

*BAUCHI STATE
FISCAL RESPONSIBILITY
AMMENDMENT LAW*

2009

**BAUCHI STATE FISCAL RESPONSIBILITY AMENDMENT LAW,
2009**

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BAUCHI STATE OF NIGERIA

A LAW TO AMEND PRUDENT MANAGEMENT OF THE BAUCHI STATE'S RESOURCES, ENSURE LONG-TERM MACRO ECONOMIC STABILITY OF THE ECONOMY, SECURE GREATER ACCOUNTABILITY AND TRANSPARENCY IN FISCAL OPERATIONS WITHIN A MEDIUM TERM FISCAL POLICY FRAMEWORK, AND THE ESTABLISHMENT OF THE FISCAL RESPONSIBILITY UNIT TO ENSURE THE STATE'S ECONOMIC OBJECTIVES 2008 AND OTHER MATTERS CONNECTED THEREWITH.

BAUCHI STATE FISCAL RESPONSIBILITY AMENDMENT LAW, 2009.

ENACTED BY THE BAUCHI STATE HOUSE OF ASSEMBLY AS FOLLOWS:

THIS LAW MAY BE CITED AS BAUCHI STATE FISCAL RESPONSIBILITY AMENDMENT LAW 2009 AND SHALL COME INTO EFFECT ON 15 DAY OF SEPT 2009.

PART 1- ESTABLISHMENT, FUNCTIONS AND POWERS OF THE FISCAL RESPONSIBILITY UNIT AND GOVERNING BOARD.

- 1(1) There shall be established, a body to be known as the Fiscal Responsibility UNIT (hereinafter in this Law referred to as "the UNIT")
- (2) The UNIT shall be a body corporate with perpetual succession and a common seal and may sue and be sued in its corporate name.
- (3) The UNIT shall be responsible for monitoring and enforcing the provisions of this Law.

2 (1) For the purpose of performing its functions under this law, the UNIT shall have power to:

- (a) Compel any person or Government Institution to disclose information relating to public revenues and expenditure; and.
- (b) Investigate whether any person has violated any provisions of this law.

(2) If the UNIT is satisfied that such a person has violated any provisions of this law, The UNIT shall forward the report of the investigation to the Attorney -General of the State for prosecution.

3 (1) The UNIT shall:-

- (a) Monitor and enforce the provisions of this law to promote the economic objectives of the State.
- (b) Disseminate such standard practices including international good practice that will result in greater efficiency in the allocation and management of public expenditure, revenue collection, debt control and transparency in fiscal matters;
- (c) Undertake fiscal and financial studies, analyses and diagnoses and disseminate the result to the general public;
- (d) Make rules for carrying out its functions under this law; and.
- (e) Perform any other functions consistent with the promotion of the objective of this law.
- (f) The UNIT shall be independent in performance of its functions.

establishment of a
and for the UNIT

establishment &
composition of
governing Board

- (2) No suit shall lie against any member of the UNIT for any act done in pursuance of the functions of the UNIT under this law.
- 4(1) The UNIT shall establish and maintain a fund from which shall be defrayed all expenditures incurred by the UNIT, including amounts payable to the members of the Board.
- (2) There shall be credited to the fund established pursuant to subsection(1) of this section, the budgetary allocation from the Bauchi State Government and grants from any other source, provided that, it shall be mandatory for the State Government to adequately fund the UNIT.
- 5 (1) There is hereby established for the UNIT, a Governing Board (hereinafter in this Law referred to as "the Board") which shall have power for the overall supervision of the UNIT as specified in this law.
- (2) The Board shall consist of:-
 - (a) A Chairman, shall be a seasoned Economist with public finance background who shall be the Chief Executive and accounting officer of the UNIT;
 - (b) One member representing the organized private sector;
 - (c) Two members representing civil societies engaged in causes relating to probity, transparency and good governance;
 - (d) A representative of the Ministry of Finance at a level not lower than Director; and
 - (e) One member to represent each of the local Government Council in the State.
 - (f) One member representing the Attorney General of the State.

(g) All members of the Board shall be persons of proven integrity and must possess a minimum qualification of degree in economics, accountancy, finance or related disciplines or law with not less than 10 years cognate experience.

(3) Chairman and other members of the Board other than ex-officio members shall be appointed by the governor.

(4) Members of the Board other than the Chairman, who shall be the Chief Executive, shall be part-time members.

6 The Chairman and Members of the Board shall hold office for a single term of 4 years.

7 (1) The Board shall have power to:-

- a. Formulate and provide general policy guidelines for the discharge of the functions of the UNIT;
- b. Superintend the implementation of the policies of the UNIT;
- c. Appoint for the UNIT, such numbers or employees as may in the opinion of the Board be expedient and necessary for the proper and efficient performance of the functions of the UNIT;
- d. Determine the terms and conditions of service including disciplinary measures for the employees of the UNIT;
- e. Fix the remuneration, allowances and benefits of the employees of the UNIT;
- f. Do other things, which in its opinion are necessary to ensure the efficient performance of the functions of the UNIT;

ure of Office

er of the Board

g. Regulate its proceedings and make standing orders with respect to the holding of its meetings, notices to be given, the keeping of minutes of its proceedings and such other matters as the Board may, from time to time, determine.

8 (1) Notwithstanding the provisions of section 5 (2) of this law, a member of the Board shall cease to hold office if-

- (a) He becomes bankrupt or makes a compromise with his creditors; or
 - (b) He is convicted of a felony or any offence involving dishonesty, corruption or fraud; or.
 - (c) He becomes incapable of carrying out the functions of his office either by reason of an infirmity of mind or body; or
 - (d) The Governor is satisfied that it is not in the interest of the UNIT or the interest of the public that the member should continue in office and the Governor removes him from office; by a notice under the Governor's hand.
 - (e) He has been found guilty or violation of code of conduct or serious misconduct in relation to his duties; or
 - (f) He resigns his appointment by a notice under his hand, addressed to the Governor; and
 - (g) In the case of person who becomes a member by virtue of his office he ceases to hold such office for whatever reason.
2. Where a vacancy occurs in the membership of the Board, it shall be filled by the appointment of a successor to hold office for the remainder of the term of office of his predecessor, so however that the

successor shall represent the same interest as his predecessor.

9 (1) There shall be paid to the Chairman of the Board such salaries, allowances and benefits as the Salaries and Wages Commission may from time to time approve.

(2) There shall be paid to other members of the Board such sitting allowances and benefits as may be determined by the Board.

10- (1) The Board shall prepare and submit to the Bauchi State House of Assembly not later than 30th June in each financial year, a report of its activities including all cases of contravention investigated during the proceeding financial year, and shall include in the report a copy of its audited report and accounts for the preceding financial year.

THE MEDIUM TERM EXPENDITURE FRAMEWORK

- 11 (1) The State Government shall:-
- (a) Not later than six months from the commencement of this law, cause to be prepared a Medium-Term Expenditure Framework for the next three financial years; and
 - (b) Thereafter, not later than four months before the commencement of the next financial year, cause to be prepared a Medium-Term Expenditure Framework for the next three financial years.
- (2) The Medium -Term Expenditure Framework setting out the macroeconomic projections, for the next three financial years, the underlying assumption for those projections and an

evaluation and analysis of the macroeconomic projections for the preceding three financial years.

- (b) A Fiscal Strategy Paper setting out:
 - (i) The State Government's medium-term financial objectives;
 - (ii) The policies of the State Government for the medium-term relating to taxation recurrent (non-debt) expenditure, debt expenditure, capital expenditure, tax expenditure, borrowings and other liabilities, lending and investment;
 - (iii) The strategic, economic, social and developmental priorities of the State Government for the next three financial years;
 - (iv) An explanation of how the financial objectives, strategic, economic, social and developmental priorities and fiscal measures set out pursuant to paragraphs (i), (ii) and (iii) of this subsection relate.
- (c) An Expenditure and Revenue Framework setting out-
 - (i) estimates of aggregate revenues for the Bauchi State Government for each financial year in the next three financial years, based on the predetermined Revenue Sources.
 - (ii) aggregate expenditure ceiling for the State for each financial year in the next three financial years;
 - (iii) Minimum capital expenditure floor for each financial year in the next three financial years.

Provided that, the estimates and expenditures provided pursuant to paragraph (d) of this subsection, shall be-

- (i) based on reliable and consistent data certified in accordance with section 15(2)(b) of this law.

Aggregate Expenditure
Bill

- 12. (1) Subject to the provisions of subsection (2) of this section but notwithstanding anything to the contrary contained in any other law, the estimates of aggregate expenditure and the aggregate amount appropriated by the State House of Assembly for each financial year shall not be more than the estimated aggregate revenue plus a deficit, not exceeding three percent of the Estimated Gross Domestic Product for each financial year.
- (2) The aggregate expenditure for a financial year may exceed the ceiling imposed by the provisions of subsection (1) of this section, if in the opinion of the Governor there is a clear and present threat to the security of the state.

Revision of the
Medium-Term
Expenditure
Framework

- 13. (1) The Commissioner for Budget and Planning shall be responsible for the preparation of the Medium-Term Expenditure Framework.
- (2) In preparing the draft Medium-Term Expenditure Framework, the Commissioner for Budget and Planning.
 - (a) may hold public hearings, which may be widely published, on the Macroeconomic framework, the Fiscal Strategy Paper, the Revenue and Expenditure Framework, the strategic, economic, social and developmental priorities of government, and such other matters as the Commissioner deems necessary:

(b) Provided that, such hearings if held shall be open to the public, the press and any citizen or authorized representatives of any organization, group of citizen, who may attend and be heard on any subject matter properly in view;

(c) shall consider and reflect as may be deemed appropriate inputs of the bodies and persons referred to in subsection (a) of this section.

*the limit for Preparation of
Medium-Term Expenditure
Framework to State
Executive Council.*

14. The Commissioner for Budget and Planning shall before the end of the second quarter of each financial year, present the Medium-Term Expenditure Framework to the State Executive Council for consideration and approval.

*Publication of
Medium-Term
Expenditure
Framework in the
Gazette.*

15. (1) Commissioner for Budget and Planning shall cause the Medium-Term Expenditure Framework to be published in the gazette

(2) The Ministry of Budget and Planning shall collate, certify and publish data, one month before issuance of annual budget circular.

PART III - THE ANNUAL BUDGET

*Annual Budget to be
derived from
Medium-Term Expenditure
Framework*

16. (1) Notwithstanding anything to the contrary contained in this law, the Medium-Term Expenditure Framework shall be the basis for the preparation of the estimates of revenue and expenditure required to be prepared and laid before the State House of Assembly.

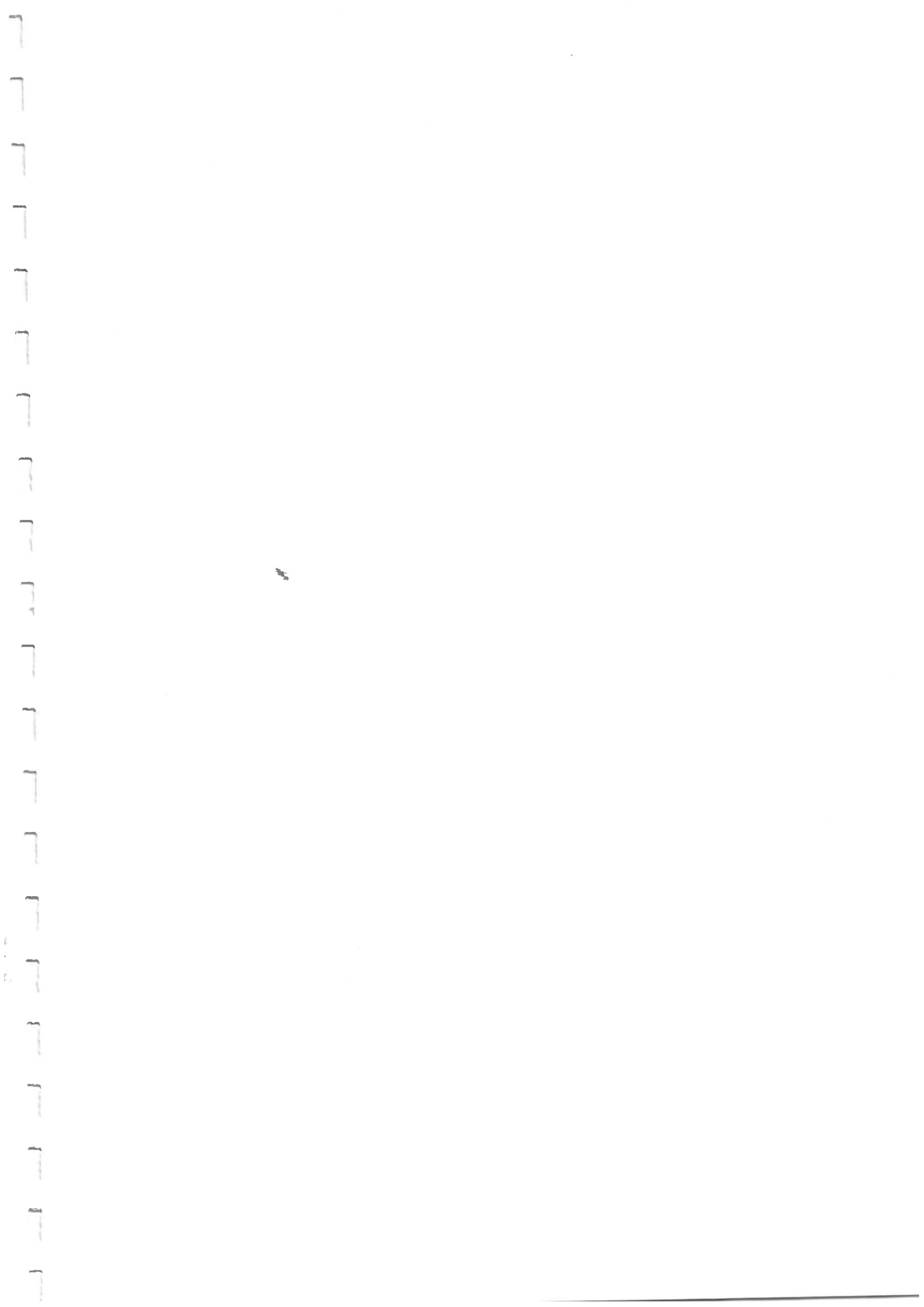
(2) The sectoral and composition distribution to the estimates of expenditure referred to in subsection (1) of this section shall be consistent with the medium term developmental priorities set out in the medium-Term Expenditure Framework.

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17. The estimates of revenue and expenditure referred to in this law as the "Annual Budget", shall be accompanied by-
- (a) A copy of the underlying revenue and expenditure profile for the next two years;
 - (b) A report setting out actual and budgeted revenue and expenditure and detailed analysis of the performance of the budget for the 18 months up to June of the preceding financial year, and
 - (c) A revenue Framework broken down into monthly collection targets prepared on the basis of the predetermined Reference commodity price as contained in Medium-Term Expenditure Framework;
 - (d) Measures on cost, cost control and evaluation of results of programmes financed with budgetary resource,
 - (e) A fiscal Target Appendix derived from the underlying Medium-Term Expenditure Framework setting out the following targets for that financial year.
 - (i) target inflation rate;
 - (ii) target fiscal account balances;
 - (iii) any other development target deemed appropriate; and

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18. (1) Projects and programmes shall only be admitted into an Appropriation Bill if they.
- (a) are derived from the Medium-Term Expenditure Framework;
 - (b) have complied with public procurement guidelines, or law; and



(c) have undergone a cost-benefit-analysis.

- (2) New projects shall only be admitted into an Appropriation Bill, if adequate funding has been provided.
- (3) All expenditures involving public securities or contractual debt shall be contained in the Appropriation Bill
- (4) The refinancing of public debt shall be stated separately in the Appropriation Bill.
- (5) Liabilities arising by reason of judgment of the courts established under the constitution shall be stated separately in the Appropriate Bill
- (6) Provisions for borrowing with imprecise objectives in the Appropriation Bill are prohibited.

19. The preparation of the Annual Budget shall commence not later than 1st week of August in each financial year by the issuance of a Budget call Circular in such form as the Commissioner for Budget and Planning may from time to time prescribe to all Commissions, Parastatals, State Executive Bodies and other executing agencies of Government.

20 (1) The Commissioner for Budget and Planning shall prepare and present to the State Executive Council not later than first week of November, in each financial year, the Governor shall in turn present the draft budget to the State House of Assembly before the commencement of each financial year, for the next following financial year.

(2) Non-compliance with any of the provisions of parts II & III of this law shall constitute an offence punishable under this law.

IV
**BUDGETARY PLANNING AND OTHER
RELATED AGENCIES**

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tion, etc
- 21 (1) All corporations agencies and government owned companies list (hereinafter in this law referred to as "the Corporations") shall not later than 6 months from the commencement of this Law and from every three financial years thereafter, not later than the end of the second quarter, cause to be prepared and submitted to the Commissioner for Budget and Planning their estimates of revenue and expenditure for the next three financial years.
- (2) Each of the bodies referred to in subsection (1) of this section shall submit to the Commissioner for Budget and Planning not later than the end of August in each financial year.
- (a) an annual budget derived from the estimates submitted in pursuance of subsection (1) of this section;
- (b) Projected operating surplus, which shall be prepared in line with acceptable accounting practices;
- (c) The Commissioner for Budget and Planning shall cause the estimates submitted in pursuance of subsection (2) of this section, to be attached as an Appendix to the Annual Budget.
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g surplus
22. (1) the corporations surpluses shall be classified as State Treasury Revenue.
- (2) Where a corporation's result is a deficit, the deficit shall be classified as the corporation's loss for the fiscal year.
- (3) Each corporation shall not later than three months after the end of its financial year, cause to be

prepared and published its audited financial reports in accordance with such rules as may be prescribed from time to time.

*sation of Application
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23. The provisions of sections 21 and 22 shall cease to apply to any of the corporations from the date of its privatization.

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BUDGETARY EXECUTION & ACHIEVEMENT OF TARGETS

ual Cash Plan

24. (1) The State Government's annual cash plan shall be prepared by the office of the Accountant General of the State.
- (2) The Annual Cash Plan shall be prepared in advance of the financial year, setting out projected monthly cash flows and shall be revised periodically to reflect actual cash flows.

ursement Schedule

25. The Commissioner for Finance shall within 30 days of the enactment of the Appropriation Law prepare and publish a disbursement schedule derived from the Annual Cash Plan for the purposes of implementing the Appropriation Law.

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26. (1) The sums appropriated for a specific purpose shall be used solely for the purpose specified in the Appropriation Law.

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27. (1) Where by at the end of three months after the enactment of the Appropriation Law, the Commissioner of Finance determines that the targeted revenues may be insufficient to fund the heads of expenditure in the Appropriation Law, the Commissioner shall within the next 30 days of such determination, take appropriate measures to restrict further commitments and financial operations.

- (2) Where the targeted revenues are re-established, either in part or in full, the appropriations for which further commitments were restricted shall be restored proportionately.
- (3) The provisions of subsections (1) and (2) of this section shall not apply to statutory or constitutional expenditures.

*Responsibility of the
Budget
Implementation*

28. (1). The Commissioner of Finance, through the Budget Office of the State, shall monitor and evaluate the implementation of the Annual Budget, assess the attainment of the fiscal targets and report thereon on a quarterly basis to the Fiscal Responsibility Council and the joint Financial Committee of the Bauchi State House of Assembly.
- (2). The Commissioner of Finance shall, cause the report prepared pursuant to subsection (1) of this section to be published in the mass and electronic media and on Ministry of Finance Website, not later than 30 days after the end of each quarter.

*Application of Part V to
Local Government*

29. (1) In implementing their annual budgets, Local Governments shall be guided by and adopt the provisions of this Law with such modifications as may be appropriate and necessary.
- (2) The Ministry of Budget & Planning shall on or before one year from the date of this law, issue guidelines for the full application of this law to Local Government.
 - (3). The Ministry of Budget & Planning shall from time to time develop and implement capacity building plan for relevant Local Government staff and officers to ensure full application of the law.

PART VI - PUBLIC EXPENDITURES

*Conditions for increasing
Government Expenditure*

30. (1) The creation, expansion or improvement in Government action which result in an expenditure increase shall be accompanied by-

(a) a statement by the person requesting for the expenditure, stating that the increase is consistent with the Appropriation Law and the Medium-Term Expenditure Framework.

(b) An estimate of the budgetary or financial impact in the year it becomes effective and in the two subsequent years.

(2) The provisions of this section shall not apply to expenditures deemed inconsequential.

*Conditions for increasing
personnel expenditure*

31. The granting of any advantage or increase of remuneration, the creation of posts or alteration of career structures and admission of personnel on any account by bodies and entities including foundations established and maintained by State Government shall only be effected if, there is a prior budgetary allocation sufficient to cover the estimated expenditure.

*Contracts to comply
with Rules & guidelines*

32. All contracts with regards to the execution of annual budget shall comply with the rules and guidelines on:

- (a) procurement and award of contracts; and
- (b) due process and certification of contract.

*Effect of Violation of
Rules*

33. Any violation of the requirements in sections 30, 31 and 32 shall be unlawful.

PART VII - DEBT AND INDEBTEDNESS

*Framework for debt
management*

34. (1) The Framework for debt management during the financial year shall be based on the following rules-

- (a) The State Governments shall only borrow for capital expenditure and human development, provided that, such borrowing shall be on concessional terms with low interest loans and with a reasonably long amortization period; and
 - (b) The State Government shall ensure that the level of public debt as a proportion of State income is held at a sustainable level.
2. Non-compliance with the provisions of this section shall constitute an offence punishable under this Law

*its on
onsolidated debt of
State and Local
Government*

35. (1) The Governor shall, within 90 days from the commencement of the Law, and an advice from Debt Management Committee set overall limits for the amounts of consolidated debt of the State and Local Government pursuant to the provisions of item 7 of part 1 of the second Schedule to the 1999 Constitution and the limits and conditions shall be consistent with this law and with the fiscal policy objectives and guidelines in the medium Term Fiscal Framework.
- (2) The Governor may choose to delegate this function to the Debt Management Committee who shall be advised by the Debt Management Office (DMO) as part of the management of the overall fiscal framework.
- (3) Outstanding judgment debts not paid shall be considered part of the consolidated debt for the purpose of application of the respective limits set in pursuance of this section.
- (4) For the purpose of verifying compliance with the limits specified pursuant to this section, the State Debt Management Office shall at the end of each quarter, determine the amount of the consolidated debt and other liability of each tier of government.

- (5) The Debt Management office shall publish on a quarterly basis, a list of the Ministries, Agencies and Parastatals in the State that have exceeded the limits of consolidated debt, indicating the amount by which the limit was exceeded.
 - (6) Where at the end of any quarter, the consolidated debt of the State or Local Government exceeds the respective limits; it shall be brought within the limit, not later than the end of next Fiscal year.
 - (7) Violators of the limits specified pursuant to this section shall-
 - (a) be prohibited from borrowing from internal or external sources, except for the refinancing of existing debts;
 - (b) bring the debt within the established limit by, inter alia, restricting funding commitments accordingly
 - (8) Where non-compliance with the limit specified pursuant to this section persists after the time limited by subsection (5) of this section, the affected tier of Government shall also be prohibited from receiving grants from any other Government in the Federation.
 - (9) Wherever the fundamentals of the proposals referred to in this section are changed due to economic instability or changes in monetary or exchange policies, the Governor shall request the Debt Management Committee to review the current limits to reflect observed changes.
36. (1) Servicing of debts shall be the direct responsibility of the State Government
- (2) The amount of debt service due on Federal Government guaranteed loans shall be deducted at source from the share of the State Government.
 - (3) In the case of local debts, each tier of Government shall be responsible for servicing of its debt.

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37. (a) The Commissioner of Finance, subject to the approval of the Debt Management Committee may borrow on behalf of the State Government subject to the limits stated in this law and in conformity with the borrowing guidelines.
- (b). The State Government, its agencies, Parastatals and Local Government desirous of borrowing shall, specify the purpose for which the borrowing is intended and present a cost-benefits analysis to Debt Management Office detailing the economic and social benefits to which the fund will serve.
- (c). The Debt Management office shall within a reasonable time period stipulated in the borrowing guidelines assess and verify the request in subsection (1) above and verify its compliance with this law and with existing borrowing guidelines prior to issuing a consent to borrow.
- (2) Without prejudice to subsection 1 of this section, each borrowing shall comply with the following conditions:-
- (a) The existence of prior authorization in the Appropriation or other law for the purpose for which the borrowing is to be utilized; and
- (b) The proceeds of such borrowing shall solely be applied towards long-term capital expenditures.
- (3) Nothing in this section shall be construed to authorize borrowing in excess of the limits set pursuant to section 38 of this Law.
- (4) The Debt Management office shall verify on a quarterly basis, compliance with the limits and conditions for borrowing by the State Government, its Agencies and Local Government.
- (5) Without prejudice to the specific responsibilities of the State House of Assembly, the Debt Management Office shall maintain comprehensive, reliable and current electronic database of internal and external public debts, guaranteeing public access to the information.

*ending by
banks and other
financial
institutions*

38. (1) All banks and financial institutions shall request and obtain proof of compliance with the provisions of this part before lending to any State Ministry, Agency or Local Government.
- (2) Lending by Banks and financial institutions in contravention of this part shall be unlawful.

*vers of the
Commissioner to
grant guarantees*

39. (1) The Commissioner of Finance, subject to the provisions of this part, may with the approval of the Debt Management Committee issue guarantees on behalf of any Local Government or agency in the State.

- (2) Any guarantee granted by the Commissioner for Finance shall be conditional upon the provision of accouter-guarantee in an amount equal to or higher than the guarantee obligation, provided that, there are no overdue obligations from the requesting Local Government Agency or Parastatals to the guarantor and its controlled compliance with the following:

- (3). The Counter-guarantee required by State from its Agencies, Local Government and Corporations may consist in the appropriation of tax revenue directly collected and resulting from statutory transfers and the guarantor shall be authorized to retain such revenue and use the respective amount to repay overdue debts.

PART VIII

TRANSPARENCY AND ACCOUNTABILITY

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transparency*

40. (1) The Government shall ensure that its fiscal and financial affairs are conducted in a transparent manner and accordingly shall ensure full and timely disclosure and wide publication of all transactions and decisions involving public revenues and expenditures and their implications for its finances.

(2) The legislative arm of Government shall ensure transparency by way of public hearings during the preparation and discussion of the Medium-term expenditure framework, Annual Budget and the Appropriation Bill.

41. (1) All Local Governments and agencies of Government shall publish their audited accounts not later than six months following the end of the financial year.

(2) All Local Government shall, not later than five months following the commencement of this law and thereafter, not later than 9 months following the end of each financial year, consolidate and publish in the mass media, its audited accounts for the previous year.

(3) The publication of general standards for the consolidation of State public accounts shall, be the responsibility of the Office of the Accountant-General of the State.

(4) The Accountant-General of the State shall, not later than 9 months following the end of the financial year, cause to be consolidated and published in the mass media the accounts of all Government agencies.

42. The Executive arm of the State and Local Government through their budget offices shall within 30 days after the end of each quarter, publish a summarized report on budget execution in such form as may be prescribed by the Fiscal Responsibility UNIT and not later than 6 months after the end of the financial year, a consolidated budget execution report showing implementation against physical and financial performance targets shall be published by the Commissioner of Budget.

PART IX – OFFENCES AND PENALTIES

43. (1) Any person who willfully or negligently fails to perform his obligation under this Law , or who knowingly or recklessly makes a false statement in the discharge of his obligations under this law, commits an offence and is

liable on conviction to one year imprisonment or a fine of N100,000.00.

- (2) Any person who willfully or negligently acts in contravention of provisions of the law, commits an offence and is liable on conviction, to a term of imprisonment not less than 3 years or a fine of N250,000.00.
- (3) Where an institution's responsibility is provided for in this law, the head of the institution shall ensure the performance of such responsibility and where he fails to do so, he commits an offence punishable under subsection (1) and (2) of this section as appropriate.

PART X – MISCELLANEOUS PROVISIONS

*limit for consolidated
debt securities*

44. (1) A State law may set a limit for consolidated debt securities, borrowing and granting of guarantees lower than the one provided for pursuant to this law.

*Government securities
collateral to
guarantee loans*

45. (1) Government securities, provided that they are duly listed on the Stock Exchange, may be offered as collateral to guarantee loans or other financial transactions under the law for their economic value as defined by the Ministry of Finance.

*Restriction on
utilization of proceeds
from sale of public assets,*

46. (1) The proceeds derived from the sale or transfer of public Properties and rights over public assets shall not be used to finance recurrent and debt expenditure, provided that, such proceeds may be used to liquidate existing liabilities directly charged against such properties of assets.

*Provisions for
Local Government
contribution*

47. (1) A Local Government shall only contribute to cover cost of expenditure incurred by the other tiers of Government, if authorized in a covenant, agreement, accord, or any similar arrangement.

Technical and financial assistance to local government

48. (1) The State may provide technical and financial assistance to Local Government for the modernization of their respective tax financial and asset administration, for the purpose of complying with the provisions of this law.

Interpretation of other Laws

49. (1) In the event of any inconsistency between the provisions of this law and the provisions of any state legislation, the provisions of this law shall prevail and the provisions of that other legislation shall, to the extent of its inconsistency be void.

- (2) The Governor shall in addition to any other powers conferred on him under this law, make regulations generally for the purposes of carrying into effect the provisions of this law.

Repeal

50. Subject to section 6 of the Interpretation Act, the Fiscal Responsibility Law of 2008 is repealed.

PART XI – INTERPRETATION AND SHORT TITLE

Interpretation

51. (1) In this Law, except the context otherwise requires,

“Appropriation law” means any law passed by the Bauchi State House of Assembly or Local Government authorizing spending from the Consolidated Revenue Fund and includes a Supplementary Appropriation law;

“Appropriation Bill” means the Bill containing the projected estimates of income and expenditure of the State for any financial year and includes any supplementary bill.

“Arms of the Government” means the Executive, Legislature and Judiciary;

“Borrowing” means any financial obligation rising from (1) any loan including principal, interest, fees of such loan, (ii) the deferred payment for property, goods or services, (iii) bonds, debentures, notes or similar instrument, (iv) letters of credit and reimbursement

obligations with respect thereto, (v) trade or bankers' acceptances, (vi) capitalized amount of obligations under leases entered into primarily as a method of raising financing or of financing the acquisition of the asset leased, (vii) agreements providing for swaps ceiling rates, ceiling and floor rates, contingent participation or other hedging mechanisms with respect to the payment of interest or the convertibility of currency and (viii) a conditional sale agreement, capital lease or other title retention agreement, capital lease or other title retention agreement;

- "Budget Call Circular" means a circular-(i) requesting the submission, in prescribed form, of the revenue and expenditure estimates of Ministries, Extra - Ministerial departments, and other executing agencies of Government for the next financial year; and (ii) giving detailed guidelines and instructions on the preparation of the estimates and expenditure in a matter consistent with the medium term development priorities set out in the Medium-Term Expenditure Framework;

"Capital Expenditure" means spending on an asset that lasts for more than one financial year and expenses associated with the acquisition of such assets;

"Concessional term" means the terms of the loan must be at an interest rate not exceeding 3%

"Consolidated debt" means the aggregate of the outstanding financial obligations of government including those of its parastatals and agencies at any point in time arising from

- (i) borrowed money including principal, interest fees of such borrowed money
- (ii) the deferred payment for property, goods or services
- (iii) bonds, debentures, notes or similar instruments,
- (iv) letters of credit and reimbursement obligations with respect thereto,
- (v) Guarantees
- (vi) trade or bankers' acceptances,

(vii) capitalized amounts of obligations under leases entered into primarily as a method of raising financing or of financing the acquisition of the asset leased,

(viii) agreements providing for swaps, ceiling rates, ceiling and floor rates, contingent participation or other hedging mechanisms with respect to the payment of interest or the convertibility of currency and

(ix) a conditional sale agreement, capital lease or other title retention agreement;

“Cost-benefit-analysis” means an analysis that compares the cost of undertaking a service, project or project or programme with the benefits that citizens are likely to derive from it;

“Financial year” has the meaning ascribed thereto in the Constitution;

“Fiscal Policy” means the goals set by government for attainment of set targets for given period;

Bauchi State Government owned company” means a statutory corporation, Government agency and a company in which Government has controlling interests;

“Medium-term Expenditure Framework” means the document referred to and the contents of which is prescribed I section 11 of this law.

“Commissioner” means Commissioner charged with the responsibility for Budget and Planning.

“Public Debt securities issued by the Bauchi State Government, its parastatals and agencies at any point in time;

“Public expenditure” means outlays than those resulting into debt reduction;

“Public revenue” means all moneys received by Bauchi State Government;