250,000,000	1,250,000,000	Sustained
PROTOTYPE ITO ALABA	153,000,000	153,000,000	Sustained
PROTOTYPE ITO ABAKILIKI	580,000,000	580,000,000	Sustained
CONSTRUCTION OF FESTAC ITO	5,000,000	5,000,000	Sustained
CONSTRUCTION OF IKEJA MSTO (ALLEN AVENUE)	100,000,000	100,000,000	Sustained
CONSTRUCTION OF FIRS OFFICE AT IWO ROAD, IBADAN	150,000,000	150,000,000	Sustained
CONSTRUCTION OF FIRS OFFICE AT SOKOTO	100,000,000	100,000,000	Sustained
CONSTRUCTION OF OF FIRS OFFICE AT ILUPEJU	150,000,000	150,000,000	Sustained
CONSTRUCTION OF OFFICES - NEW PROJECTS	300,000,000	300,000,000	Sustained
CONSTRUCTION OF FIRS OFFICE AT OSISIOMA	50,000,000	50,000,000	Sustained
CONSTRUCTION OF FIRS OFFICE AT ALIMOSHO	150,000,000	150,000,000	Sustained
CONSTRUCTION OF FIRS OFFICE AT AGIDINGBI	100,000,000	100,000,000	Sustained
REHABILITATION / REPAIRS - GENERAL	4,028,000,000	4,028,000,000	Sustained
BROAD STREET ITO	500,000,000	500,000,000	Sustained
HEADQUATERS (REVENUE HOUSE & ANNEXES) -	1,000,000,000	1,000,000,000	Sustained

Description	2016 Proposed Budget	Committee Recommendation	Remarks
OTHER INFRASTRUCTURE - ON GOING PROJECTS			
DISASTER RECOVERY (DR) SITE	258,000,000	258,000,000	Sustained
ENTERPRISE SAN STORAGE	300,000,000	300,000,000	Sustained
LAN PROJECT	100,000,000	100,000,000	Sustained
FIRS CONTACT/CALL CENTER	125,000,000	125,000,000	Sustained
OTHER ICT PROJECTS: POWER REDUNDANCE EARTHING FOR DR, EARTHING FOR ALL FIRS OFFICES, SURGE SUPPRESSORS, NETWORK RETRUCTURING FOR ITAS PILOT OFFICES	100,000,000	0	Removed
DATA NETWORK SECURITY	200,000,000	0	Removed
OTHER INFRASTRUCTURE - ICT NEW PROJECTS:	555,000,000	275,000,000	Reduced
APPLICATION SUPPORT SOLUTION	275,000,000	275,000,000	Sustained
COMMUNICATION/CONNECTIVITY SOLUTION	80,000,000	0	Removed
ICT GOVERNANCE	50,000,000	0	Removed
DATA CENTER ENVIRONMENTAL	150,000,000	0	Removed
OTHER INFRASTRUCTURE - ON GOING PROJECTS	2,026,000,000	719,000,000	Reduced
SAP HR AUTOMATION	760,000,000	494,000,000	Reduced
RMDT RE-ENGINEERING & AUTOMATION	476,000,000	75,000,000	Reduced
OTHER MODERNISATION CAPITAL PROJECTS: (i) VAT AUTOMATION-150M, E-STAMPING-350M, SAP COE 290M, EDRMS 260M	500,000,000	0	Removed
ENTERPRISE SUPPORT CENTRE	290,000,000	150,000,000	Reduced
SPECIAL PROJECTS	11,020,000,000	10,760,000,000	Reduced
FIRS CORPORATE HEADQUARTERS	10,000,000,000	10,000,000,000	Sustained
ITAS PROJECT (INFRASTRUCTURE AND SYSTEMS)			
i. HARDWARE AND PERIPHERALS	260,000,000	0	Removed
ii. SOFTWARE LICENCES AND MEDIA	200,000,000	200,000,000	Sustained
iii. IMPLEMENTATION SERVICES	560,000,000	560,000,000	Sustained

APPENDIX 1

S/NO	EXPENDITURE DESCRIPTION	2016 BUDGET TOTAL =N=	COMMITTEE RECOMMENDATION =N=	COMMENTS
1	PERSONNEL COSTS (MAIN) - GENERAL	64,491,130,526	54,100,000,000	1. RECRUITMENT NOT CONCLUDED 2. ARREARS OF PROMOTION 3. GENERAL BONUS NOT PAID DUE TO NON ACHIEVEMENT OF BUDGET TARGET
2	LOCAL TRAVELS & TRANSPORT: I.Groups/Depts./Outstations ii. Staff Deployment iii. Field Operations Group Regional Meetings	4,850,000,000	3,500,000,000	Due to inability to fully engage all the new staff envisaged as well as waste reduction strategies employed
3	COMUTER MATERIALS & SUPPLIES	530,000,000	250,000,000	Reduced due to Waste reduction strategies notably stoppage of AIE within the system
4	EXTERNAL GRANT COUNTER PART FUNDING	60,000,000		EU project yet to commence

APPENDIX 2

Budget Driver - ICT Department

S.N.	Description	2016 Proposed Budget (NGN)	Committee recommendation (NGN)	Remarks
1	COMPUTER EQUIPMENT	960,000,000	960,000,000.00	Has progressed in the process and will be fully executed by 31/3/17
2	Disaster Recovery (DR) Site	258,000,000	0.00	Messaging Infrastructure at DR site for active-active redundancy. (Deployment of AD, Lync Servers, Exchange Servers, SharePoint Servers and applications) Comprehensive Service Level Agreement for Maintenance (Power Cooling and Environmental Control) DR site Cooling upgrade for DR site. Access control and environmental monitoring. Provision of capabilities and functionalities available at Primary datacenter in Abuja to the Disaster Recovery site in Lagos. Tender yet to commence. Moved to 2017 budget.
3	Enterprise SAN storage	300,000,000	300,000,000.00	Enterprise Storage Area Network Storage Expansion/ Upgrade at HQ Data Center and DR-site additional 150TeraBytes HQ and 135TeraBytes DR including 5 yr warranty. For data backup. Organisational growth and increased automation leads to increased storage requirements. Will be executed.
4	LAN Project	100,000,000	100,000,000.00	50 offices Wireless Local Area Network infrastructure(2m each) to provide mobile network connectivity for devices within the offices. Some offices do not have network and this is required for their operations.
5	FIRS Contact Centre	125,000,000.00	125,000,000.00	Equipment has been delivered and invoiced.
8	Other ICT projects: Power redundancy earthing for DR & all FIRS Offices, Surge suppressors, Network Restructuring for ITAS pilot Offices	100,000,000.00	0.00	Earthing and electrical power protection for all FIRS offices to prevent loss of mission critical equipment through bad power and improper earthing. Tender yet to commence. Moved to 2017 budget.
7	Data network security	200,000,000.00	0.00	Privileged access management Two factor authentication and encryption solutions. Security tools to prevent unauthorised access to confidential documents and systems. Tender yet to commence. Moved to 2017 budget.
9	Application Support Solution	275,000,000.00	275,000,000.00	Enterprise Database Monitoring and Database Security solution for monitoring both internal databases and those in use by 3rd parties at NIBSS, SystemSpecs and Interswitch for FIRS data, Enterprise Mobile Tax Collection Reports System Mobile Tax Calculator and Tax guidelines. Software applications for taxpayer support. Set for implementation.
10	Communication/Connectivity Solution	80,000,000.00	0.00	MS Lync Enterprise video conferencing HQ and DR and integration with Polycom Audio and Video conferencing system. Tender yet to commence. To be moved to 2017 budget.
11	ICT Governance	50,000,000.00	0.00	ISO certification for IT Service Management (ITIL) for FIRS. Tender yet to commence. Moved to 2017 budget.
12	Data Center Environment Management	150,000,000.00	0.00	Plan to co-locate FIRS datacenter with a service provider has been approved. Datacenter environment management will no longer be required.
13	Other Modernisation Capital Projects: VAT automation; E-Stamping	500,000,000.00	0.00	Originally to be procured but now being implemented as PPP in a service model so no CAPEX requirement.
Total		3,098,000,000	1,760,000,000.00	

APPENDIX 3

Proposed 2016 Budget – Program Management office (PMO)			
Description	2016 Proposed Budget	Committee Recommendation	Remarks
	N	NGN	
SAP HR Automation	760,000,000.00	494,000,000.00	65% is provided to cover payment of Milestones 1 and 2 of the SAP ERP Upgrade contract and take care of change requests arising from business process improvements as the upgrade is being rolled out. The status is work in progress.
RMDT Re-Engineering & Automation	476,000,000.00	75,000,000.00	The reduction in the budget value by over 85% is due to EU sponsorship to deliver an Electronic Document Management Solution to FIRS under Bureau of Public Service Reform (BPSR) driven by National Planning Commission (NPC). The new estimate is to enable FIRS provide for scanning, document archiving and other activities across the Service.
ITAS Project Infrastructure & Systems	-	-	ITAS is a turnkey project of 5 years implementation road map Covering milestones 1 to 25B valued at \$16,819,167.75. Milestones 1 to 18 had been paid amounting to \$14,464,484.25, leaving \$2,354,683.48 payable \$1,597,820.95 in 2016 and \$756,862.53 payable in 2017
i) Hardware and Peripherals	260,000,000.00	-	The procurement process is ongoing but will not be complete within the target time of 2016 budget, hence it is moved to 2017
ii) Software License and Media	200,000,000.00	200,000,000.00	Invoice received for the sum of N151,303,142.03 while invoice in the sum of N48,696,857.97 is being expected from the Vendor
iii) Implementation Services of ITAS Project	560,000,000.00	560,000,000.00	Completed delivery of milestones 19 to 24 amounting to \$1,597,820.95 @N350/\$ = N559,237,332.50
Other Automation	500,000,000.00	0	Funded by PPP
Enterprise Support Centre	290,000,000.00	150,000,000.00	The ESC is a provision for supporting and managing configuration changes, business process improvement and integration for all automated processes across the service.
TOTAL	3,046,000,000.00	1,479,000,000.00	

