



**ANAMBRA STATE OF NIGERIA
2020, NO. ANHA/LAW/2020/07**

A Law to regulate the Public Financial Management of Anambra State to ensure that all revenue, expenditure, assets and liabilities of Government are managed efficiently and effectively to meet current and future challenges of the State and to provide for related matters. (Repeal and Re-enactment)

The House of Assembly of Anambra State ENACTS as follows:

Part 1

PRELIMINARY PROVISIONS

***Citation and
Commencement.***

1. This Law may be cited as the Public Finance Law, 2020 and shall come into force on the **3rd day of March, 2020.**

Interpretations.

2. In this Law -
"**account code**" means one of the segments of Accounts which specifies the total amount that is usually appropriated per Vote of Accounts in an Appropriation Law;
"**accountability**" this is the providing of timely information about government financial activities to users in a form that is easily understandable and the liability to be required to produce such information relating to financial matters of Government;
"**accountable**" means the requirement of record or report to explain and justify actions, as the case may be, to a superior officer, the House of Assembly or the Public;
"**accountant-general**" means the Accountant-General of Anambra State;
"**accounting officer**" refers to an individual charged with the overall responsibility for the management and control of the funds of a Ministry, Extra-ministerial Department or any Government Institution;
"**administration and succession law**" means the Administration and Succession (estate of deceased persons) Law, Cap. 4, Revised Laws of Anambra State, 1991;

"**agency**" means and includes all Government Parastatals, Institutions, and Companies;

"**appropriation**" means a power given by an Appropriation Law to the Governor to incur expenditure, make an investment, acquire or create assets, or lend or borrow money for a particular purpose;

"**appropriation law**" means the law enacted each year by the House, the principal purpose of which is the appropriation of public fund for such expenditure or investment for such *purposes* as are specified in such Law;

"**assets**" are resources controlled by an entity as a result of past events and from which future economic benefits, services or potentials are expected to flow to the entity;

"**auditor-general**" means the State Auditor-General or the Auditor-General for Local Governments as provided in the relevant part under this Law;

"**budget**" means the annual estimates of revenue and other receipts and the expenditures of Government submitted for the approval of the House of Assembly by the Governor or to a Local Government Council by the Chairman of the Local Government;

"**cash basis**" means a basis of accounting that recognizes transactions and other events when cash is received or paid. It measures financial results for a period as the difference between cash received and cash paid;

"**commissioner**" means the Commissioner for Finance or any person for the time being charged with responsibility to oversee the Ministry of Finance;

"**consolidated revenue fund**" means the Consolidated Revenue Fund of the State established by Section 120 of the Constitution;

"**corruption**" includes bribery, fraud and other related financial misconduct;

"**constitution**" means the Constitution of the Federal Republic of Nigeria (as amended), Cap. C 23, Laws of the Federation, 2010;

"**development plan**" means a long term strategic plan for the development of the community;

"**executive authority**" means a body of persons which has the overall authority to take policy decisions on the management of an Agency and includes a Governing Council and a Board of Directors;

"**external auditor**" means a professionally qualified practising accountant that is registered with the State Auditor-General or Auditor-General for Local Governments as an External Auditor;

“finance and appropriation committee” means the Finance and Appropriation Committee of the House of Assembly;

“financial memorandum” is a set of rules and procedures which govern the day to day finance and accounting of the Local Governments;

“financial misconduct” is said to have taken place when an officer willfully or negligently:

- (a) fails to comply with the requirements, or prescribed instructions of this law;
- (b) makes or permits an unauthorized expenditure or a wasteful expenditure or wrongful diversion of revenue;
- (c) any act leading to the loss of government fund or asset.

“financial regulations” are a set of rules and procedures, which govern the day to day finance and accounting operations of the State Government;

“financial statements” are a set of Financial Reports prepared periodically either by a Ministry, Arm of Government, Agency or the Accountant-General showing the financial transactions of Government;

“governor” means the Governor of Anambra State;

“house” means the Anambra State House of Assembly;

“internal controls” means the whole system of controls which ensures:

- (a) that financial and other records are kept in a reliable, complete and verifiable manner;
- (b) adherence to government policies, rules and regulations for the orderly conduct of government business, proper custody of the assets and accuracy of liabilities;

“irregular expenditure” means expenditure incurred in contravention of or that is not in accordance with the requirements of this law or of any applicable legislation or of the Financial Regulations;

“loan” means any money obtained by Government by way of credit provision, whether secured or unsecured from a third party;

“local government” means any of the Local Government Areas of Anambra State;

“local government council” means the legislative arm of a Local Government;

“local government law” means the Anambra State Local Government Law, No. 6 of 1999 as amended;

"local technical planning committee" means the Local Technical Planning Committee of the Local Government;

"medium term expenditure framework (mtef)" means the three-five year rolling budget containing the budget estimates for the year to which it relates together with indicative budgets for the succeeding years;

"money" means any coin, note or negotiable instrument;

"money received" includes all monies that are paid to a public coffer under or pursuant to an enactment, trust, treaty, undertaking or conduct;

"overspending" means:

- (a) in relation to vote, when expenditure under the vote exceeds the amount appropriated for the vote, or
- (b) in relation to a main division within a vote, when expenditure under the main division exceeds the amount appropriated for that main division, subject to virements between main divisions within a vote;

"prescribed" means prescribed by relevant instructions;

"public accounts committee" means the Public Accounts Committee of the House of Assembly;

"public fund" include;

- (a) the public revenue of the State, and
- (b) any money held in official capacity, whether temporarily or otherwise, and whether subject to any trust or specific allocation or not, by an officer in the Public Service of Anambra State on behalf of the Anambra State Government or by any agent of the Anambra State Government, either alone or jointly with any other person;

"public procurement law" means the Anambra State Public Procurement Law, No. 7, 2011;

"public service rules" means the Anambra State Public Service Rules, 2009;

"state" means Anambra State of Nigeria;

"supplementary appropriation law" means any law the principal purpose of which is the appropriation of funds in supplementation of the appropriation already made by an Appropriation Law;

"transparency" means carrying out official business in an unquestionable manner;

"unauthorized expenditure" means:

- (a) expenditure not covered by an Appropriation Law or a Supplementary Appropriation Law;
- (b) expenditure not approved by the appropriate authority; and

"wasteful expenditure" means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

***Object
of this Law.***

3. The objective of this Law is to secure transparency, accountability and sound management of the revenue, expenditure, assets and liabilities of Anambra State Government and other public institutions of the State.

***Purpose
of this Law.***

4. The purpose of this Law is to -
- (a) regulate Public Financial Management in the State;
 - (b) ensure that all revenue, expenditure, assets and liabilities of the State are managed efficiently, effectively, economically and in a transparent manner;
 - (c) ensure that officers are put in a position to be able to manage and control all available resources and be more accountable;
 - (d) ensure the timely provision of quality financial information;
 - (e) eliminate waste (including fruitless expenditures) and corruption in the use of public resources;
 - (f) stipulate the responsibilities of persons entrusted with public financial management; and
 - (g) provide for other matters relating to public financial management in the State.

***Application
of this Law.***

5. This Law applies to all arms of Anambra State Government, including all Ministries, Departments and Agencies as well as Local Governments of the State.

PART 2

DEPARTMENTS OF THE MINISTRY OF FINANCE

***Departments of6.
the Ministry and
their functions.***

- (1) The Ministry of Finance comprises the following departments:
- (a) Department of Administration and Supplies
 - (b) Department of Finance and Accounts
 - (c) Ministry of Finance Incorporated (MOFI);
 - (d) Department of Debt Management;
 - (e) Central Internal Audit Office;
 - (f) Department of Planning Research and Statistics; and
- (e) Such other offices or departments as may be created by the Governor on the recommendation of the Commissioner.

- (2) The Departments listed in subsection (1) of this Sections shall have the following functions:
- (a) Department of Administration and Supplies is responsible for personnel matters, staff welfare, logistics and records in the Ministry;
 - (b) Department of Finance and Accounts shall be responsible for salaries and wages, Overheads, maintenance of accounting records and coordination of annual recurrent Estimates;
 - (c) Ministry of Finance Incorporated (MOFI) shall oversee the investment activities of the State Government;
 - (d) Department of Debt Management shall prepare and implement plans for the efficient management of the State's debt obligations and maintain relationships with local and international financial institutions and creditors in respect of government debts.
 - (e) Central Internal Audit Office has the functions outlined in Section 22(2) of this Law; and
 - (f) Department of Planning, Research and Statistics shall coordinate annual Capital Estimates of the Ministry and oversee and monitor the implementation of such projects.

Duties of the 7. Commissioner.

In addition to any functions specifically conferred on the Commissioner under this or any other Law, the Commissioner:

- (a) Shall be the overall head of the Ministry of Finance and be responsible for policy formulation;
- (b) Shall be responsible for proposing to the State Executive Council, the issuance and review of the Financial Regulations every five years, for the purpose of giving effect to the provisions of this Law;

- (c) May in writing delegate any of his powers, duties or functions under this Law to the Accounting Officer of the Ministry of Finance;
- (d) May attach any limitation or condition in delegating any power, duty or function in accordance with the provisions of paragraph (c) of this Section; and
- (e) In delegating any power under paragraph (c) of this Section, does not divest himself of the responsibility concerning exercise of the delegated power or performance of the assigned duty.

***Appointment of
Accountant-General
of the State.*** 8.

- (1) The Governor shall appoint the Accountant-General.

***Qualification for
Appointment.***

- (2) The officer to be appointed as the Accountant-General shall:
 - (a) Be a professional Accountant registered with any of the recognized accounting bodies in Nigeria; and
 - (b) Possess 15 years cognate experience in public sector accounting.

***Duties of the
Accountant-General
of the State.*** 9.

- The Accountant-General of the State (referred to in this Law as "the Accountant General") shall:
- (a) serve as the Chief Accounting Officer for the receipts and payments of the State Government;
 - (b) account for all receipts and payments of the State Government;
 - (c) supervise the accounts of the State's Ministries, Departments and Agencies (MDAs);
 - (d) prepare Statutory Financial Statements of the State Government and any other Statutory Reports required by the Commissioner;
 - (e) maintain and operate the accounts of the Consolidated Revenue Fund, Capital Development Fund and other Public Funds;
 - (f) maintain and operate the State Government's Accounts;

- (g) conduct routine and in-depth inspection of the Books of Accounts of State Ministries, Departments and Agencies to ensure compliance with rules, regulations, policy decisions and maintenance of Accounts Codes;
- (h) propose through the Commissioner for Finance to the State Executive Council the Accounting Policies for approval of the State Government;
- (i) implement and ensure compliance with the Accounting Policies and Financial Regulations so approved by the State Executive Council;
- (j) deploy Account Officers to any Ministry, Department or Agency of Government;
- (k) publish the Annual Financial Statements; and
- (l) perform any other functions as are contained in The Financial Regulations or assigned by the Commissioner.

***Bank Accounts,
Cash Management
and Investment
Framework.*** 10.

- (1) The Accountant-General's Office shall prescribe the framework within which Ministries, Departments and Agencies shall conduct their cash management.
- (2) All Ministries, Departments and Agencies shall open bank accounts with a bank duly registered and licensed in Nigeria and such action shall be approved in writing by the Accountant-General subject to the prior approval of the Governor.
- (3) A Ministry, Department or Agency, shall not open a bank account abroad or with a foreign bank except with the written approval of the Governor through the Commissioner.
- (4) The State Government through the Commissioner shall prescribe the Investment Policy for the State.
- (5) Any bank or other financial institution which has opened an Account for a Ministry, Department or Agency shall promptly disclose information on the Account when so requested by the Accountant-General or the Auditor-General.

***Deposits into 11.
the Consolidated
Revenue Fund.***

(6) The Accountant-General shall blacklist any bank or financial institution that does not comply with the provisions of subsection (5) of this Section or any subsisting Service Level Agreement (SLA).

(1) All revenue generating agencies shall promptly deposit into the Consolidated Revenue Fund, all taxes, levies, fees and other monies collected by them, in accordance with a framework determined by the Accountant General's Office from time to time.

(2) All monies received by any Ministry, Department or Agency of the State Government shall be paid into the Consolidated Revenue Fund, except:

- (a) Public Fund of the State established for a specific purpose for the use of:
 - i. Public institutions and parastatals that are either fully or partially subvented, as listed in the Schedule to this Law;
 - ii. Commercialized parastatals or institutions if the money is received in the ordinary course of operations;
 - iii. any Agency where the funds are received from a Donor Agency on condition that it shall be paid into a Special Bank Account; or
- (b) Funds held in trust for a specific person or category of persons or for a specific purpose such as incases under the Administration and Succession (estate of deceased persons) Law except for the fees charged by Public Trustee.

***Withdrawals from 12.
the Consolidated
Revenue Fund.***

(1) Monies shall be withdrawn from the Consolidated Revenue or any Public Fund of the State only for expenditure that is charged upon the Fund by the Constitution or where the issue of those monies has been authorized by an Appropriation Law, Supplementary Appropriation Law or pursuant to Section 121 of the Constitution.

- (2) Monies shall only be withdrawn from the Consolidated Revenue Fund or any other Public Fund of the State in the manner prescribed by the Appropriation Law of the House of Assembly.
- (3) The Accountant-General shall be charged with the responsibility of withdrawal from the Consolidated Revenue Fund subject to the issuance of a warrant.
- Capital Development Fund.** 13.
- (1) There shall be established for the State a Fund to be known as the Capital Development Fund into which shall be paid all Capital Receipts and from which all Capital Expenditures shall be paid.
- (2) The Following Capital Receipts shall be paid into the Capital Development Fund:
- (a) Internal loans;
 - (b) Bonds or funds raised from public offers;
 - (c) Grants and reimbursements;
 - (d) Investment income;
 - (e) Transfers from the Consolidated Revenue Fund;
 - (f) External loans; and
 - (g) Any other source classified under Capital Receipts in the Appropriation Law.
- Withdrawals from the Capital Development Fund.** 14.
- (1) The Commissioner shall, on behalf of the Governor issue a Capital Development Warrant authorizing the Accountant-General to issue funds for expenditure on Capital Projects before any monies shall be withdrawn or spent from the Capital Development Fund.
- (2) The Accountant-General may withdraw monies from the Capital Development Fund, subject to the approval of the Governor or as may be delegated to the Commissioner by the Governor.
- (3) The Capital Development Warrant shall authorize officers controlling expenditure to vote funds and incur expenditure on designated Capital Projects.

- (4) Monies shall not be withdrawn from the Capital Development Fund without issuance of the Capital Development Warrant.

Warrants.

15. The Commissioner shall convey the following warrant:
- (a) Development Fund General Warrant;
 - (b) Provisional Development Fund Supplementary General Warrant;
 - (c) Development Fund Supplementary General Warrant;
 - (d) Development Fund (Special) Warrant;
 - (e) Development Fund Virement Warrant (subject to virement approval of House of Assembly).

Use of Funds 16. in Emergency Situations.

- (1) The Governor shall present before the House of Assembly a proposal for the use of funds from the Consolidated Revenue or Development Fund for consideration and approval within 48 hours to defray expenditure of an exceptional nature which is not provided for and which cannot, without prejudice to public interest, be postponed.
- (2) The total amount for authorization under Subsection (1) of this Section shall not exceed one percent of the total amount appropriated in the Annual State Budget for the current Financial Year.

Basis of Government Accounting.

17. The State Government may if it is expedient to do so adopt any other accounting basis that is different from the cash basis mode of accounting if it is relevant and compatible with the infrastructure or foundation that it is required to operate and such other basis of accounting shall include the following:
- a. Modified Cash Basis;
 - b. Modified Accrual Basis; or
 - c. the Accrual Basis.

Annual Consolidated Financial Statement.

18. The Accountant General shall:
- (a) prepare the consolidated financial statements in accordance with generally recognized Public Sector Accounting Standards as stipulated by the Financial Reporting Council of Nigeria for each financial year in respect of:
 - i. State Ministries and Extra-ministerial Departments and Agencies; and
 - ii. Public parastatals or institutions;

- (b) include in any Report prepared under this Section any financial information known to him which materially affects the significance of the figures presented in the Financial Statements and which is not otherwise required to be recorded in public accounts; and
- (c) submit these statements for audit to the Auditor-General within three months after the end of that financial year.

***Financial
Statistics and
Aggregations.***

- 19.** The Accountant-General shall annually collect and collate the financial statistics and aggregations on expenditure from all Ministries, Departments and Agencies (MDAs).

***Publication of
Financial Statements.***

- 20.** (1) The Accountant-General shall publish quarterly financial statements of the State:
- (a) for the first three quarters, not later than 25 days from the end of the quarter; and
 - (b) for the last quarter not more than 180 days from the end of the year.
- (2) The Statements referred to in subsection (1) of this Section shall be in a form that is consistent with the budget estimates for the financial year and which shall include:
- (a) Consolidated Financial Summary;
 - (b) Cash Flow Statement;
 - (c) Statement of Assets and Liabilities;
 - (d) statement of Consolidated Revenue Fund
 - (e) statement of Capital Development Fund
 - (f) Notes to the Account;
 - (g) any additional information that the Accountant-General considers relevant;
 - (h) any other Statement that may be relevant from time to time.
- (3) The financial statements of the State shall be submitted to the House of Assembly not later than 30 days from the date of the publication.

***Restrictions
on Borrowing,
Guaranties and
other commitments.***

- 21.** The Public institutions to which this Law applies shall not borrow money or issue a guaranty, indemnity or security, or enter into any other transaction that binds or may bind that institution or the State's Consolidated Revenue Fund to any future financial commitment, unless such borrowing, guarantee, indemnity, security or other transaction is done through the Debt Management Office and in compliance with any requirement stipulated by Law subject to the approval of the House of Assembly.

PART 3

AUDIT

- Appointment of the State Auditor-General.* 22. The appointment of the State Auditor- General and all other matters not covered by this Law and relating to the Office of the State Auditor-General shall be as contained in the Constitution and any other Law concerning Audit of public accounts of the State.
- Establishment of the Central Internal Audit Office.* 23. (1) There is established the Central Internal Audit Office which shall serve as a supervising and coordinating body of all internal audit activities in the State.
- (2) The Central Internal Audit Office shall be resident in the Ministry of Finance and it shall provide continuous checks and balances of government activities in Ministries and Extra Ministerial Agencies through its designated duties and responsibilities.
- (3) There shall be a Director of Central Internal Audit Office within the Ministry of Finance who shall be responsible to the Accounting Officer of the Ministry for:
- (a) reviewing and maintaining effective and efficient internal control system and ensuring adequate accounting system that shall be appropriate to all Ministries and Extra-Ministerial Agencies;
 - (b) preparing an Annual Audit Plan based on risk assessments that will guide performance of Internal Audit activities and reporting on same each year;
 - (c) deploying Internal Auditors to manage Internal Audit Departments, Divisions or Units in Ministries and Extra-Ministerial Agencies as approved by the Commissioner;
 - (d) supervising and co-coordinating activities of Internal Auditors in Ministries and Extra-Ministerial Agencies;
 - (e) initiating an investigation into the financial activities of Ministries and Extra-Ministerial Agencies as the need may arise;
 - (f) training all Internal Auditors and other staff in the office;

- (g) formulating and implementing Internal Audit Policies for the State's Civil Service;
 - (h) promoting career progression of all Internal Auditors;
 - (i) evaluating Internal Audit Reports, forwarding Observation Reports to the Accounting Officers and requesting for update to ensure that actions are taken on the observations and recommendations as early as possible;
 - (j) ensuring preparation of monthly payroll with approved software before the payment of salaries and approval of remittances;
 - (k) ensuring strict adherence to all physical, logical and electronic control procedures introduced to safeguard the assets and records of Government; and
 - (l) reviewing contract payments to ensure effective performance and value for money.
- (4) Each Ministry, Department and Agency shall have an internal audit function, to carry out internal audit duties.
- (5) The Accounting Officer of a Ministry or Agency shall be responsible for the operation of an Internal Audit Unit in conjunction with the Director of the Internal Audit Office.
- (6) The Accounting Officer of the Ministry or Extra-Ministerial Agency shall make a formal request to the Director of Internal Audit for the provision of an Internal Auditor who shall be the resident Internal Auditor in the Internal Audit Unit of the establishment.
- (7) The following provisions shall apply to an Internal Auditor operating in any establishment:
- (a) The Internal Auditors shall run the existing Accountant or Auditor Cadre of the Scheme of Service;
 - (b) The Internal Auditor shall have free access to all books of record, information, explanations from scheduled officers, store officer and cash officer and confirmations from third parties that will enable him to perform his duties;

- (c) The Internal Auditor shall be responsible to the Accounting Officer of the Ministry or Extra Ministerial Agency;
- (d) The Internal Auditor shall conduct his functions under the supervision of the Central Internal Audit Office of the Ministry of Finance;
- (e) The Internal Auditor shall prepare and submit detailed monthly and annual audit programme to the Accounting Officer and the Central Internal Audit Office of the Ministry of Finance periodically; and
- (f) The Internal Auditor shall present a monthly, quarterly and end of year Reports to the Accounting Officer of the establishment and the Central Internal Audit Office of the Ministry of Finance with a copy sent directly to the Auditor-General.

Audit Report. 24.

The Director of Central Internal Audit Office, Ministry of Finance shall submit a monthly report to the Office of the Auditor-General after collating the Reports from all Internal Auditors.

PART 4**BUDGET MAKING PROCESS*****Government 25.***

- (1) The State shall, in relation to its annual budget ***Budgeting.*** abide by the timeline presented by the Commissioner responsible for budget matters.
- (2) The Commissioner responsible for budget matters Shall commence the annual planning process by Holding budget meetings with relevant Public Financial Management (PFM) Agencies to discuss the following among other issues:
 - (a) identifying Government activities to be covered by the budget;
 - (b) taking decisions on the nature and types of short-run and long-run expenditure projections to be made;
 - (c) creating the framework that will accommodate budget decisions;

- (d) ensuring collection, collation and review of information on revenue performance; and
- (e) ensuring collection, collation and review of information on expenditure performance.

(3) The Commissioner responsible for Budgetary matters shall monitor budgetary performance through monthly revenue and expenditure returns by Ministries, Departments and Agencies.

General Budgetary 26.
Issues and stages in
the Budget Process.

(1) The Commissioner responsible for budget matters shall constitute State Planning Committee which shall include the House Committee Chairman on Finance and Appropriation within the timeline specified in the budget calendar.

(2) The Budget Planning Committee shall in consultation with various stakeholders:

- (a) articulate the Medium Term Fiscal Framework and Medium Term Fiscal Strategy of Ministries, Departments and Agencies;
- (b) forecast the amount of total revenue and expenditure for the financial year as well as determine the Envelope to be allocated to each Ministry, Department and Agency; and
- (c) formulate the budget statement which shall be consistent with the Medium Term Fiscal Strategy of the State.

(3) The Stakeholders in the Budget Process shall fall into two categories:

- (a) The internal stakeholders, that is, all MDAs including subvented agencies and parastatals; and
- (b) The external stakeholders, that is, individual citizens, the mass media, Civil Societies Organizations (CSOs), Community Based Organizations (CBOs), Faith Based Organizations (FBOs), Trade Unions and Groups, Professional Bodies and Associations, Town Unions, the Organized Private Sector, Development Partners and others.

- (4) The Commissioner responsible for Budget Matters Shall formulate a draft State Annual Budget Policy Statement based on the guidelines from the Budget Performance Report, Fiscal Targets, Budgetary Policy trust, Sector Priorities and Sector Indicative Resources Envelops that are consistent with the State Medium Term Fiscal Strategy.
- (5) The Draft Annual Budget Policy Statement and Guideline shall be presented to the State Executive Council for endorsement which shall be made after the EXCO has critically reviewed, considered and modified the document within the timeline specified in the budget calendar.
- (6) Preparation stage shall include:
 - (a) a call circular issued to MDAs and Communities to articulate Government goals and objectives for the particular Financial Year, as well as stating the criteria expected to be applied in preparing the Budget;
 - (b) the receipt and collation of Agencies' proposals;
 - (c) the holding of bilateral discussions; and collation and consolidation of proposals.
- (7) Approval stage shall include the-
 - (a) submission of draft budget proposal to the State Executive Council on or before 30th of September every year for consideration and approval ;
 - (b) presentation of the Appropriation Bill on or before 31st of December every year by the Governor to the House of Assembly for consideration and approval; and
 - (c) assent by the Governor.

***Contents
of the Budget.***

27. (1) An annual budget shall be in accordance with a format as may be prescribed by the Commissioner responsible for budget matters and shall contain amongst others:
 - (a) estimates of all Internally Generated Revenue (IGR) expected to be collected during the financial year to which the budget relates;

- (b) estimates of all Statutory Allocations expected to be collected during the Financial Year to which the budget relates;
- (c) estimates of total recurrent expenditure to be incurred for that financial year per vote;
- (d) estimates of all direct charges against the relevant revenue fund and standing appropriation for that financial year;
- (e) estimates of total capital receipts to be received for that financial year;
- (f) estimates of interest and debt servicing charges, and any repayments on loans;
- (g) estimates of capital expenditure per account code for that financial year and the projected financial implication of that expenditure for future years;
- (h) estimates of revenue excluded from the relevant revenue fund for that financial year;
- (i) estimated revenue for the previous financial year;
- (j) estimated expenditure per vote, for the Previous financial year;
- (k) borrowing for the previous financial year; and
- (l) any other information as may be prescribed, including any multi-year budget information required because of the Medium Term Expenditure Framework (MTEF).

- (2) When the annual budget is laid before in the State House of Assembly the Accounting Officer for each Ministry, Department or Agency shall submit to the House measurable objectives for the Ministry, Department or Agency for further consideration by the Appropriation Committee of the House of Assembly.

***Withholding
of Appropriated
Funds.***

- 28. (1) The Commissioner responsible for Budget matters may request the Commissioner for Finance to withhold from any Ministry, Department or Agency any remaining funds appropriated for a specific function if that function is transferred to another department or any other institution subject to virement by the House of Assembly.

- (2) The funds withheld under subsection (1) of this Section may be allocated to any other department or institution as may be deemed appropriate.
- Supplementary Budget.** 29. (1) The Governor may table a Supplementary Budget before the House of Assembly provided that Additional revenue outside of the budget has accrued.
- (2) A State Supplementary Budget shall provide for:
- (a) supplementary fund required due to significant and unforeseeable economic and financial event affecting the fiscal target set by the annual budget; or
- (b) unforeseeable and unavoidable expenditure.
- Quarterly Budget Reports.** 30. The Commissioner responsible for Budget Matters shall present:
- (a) a quarterly report to the State Executive Council not later than six weeks after the end of each of the first three quarters in each financial year;
- (b) the quarterly report shall contain details of the performance of the government and the entire public sector for the period covered by the Report in comparison with the proposal in the Annual Plan and estimates for that financial year;
- (c) financial statements for the Government and the entire Public Sector which shall be prepared on a basis consistent with the forecast financial statements in the annual plan and estimates for that year; and
- (d) a schedule of appropriations used for that quarter and for any preceding quarter in that financial year on a cumulative basis compared with the appropriations granted under Appropriation Law for the financial year.

PART 5

FUNCTIONS OF ACCOUNTING OFFICERS AND ACCOUNTS OFFICERS

- Accounting Officers of Ministries, Departments and Agencies.** 31. The Permanent Secretary, Director-General, General Manager, Managing Director, Executive Chairman, Executive Director, Vice Chancellor, Executive Secretary, Provost, Clerk of the House, Chief Registrar or Rector shall be the Accounting Officers of their respective Ministries, Departments, Agencies or arms of Government.

**Responsibilities
of Accounting
Officers.**

32. (1) The Accounting Officer shall ensure that the Ministry, Department or Agency has and maintains:
- (a) an effective, efficient and transparent system of financial and risk management and internal control;
 - (b) a system of internal audit under the control and direction of the Director of Internal Audit complying with, and operating in accordance with prescribed norms and standards;
 - (c) an appropriate procurement system which is fair, equitable, transparent, competitive, cost-effective and complies with the provision of the Public Procurement Law; and
 - (d) a system for properly evaluating all major capital projects prior to a final decision on the project.
- (2) The Accounting Officer shall:
- (a) be responsible for the efficient and transparent use of the resources of the Ministry, Department, or Agency;
 - (b) take effective and appropriate steps to ensure:
 - (i) that all monies due to the Ministry, Department or Agency, are paid into the State Government Pay Direct Account;
 - (ii) that he provides the relevant Account Number and Code to any person that intends to pay the Government;
 - (iii) as much as possible that payments are not made in cash but through e-collection and e-payment portals; and
 - (iv) prevention of unauthorized, irregular and wasteful expenditure.
 - (c) be responsible for safeguarding, maintaining, and managing the assets and liabilities, of the Ministry, Department or Agency;
 - (d) ensure compliance with any tax, levy, duty, pension and audit commitments as may be required under any law;

- (e) settle all contractual obligations and pay all monies owed, including inter-governmental claims within the agreed time;
 - (f) ensure that all revenue and expenditure of that Ministry, Department or Agency is coded in accordance with the extant State Chart of Accounts;
 - (g) keep full and proper records of the financial affairs of the Ministry, Department or Agency, in accordance with any prescribed norms and standards;
 - (h) prepare financial statements for each financial year as stipulated by the Accountant General; and
 - (i) submit the financial statements within two months after the end of the financial year to the Accountant-General and to the Auditor-General for auditing.
- (3) The Auditor-General shall audit the Financial Statements referred to in subsection (2) (i) of this Section and submit an Audit Report on those Statements to the Accounting Officer within two months of receipt of the Statements.
- (4) The Accounting Officer shall:
- (a) at the beginning of a financial year submit to the Commissioner responsible for budget matters in the prescribed form with a breakdown on monthly basis the anticipated actual revenue and expenditure of that Ministry for that financial year; and
 - (b) submit information in the prescribed form on actual revenue and expenditure for the preceding month.
- (5) Where an Accounting Officer is unable to comply with any of the responsibilities required of his office in this Section, he shall promptly report the inability, together with reasons to the relevant authority.

***Accounting
Officer's
Responsibilities
when Assets
and Liabilities
are transferred.***

33. (1) Where assets or liabilities of a Ministry, Department or Agency are transferred to another Ministry, Department or Agency in accordance with the provisions of a Law or following a reorganization of functions, the Accounting Officer for the transferring Department shall:

- (a) draw up an inventory of such assets and liabilities;
 - (b) provide the Accounting Officer for the receiving Ministry, Department or Agency, with substantiating records, including Personnel Records of staff to be transferred.
- (2) The Accounting Officers of both the transferring and the receiving Ministry, Department, Agency shall sign the inventory when the transfer takes place.
- (3) The Accounting Officer for the transferring Ministry Department or Agency must file a copy of the signed inventory with the relevant Agency responsible for the documentation of Assets Record and the Auditor-General within 14 clays of the transfer.

Absence of Accounting Officer.

34. When an Accounting Officer is absent or otherwise unable to perform the functions of his office, the functions of the office shall be performed by the officer next in rank to him for the period of his absence.

Delegation of Powers by Accounting Officers.

35. (1) An Accounting Officer may in writing delegate any of the powers vested in him in accordance with the provisions of Section 32 of this Law to any officer in his Ministry or Agency to act in his place.
- (2) A delegation or instruction to an officer in accordance with subsection (1) of this Section:
- (a) is subject to any limitation or condition prescribed in accordance with the provisions of this Law or as the Governor or the Accounting Officer may impose;
 - (b) may either be to a specific individual or to the holder of a specific post in the Ministry, Department or Agency; and
 - (c) does not divest the Accounting Officer of the responsibility with regards to the exercise of the delegated power or the performance of the assigned duty.
- (3) The Accounting Officer may accept, vary or revoke any decision taken by an officer as a result of powers delegated to him in accordance with Subsection (1) of this Section subject to any right or obligation that may have accrued in consequence of the decision.

***Duties of
Accounts
Officers.***

36.

The Accounts Officers in charge of revenue and payments of a Ministry, Department or Agency is responsible to the The Accounting Officer and shall:

- (a) ensure that all moneys due to the Ministry, Extra Ministerial Department or Agency are paid into the State Government Account through e-collection and e-payment portals;
- (b) ensure that he provides the relevant Account Number and Code to any person that intends to pay the Government;
- (c) ensure, as much as possible, that payments are not made in cash but through the e-collection and e-payment portals;
- (d) prevent unauthorized, irregular and wasteful expenditure;
- (e) settle staff salaries by the stipulated date of each month;
- (f) maintain and operate the Ministry, Department or Agency's Bank Accounts as custodian of relevant documents and signatory to the Accounts;
- (g) maintain and keep departmental vote books, cash books, relevant ledgers, accounts books and registers of the Ministry, Department or Agency;
- (h) participate actively in preparation and decision making on Budget Matters;
- (i) maintain and ensure compliance with the Financial Regulations, Treasury Circulars and other relevant rules and policies;
- (j) supervise, assign responsibilities, post and maintain discipline of Accounts Staff in the Ministry, Department or Agency;
- (k) prepare periodic financial reports and other financial statements as may be required by the Ministry, Department or Agency and the State Treasury Office;
- (l) advise the Management on all Accounting and Financial matters affecting the Ministry, Department or Agency;
- (m) liaise with the State Treasury Office on behalf of the Ministry, Department or Agency;
- (n) participate as a member in all Committees of the Ministry, Department or Agency; and
- (o) perform any other duties that may be assigned to him by the Accounting Officer of the Ministry, Department or Agency and the State Treasury Office.

PART 6

PROVISIONS FOR AGENCIES

- Application of this Part.*
37. The provision of this part of this Law shall apply to the extent indicated to all Agencies listed in the Schedules to this Law.
- Listing of Agencies.*
38. (1) The Commissioner may by legal notice published in the State's Gazette-
- (a) amend any of the Schedules to this Law to include any Agency that is not listed; and
 - (b) make changes to the list as the occasion warrants.
- (2) The Accounting Officer for an Agency that is not listed in the Schedule to this Law shall notify the Ministry of Finance in writing that the Agency is not listed.
- Classification of Agencies.*
39. (1) The Commissioner may by legal notice published in the State Official Gazette classify the Agency listed in the Schedule to this Law in accordance with the relevant definitions set out in this Section.
- (2) An Agency for the purpose of this Law is regarded as belonging to the class in which it is included in terms of subsection (I) of this Section.
- (3) All fully subvented Agencies as listed in Schedule I to this Law are to pay all revenues received by them into the Consolidated Revenue Fund, which also includes Dedicated Accounts.
- (4) All fully commercialized Agencies as listed in Schedule II to this Law are expected to:
- (a) Be autonomous of Government;
 - (b) Run their affairs as a business concern;
 - (c) Prepare on a yearly basis and submit an audited financial statement for the year end to the supervisory Ministry, and the Ministry of Finance, covering:
 - (i) financial performance;
 - (ii) statement of financial position;
 - (iii) cash flow statement;
 - (iv) statement of net assets or equities; and
 - (d) Pay annual dividends into the Consolidated Revenue Fund of the State.

- (5) All partially subvented Agencies as listed in Schedule III to this Law are excluded from paying their receipts into the Consolidated Revenue Fund.
- (6) All public institutions as listed in Schedule IV to this Law are excluded from paying their receipts into the Consolidated Revenue Fund.

Accounting Officers.

40. Every Agency shall have an Accounting Officer who is personally and particularly accountable to the House of Assembly through the Public Accounts Committee, for the purpose of this Law.

Fiduciary Duties of Accounting Officers.

41. (1) The Accounting Officer for an Agency shall:
- (a) Exercise the duty of utmost care to ensure reasonable protection of assets and records of the Agency;
 - (b) Act with fidelity, honesty, integrity and in the best interest of the institution in managing its financial affairs;
 - (c) Act in a way that is consistent with the responsibilities assigned to an Accounting Officer under this Law; and
 - (d) Not use the position or privileges or confidential information obtained as the Accounting Officer for personal gain or improperly to confer benefit on another person.

Disclosure of Interest.

42. An Accounting Officer of an Executive Authority must:
- (a) Disclose direct or indirect personal or private business interest that he or his spouse, children, parents or partner may have in any matter, before any decision concerning the matter is taken; and
 - (b) Withdraw from the proceedings of the Executive Authority when that matter is being considered, unless the Approving Authority decides that the member's direct or indirect interest in the matter is trivial or irrelevant.

General Responsibilities of Accounting Officer of an Agency.

43. (1) An Accounting Officer for an Agency shall ensure that the Agency has and maintains:
- (a) Effective, efficient and transparent system of financial and risk management and internal controls;

- (b) A system of Internal Audit complying with and operating in accordance with Section 22 of this Law;
 - (c) An appropriate Procurement System which is fair, equitable, transparent, competitive, cost-effective and complies with the provisions of the Public Procurement Law; and
 - (d) A system for properly evaluating all major Capital Projects prior to a final decision on the project.
- (2) An Accounting Officer for an Agency shall take effective and appropriate steps to:
- (a) Collect all revenue due to the Agency concerned; and
 - (b) Manage available working capital efficiently and economically.
- (3) The Accounting Officer shall also be responsible for:
- (a) managing and safeguarding the assets, revenue and expenditure of the Agency and protecting it from undue liabilities;
 - (b) ensuring compliance with any tax, levy, duty, pension or audit commitments as may be required by Law;
 - (c) taking effective and appropriate disciplinary steps against any employee of the Agency, who:
 - (i) contravenes or fails to comply with a provision of this Law; or
 - (ii) does an act which undermines the financial management and internal control system of the Agency.

***Assignment
of Powers and
Duties by
Accounting
Officers.***

- 44.** (1) The Accounting Officer for an Agency may in writing delegate any of his powers under this Law to an officer in that Agency.
- (2) A delegation or instruction to an officer under subsection (1) of this Section:
- (a) is subject to any limitation or condition the Accounting Officer may impose; and
 - (b) does not divest the Accounting Officer of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty.

- (3) The Accounting Officer may confirm, vary or revoke any decision taken by an officer as a result of a delegation or instruction under subsection (1) of this Section, subject to any right that may have accrued as a consequence of the decision.

Responsibilities of other officers.

45. An officer in an Agency acting within the stipulated responsibilities of that office shall:
- (a) Ensure that the system of financial management and internal control established by the Agency is carried out;
 - (b) Be responsible for the effective, efficient, economic and transparent use of financial and other resources;
 - (c) Take effective and appropriate steps to prevent any irregular and wasteful expenditure and any under collection of due revenue;
 - (d) Comply with the provisions of this Law including any delegation and instruction given pursuant to the provisions of this Law; and
 - (e) Be responsible for the management and safeguarding of the assets of the Agency and the management of its liabilities.

Annual Budget and Corporate Plan by Fully Subvented Agencies.

46. The Accounting Officer for a Fully Subvented Agency, listed in Schedule 1 to this Law, shall comply with a Call Circular issued by the Commissioner responsible for Budget Matters by preparing their proposals in accordance with the guidelines in the Call Circular in preparation for bilateral discussions.

Lending Money to Agencies.

47. (1) The Commissioner shall obtain the approval of the Executive Council of the State before granting loans to any Agency for which provisions have been made in the year's budget.
- (2) The loan referred to in subsection (1) of this Section can only be given for any of the following purposes:
- (a) starting off at the inception of the Agency if it is within the year for which no appropriation was provided for;
 - (b) assisting the Agency during the period of critical financial crisis that is not due to the inefficiency or ineffectiveness of the management; and

- (3) Loans so granted must not be monies appropriated for other purposes or for other Ministries, Departments or Agencies.
- Repayment and Consolidation of Loans.** 48. (1) The modalities for the repayment of a loan shall be agreed to by the Commissioner and the borrower in writing before the release of funds.
- (2) The Commissioner may with the concurrence of the borrower consolidate two or more loans into an existing nor new loan.
- Conditions for Writing-Off Loans.** 49. (1) Any loan given to an Agency may be written off with the approval of the House of Assembly where:
- (a) the Office of the Auditor-General has investigated if any person indicted for negligence, mismanagement or misappropriation has been surcharged or otherwise dealt with appropriately according to this Law;
- (b) such an Agency has been dissolved, disposed of or privatized without any Ministry, Department or Agency succeeding it;
- (c) projects for which the loan was granted were transferred to another and as a result the accepting Agency shall:
- (i) assume the loan and the condition for repayment; and
- (ii) the loan shall be written off from the initial Agency; or
- (d) the State Auditor-General certifies that the borrower has been non-performing for a minimum period of 5 years.
- (2) Subject to the confirmation of the House of Assembly, the Governor may approve the write-off of loans falling under Subsection (1) (b), (c) and (d) of this Section.
- Annual Report and Financial Statements of Agencies.** 50. (1) The Accounting Officer for an Agency shall:
- (a) keep full and proper records of the financial affairs of the Agency;
- (b) prepare financial statements for each financial year in accordance with generally accepted accounting practice and guidelines issued by the Accountant-General;

- (c) submit those financial statements within three months after the end of the financial year to the External Auditors of the Agency for auditing;
 - (d) submit within four months of the end of a financial year to the State Treasury Office and the State Auditor-General's Office-
 - (i) an Annual Report on the financial activities of that Agency during that financial year;
 - (ii) the Financial Statements for that financial year after the Statements have been audited; and
 - (iii) the Report of the External Auditors on those Statements.
- (2) The Annual Report and Financial Statements referred to in subsection(1) of this Section shall:
- (a) fairly present:
 - (i) the state of affairs of the Agency;
 - (ii) its business, its financial results and financial position at the end of the financial year concerned; and
 - (iii) its performance against predetermined objectives; and
 - (b) include particulars of any-
 - (i) financial assistance received from the State and commitments made by the State on its behalf;
 - (ii) losses foreseen or written off;
 - (iii) other matters that may be required by the Accountant General.

***Appointment 51.
of External
Auditors.***

- (1) An Agency shall appoint an External Auditor from a list of qualified Auditors provided by the State Auditor- General to audit its Annual Financial Statements.
- (2) The fees payable to an Auditor appointed by an Agency shall comply with guidelines on level of fees provided by the State Auditor-General.
- (3) If the accounts of the Agency are not audited after nine months from the end of the financial year, the State Auditor-General shall convey the fact to the Commissioner who shall cause the withholding of their subvention pending full compliance.

Duties and Powers of External Auditors.

- 52.** (1) An External Auditor appointed in accordance with the provisions of Section 51 of this Law shall:
- (a) have access at all reasonable times to the accounting records, including all books, vouchers, documents and other properties of the Agency;
 - (b) require from the Accounting Authority for that Agency such information and explanations as are necessary for the purpose of the audit;
 - (c) investigate whether there are adequate measures and procedures for the proper application of sound, economic, efficient and effective management; and
 - (d) report on the internal controls, effectiveness or otherwise of the going concerns of the Agency.
- (2) The External Auditor may consult the Auditor-General or any authorized officer concerning any matter relating to the audit of the Agency concerned.

Reports of External Auditors.

- 53.** (1) The Report of an External Auditor shall be addressed to the Accounting Officer of the Agency concerned and must state separately in respect of each of the following matters whether in the Auditor's opinion:
- (a) the Annual Financial Statements of the Agency fairly present the financial position and the results obtained by the entity in accordance with Section 50 of this Law applied on a basis consistent with that of the preceding year;
 - (b) if the performance information furnished in terms of Section 50 of this Law is fair in all material respects; and
 - (c) the transactions that had come to the Auditor's attention during the audit were in all material respects in accordance with the mandatory functions of the Agency as determined by Law or otherwise.
- (2) The External Auditor shall:
- (a) report to the supervising authority responsible for the Agency the results of any investigation carried out under Section 52 (1)(c) of this Law; and

- (b) when reporting in terms of Paragraph (a) of this subsection, draw attention to any other matter within the Auditor's investigation which in the Auditor's opinion, should in the public interest, be brought to the notice of the Governor.
- Discharge of External Auditors.**
54. (1) The tenure of an External Auditor shall be three years.
- (2) An External Auditor appointed by an Agency under Section 51 of this Law may not be discharged before the expiry of the Auditor's tenure of appointment except by Executive Authority responsible for that Agency:
- (a) after consultation with the Supervising Authority for that Agency; and
- (b) with the concurrence of the State Auditor-General.
- (3) If the Executive Authority intends to discharge an External Auditor in accordance with subsection (2) of this Section, it shall:
- (a) give notice of the proposed discharge to the Auditor, with reasons in writing; and
- (b) give the External Auditor an opportunity to make written representations within twenty one days of receipt of the notice.
- Duties and Powers of State Auditor-General in relation to an Agency.**
55. (1) The State Auditor-General may investigate any Agency in the event of a complaint.
- (2) An investigation under subsection(1) of this Section may be carried out either by the Auditor-General or a person appointed by the Auditor-General.
- (3) The report of the State Auditor -General's investigation shall be submitted to the House of Assembly.
- (4) The State Auditor-General shall comment on the Annual Accounts and Auditor's Report submitted by an External Auditor appointed to audit the accounts of an Agency, under this Law.
- (5) The State Auditor-General shall ensure verification of the Agency's pensions account.

PART 7

LOCAL GOVERNMENT REVENUE, FINANCE AND ADMINISTRATION

*Local
Government
Revenue*

56. (1) The sources of Revenue for Local Government shall comprise:
- (a) revenue sources as stated in Schedule IV of *Sources* the Constitution;
 - (b) revenue sources as contained in this Law or in any other Law enacted by the House of Assembly;
 - (c) grants from Federal and State Governments and Donor Agencies; and
 - (d) income generated subject to the approval of the Local Government Council, from use of those of its assets under its control including markets, motor parks, vehicle parking lots and other facilities.

*State and Local
Government
Joint Account.*

57. (1) There shall be established and maintained by the Accountant-General for the State an Account to be known as the State Local Government Joint Account (later referred to as "the Joint Account"), into which shall be paid by the State Government and from which shall be paid to the Local Government, monies accruing to the Local Government by way of Statutory Allocation or grant-in-aid out of the General Revenue of Nigeria, or of the State or other Public Revenue.
- (2) There shall be established for the State, a Committee to be known as the Local Government Fund Allocation Committee, (later in this part referred to as "the Committee"), which shall consist of the following members:
- (a) the Commissioner for Local government Affairs who shall be the Chairmen;
 - (b) the Governor or his representative;
 - (c) all Local Government Chairmen in the State;
 - (d) the Permanent Secretary of the Ministry of Finance appointed by the Governor to act as the Secretary; and
 - (e) the Chairman of the Local Government Service Commission.

- Establishment of Local Government Revenue Committee.***
- 58.** (1) There is established for each Local Government of the State, a Committee to be known as the Local Government Revenue Committee (later referred to in this Law as “the Revenue Committee”)
- (2) The Revenue Committee shall comprise the following:
- (a) a person experienced in Revenue matters and who is appointed by the Chairman of the Local Government (not being a political appointee or public officer) from within the Local Government Area as the Chairman;
 - (b) Director of Accounts and Treasury;
 - (c) Legal Officer; and
 - (d) a member of the public to be nominated by the Chairman and who is not a Staff of the Local Government and is experienced in Revenue matters.
- (3) All appointments made pursuant to this Section, with the exception of the ex-officio members shall be subject to the confirmation of the Local Government Council.
- Functions of the Revenue Committee.***
- 59.** (1) The Revenue Committee shall be responsible for the assessment and collection of all levies, fines, rates, charges or other revenue under its jurisdiction and shall account for all amounts so collected in a manner to be prescribed by the Chairman of the Local Government, subject to the Financial Memorandum and guidelines on Local Government Administration.
- (2) The Revenue Committee shall be autonomous of the Local Government Treasury and shall be responsible for the day-to-day administration of the Department or personnel that make up its operational arm.
- Local Government General Revenue Account.***
- 60.** All revenue of a Local Government shall be paid into the General Revenue Account of the Local Government.
- Treasury Department.***
- 61.** (1) There shall be a Treasury Department for each Local Government which shall be responsible for making all payments out of the Local Government

funds, and ensuring that such payments are properly authorized and relate to duties entrusted to the Local Government.

- (2) The Treasury Department shall consist of the following units:
 - (a) Treasury;
 - (b) Sub Treasury (central pay office);
 - (c) Final Accounts; and
 - (d) Reconciliation.
- (3) The Treasury Department in a Local Government is responsible for treasury functions and shall not be involved in the collection of revenue.

Duties and Responsibilities of the Local Government Treasurer.

62. (1) The Treasurer of a Local Government otherwise known as the Local Government Treasurer shall be a qualified Accountant and a member of any of the recognized Accounting bodies in Nigeria.
- (2) He shall be:
 - (a) the Head of the Treasury of the Local Government;
 - (b) the adviser on matters relating to the state of accounts of the Local Government; and
 - (c) an officer not below grade level 14
 - (d) responsible for preparing all necessary Statements of Accounts as and when due and submitting same to the Auditor-General for Local Government for audit, not later than 31st March of each year in respect of the preceding year; and
 - (e) dealing promptly with queries arising from such inspections and audit.

Local Government Expenditure.

63. A Local Government may incur all expenditure necessary for or incidental to the carrying out of any functions conferred on it under this or any other Law provided that the expenditure is included in the approved Budget of the Local Government

Local Government Bank Accounts.

64. A Local Government shall open and maintain the following Bank Accounts:
 - (a) Main Allocation or Grant account;
 - (b) Development Account for Capital Projects;
 - (c) General Revenue Accounts; and
 - (d) any Accounts as may be prescribed by the Local Government Fund Allocation Committee.

Investment of Funds.

65. (1) The Chairman of a Local Government may invest any proportion of its monies in stocks, Government bonds or in such other manner as may be approved by the Local Government.
- (2) A Local Government shall invest:
- (a) any money held in a current Bank Account for which there is no immediate requirement for its use; and
 - (b) all balances held in a Renewal Fund Deposit Account.
- (3) The Commissioner, in an advisory capacity, may from time to time issue guidelines on investment opportunities and options for Local Governments.

Power to Borrow Money.

66. (1) The Chairman of a Local Government may from time to time with the authorization of the Local Government Council and approval of the State Governor obtain Loans from -
- (a) banks within Nigeria; or
 - (b) other financial institutions approved by the Governor, and secure same upon its properties and revenues for the purpose of fulfillment of its functions under the Law.
- (2) Loans shall only be raised by a Local Government to defray Capital Development Expenditure or specific projects and shall not be used for any other purpose other than that for which they were specifically raised.

Budget of Local Governments.

67. (1) The Chairman shall constitute a Budget Committee for preparation of the Local Government Budget and which shall comprise the various Heads of Departments of the Local Government and representatives of Communities in the Local Government Area.
- (2) The Chairman shall cause the draft budget so prepared by the Committee to be laid before the Local Government Council for approval at any time before the commencement of the financial year.

- (3) The approved Budget shall:
 - (a) Reflect the priorities and needs of the locality as contained in the Local Government Development Plan;
 - (b) balance income and expenditure by way of Annual Financial Estimate of Revenue and Expenditure;
 - (c) be prepared in accordance with procedures prescribed by Law;
 - (d) be published and made available to the public on demand in the Office of the Chairman and the Library; and
 - (e) be pasted on the notice board of a Local Government after its approval by Local Government Council and during the whole of the financial year to which it applies.
- (4) The Commissioner responsible for Local Government shall, after consultation with the Commissioner responsible for Budget Matters issue guidelines for the preparation of Budgets by Local Governments in order to integrate Local Governments into the State's economic development activities.
- (5) A copy each of the Budgets shall be submitted to the Commissioner responsible for Local Governments, Commissioner responsible for Budget Matters and the Auditor-General for Local Governments.

***Authorization
Expenditure
in Default of
Appropriation.***

68. (1) If the annual estimates in respect of any financial year has not been passed into Bye-law by the Local Government Council at the beginning of a financial year, the Chairman may authorize the withdrawal of monies from the Local Government's Account for the purpose of meeting expenditure necessary to carry on the services of the Local Government for a period not exceeding six months or until the coming into operation of the approved estimates whichever is earlier.

Provided that the withdrawal in respect of any such period shall not exceed the amount authorized to be withdrawn from the Local Government's Account under the provision of the Bye-law passed by the

Local Government Council for the corresponding period in the immediately preceding financial year, being an amount proportionate to the total amount so authorized for the immediately preceding financial year.

- (2) Every Local Government in the State shall have powers to execute any Project of whatever value as approved in the Annual Estimates of the Local Government by the Local Government Council without seeking further approval from any bodies or authorities.

Provided that any expenditure in excess of N20 million per project shall receive the prior approval of the State Government.

- (3) Nothing in sub-section (I) above shall authorize a Local Government to spend monies on capital projects without prior approval by the Council of that Local Government.

***Books of
Accounts and
Records.***

69. Every Local Government shall keep proper Books of Accounts and proper records in relation to its Accounts and shall within the first quarter of the subsequent financial year, prepare a statement of its Final Accounts in conformity with existing Financial Memorandum.

***Appointment of
Auditor-General for
Local Governments,
Powers and Functions.***

70. (1) The appointment of the Auditor-General for Local Governments and all other matters not covered by this Law relating to the office of the Auditor-General for Local Governments shall be as contained in the Local Government Law.
- (2) The accounts and financial statement of a Local Government shall be audited by the Auditor-General for Local Governments or his representative within six months after the close of the financial year and the Chairman of a Local Government shall provide the Auditors with all the necessary and appropriate facilities for the examination of the accounts and statements of the Local Government.
- (3) For the purpose of carrying out his duties under this Section, the Auditor-General for Local Governments or any person authorized by him in that behalf, shall have access to all books, records, returns and other documents relating to the Local Government Accounts.

- (4) In exercise of his functions under this Law, the Auditor- General shall not be subject to the direction or control of any other authority or person.
- (5) Within the period of six months, the Auditor-General shall submit a Report of the Audit to the Local Government concerned, and also to the House of Assembly.
- (6) The Auditor-General's Report shall draw attention to any irregularities in the Accounts.
- (7) The Accounts and the Auditor-General's Report on it shall be public documents and shall be published and made available to the public upon a written request.
- (8) The Chairman of a Local Government shall lay the Annual Accounts together with the Auditor-General's Report before the Local Government Council within thirty days of receipt of the Report.
- (9) The Chairman of a Local Government shall submit a Report to the Auditor-General on the action taken by the Local Government on the Report within sixty days of receipt of the Report. A copy of the Report shall be forwarded to the House of Assembly.

***Power to
Query or Surcharge.***

71. (1) The Auditor-General for Local Governments may query any item of expenditure or revenue loss which is contrary to this Law or recommend a surcharge of any person for any of the following -
- (a) the amount of any expenditure queried on the person responsible for incurring or authorizing that expenditure;
 - (b) any sum which has not been duly brought into account upon the person by whom the sum ought to have been brought into account; or
 - (c) the amount of any loss or deficiency caused by any employee of a Local Government or any elected officer or any person by whose negligence or misconduct the loss or deficiency has been incurred and shall give notice to the person affected.

- (2) In giving notice of any query or recommended surcharge under subsection (1) of this Section, the Auditor-General shall state in writing the grounds upon which his decision is based.
 - (3) A person against whom a query or recommended surcharge was made by the Auditor-General may appeal to the House of Assembly through the Public Account Committee after the Auditor-General shall have stated in writing the grounds upon which his decision is based.
 - (4) Any sum certified by the Auditor-General to be due from any person shall be paid by that person to the Local Government or other body concerned within thirty days after it has been so certified or if an appeal with respect to that sum has been made under subsection (3) of this Section, within thirty days after the appeal is finally disposed of or abandoned or failed by reason of non-pursuance.
 - (5) The Chairman of a Local Government shall ensure That all monies surcharged under subsection (2) of This Section are collected and paid into the Local Government Account.
- 72.** *Recovery of Debt.*
- (1) Any sum which is certified by the Auditor-General to be due and has become payable shall be recoverable as a civil debt.
 - (2) In any proceedings for the recovery of such a sum, a Certificate signed by the Auditor-General shall be conclusive evidence of the facts certified, and a Certificate signed by the Secretary to the Local Government concerned or any employee whose duty it is to keep the Accounts, that the sum certified to be due has not been paid to him is conclusive evidence of non-payment, unless it is proved that the sum certified to be due has been paid since the date of the Certificate.
- 73.** *Appeal from decision of Auditor-General.*
- (1) Any person who is aggrieved by a decision of the Auditor-General on any matter with respect to which he made an objection at the audit, and any person aggrieved by a disallowance or surcharge made by the Auditor-General, may appeal to the House of Assembly, and may in any other case appeal to the High Court of the State, provided that

any appeal under this Section shall be lodged by the person aggrieved by the decision, disallowance or surcharge within a period of thirty days of the decision, disallowance or of the making of the surcharge as the case may be.

- (2) The House of Assembly, shall have power to confirm, vary or quash the decision of the Auditor with such directions as it may deem fit.

Internal Audit.

74. (1) Every Local Government shall establish an Internal Audit Department in order to ensure effective, efficient and continuous audit of the financial activities of the Local Government.
- (2) Pursuant to subsection (1) of this Section, career progression shall be harmonized and a new Audit Cadre shall be created to distinguish Accounting from Auditing functions.
- (3) The Head of the Internal Audit Department shall at intervals of three months, prepare a Report on the Internal Audit work carried out by the Department during the three months immediately preceding the preparation of the Report, and submit it to the Local Government and forward copies to the Auditor- General for Local Governments.
- (4) The Head of the Internal Audit Department shall make in each Report such observations as appear necessary as to the conduct of the financial affairs of the Local Government during the period to which the Report relates and make recommendation for effective management of the said financial affairs of the Local Government.
- (5) The Department shall be headed by the Local Government Internal Auditor in line with the existing Scheme of Service.
- (6) The Local Government Internal Auditor's functions shall cover both the financial and operational activities of the Local Government.

***Existing
Financial
Memoranda.***

75. The provisions of the extant Financial Memoranda, as reviewed from time to time shall be used in addition to the provisions of this Law for the management of the finances of the Local Governments in the State.

- Local Government Development Plan.**
76. (1) A Local Government shall cause to be prepared a Development Plan which shall guide the development of the locality.
- (2) The Commissioner responsible for Budget Matters shall issue guidelines for the preparation of Development Plans.
- (3) The draft of the Development Plan shall be made available to the public.
- (4) A Local Government shall before approving or reviewing a Development Plan, consult residents of the locality, agencies of Government and non-governmental and international organizations that have interest in working in the locality.
- (5) A Development Plan shall form the basis for the preparation of the Budget of a Local Government.
- Local Government Technical Planning Committee.**
77. (1) The Chairman of a Local Government shall constitute a Local Government Technical Planning Committee (referred to in this Law "as the Local Technical Planning Committee") which shall consist of:
- (a) the Chairman of a Local Government who shall preside over the Committee;
- (b) heads of relevant Departments of the Local Government; and
- (c) any technical person co-opted by the Chairman of the Local Government.
- (2) The Development Plan for a Local Government shall be prepared by the Committee.
- Approval Of Development Plan.**
78. (1) The Chairman of a Local Government shall present a draft Development Plan for the approval of the Local Government Council.
- (2) A review of a Local Government Development Plan is also subject to the approval of the Local Government Council.
- Review of Development Plan.**
79. A Local Government shall review its Development Plan as and when necessary or at least every five years.
- Availability of Development Plan.**
80. A copy of the approved Development Plan shall be made available at the office of the Local Government and in a conspicuous place in every ward, immediately After approval.

PART 8

MISCELLANEOUS PROVISIONS

*Liability
for Loss of
Public Fund.*

86. (1) Any person who cannot account for public fund in his nominal custody shall be liable to refund the said sum to the State Treasury.
- (2) A person has nominal custody of public fund if:
- (a) the person holds the fund by way of petty cash advance; or
 - (b) the person has received the fund but has not yet dealt with it as required.

*Liability for
keeping
Public Fund.*

87. (1) Where the Accountant-General has reason to believe that any person has:
- (a) received money for the Government and has not duly remitted it; or
 - (b) received money for which he is accountable to the Government and has not duly accounted for it; or
 - (c) in his hands any public fund applicable for any purpose and has not duly applied it; he shall cause a Notice to be served on such person or on his personal representative, requiring that person or his personal representative, within such time from the service of the Notice as may be specified in it, duly to pay over, account for, or apply such money as the case may be and to transmit to the Accountant-General satisfactory evidence that he has done so.
- (2) Where a person fails to comply with a Notice served on him under subsection(1) above within the time stated in it, the Accountant-General shall cause to be stated an account between such person and the Government, showing the amount of money involved and charging interest on the person at the prevailing bank rate from the date the amount became due.
- (3) In any proceedings for the recovery of any monies due under this Section, a copy of the account so stated by a person authorized in that regard by the Accountant-General shall be prima facie evidence that the amount stated in the account, together with interest, is due and payable to the Government.

***Liability
for Financial
Misconduct.***

- 88.** An officer who deals with public fund in such a manner as to be accused on reasonable grounds of financial misconduct including financial misappropriation and mismanagement of such money and corruption shall be investigated by the State or Local Government Auditor-General as the case may be and shall in addition to there covery proceedings taken against him under Sections 86 and 87of this Law be liable to have appropriate disciplinary proceedings taken against him under the Public Service Rules.

***Accounting
for Stores.***

- 89.** The provisions of this part shall with necessary modifications apply to Government Stores or the value of the Stores where appropriate as they apply to Government funds.

***Repeal
of Cap. 47
of 1991.***

- 90.** The Finance Law, Chapter 47, Revised Laws of Anambra State, 1991, is repealed.

SCHEDULE I

FULLY SUBVENTED AGENCIES, COMMISSIONS OR BOARDS

- (1) Anambra State Waste Management Agency (ASWAMA)
- (2) Anambra State Pension Board
- (3) Anambra State Agricultural Development Programme (ADP)
- (4) Anambra State Universal Basic Education Board (ASUBEB)
- (5) Nkwele Ezunaka Farm Settlement
- (6) Anambra State Tractor Hiring Service
- (7) Special Education Center – Isulo
- (8) Special Education Center – Umuchu
- (9) Adult & Non-formal Education
- (10) Special Education Center – Onitsha
- (11) Anambra Broadcasting Service (ABS)
- (12) Anambra State Library Board
- (13) Anambra Newspapers & Printing Corporation
- (14) State Tourism Board
- (15) Model Motherless Babies Home.
- (16) National Youth Service Corps
- (17) Volunteer Service Agency
- (18) Anambra State Water Corporation
- (19) Rural Water Supply & Sanitation Agency (RUWASSA).
- (20) Anambra State Housing Corporation
- (21) Anambra State Physical Planning Board
- (22) Operation Clean and Healthy Anambra (OCHA) Brigade.

- (23) Anambra State Primary Health Care Agency
- (24) Awka Capital Territory Development Authority (ACTDA).
- (25) Anambra State Investment Promotion & Protection Agency (ANSIPPA)
- (26) Anambra State Small Business Agency (ASBA)
- (27) Anambra State Action Committee on AIDS (ANSACA).
- (28) Anambra State Transport Management Agency (ATMA).
- (29) Post Primary School Service Commission
- (30) Anambra State Independent Electoral Commission
- (31) Anambra State Hospital Management Board
- (32) Anambra State Gaming Board
- (33) Anambra State Civil Service Commission
- (34) Local Government Pension Board
- (35) Local Government Service Commission
- (36) Anambra State Security Trust Fund
- (37) Anambra State Palm Development Agency
- (38) Anambra State Grain Protection Agency
- (39) Anambra State Fund for Small Scale Industries (FUSSI)
- (40) Anambra State Development Trust Fund
- (41) Agency for Mass Literacy, Adult & Non Formal Education
- (42) Anambra State Road Maintenance Agency (ARMA)
- (43) Anambra State Boundary Adjustment Commission
- (44) Anambra State Pilgrims Welfare Board
- (45) Foundry and Machine Tools Production Ltd. (FOMTOP).

**SCHEDULE II
COMMERCIALISED AGENCIES**

- (1) Anambra State Home Ownership (AHOCOL)
- (2) Golden Tulip Hotel, Agulu
- (3) La Café
- (4) Transport Company of Anambra state (TRACAS)

**SCHEDULE III
PARTIALLY SUBVENTED AND DONOR ASSISTED AGENCIES**

- (1) Anambra State Education Investment Project
- (2) FADAMA III Project
- (3) Legal Aid Council
- (4) Malaria Control Booster Project

**SCHEDULE IV
PUBLIC INSTITUTIONS**

- (1) Anambra State Polytechnic, Mgbakwu
- (2) ChukwuemekaOdumegwuOjukwu University
- (3) ChukwuemekaOdumegwuOjukwu University Teaching Hospital, Amaku, Awka
- (4) College of Health Technology, Obosi
- (5) Nwafor Orizu College of Education, Nsugbe

FIRST SCHEDULE

(Section 3)

This printed impression has been carefully compared by me with the Bill which has been passed by the House of Assembly and found by me to be a true and correctly printed copy of the said Bill.

PIUS O. UDOH
Clerk of the Legislature

SECOND SCHEDULE

(Section 4 (1))

I assent/do not assent

CHIEF WILLIE OBIANO
Governor

Dated the ----- day of -----, 2020.