



EBONYI STATE OF NIGERIA

LAW NO. 013 OF 2020

EBONYI STATE
FISCAL RESPONSIBILITY COMMISSION
LAW, 2020

ARRANGEMENT OF SECTIONS

SECTION	PAGE
PART I: ESTABLISHMENT, RESPONSIBILITIES, POWERS AND FUNCTIONS OF THE FISCAL RESPONSIBILITY COMMISSION	
1. Long Title	7
2. Enactment	7
3. Short Title	7
4. Commencement	7
5. Interpretation	8
6. Establishment of the Commission	14
7. Responsibilities and Powers of the Commission	14
8. Functions of the Commission	17
9. Funds of the Commission	20
10. Members of the Commission	21
11. Tenure of Office	22
12. Cessation of Membership	23
13. Emoluments of Commission Member	24
14. Submission of the Annual Report of the Commission	25

PART II - MEDIUM TERM EXPENDITURE FRAMEWORK

- | | | |
|-----|--|----|
| 15. | Medium Term Expenditure Framework | 25 |
| 16. | Aggregate Expenditure Ceiling | 29 |
| 17. | Preparation of the Medium-Term Expenditure Framework | 29 |
| 18. | Framework to State Executive Council | 32 |
| 19. | Publication of Medium-Term Expenditure Framework in the Gazette etc. | 33 |
| 20. | Adjustments to the Medium-Term Expenditure Framework | 33 |

PART III: THE ANNUAL BUDGET

- | | | |
|-----|---|----|
| 21. | Annual Budget to be derived from Medium Term Expenditure Framework. | 34 |
| 22. | Certain Documents to accompany the Annual Budget | 34 |
| 23. | Time Limit for Budget Preparation. | 36 |
| 24. | Application of Part III to Local Government Council | 36 |

PART IV: BUDGETARY PLANNING OF CORPORATIONS AND OTHER RELATED AGENCIES

- | | | |
|-----|--|----|
| 25. | Preparation of Estimates of Revenue and Expenditure by Corporations. | 37 |
| 26. | Operating Surplus and General Reserve Fund | 38 |

27. Classification of Corporations Operating Surplus 39
28. Cessation of Application of part IV. 39

PART V: BUDGETARY EXECUTION AND ACHIEVEMENT OF TARGETS

29. Annual Cash Plan 40
30. Disbursement Schedule 41
31. Power of the State Governor to approve Virement 41
32. Power to Restrict Further Commitments 42
33. Restriction on the Grant of Tax Relief 43
34. Responsibility of the Budget Office to Monitor and Report on Implementation 44
35. Application of Part V to Local Government Councils 44

PART VI: PUBLIC REVENUE

36. Revenue Forecast 45
37. Breakdown of Estimated Revenue 45

PART VII: PUBLIC EXPENDITURE

38. Conditions for increasing Government Expenditure 46
39. Condition for increasing Personnel Expenditure 46
40. All Contracts to Comply with Rules and Guidelines 47
41. Effect of Violation of Public Expenditure Rules 47

PART VIII - DEBT AND INDEBTEDNESS

- | | | |
|-----|--|----|
| 42. | Framework for Debt Management | 47 |
| 43. | Limits on Consolidated Debt of State and Local Governments | 48 |
| 44. | Servicing of External Debt | 51 |

PART IX: BORROWING

- | | | |
|-----|--|----|
| 45. | Conditions of Borrowing and Verification of Compliance with Limits | 51 |
| 46. | Lending of Financial Institutions | 52 |
| 47. | Power of the Commissioner to Grant Guarantees | 53 |

PART X: TRANSPARENCY AND ACCOUNTABILITY

- | | | |
|-----|---|----|
| 48. | Fiscal Transparency | 54 |
| 49. | Publication of Audited Accounts | 55 |
| 50. | Audit and Review of all Projects or Jobs | 58 |
| 51. | Publication of a Summarized Report on Budget Execution. | 58 |

PART XI: ENFORCEMENT AND OFFENCES

- | | | |
|-----|------------------------|----|
| 52. | Offences and Penalties | 58 |
| 53. | Enforcement | 63 |

PART XIII: MISCELLANEOUS PROVISIONS

54.	Government Securities as Collateral to Guarantee Loans	65
55.	Restriction on Utilization of Proceeds of Sale of Public Assets etc	65
56.	Repeal	65
57.	Savings	66
58.	Object and Purpose	66
	Appendix	67



**EBONYI STATE OF NIGERIA
LAW NO. 013 OF 2020**

PART 1

SECTION 1

A LAW TO REPEAL AND RE-ENACT A LAW TO ESTABLISH THE EBONYI STATE FISCAL RESPONSIBILITY COMMISSION LAW AND PROVIDE FOR OTHER MATTERS CONNECTED THERETO.

Long Title

SECTION 2

BE IT ENACTED by the House of Assembly of Ebonyi State of Nigeria as follows:

Enactment

SECTION 3

This Law may be cited as **Ebonyi State Fiscal Responsibility Commission Law No. 013 2020.**

Short Title

SECTION 4

This Law shall be deemed to have come into effect on **Thursday the 21st day of May, 2020.**

Commencement

SECTION 5

In the Law except the context otherwise requires: *Interpretation*

"Appropriation Law" means a Law passed by the State House of Assembly authorizing spending from the Consolidated Revenue Fund and includes a Supplementary Appropriation Law;

"Arms of Government" mean the Executive, Legislature and Judiciary;

"Attorney-General" means Attorney-General of Ebonyi State;

"Bodies and/or Authorities" shall mean departments of Government, Corporations, Parastatals and Boards in Ebonyi State;

"Borrowing" means any financial obligation arising from:

- i. Any loan including principal, interest, terms of such loan,
- ii. The deferred payment for property, goods or services.
- iii. Bonds, debentures, notes or similar instruments.

- iv. Letters of credit and reimbursement obligations with aspect thereto,
- v. Trade or Bankers Acceptances.
- vi. Capitalized amount of obligations under leases entered into primarily as a method of raising finances or of financing the acquisition of the asset leased,
- vii. Agreements providing for swaps ceiling rates, ceiling and flow 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 agreement;

"Budget Call Circular" means a circular:

- I Requesting the submissions 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 manner consistent with the Medium-Term Developmental 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;

"Commission" means the Fiscal Responsibility Commission established by Section (6) of this Law;

"Commissioner" means the Commissioner charged with responsibility for finance;

"Concessional Terms" means that 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 agreements providing or of financial the acquisition of the asset leased.
- viii. Agreements providing for swaps, ceiling rates, ceiling and flow rates, contingent participation or other hedging mechanisms with respect to the payment of interest or the convertibility of currency,
- 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 programme with the benefits that citizens are likely to derive from it;

"Financial Year" has the meaning ascribed thereto in the 1999 Constitution of Federal Republic of Nigeria;

"Fiscal Policy Objectives" mean the goals set by Government for the attainment of set targets for a given period;

"Fiscal Risk Appendix" an explanatory attachment that provides a set of indicators that

can be used to measure local fiscal risks;

"Fiscal Risk Target" provides numerical target for each risk indicator with which a fiscal entity will be considered fiscally healthy;

"Government Owned Company" means a statutory Corporation, Government Agency and a Company in which Government has a controlling interest;

"Governor" means the Governor of Ebonyi State of Nigeria;

"House of Assembly" means House of Assembly of Ebonyi State of Nigeria;

"Medium-Term Expenditure Framework" means the document referred to and the content of which is prescribed in Section 15 of this Law.

"Net Debt" means the consolidated debt less what is owed to Government, Parastatals and Agencies at any point in time;

"Person(s)" shall be every person employed under the public service;

"Public Expenditure" means outlays other than those resulting into debt reduction;

"Public Revenue" all moneys received by a Government in the State;

"Public Service" means bodies and/or authorities in Ebonyi State;

"Quarter" means one quarter of a financial year and quarterly shall be construed accordingly;

"Recurrent Expenditure" means normal overhead and administrative expenses and personnel cost including salaries, emoluments and other benefits of employees;

"Reference Commodity Price" means such price as may be determined by the Governor subject to the approval of the State House of Assembly;

"Refinancing of Debt Securities" means issuance of securities to repay the existing debt;

"Tax Expenditure Projections" means the projected amount expected to be utilized in the granting of tax relief or tax holiday;

"Tax Revenue Projections" means the projected collectable tax or revenue within a particular planning period.

SECTION 6

1. There shall be established, a body to be known as Ebonyi State Fiscal Responsibility Commission (hereinafter in this Law referred to as “the Commission”). *Establishment of the Fiscal Responsibility Commission*
2. The Commission shall be a body corporate with perpetual succession and a common seal and may sue and be sued in its corporate name.

SECTION 7

1. For the purpose of performing its function under this Law, the Commission shall initiate investigations against a public officer, or if there by any information, report or complaint preferred against any public officer, person(s) and or body(ies) on matters related to this Law: *Responsibilities and Powers of the Commission*
 - a. compels any person or Government institution to disclose information relating to public revenue and expenditure; and
 - b. conducts investigation to ascertain whether any person has violated any provisions of this Law;

- c. requests for and obtains information relating to public revenue, expenditure and related matters from any person, department, public institution or body, or arm of the State Government;
- d. requests and be permitted by all Government Ministries, Departments, Extra-Ministerial Departments, Agencies, Public bodies, institutions, corporations, Local Government Councils, and Development Centres, and arms of Government to inspect all documents, records, Minutes, entries, electronic systems, machine and objects which the Commission shall deem necessary for the performance of its functions under this Law:
- e. interviews any person it deems necessary with regard to Government revenue and expenditure;
- f. monitors and enforces the remittance of revenue by all Corporations, and Government Agencies, Local Government Councils, and Development Centres, State Revenue Service, Boards and Commissions, Person(s), and Companies into the Consolidated Revenue Fund as is

herein provided and publish same at the commencement of every fiscal year;

- g. collaborates and cooperates with all or any of the Nigerian Police, Economic and Financial Crimes Commission, Independent Corrupt Practices and Other Related Offences Commission, or any other Agency, Public body, Ministry or Extra-Ministerial Department in the performance of any of its functions under this Law;
 - h. without prejudice to the powers of the Auditor-General of the State, reviews or verifies the financial records of any Government Agency, Corporation, Ministry, Department, Extra-Ministerial Department etc;
 - i. makes rules and issues guidelines for implementation of this Law; and
 - j. does other things which, in its opinion, are necessary for the efficient performance of its functions under this Law.
2. If the Commission is satisfied that a person has committed any punishable offence under this Law or violated any provision of this Law, the Commission shall undertake the prosecution of the alleged offender.

3. Every prosecution of an offender under this Law by the Commission or its appointed Legal Practitioner shall be deemed to have been done with the consent of the Attorney-General of Ebonyi State.

SECTION 8

1. The Commission shall perform the following functions:

Functions of the Commission

- a. the Commission shall have power to enforce remittance of revenue into the Consolidated Revenue Fund of the State and provide administrative structure and penalties.
- b. monitors and enforces the provisions of this Law and by so doing, promotes the economic objectives contained in Section 16 of the 1999 Constitution of the Federal Republic of Nigeria;
- c. disseminates such standard practices including international good practices that will result in greater efficiency in the allocation and management of public expenditure, revenue collection, debt control and transparency in fiscal matters;

- d. requests for approval from the Government the recruitment, hiring and/or secondment of such officers as may be necessary for carrying out its functions and whose recruitment shall be as is of tangible in the public service;
- e. undertakes fiscal and financial studies, analysis and diagnosis and disseminates the results to the general public;
- f. enforces the submission of periodic returns on revenue performance showing estimates, actual collection and remittances to the Consolidated Revenue Fund of Ebonyi State by Corporations and Agencies accompanied by accurate documentary evidence of collections and remittances;
- g. attends and monitors monthly strategy meetings of all revenue collectors and organs of revenue collection in collaboration with the office of the Accountant-General of Ebonyi State;
- h. monitors the operation of any Special Account set-up for the purpose of the execution of specific capital projects in Ebonyi State;

- i. appoints for the Commission, in consultation with Secretary to the State Government, such numbers of employees as it may deem expedient and necessary for the proper and efficient performance of its functions under this Law; subject to the approval of the Governor;
 - j. determines the terms and conditions of service in the Commission, including disciplinary measures for the employees of the Commission;
 - k. fixes remuneration, allowances and the benefits of the employees of the Commission as approved by the State Government;
 - l. regulates its proceedings and makes 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 Commission may, from time to time determine; and
 - m. performs any other functions consistent with the promotion of the objectives of this Law.
2. The Commission shall be independent in the performance of its functions.

3. The provisions of Public Officer's Protection Law shall apply to the members and Staff of the Commission in the discharge of their functions under this Law; notwithstanding any other Law such as Limitation Law Cap 102, Laws of Ebonyi State 2009.

SECTION 9

1. The Commission shall establish and maintain a Fund from which shall be defrayed all expenditure incurred by the Commission. *Funds of the Commission*
2. There shall be credited to the Fund established pursuant to Subsection 1 of this Section, the budgetary allocation from the State Government and grants from other sources.
3. The Annual Budget of the Commission shall be a charge on the Consolidated Revenue Fund of Ebonyi State and shall, upon the enforcement of the Appropriation Law, be immediately deposited in the Commission's fund by statutory transfer.

SECTION 10

1. The Commission shall consist of:

*Members of the
Commission*

- a. a Chairman, who shall be the Chief Executive and Accounting Officer of the Commission MUST possess at least a first degree from a recognized University in addition to 15 years post qualification cognate experience;
- b. one member representing the organized private sector in Ebonyi State;
- c. one member representing the Civil Society engaged in causes relating to probity, transparency and good Governance;
- d. one representative from the State Planning Commission;
- e. one representative from Ministry of Finance and Economic Development;
- f. one representative of the State Ministry of Justice;
- g. a Secretary who shall be a retired or serving officer not below grade level 16 in public service and shall be the head of the administration of the commission and shall be responsible for the keeping

of books, property and records of the commission;

- h. three other members; who shall possess appropriate degree qualifications not less than a first degree from a recognized university, with not less than ten years post qualification experience.
2. All members of the Commission shall be persons of proven integrity.
3. The Chairman, Secretary and other members of the Commission other than ex-officio members shall be appointed by the Governor, subject to confirmation by the State House of Assembly.
4. The members of the Commission, other than the Chairman and the Secretary, shall be part-time members.

SECTION 11

The Chairman, the Secretary and members of the Commission shall hold office for a term of 4 years; provided that the Governor shall have the power to reappoint either, both or all of the members for another term and no more.

Tenure of Office

SECTION 12

1. Notwithstanding the provision of section 11 of this Law, a member of Commission shall cease to hold office if:
- Cessation of Membership*
- a. he becomes bankrupt or makes a compromise with his creditors;
 - b. he is convicted of a felony or any offence involving dishonesty, corruption or fraud by any court whether in Nigeria or elsewhere;
 - c. he becomes incapable of carrying out the functions of his office either by reason of infirmity of mind or body;
 - d. the Governor is satisfied that it is not in the interest of the public that the member should continue in office and Governor removes him from office: Provided that the proposed removal of the Chairman or Secretary must be supported by a simple majority vote of the members of the State House of Assembly;
 - e. he has been found guilty of violation of the code of conduct or serious misconduct in relation to his duties; subject to resolution of the simple

majority of the members of the State House of Assembly;

- f. he resigns his appointment by a notice under his hand, addressed to the Governor; or
 - g. In the case of person who becomes a member by virtue of the office he occupies, he ceases to hold such office for whatever reason.
2. Where a vacancy occurs in the membership of the Commission, it shall be filled by the appointment of a successor to hold office for remainder of the term of office of the predecessor, provided that the successor shall represent the same interest as his predecessor..

SECTION 13

There shall be paid to the Chairman, Secretary and other members of the commission such salaries, allowances and benefits as may be approved by the State Government.

*Emoluments of
Commission
Members*

SECTION 14

The Commission shall prepare and submit to the 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 preceding financial year; and shall include in the report a copy of its audited accounts for the preceding financial year.

*Submission of
Annual Report of the
Commission*

PART II

THE MEDIUM-TERM EXPENDITURE FRAMEWORK

SECTION 15

1. The State Government after consultation with the Local Governments shall;
 - a. not later than six months from the commencement of this Law, cause to be prepared and laid before the House of Assembly, for its consideration, a Medium-Term Expenditure Framework for the next two financial years;
 - b. thereafter, not later than four months before the commencement of the next

*Medium Term
Expenditure
Framework*

financial year, caused to be prepared a Medium-Term Expenditure Framework for the next two financial years;

2. The Medium-Term Expenditure Framework so laid shall be considered for approval with such modifications if any, as the House of Assembly finds appropriate: Provided that such modifications are referred to the Executive for consensus.
3. The Medium-Term Expenditure Framework shall contain;
 - a. a macroeconomic framework setting out the macroeconomic projections for the next three financial years, the underlying assumptions for those projections, and an evaluation and analysis of the macroeconomic projections for the preceding two financial years.
 - b. a Fiscal Strategy Paper or guideline setting out:
 - i. the State Government's medium-term Financial objectives.
 - ii. the policies of the Government for the medium-term relating to taxation, recurrent (non-debt)

- expenditure, debt expenditure, capital expenditure, expenditure borrowing and other liabilities, lending and investments;
- iii. the strategic economic, social and developmental priorities of the Government for the next two 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 to the Economic objectives set out in section 16 of the 1999 Constitution of the Federal Republic of Nigeria;
- c. an Expenditure and Revenue Framework setting out:
- i. estimates of aggregate revenues for the State for each financial year in the next three financial years, based on the predetermined commodity reference price adopted and tax revenue projections;
 - ii. aggregate expenditure projection for the State of each financial year in the next two financial years;

- iii. aggregate tax projection for the State for each financial year in next two financial years;
- iv. Minimum capital expenditure flow for the State for each financial year in the next two financial years;

Provided that the estimates and expenditure provided pursuant to paragraph (d) of this subsection shall be:

1. Based on reliable and consistent data certified in accordance with section 17 (2) (b) of this Law.
 2. Targeted at achieving the macroeconomic projections set out in pursuance of paragraph (a) of Subsection (2) of this Section and;
 3. Consistent with and derived from the underlying assumptions contained in the macroeconomic framework, the objectives, policies, strategic priorities and explanations in the Fiscal Strategy Paper.
- d. a consolidated debt statement setting out and describing the fiscal significance of the debt liability of the State Government and measures to reduce any such liability; and

- e. a statement describing the nature and fiscal significance of contingent liabilities and quasi-fiscal activities and measures to offset the crystallization of such liabilities.

SECTION 16

1. The estimate of aggregate expenditure and the aggregate amount appropriated by the House of Assembly for each financial year shall not be more than the estimated aggregate revenue plus a deficit of not more than 20% or any sustainable percentage as may be determined for each financial year using revenue receipt experience. *Aggregate Expenditure Ceiling*
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.

SECTION 17

1. The Commissioner shall be responsible for the preparation of the Medium-Term Expenditure Framework. *Preparation of the Medium-Term Expenditure Framework*

2. In preparing the draft Medium-Term Expenditure Framework, the Commissioner:
 - a. shall hold public consultation, on the Macro-economic Framework, the Fiscal Strategy Paper, the Revenue and Expenditure Framework, the Strategic, economic, social and development priorities of Government, and such other matters as the Commissioner deems necessary: provided that such consultations shall be open to the public, the press and any citizens, or authorized representatives of any organization, group of citizens, who may attend and be heard on any subject matter properly in view;
 - b. shall seek inputs from the following:
 - i. State Executive Council;
 - ii. Judicial Service Commission
 - iii. Fiscal Responsibility Commission
 - iv. Local Government Service Commission
 - v. Revenue Mobilization Allocation and Fiscal Commission; and

- vi. Any other relevant statutory body as the Commissioner may determine;
- c. shall consider and reflect as may be deemed appropriate the input of the bodies and persons referred to in paragraphs (a) and (b) of subsection (2) of this section except the bodies mentioned in (vi), (vii) and (viii) of subsection 2(b). schedule thereto.

SECTION 18

1. The Commissioner 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 endorsement.
2. The State Executive Council shall, not later than the end of July each financial year consider and approve the Medium-Term Expenditure Framework for the next three years.
3. The Medium-Term Expenditure Framework as endorsed by the State Executive Council shall take effect upon approval by a resolution by the State House of Assembly: provided that where the State

*Time Limit for
Presentation of
Medium-Term
Expenditure
Framework to State
Executive Council*

House of Assembly fails to consider and approve the Medium-Term Expenditure Framework one month after presentation thereof to the State House of Assembly, its approval shall be dispensed with, and the framework shall take effect as presented to the State House of Assembly.

4. The State House of Assembly shall, before the last day of August of the financial year, consider and approve the Medium-Term Expenditure Framework: Provided that where the State House of Assembly fails to consider, approve the Medium-Term Expenditure Framework one week after the deadline set by this subsection, its approval shall be dispensed with, and the framework shall take effect as presented to the State House of Assembly.
5. The Commissioner shall within the time set by the rules submit a copy of the Medium-Term Expenditure Framework approved by the State Executive Council to the Commission.

SECTION 19

The Medium-Term Expenditure Framework as approved by the State House of Assembly shall be published in the Gazette, Ministry of Finance website and the mass media by the Commissioner Not later than 30 days of its approval.

*Publication of
Medium Term
Expenditure
Framework in the
Gazette etc*

SECTION 20

1. Subject to subsection (2) of this section, the Governor may cause adjustments to be made to a medium-term expenditure framework.
2. Any adjustment to the approved Medium-Term Expenditure Framework shall be limited to:
 - a. the correction of manifest error; and
 - b. changes in the Fiscal indicators, which in teh opinion of the Governor are significant.

*Adjustments to the
Medium-Term
Expenditure
Framework*

PART III THE ANNUAL BUDGET

SECTION 21

Notwithstanding anything to the contrary contained in this Law or any other written Law, the Medium-Term Expenditure Framework shall:

*Annual Budget to be
Derived from
Medium Term
Expenditure
Framework*

1. 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 under section 121 (1) of the 1999 Constitution of the Federal Republic of Nigeria.
2. The sectoral and compositional distribution of the estimates of the 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.

SECTION 22

The Estimates of Revenue and Expenditure (in the Law referred to as the "Annual Budget") shall be accompanied by:

*Certain Documents to
Accompany the
Annual Budget*

- 1 A copy of the underlying revenue and expenditure profile for the next two years;

2. A report setting out actual and budgeted revenue and expenditure and detailed analysis of the performance of the budget for 18 months up to June of the current financial year;
3. 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, and other revenue sources, including the net current revenue and the respective memorandum items;
4. Measures on cost, cost control and evaluation of results of programmes financed with previous budgetary resources;
5. 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
 - iv. a Fiscal Risk Appendix Evaluating the Fiscal and other related risks to the

Annual Budget and specifying measures to be taken to offset the occurrence of such risks.

SECTION 23

1. The State Ministry of Finance shall, not later than the end of September each financial year, present the budget for the next financial year for the consideration and approval of the State Executive Council.
2. The State Executive Council shall, not later than the last day of October of each financial year, approve the budget presented, to it under subsection (1) of this section.
3. The State House of Assembly shall give priority attention to the consideration of the budget upon presentation of same to it by the Governor.

*Time Limit for
Budget Preparation*

SECTION 24

In preparing their Annual Budget, Local Government Council may adopt the provisions of this Part with such modification as may be appropriate and necessary.

*Application of Part
III to Local
Government Council*

PART IV
BUDGETARY PLANNING OF
CORPORATIONS AND OTHER
RELATED AGENCIES

SECTION 25

1. All Government Corporations, Agencies and Government owned companies (in this Law referred to as "the Corporations") shall, not later than 6 months from the commencement of this Law and not later than the end of the second quarter of every year, cause to be prepared and submitted to the Commissioner of Finance their estimates of revenue and expenditure for the next three financial years.

*Preparation of
Estimates of Revenue
and Expenditure by
Corporations*
2. Each of the bodies referred to in subsection (1) of this section shall submit to the Commissioner not later than the end of August of each financial year:
 - a. an annual budget derived from the estimate submitted in pursuance of subsection (1) of this section;
 - b. projected operating surplus, which shall be prepared in line with actual accounting practices and estimated revenue shall be broken down into

monthly collection targets, including, where applicable, a separate description of measures to combat corruption, fraud, evasion of taxes or diversion of Government revenue and;

- c. The Commissioner shall cause the estimates submitted in pursuance of sub-section 2 (a) of this section to be attached as part of the Appropriation Bill to be submitted to the State House of Assembly: Provided that, where appropriate, the Commissioner shall in consultation with the corporation revise such estimates.

SECTION 26

Operating Surplus and General Reserve Fund

1. Notwithstanding the provisions of any other Law to the contrary, every Corporation, Agency and Ebonyi State Government owned company shall remit 80% of its operating surplus into the Consolidated Revenue Fund of the State within 30 days after the end of the statutory deadline for publishing its audited financial report.
2. Where the Commissioner at any time by appropriate circular, directs the payment of

any amount by Corporations, Agencies and Government owned companies into the Consolidated Revenue Fund of the State, compliance with such circular by corporations shall be taken into cognizance in determining the amount payable by it as operating surplus as stipulated in subsection (1) herein.

SECTION 27

1. The Corporations' surplus shall be classified as State Treasury Revenue.
2. Where Corporations' result is a deficit, the deficit shall be classified as the Corporations' 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.

*Classification of
Corporations
Operating Surplus*

SECTION 28

Where a State-owned Corporation is privatized, the provisions of sections (25), (26) and (27) shall cease to apply to such Corporation from the

*Cessation of
Application of Part
IV*

date of the privatization: Provided always that the Commission shall monitor and ensure that all profits or dividend payments due to the Ebonyi State Government from any privatized entity in which the State is a shareholder are duly remitted into the Consolidated Revenue Fund of the State.

PART V
BUDGETARY EXECUTION AND
ACHIEVEMENT OF TARGETS

SECTION 29

1. The State Government, through the office of the Accountant-General, shall cause to be drawn up, an Annual Cash Plan for each financial year. *Annual Cash Plan*
2. The Annual Cash Plan shall be prepared in advance of the financial year setting out projected monthly cash flows and shall be revised quarterly to reflect actual cash flows.
3. A copy of the Annual Cash Plan shall be submitted to the Commission by the Office of the Accountant-General within one week of its preparation or amendment.

SECTION 30

1. The Commissioner 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 purpose of implementing the Appropriation Law. *Disbursement Schedule*
2. The Commissioner shall cause the disbursement schedule prepared pursuant to subsection (1) of this section to be submitted to the Commission and published in official gazette, the Ministry's website and mass media.

SECTION 31

1. The sums appropriated for a specific purpose shall be used solely for the purpose specified in the Appropriation Law. *Power of the State Governor to Approve Virement*
2. Without prejudice to subsection (1) of this section, the Commissioner may in exceptional circumstances and in the overall public interest, recommend for the approval of the State Governor virements from sub-heads of account, without exceeding the amount appropriated to such head of account.

SECTION 32

1. Whereby the end of three months, after the enactment of the Appropriation Law the Commissioner determines that the targeted revenues may be insufficient to fund the heads of expenditure on the Appropriation Law, the Commissioner shall within the next 30 days of such determination, take appropriate measures to restrict further commitments and financial operation according to the criteria set in the Fiscal Risk Appendix except in matters of State emergencies bothering on disease outbreak and State Security. *Power to Restrict Further Commitments*
2. Where the targeted revenue 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 the subsections (1) and (2) of this section shall not apply to Statutory or Constitutional Expenditure.

SECTION 33

1. Any proposed Tax Relief shall be accompanied by an evaluation of its budgetary and financial implications in the year it becomes effective and in the three subsequent years, and shall only be approved by the Commissioner, if it does not adversely impair the Revenue Estimates in the Annual Budget or if it is accompanied by countervailing measure during the period mentioned in this subsection through revenue increasing measures such as Tax Rate Raises and Expansion of the Tax Base. *Restriction on the Grant of Tax Relief*
2. The provisions of this section shall not apply to:
 - a. Change in the rates of the taxes mentioned in section (163) of the 1999 Constitution of the Federal Republic of Nigeria; and
 - b. Debt cancellation in an amount lower than the cost of collection.

SECTION 34

1. The Commissioner for Finance, through the Budget Office of the State shall monitor and evaluate the implementation of the Annual Budget, assess the attainment of Fiscal Targets and report thereon on a quarterly basis to the Fiscal Responsibility Commission and the Joint Finance Committee of the State House of Assembly.
Responsibility of the Budget Office to Monitor and Report on Implementation
2. The Commissioner shall cause the report prepared pursuant to subsection (1) of this section to be submitted to the Commission and published in the official gazette, the Ministry's website and mass media not later than 30 days after the end of each quarter.

SECTION 35

In the implementation of their Annual Budgets, Local Government Council may adopt the provisions of this Part with such modifications as may be appropriate and necessary.
Application of Part V to Local Government Council

PART VI PUBLIC REVENUE

SECTION 36

1. The Commissioner shall, at least 30 days before the deadline for the submission of its budget proposals place at the disposal of the State House of Assembly, the revenue estimates for the following year, including the net current revenue and the respective memorandum items. *Revenue Forecast*
2. The Commissioner shall cause the documents mentioned in subsection (1) of this section to be submitted to the Commission within seven days of its submission to the State House of Assembly.

SECTION 37

Estimated revenue shall be broken down by the Commissioner into monthly collection targets, including, where applicable, a separate description of measures to combat tax, fraud and evasion. *Breakdown of Estimated Revenue*

PART VII PUBLIC EXPENDITURE

SECTION 38

1. A proposal to create, expand or improve in Government action which will result in an expenditure increase shall be accompanied by:

*Conditions for
Increasing
Government
Expenditure*

- a. an estimate of the budgetary or financial impact in the year it becomes effective and in the two subsequent years; and
- b. a statement by the person requesting for the expenditure, stating how the increase or action is covered or relevant to the Appropriation Law and the Medium-Term Expenditure Framework.

SECTION 39

The granting of any advantage or increase of remuneration, the creation of posts or alteration of career structures and employment of new personnel on any account by bodies and entities including foundations established and maintained by the State Government shall only be effected if, there is a prior budgetary

*Conditions for
Increasing Personnel
Expenditure*

allocation sufficient to cover the estimated expenditure.

SECTION 40

All contracts with regard to the execution of Annual Budget shall comply with the rules and guidelines on:

All Contracts to Comply with Rules and Guidelines

- a. procurement and award of contracts, and
- b. due Process and certification of contracts.

SECTION 41

Any violation of the requirements in sections (38), (39) and (40) (Part VII) shall be an offence.

Effect of Violation of Public Expenditure Rules

PART VIII DEBT AND INDEBTEDNESS

SECTION 42

1. The framework for debt management during the financial year shall be based on following rules:

Framework for Debt Management

- a. the State and Local Government shall only borrow for capital expenditure and human capital development: provided

that, such borrowing shall be on concessional terms with low interest rate and with a reasonable long amortization period subject to the approval of the appropriate legislative body necessary; 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 as prescribed by the State House of Assembly from time to time on the advice of the Commissioner.
 - c. notwithstanding the provisions of subsection 1 (a) of this section and subject to approval of the State House of Assembly, the State Government may borrow from capital market.
2. Non-compliance with the provisions of this section shall make the action taken unlawful and punishable under this Law.

SECTION 43

1. The Governor shall within 90 days from the commencement of this Law and with advice from the Commissioner of Finance subject to approval of State House Assembly set overall limits for the amounts

*Limits on
Consolidated Debt of
State and Local
Governments*

of consolidated debt of the State Government and Local Governments pursuant to the provisions of this Law and limits and conditions approved by the State House of Assembly, shall be consistent with rules set in this Law and with the Fiscal Policy Objectives in the Medium-Term Fiscal Framework.

2. Outstanding judgment debt not paid shall be considered part of the consolidated fund for the purpose of compliance with the limits set in pursuance of this section.
3. For the purpose of verifying compliance with the limits specified pursuant to this section, the Commission shall at the end of each quarter, determine the amount of the Consolidated debt of the State and Local Government Councils.
4. The Commission shall publish, on a quarterly basis, a list of the Local Government Councils in the State that have exceeded the limits of consolidated debt, indicating the amount by which the limit was exceeded.
5. 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 the three subsequent quarters with a minimum of 25 per cent reduction in the first quarter

6. Violators of the limits specified pursuant to this section shall:
 - a. be prohibited from borrowing from internal or external sources, except for the refinancing accordingly;
 - b. Bring the debt within the established limit by restricting funding commitments accordingly.
7. Where non-compliance with the limit specified pursuant to this section persist after the time limited by subsection (5) of this section the affected Local Government shall also be prohibited from receiving grants from the State Government.
8. Whenever the fundamentals of the proposals referred to in this section are changed due to economic instability or change in monetary or exchange policies, the Governor shall submit to the State House of Assembly a request for a review of the current limits.

SECTION 44

1. Servicing of External Debt shall be the direct responsibility of the Government that incurred the debt. *Servicing of External Debt*
2. The cost of servicing Local Government Councils guaranteed loans shall be deducted at source from the share of the debtor Local Government from the State Joint Account.

**PART IX
BORROWING****SECTION 45**

1. The State Government or its agencies and corporations and any Local Government desirous of borrowing, shall specify the purpose for which the borrowing is intended and present a cost-benefit analysis, detailing the economic and social benefit of the purpose to which the intended borrowing is to be applied; *Conditions of Borrowing and Verification of Compliance with Limits*
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 Law 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 out under this Law.
 4. The Commission shall verify on a quarterly basis, compliance with the limits and conditions for borrowing by the Local Government Councils of the State.
 5. Without Prejudice to the specific responsibility of the State House of Assembly, the Debt Management Office shall maintain comprehensive, reliable and current electronic access to the information.

SECTION 46

1. All banks and financial institutions shall request and obtain proof of lending to State, Local Government and any other Ministry or Parastatal in the State. *Lending by Financial Institutions*
2. Lending by banks and financial institutions in contravention of this part shall be unlawful and punishable under this Law.

SECTION 47

1. Subject to the provisions of this part, the Commissioner may with the approval of the State Executive Council, grant guarantees on behalf of any Local Government or any State Agency in the State.
2. Any guarantee granted by the Commissioner shall be conditional upon the provision of a counter guarantee in an amount equal to or higher than the guarantee obligation, provided that there are no overdue obligations from the requesting Local Government in the State to the guarantor and its controlled corporations and such guarantee shall also be on compliance with the following:
 - a. counter-guarantee shall only be accepted from State or Local Government; and
 - b. the counter-guarantee required by the State Government from the Local Government or by State or Local Government, 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

*Power of the
Commissioner to
Grant Guarantees*

use the respective amount to repay overdue debts.

3. Any guarantee provided in excess of the debt limits set pursuant to provisions of section 45(1) of this Law shall be an offence.

PART X

TRANSPARENCY AND ACCOUNTABILITY

SECTION 48

1. The Government shall ensure that its Fiscal and Financial Affairs are conducted in a transparent manner and accordingly shall ensure timely disclosure and publication of all transactions and decisions involving public revenues and expenditures and their implications for its finances. *Fiscal Transparency*
2. All bodies and/or person(s) involved in the preparation and discussion of the Medium-Term Expenditure Framework, Annual Budget and the Appropriation Bill shall ensure transparency and public participation.
3. The State House of Assembly shall ensure transparency and public participation during the preparation and discussion of the

Medium-term Expenditure Framework,
Annual Budget and the Appropriation Bill.

SECTION 49

1. The State Government shall publish its audited accounts not later than six months following the end of the preceding financial year, and upload it in the Ministry of Finance or Government Official Website. *Publication of Audited Accounts*
2. State Government shall, not later than two years following the commencement of this Law and thereafter, not later than 7 months following the end of each financial year, consolidate and publish in the mass media and the Ministry of Finance website, its audited accounts for the previous year.
3. The publication of general standards for the consolidation of public accounts shall be the responsibility of the office of the Accountant-General of the State.

SECTION 50

1. The Fiscal Responsibility Commission, established by Ebonyi State Fiscal Responsibility Commission Law, shall have power to review and audit all projects *Audit and Review of all Projects or Jobs*

or jobs, whether the execution be by contracts or direct labour and make necessary observations to the Governor, Ministry Department Agencies, Speaker, Chief Judge or Chief Executive Officers of Companies and Parastatals regarding the quality of work done or to be done, expenditure, scope of work, cost of work and/or any other considerations that will ensure and enhance transparency in the work of the Government of the State acting under or pursuant to the above preceding section.

2. The Fiscal Responsibility Commission in carrying out her responsibilities may order for verification including joint measurement of all projects, services or goods executed by contractors or direct labour executors. The Commission shall write to invite all parties using any address on their contract paper or through National paper.
3. In the review and/or audit of all projects or jobs by the Fiscal Responsibility Commission, all parties shall have the right of fair hearings provided that the parties shall respond to all invitations and enquiries from the Fiscal Responsibility

Commission.

4. The refusal or failure of any party or parties to honour invitation or enquiry ordered by the Commission will not void the findings of the Commission but outcome shall be treated as if all parties were given fair hearing and shall stand.
5. Any party found wanting in the review and/or audit of projects or jobs as aforesaid shall make good the job or project or refund such money and interest as may be found due within such period as may be specified by the Fiscal Responsibility Commission, failure which same shall be liable for imprisonment for a period of not less than three years and forfeiture of any collaterals staked as security for the payment of the sum or sums found due with interest at bank prevailing rate or both.
6. Notwithstanding the Civil Service Rules and/or anything contained in the employees' individual terms of employment, any civil or public servant indicted by the Fiscal Responsibility Commission and is under prosecution shall stand suspended from office without salaries and allowances until the court disposes of any case or cases, including appeals, arising thereof.

SECTION 51

The State Government through its Budget Office shall within the succeeding quarter, publish a Summarized Report on Budget Execution in such form as may be prescribed by the Commission not later than eight months after the end of the preceding financial year, a consolidated budget execution report showing implementation against Physical and Financial Performance Targets shall be published and submitted by the Commissioner to the House of Assembly and uploaded in the Ministry of Finance or Government Official Website.

*Publication of a
Summarized Report
on Budget Execution*

PART XI

ENFORCEMENT AND OFFENCES

SECTION 52

1. Any person who willfully, whether directly or indirectly, hinders or obstructs the commission or its agent from performing the functions or duties imposed by this Law commits an offence and shall upon conviction be liable to a term of imprisonment of not less than one two (2) months or a fine not less than Two Hundred

*Offences and
Penalties*

Thousand Naira (N200, 000.00) or to both fine and imprisonment.

2. Any person who gives false information to another person, authority or the commission, in response to a request or in the performance of a function imposed by this Law or falsifies any document commits an offence and shall upon conviction be liable to a term of imprisonment of not less than Six (6) months or fine not less than Five Hundred Thousand Naira (N500, 000.00) or to both fine and imprisonment
3. Any person who, with intent to deceive or mislead, make a partial (instead of full) disclosure of information to the Commission or its agent, State Ministry of Finance or Dept Management Office in response to a request made in the performance of a function imposed by this law commit an offence and shall upon conviction be liable to a term of imprisonment of not less than two (2) months or fine not less than Three Hundred Thousand Naira (N300,000.00) or to both fine and imprisonment.
4. Any person who refuses or fails, without lawful excuse, to give information to Commission or State Ministry of Finance

- or the Debt Management Office of the State upon a request made in the performance of a function imposed by this Law, commits an offence and shall upon conviction be liable to a term of imprisonment of not less than one year or a fine of not less than Five Hundred Thousand Naira (₦500,000.00) or both fine and imprisonment.
5. Any person who, without lawful excuse, fails to perform a duty imposed upon or assigned to him/her or the office which he/she occupies by this Law commits an offence and shall upon conviction be liable to a term of imprisonment not less than three months or fine not less than Three Hundred Thousand Naira (₦300,000.00) or both fine and imprisonment.
 6. Any person(s) who borrows or lends or is responsible for borrowing or lending in contravention of the provisions of Part (x) of this Law commits an offence and upon conviction be liable to imprisonment for a term not less than six (6) months or with a fine not less than Five Hundred Thousand Naira (₦500,000.00) or both fine and imprisonment.
 7. Any person who under-declares public revenue generated or collected by any

Government institution, Corporation, Agency, or Government owned company commits an offence and shall upon conviction be liable to refund the total amount under-declared, and imprisonment for a term not less than two years or with a fine not less than 5% of the total amount under-declared, or with both fine and imprisonment.

8. Any person who duplicates a project or Item in the budget, or accepts and expends a grant regarding an item for which monies are appropriated, released and spent from the budget, commits an offence and shall upon conviction be liable to imprisonment for a term not less than six months or with a fine not less than Five Hundred Thousand Naira (₦500,000.00) or with both fine and imprisonment.
9. Any person who transfers or spends any sum allocated for a particular project, or service in an Appropriation Law, on another project or service without approval of the State House of Assembly, commits an offence and shall upon conviction be liable to imprisonment for a term not less two (2) months or a fine not less than Three Hundred Thousand Naira (₦300, 000.00) or to both fine and imprisonment.

10. Any person who assaults an Officer, Staff or agent of the Commission while performing a function under this Law commits an offence and shall upon conviction be liable to imprisonment for a term of one year without an option of fine: Provided that, in addition to the punishment provided herein, the court shall have the power to award appropriate compensation to the Staff or officer so assaulted.
11. Any person who aids or abates the Commission of an offence under this Law commits an offence and shall upon conviction be liable to the same sanction as the principal offender.
12. Any person who fails to remit funds pursuant to section (25) of this Laws, commits an offence and shall upon conviction be liable to imprisonment for a term not less than six (6) months or a fine not less than Five Hundred Thousand Naira (N500,000.00) or to both imprisonment and fine, and shall in addition remit the full amount so outstanding.
- 13 Any person who partially remits funds pursuant to section (25) of this Law commits an offence and shall upon

conviction be liable to imprisonment for a term not less than three (3) months or a fine not less than Three Hundred Thousand Naira (N300,000.00) or to both imprisonment and fine, and shall in addition, remit the full amount so outstanding.

14. Any person who contravenes any provision of this Law commits an offence and shall where no other punishment has been provided be liable to imprisonment for a term not less than three (3) Months or a fine not less than Three Hundred Thousand Naira (N300,000.00).

SECTION 53

1. Every person shall have legal capacity to enforce the provision of this Law by obtaining prerogative orders or other remedies at the Court that has jurisdiction, without having to prove any injury (personal or otherwise) or to show any special or particular interest in the cause of action: Provided that prosecutions that will result in criminal conviction can only be initiated either by the Commission directly or the Attorney- General of the State. *Enforcement*

2. Any person who contravenes any provision of this Law may also be punished under the provisions of the relevant or extant administrative and Public Service Disciplinary Rules.
3. The court shall have the power to, whether under criminal or civil action brought pursuant to the provisions of this Law, order the recovery of every proceed of corrupt enrichment or wrongful benefit obtained by or conferred on any person from any public revenue, fund or other opportunity that belongs to Government.
4. Every public fund recovered under this Law shall be paid into the consolidated revenue fund of the State.
5. The Ebonyi State High Court and Magistrate Court shall have jurisdiction to entertain and determine action relating to matters covered by this Law.

PART XII MISCELLANEOUS PROVISIONS

SECTION 54

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 this Law for their economic values as defined by the Ministry of Finance.

Government Securities as Collateral to Guarantee Loans

SECTION 55

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

Restriction on Utilization of proceeds of Sale of Public Assets etc

SECTION 56

Ebonyi State Fiscal Responsibility Commission and Related Matters Law No. 003 of 2008 is hereby repealed.

Repeal

SECTION 57

Nothing in this Law shall affect any act done *Savings*
under the previous enactments, before the
commencement of this Law.

SECTION 58

The purpose of this Law is to Repeal and Re- *Object and Purpose*
anact a Law to Establish Ebonyi State Fiscal
Responsibility Commission and provide for
Matters Connected thereto.

APPENDIX

FORM A

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

ANASI PATRICIA O. (MRS)
CLERK OF THE HOUSE OF ASSEMBLY,
EBONYI STATE OF NIGERIA.

Dated this 22nd Day of May 2020.

FORM B

Assented to by me this 22nd Day of may 2020.

CHIEF ENGR. DAVID NWEZE UMAHI
(FNSE, FNATE)
GOVERNOR,
EBONYI STATE OF NIGERIA

FORM C

I withhold my assent.

GOVERNOR
EBONYI STATE OF NIGERIA

Dated this day of 2020

FORM D

This Bill to which the Governor has by Letter Reference No.

Dated thisday of..... 2020

Signified the withholding of his assent has again been passed by the House of Assembly
of Ebonyi State of Nigeria by a two third majority this day of
..... 2020.

CLERK OF THE EBONYI STATE HOUSE OF ASSEMBLY

Dated at Abakaliki this.....day of..... 2020

OR

Passed by the House of Assembly of Ebonyi State of Nigeria by a two third
majority this..... day of 2020

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

CLERK OF THE EBONYI STATE HOUSE OF ASSEMBLY

Dated this.....,..... day of.....2020