



**THE SENATE
FEDERAL REPUBLIC OF NIGERIA**

**REPORT OF THE SENATE COMMITTEE ON SPORTS AND
YOUTH DEVELOPMENT**

ON

**THE 2017 BUDGET OF THE NATIONAL LOTTERY
REGULATORY COMMISSION**

TUESDAY, 17TH OCTOBER, 2017

REPORT OF THE SENATE COMMITTEE ON SPORTS AND YOUTH DEVELOPMENT ON THE 2017 BUDGET OF THE NATIONAL LOTTERY REGULATORY COMMISSION

1.0 INTRODUCTION:

Recall that at Plenary of Tuesday, 10th October, 2017 the Senate considered the proposed 2017 Budget for the National Lottery Regulatory Commission and stood it down. The Committee was directed to include the 2016 Budget Performance.

The Commission was established through the National Lottery Act of 2005 as a regulatory body to the Lottery Business in Nigeria. In the 2017 National Budget a total of ~~₦2,664,270,412~~ was approved to the Agency.

2.0 COMMITTEE MEMBERS

- | | | |
|------------------------------------|---|---------------|
| i. Senator Obinna J. Ogba | - | Chairman |
| ii. Senator Kabiru G. Marafa | - | Vice chairman |
| iii. Senator Dino Melaye | - | Member |
| iv. Senator Ovie Omo-Agege | - | Member |
| v. Senator Mohammed Shaaba Lafiagi | - | Member |
| vi. Senator Samuel Anyanwu | - | Member |
| vii. Senator Mao Oluabunwa | - | Member |
| viii. Senator Ahmed Ogembe | - | Member |

3.0 BUDGET DEFENCE

The Committee held Budget Defense meeting on Wednesday, 11th October, 2017, which the Agency made presentation on the 2016 Budget Performance and Justification for 2017 Budget Proposal. The Committee studied the proposal with the analysis of the previous budget and harmonized its position with the House of Representative Committee on Governmental Affairs.

4.0 2016 BUDGET PERFORMANCE

The National Lottery Regulatory Commission in 2016 proposed a total of ~~₦7,900,400,000~~, but received ~~₦1,134,894,835.29~~ as revenue from the following source:

- a. 20% Lottery Proceeds

- b. Licenses Fees (no revenue from license)
- c. Permit Fees
- d. Others (promo, approval in principle and annual subscription).

The 20% lottery proceeds and License fees are remitted to National Lottery Trust Fund (NLTF), this is in accordance with the National Lottery Act 2005, which stipulate that such monies should be remitted to the Fund.

While the little generated from permit fees and others, are what the Commission uses for administration, such as the monitoring of Lottery Operators for compliance as guided by the Act.

The proceeds of the Fund are applied by National Lottery Trust Fund (NLTF):

- to fund projects approved by the President, on the recommendation of the Board of Trustees, to be in the interest of the Nigerian community and such projects shall include but not limited to projects for the advancement, upliftment and promotion of sports development, education, social services, public welfare and relief, and management of natural disasters in Nigeria (section 40 of NLRC act).

Therefore, the Commission received funding from the National Budget and the revenue from license permit and others which are used for administrative purposes as guided by the Act.

Summary of 2016 Proposed and Approved Budget Expenditure

S/N	Line Item	2016 Proposed Budget (₦)	2016 Approved Budget (₦)	Approved Budget Percentage (%)
1.	Personnel	4,418,256,115	1,384,944,674	43.5
2.	Overhead	707,467,799	73,672,094	2.3
3.	Capital	2,078,367,825	1,718,221,223	54
	Total	7,204,091,739	3,176,837,991	100

2016 INTERNALLY GENERATED REVENUE (IGR), ACTUAL AND UTILIZATION

REVENUE SOURCES	BUDGETED	ACTUAL	UTILIZATION	PERFORMANCE
	₦	₦	₦	%AGE
20% Lottery Proceed	1,500,000,000.00	863,407,642.83	863,407,642.83 Remittance to NLTF	58
License Fees	6,000,000,000.00	-	-	-
Permit Fees	400,000,000.00	270,518,416.68	Used for Administrative purposes by NLRC	68
Others	400,000.00	968,775.78	"	242
TOTAL	7,900,400,000.00	1,134,894,835.29		45

5.0 HIGHLIGHTS OF 2017 BUDGET:

Summary of 2017 Proposed and Approved Budget Expenditure

S/N	Line Item	2017 Proposed Budget (₦)	2017 Approved Budget (₦)	Approved Budget Percentage (%)
1.	Personnel	3,957,308,408	1,472,377,095	55.2
2.	Overhead	225,325,353	73,672,094	2.7
3.	Capital	1,192,824,006	1,118,221,223	41.9
	Total	5,375,457,767	2,664,270,412	100

6.0 FINDINGS:

The Committee made the following findings;

- Under the Internally Generated Revenue (IGR) 20% Lottery Proceed of **₦863,407,642.83** remitted to National Lottery Trust Fund as provided by the Act.
- In 2015, 2016, under the IGR, no new licenses were issued, therefore, no revenue from license. This is due to the embargo placed on new licenses issuance by the Federal Government.
- Under the IGR, **₦271, 487,192.5** was realized from Permit Fees and Others for year 2016. This generated revenue was used by the Commission for Administrative purposes as provided by the Act.

4. The personnel cost for 2016 was paid by the IPPIS but it was not what was approved by the National Salaries, Incomes and Wages Commission in 2016.
5. Under 2016 capital, the expenditure was **₦1,718,221,223**, but only **₦518,221,225** was released while there is an outstanding amount of **₦1,200,000,000**. The budget performance was therefore 30%.
6. **₦69,170,182.79** was released late April, 2017 for the Construction/Provision of office building (Code 3017697) and since the fund was released very late, the money (i.e. **₦69,170,182.79**) was paid back into CRF. This is the position as at 4th April, 2017 when 2016 Capital Budget was finally closed.
7. In 2016 the budgeted total expenditure for overhead was **₦73,672,094.04**. The releases was **₦58, 184,072.99**, the expenditure was **₦58,179,775.64**. Overhead performance was 79%.

7.0 RECOMMENDATION:

The Committee recommends that the total expenditure of **₦2,664,270,412** (Two Billion, Six Hundred and Sixty Four Million, Two Hundred and Seventy Thousand, Four Hundred and Twelve Naira Only) be approved for National Lottery Regulatory Commission for the year 2017.

8.0 CONCLUSION:

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



Senator Obinna J. Ogba
Chairman



Yakubu A. Mohammed
Committee Clerk

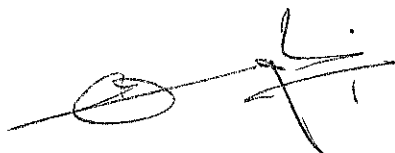
NATIONAL LOTTERY REGULATORY COMMISSION (SGF)

REVENUE PROJECTION, (2017 – 2019)

					PROJECTIONS		
		2015 (ACTUAL)	2016 APPROVED BUDGET	2016 PERFORMANCE	2017APPROVED	2018	2019
REVENUE SOURCES		1,645,271,809	7,900,400,000	1,134,894,835.29	5,410,750,000	5,951,825,000	6,547,981,550
1	20% Lottery Proceeds	1,000,000,000	1,500,000,000	863407642.8	2,875,000,000	3,162,500,000	3,478,750,000
2	Licences Fees	320,000,000	6,000,000,000	Nil	1,725,000,000	1,897,500,000	2,088,224,050
3	Permit Fees	324,711,809	400,000,000	270,518,416.68	805,000,000	885,500,000	974,050,000
4	Others	560,000	400,000	968,775.78	5,750,000	6,325,000	6,957,500

National Lottery Regulatory Commission 2017 Budget

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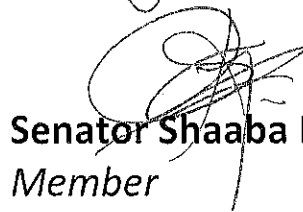
Senator Obinna J Ogba
Chairman



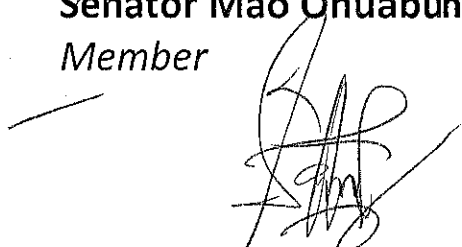
Senator Kabiru G Marafa
Vice Chairman



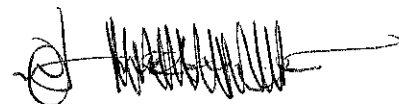
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Yakubu Mohammed Argungu
Committee Clerk