



**TARABA STATE
FISCAL RESPONSIBILITY
COMMISSION**

***Taraba State Fiscal
Responsibility Law 2011
with Amendment 2016***



THE TARABA STATE FISCAL
RESPONSIBILITY COMMISSION
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Table of Contents

Content	Page
Taraba State Fiscal Responsibility Law, 2011.....	2 - 30
Taraba State Fiscal Responsibility (Amendment) Law, 2016 (A1-A10).....	31-42



TARABA STATE FISCAL RESPONSIBILITY LAW, 2011



TARABA STATE OF NIGERIA

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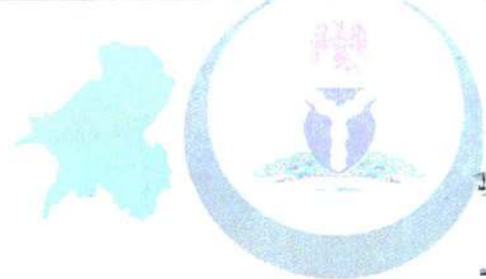
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Taraba State Law No. 7 of 2011 -

Taraba State Fiscal Responsibility Law, 2011.....A1 - A26



OUR VISION

“A transparent and effective Government
Financial Management Framework for
Taraba State”

Published by Authority

OUR MISSION

“To reform the management of Taraba State's
public finance through regular monitoring of
government financial activities,
uncompromising investigation and public
reporting, backed by a firm commitment to
enforcement”



TARABA STATE OF NIGERIA
FISCAL RESPONSIBILITY LAW, 2011

Law No.7 of 2011

ARRANGEMENT OF SECTIONS

SECTION:

PART I - ESTABLISHMENT, FUNCTIONS AND POWERS OF THE FISCAL RESPONSIBILITY COMMISSION

1. Establishment of the Fiscal Responsibility Commission
2. Responsibility, powers and functions of the Commission
3. Functions of the Commission
4. Establishment of a fund for the Commission
5. Composition of the Commission
6. Tenure of Office
7. Power of the Commission
8. Cessation of membership
9. Emoluments, etc, of members
10. Submission of annual report of the Commission

PART II - THE MEDIUM-TERM EXPENDITURE FRAMEWORK

11. Medium-Term Expenditure
12. Aggregate expenditure ceiling
13. Preparation of a Medium-Term Expenditure Framework to State Executive Council
14. Time limit for presentation of Medium-Term Expenditure Framework to State Executive Council
15. Publication of Medium-Term Expenditure Framework in the Gazette
16. Adjustment to the Medium-Term Expenditure Framework
17. Assistance to Local Governments.



PART III - THE ANNUAL BUDGET

18. Annual budget to be derived from Medium-Term Expenditure Framework
19. Annual budget to be accompanied by certain documents.
20. Application of Part III to Local Governments

PART IV - BUDGETARY PLANNING OF CORPORATIONS AND OTHER RELATED AGENCIES

21. Preparation of estimate of revenue and expenditure by corporation, etc
22. Operation surplus and general reserve fund
23. Classification of corporation operating surplus.
24. Cessation of application of Part IV.
25. Annual cash plan.
26. Disbursements schedule
27. Power of Commissioner to approve virement.
28. Power to restrict further commitments
29. Restriction on the grant of tax relief
30. Responsibility of the budget office to monitor and report on implementation
31. Application of Part V to Local Governments

PART V - PUBLIC REVENUES

32. Forecast and collection of public revenues.
33. Revenue forecast
34. Executive to breakdown estimated revenue

PART VI - SAVINGS AND ASSET MANAGEMENT

35. Penalty for non-compliance with Part V

PART VII - PUBLIC EXPENDITURE

36. Conditions for increasing government expenditure
37. Conditions for increasing personnel expenditure
38. All contracts to comply with rules and guidelines
39. Effect of violation of public expenditure rules
40. Application of Part VII to Local Governments

PART VIII - DEBT AND INDEBTEDNESS

41. Framework for management
42. Limit on consolidated debt of State and Local Governments.
43. Servicing of external debt



PART IX - BORROWING

44. Conditions of Borrowing and verification of compliance with limit
45. Lending by financial institutions.
46. Prohibition against CBN in its relation with Government agencies and parastatals.
47. Power of the Commissioner to grant guarantees.

PART X - TRANSPARENCY AND ACCOUNTABILITY

48. Fiscal transparency.
49. Publication of audited accounts by all arms of Government.
50. Publication of summarized report on budget execution.

PART XI - ENFORCEMENT

51. Enforcement

PART XII - MISCELLANEOUS PROVISIONS

52. Government Securities as collateral to guarantee loans.
53. Restriction on utilization of proceeds of sale public assets etc.
54. Technical and financial assistance of Local Governments.
55. Power of Governor to make regulations.

PART XIII - INTERPRETATION

56. Interpretation
57. Citation



TARABA STATE OF NIGERIA
FISCAL RESPONSIBILITY LAW, 2011

Law No.7 of 2011

*A Law to provide for the Establishment of the FISCAL Responsibility Commission
and for other purposes connected therewith.*

Date of
Commencement

(15th February, 2012)

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

Establishment of
the Fiscal
Responsibility
Commission

1. (1) There shall be established, a body to be known as the Fiscal Responsibility Commission (in this Law referred to as “the Commission”).

(2) The Commission shall be a body corporate with perpetual succession and a common seal and may and be sued in its corporate name.

Responsibility,
power and
functions of
the Commission

2. (1) For the purpose of performing its functions under this Law, the Commission shall have power to:

- (a) Compel any person or government institution to disclose information relating to public revenues and expenditure; and
- (b) Cause and investigation into whether any person has violated any provisions of this Law.

(2) if the Commission is satisfied that such a person has committed any punishable offence under this Law or violated any provisions of this Law, the commission shall forward a report of the investigation to the Attorney-General of the State for possible prosecution.

Functions of the
Commission.

3.(1) The Commission shall:

- (a) Monitor and enforce the provisions of this Law and by so doing promote the economic objective contained in section 16 of the Constitution;
- (b) Disseminate such standard practices including international good objective practice that will result in greater efficiency in the allocation and management of public expenditure, revenue collection, debt control and transparency in fiscal matter.



- (c) undertake fiscal and financial studies, analysis and diagnosis and disseminate the result to the general public;
- (d) make rules for carrying out its functions under this Law; and
- (e) perform any other function consistent with the promotion of the objectives of this Law.

(2) The Commission shall be independent in the performance of its functions.

(3) The provision of Public Officers Protection Law shall apply to the members of the Commission in the discharge of their functions under this Law.

4. (1) The Commission shall establish and maintain a Fund from which shall be defrayed all expenditure incurred by 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 any other source.

Establishment of
a Fund for the
Commission.

5. The Commission shall consist of:

- (a) A chairman who shall be the Chief Executive and accounting officer of the Commission;
- (b) One member representing:
 - (i) the organized private sector;
 - (ii) civil society engaged in causes relating to probity, transparency and good governance;
 - (iii) organized labour
- (c) a representative of the State Ministry of Finance of a level not below the rank of a Director; and
- (d) one member to represent each of the following three senatorial zones of the State, i.e. Northern, Central and Southern.

Composition of
the Commission.

(2) All members of the Commission shall be person(s) of proven integrity and must possess appropriate qualification with not less than 10 years cognate post qualification experience.



(3) The Chairman and other members of the Commission other than ex-officio members shall be appointed by the Governor subject to confirmation by the House of Assembly

(4) The Chairman and members representing the three senatorial zones shall be full time members.

Tenure of office.

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

Powers of the Commission

7. The Commission shall have power to:

- (a) formulate and provide general policy guidelines for the discharge of the function of the Commission.
- (b) superintend the implementation of the policies of the Commission;
- (c) appointed for the Commission such member of employees as in the opinion of the Commission be expedient and necessary for the proper and efficient performance of the functions of the Commission;
- (d) determine the terms and conditions of service in the Commission, including disciplinary measures for the employees of the Commission;
- (f) regulate its proceedings and make standing orders with respect to the holding of its meeting, notices to be given, the keeping of minutes of its proceeding and such other matters as the Commission may, from time to time, determine.

Cessation of membership

8. (1) Notwithstanding the provision of section 5(2) of this Law, a member of the Commission shall cease to hold office if:

- (a) he becomes bankrupt;
- (b) he is convicted of a felony or any offence involving dishonesty, corruption or fraud;
- (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 the Governor removes him from office;
- (e) he has been found guilty of violation of the code of conduct or serious misconduct in relation to his duties;
- (f) he resigns his appointment by a notice under his hand, addressed to the Governor; or
- (g) in the case of a 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 the remainder of the term of office of his predecessor, provided that the successor shall represent the same interest as his predecessor.

Emoluments, etc
of members.

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

(2) There shall be paid to other members of the Commission such sitting allowances and benefits as may be determined by the Governor or as the Governor may from time to time approve.

Submission of
annual report of
the Commission.

10. 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.

PART II: THE MEDIUM-TERM EXPENDITURE FRAMEWORK

Medium-Term
Expenditure

11. (1) The State Governor after consultation with the Local Governments shall:

- (a) not later than six months from the commencement of this Law, cause to be prepared and before the House of Assembly, for their consideration 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 framework so laid shall be considered for approval with such modifications if any, as the House of Assembly finds appropriate by a resolution of 2/3 of the members of the House of Assembly.
- (3) The Medium-Term Expenditure Framework shall contain:
 - (a) a Macro-economic Framework setting out the macro-economic projections, for the next three financial years, the underlying assumptions for those projections and an evaluation and analysis of the macro-economic projections for the preceding three financial years;
 - (b) a Fiscal Strategy paper setting out:
 - (i) the State Government's medium term financial objective;
 - (ii) the policies of the State Government for the medium-term relating to taxation, recurrent (non-debt) expenditure, debt expenditure, capital expenditure, expenditure borrowings and other liabilities, lending and investment;
 - (iii) the strategic, economic, social and developmental priorities of the State Government for the financial years;
 - (iv) an explanation of how the financial objective, strategic economic, social and developmental priorities and fiscal measure set out pursuant to sub-paragraphs (i), (ii) and (iii) of this paragraph relating to the economic objectives set out in section 16 of the Constitution;
 - (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 tax revenue projections;
 - (ii) aggregate expenditure projection for the State for each financial year in the next three financial years;
 - (iii) aggregate expenditure projection for the State for each financial year in the next three financial years; and



- (i) minimum capital expenditure floor for the State for each financial year in the next three financial years;

Provided that the estimates and expenditures provided under paragraph (d) of this subsection shall be:

- (i) based on reliable and consistent data certified in accordance with section 13(2)(b) of this Law;
- (ii) targeted at achieving the macro-economic projection set out in subsection (2)(a) of this section;
- (iii) consistent with and derived from the underlying assumption contained in the macro-economic framework, the objectives, policies, strategic priorities and explanations in the Fiscal Strategy Paper;
- (d) a Consolidated debt Statement setting out and describing the fiscal significant of the debt liability of the State Government and measure 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.

Aggregate
expenditure
ceiling

12. The estimates of:

- (1) 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, not exceeding three percent of the Estimated Gross Domestic Product or any sustainable percentage as may be determined by the House of Assembly for each financial year;
- (2) 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 State security.

Preparation of the
Medium-Term
Expenditure
Framework.

13. (1) The State Planning Commission shall be responsible for the preparation of the Medium-Term Expenditure Framework.

- (2) In preparing the draft Medium-Term Expenditure Framework, the State Planning Commission:



- (a) may 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 State Planning Commission deems necessary;

Provided that, such consultation shall be open to the public, the press and any citizen or authorized representative 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:-
(i) State Planning Commission;
(ii) The Public Procurement Council and Commission;
(iii) any other relevant statutory body as the State Planning Commission may determine; and
- (c) shall consider and reflect as may be deemed appropriate the input of the bodies and persons referred to in subsections (a) and (b) of this section.

Time limit for presentation of Medium-Term Expenditure Framework to State Executive Council.

14. (1) The State Planning Commission 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 Medium-Term Expenditure as endorsed by the State Executive Council shall take effect upon approval by a resolution of 2/3 Members of the House of Assembly.

Publication of Medium-Term Expenditure Framework in the Gazette.

15. The Medium-Term Expenditure Framework as approved by the House of Assembly shall be published in the Gazette.

Adjustments to the Medium-Term Expenditure Framework

16. (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 a Medium-Term Expenditure Framework shall be limited to:

- (a) the correction of manifest; and
(b) changes in the fiscal indicators, which in the opinion of the Governor are significant.



Assistance to Local Governments.

17. Local Government which so desire be assisted by the State Government to manage their fiscal within the Medium-Term Expenditure Framework.

PART III: THE ANNUAL BUDGET

Annual budget to be derived from Medium-Term Expenditure Framework

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

- (1) Be the basis for the preparation of the estimates of revenue and expenditure required to be prepared and laid before the House of Assembly under section 81(1) of the Constitution.
- (2) The sectoral and compositional distribution of the estimates of expenditure referred to in subsection (1) of this section shall be consistent with the medium-term development priorities set out in the Medium-Term Expenditure Framework.

Annual budget to be accompanied by certain documents.

19. The estimates of revenue and expenditure (in this referred to 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;
- (c) a revenue framework broken down into monthly collection targets prepared on the basis of the predetermined revenue projections as contained in the Medium-Term Expenditure Framework.
- (d) measures on cost control and evaluation of results of programmes financial with budgetary resources;
- (e) a Fiscal Target Appendix derived from the underlying Medium-Term Expenditure Framework setting out the following targets for financial year:-
 - (i) target inflation rate;
 - (ii) target fiscal account balances;
 - (iii) any other development target deemed appropriate; and
- (f) 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.



Application of
Part III to Local
Government

20. In preparing their annual budget, Local Government may adopt the provisions of this Part with such modifications as may be appropriate and necessary.

PART IV - BUDGETARY PLANNING OF CORPORATION AND OTHER RELATED AGENCIES

Preparation of
estimates of
revenue and
expenditure by
Corporations, etc

21. (1) The Government corporations and agencies and government owned companies listed in the Schedule to this Law (in this Law referred to as “the Corporations”) shall not later than 6 months from the commencement of this Law and for every three financial years there after and not later than the end of the second quarter of every year, cause to be prepared and submitted to the Commissioner their Schedule estimates of revenue and expenditure for the next three financial years.

Schedule

(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 in each financial year;

(a) an annual budget derived from the estimates submitted in pursuance of subsection (1) of this section; and

(b) projected operating surplus which shall be prepared in line with acceptable accounting practices.

(3) The Commissioner shall cause the estimates submitted in pursuance of subsection (2) of this section to be attached as part of the Draft Appropriation Bill to be submitted to the House of Assembly.

Operating surplus
and general reserve
fund

22. (1) Notwithstanding the provisions of any written Law governing the corporation, each corporation shall establish a general reserve fund and shall allocate thereto at the end of each financial year, one-fifth of its operating surplus for the year.

(2) The balance of the operating surplus shall be paid to the Consolidated Revenue Fund of the State Government not later than one month following the statutory deadline for publishing each corporation’s accounts.

Classification of
corporation
operating surplus

23. (1) The Corporation’s surpluses shall be classified as a 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.



Cessation of application of Part IV.

24. The provision of section 20, 21 and 22 shall cease to apply to any of the corporations from the date of its privatization.

PART V - BUDGETARY EXECUTION AND ACHIEVEMENT OF TARGETS

Annual Cash Plan

25. (1) The State Government shall cause to be drawn up in each financial year, an Annual Cash plan which 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.

Disbursement Schedule

26. 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 purposes of implementing the Appropriation Law.

Power of Commissioner to approve virement.

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

(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 House of Assembly virements from sub-heads of account, without exceeding the amount appropriated to such head of account.

Power to restrict Further commitments.

28. (1) Where, by the end of three months, after the enactment of the Appropriation Law the Commissioner determines that the targeted revenues may be sufficient to fund the heads of expenditure in the Appropriation Law, Commissioner shall, within the next 30 days of such determination, take appropriate measure to restrict further commitments, and financial operation according to the criteria set in the Fiscal Risk Appendix.

(2) The provision targeted revenues are re-established either in part or in full, the appropriation 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 expenditure.



Restriction on the grant of tax credit

29. (1) Any proposed tax expenditure shall be accompanied by an evaluation of its budgetary and financial implication in the year it become 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 measures during the period mentioned in this subsection through revenue increasing measure such as tax rate raises and expansion of the tax base.

(2) The provisions of this section shall not apply to:

- (a) changes in the rates of the taxes mentioned in section 168 of the Constitution; and
- (b) debt cancellation in an amount lower than the cost of collection.

Responsibility of the budget office to monitor and report on implementation.

30. (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 fiscal targets and report thereon a quarterly basis to the Fiscal Responsibility Council and the Financial Committee of the House of Assembly.

(2) The Commissioner of Finance shall, cause 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

31. In implementing their annual budgets, Local Governments may adopt the provisions of this with such modification as may be appropriate and necessary.

PART VI - PUBLIC REVENUE

Forecast and collection of public revenue.

32. Any fund due to the State from any tier of government may be set off by the State in or towards payment or remittance of any sum due to that tier of government from the State.

Revenue forecast

33. The Executive Arm of the State Government shall, at least 30 days before the deadline for the submission of its budget proposals, place at the disposal of the House of Assembly, the revenue estimates for the following year, including the net current revenue and the respective memorandum items.



Executive to
breakdown
estimated revenue

34. Estimated revenue shall be broken down by the Executive Arm of Government into monthly collection targets, including where applicable, a separate description of measures to combat tax fraud and evasion.

PART VII - SAVING AND ASSET MANAGEMENT

Condition for
increasing
government
expenditure

35. (1) Where the tax revenue projections rises above the predetermine level, the resulting excess shall be saved in accordance with the provisions of subsection (2) of this section.

(2) The saving of each corporation in the State in pursuance to subsection (1) of this section shall be deposited in a separate account which shall form part of the Consolidated Revenue Fund being maintained by the State Government.

(3) No corporation in the State have access to the savings made in pursuance to subsection (2) of this section, unless the tax revenue projection falls below the predetermined level for a period of three consecutive months.

(4) The augmentation referred to in subsection (3) of this section shall be limited to such sums that will bring the revenue of government to the level contained in its budget estimate.

(5) Notwithstanding the provisions of subsection (3) and (4) of this section and subject to agreement by State Government, a proportion of the savings may be appropriated in the following year for the capital projects and programmes.

PART VIII - PUBLIC EXPENDITURE

Conditions for
increasing
government
expenditure.

36. (1) The creation, expansion or improvement in government action which result in an expenditure increase shall be accompanied by:

- (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 that the increase is consistent with the Appropriation Law and the Medium-Term Expenditure Framework.

(2) The provisions of this section shall not apply to expenditure deemed inconsequential and shall apply to Local Government only to the extent to which they have adopted these provisions.



Conditions for increasing personnel expenditure.

37. 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 the State Government shall only be effected if, there is a prior budgetary allocation sufficient to cover the estimated expenditure.

All contracts to comply with rules and guidelines.

38. 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 Public expenditure rules.

39. Any violation of the requirements in section 36, 37 and 38 shall be an offence.

Application of part VIII to Local Government.

40. In incurring public expenditure, Local Government may adopt the provisions of this Part with such modifications as may be appropriate and necessary.

PART IX - DEBT AND INDEBTEDNESS

Framework for Debt Management.

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

- (a) Government at all tiers shall only borrow for capital expenditure and human development, provided that, such borrowing shall be on concessional terms with low interest rate and with a reasonably long amortization period subject to the approval of the appropriate legislative body where necessary; and
- (b) 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 House of Assembly from time to time on the advice of the Commissioner.

(2) Notwithstanding the provisions of subsection 1(a) of this section and subject to the approval of the House of Assembly, the State Government may borrow from the capital market.

(3) Non-compliance with the provisions of this section shall make the action taken an offence.



Limits on consolidated debt of State and Local Governments.

42. (1) The Government shall, within 90 days from the commencement of this Law and with advice from Commissioner of Finance subject to approval of the House of Assembly, set overall limits for the amounts of provisions of items 7 and 50 of Part 1 of the Second Schedule to the Constitution and the limits and conditions approved by the House of Assembly, shall be consistent with the rules set in the Law and with the fiscal policy objectives in the Medium-Term Fiscal Framework.

(2) Outstanding judgement debts not paid shall be considered part of the consolidated debts for the purpose of application of the respective 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 each tier of government.

(4) The Commission shall publish, on a quarterly basis, a list 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 percent 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 of existing debts; and
- (b) bring the debt within the establish limit by restricting funding commitments accordingly.

(7) 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.

(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 House of Assembly a request for a review of the current limits.



Servicing of
External debt.

43. (1) Servicing of external debts shall be the direct responsibility of the government that incurred the debt.

(2) The cost of servicing Federal Government guaranteed loan shall be deducted at source the share of the debtor State Government from the Federation Account.

Conditions of
borrowing and
verification of
compliance with
limits.

44. (1) The State Government or its agencies and corporations desirous borrowing shall, specify the purpose for which the borrowing is intended and present a cost-benefit analysis, detailing the economic and social benefits of the purpose to which the intended borrowing is to be applied.

(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 out in section 44 of this Law.

(4) The Commission shall verify on a quarterly basis, compliance with the limits and conditions for borrowing by Government.

(5) Without prejudice to the specific responsibilities of the National Assembly and Central Bank of Nigeria, the Debt Management Office shall maintain comprehensive, reliable and current electronic database of internal and external public debts, guaranteeing public access to the information.

Lending by
financial
institutions.

45. (1) All banks and financial institutions shall request and obtain proof of compliance with the provisions of this Part before lending to Government.

(2) Lending by banks and financial institutions in contravention of this part shall be unlawful

Prohibition against
CBN in its relation
with government
agencies and
parastatals.

46. The Central Bank of Nigeria in its relations with Government agencies and parastatals shall be subject to the following prohibitions:



- (a) purchasing fresh issues of government securities on the date of its primary issues in the market, except in the circumstances under subsection (2) of this section.
 - (b) exchanging on a temporary basis, the debt securities of any Government in the Federal for federal public debt securities and forward purchase or sale of such securities when the final result is similar to an exchange; or
 - (c) granting guarantees on behalf of any Government in the Federation.
- (2) The Central Bank of Nigeria may only underwrite securities issued by the Federal Government, which are rolled-over to refinance maturing securities.
- (3) The underwriting permitted under subsection (2) of this section shall be offset through a public auction at market-determined rate.

Power of the
Commissioner to
grant guarantees.

47. (1) Subject to the provision of this part, the Commissioner may with the approval of the State Executive Council grant guarantees on behalf of Government.

(2) Any guarantee granted by the Commissioner shall be conditional upon the provisions provided that, there are no overdue obligations from the requesting Government in the Federation to the guarantor and its controlled corporations and such guarantee shall also be in compliance with the following:-

- (a) counter-guarantee required shall only be accepted from State or Local Governments; and
 - (b) the counter-guarantee require by the Federal Government from the State or Local Government or by State from Local Government, may consist in the appropriate of tax revenue directly collected and resulting from statutory transfers and the guarantor shall be authorised to retain such revenue and use the respective amount to repay overdue debts.
- (3) In the case of foreign currency borrowing, Federal Government guarantee shall be a requirement and no State, Local Government or Federal Agency shall, on its own borrow externally.
- (4) Any guarantee provided in excess of the debts limits set pursuant to section 44(1) of this Law shall be an offence.



PART XI - TRANSPARENCY AND ACCOUNTABILITY

Fiscal
transparency

48. (1) The State Government shall ensure that its fiscal and financial affairs are conducted in a transparent manner and accordingly 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 House of Assembly shall ensure transparency during the preparation and discussion of the Medium-Term Expenditure Framework, Annual Budget and the Appropriation Bill.

Publication of
audited accounts.

49. (1) The State Government shall publish their audited accounts not later than six months following the end of the financial year.

(2) State Government shall not later than two years following the commencement of this Law and therefore, not later than 7 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 information for the consolidation of public accounts shall be the responsibility of the Office of the Accountant-General of the State.

Publication of a
summarized report
on budget
execution.

50. The State Government through its budget office 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 Commission 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 Finance for submission to the House of Assembly and dissemination to the public.

PART XII - ENFORCEMENT

Enforcement.

51. A person shall have legal capacity to enforce the provisions of this Law by obtaining prerogative orders or other remedies at the State or Federal High Court, without having to show any special or particular interest.



PART XIII - MISCELLANEOUS

Government securities as collateral to guarantee loans.

52. 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.

Restriction on utilization of proceeds of sale of public assets, etc.

53. 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 or assets.

Technical and financial assistance to State and Local Government

54. The State Government may provide technical and financial assistance to States and Local Governments that adopt similar fiscal responsibility legislation along the same lines as this Law for the modernization of their respective tax, financial and asset administration.

Power of the Governor to make regulations.

55. The Governor shall in addition to any other power conferred on him under this Law make regulations generally for the purposes of carrying into effect the provisions of this Law.

PART IV - INTERPRETATION

Interpretation.

56. In this Law

“Appropriation Law” means a law passed by the State Assembly or Local Government authorizing spending from the Consolidated Revenue Fund and includes a Supplementary Appropriate Law:

“Appropriate Bill” means the Executive, Legislative and Judiciary;

“Borrowing” means any financial obligation arising from:

- (i) any loan including principal, interest, fees of such loan.
- (ii) the deferred payment for property, goods and services
- (iii) bonds, debentures, notes or similar instruments,
- (iv) letters of credit and reimbursement obligations in 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;

“Budget Call Circular” means a circular:

- (i) requesting the submissions in a 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;

“Concessional terms” means the terms of loan must be at an interest rate not exceeding 3 percent;

“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' acceptance;
- (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 of service, project or programme with the benefits that citizens are likely to derive from it;

“Fiscal Risk Appendix” And explanatory attachment that provide a set of indicator 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;

“Financial Year” has the meaning ascribed in the Constitution;

“Fiscal Policy Objectives” means the goals set by Government for attainment of set targets for a given period.

“Government Owned Company” means a statutory corporation, Government Agency and a company in which Government has controlling interest;



“House of Assembly” means the State House of Assembly;
“Medium-Term Expenditure Framework” means the document referred to and the content of which is prescribed in section 1 of this Law;

“Commissioner” means the Commissioner charged with the responsibility for finance;

“Net debt” means the Consolidated Debt less what is owned to Government, its parastatals and agencies at any point in time;

“Governor” means Executive Governor of Taraba State of Nigeria.

“Public Debt Securities” means public debt represented by securities issued by the State and Local Government;

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

“Public revenue” all money received by the State Government;

“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;

“Refinancing of debt securities” means issuance of securities to repay the existing debt;

“State financial institution” means any financial institution in which one or more State governments has controlling shares;

“State” shall be construed to mean Taraba State;



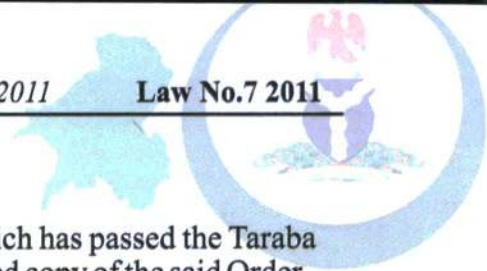
“Tax expenditure projections” means the projected amount expected to be utilized in the granting tax relief or tax holiday;

“Tax revenue projections” means the projected collectible tax within a particular planning or tax holiday; and

“Tier of Government” means the Federal, State and Local Governments;

Citation

57. This Law may be cited as the Fiscal Responsibility Law, 2011.



FORM A
(Section 2)

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

ISMAILU T. UKWEN
Clerk to the Taraba State House of Assembly

FORM B
(Section 4(1))

Assented to by me this 15th day of February, 2012

PHARM. DANBABAD. SUNTAI
*Executive Governor
Taraba State of Nigeria*

FORM C
(Section 4(2))

Assent withheld by me this.....day of.....2012

.....
Governor

FORM D
(Section 4(3))

Passed again by the Taraba State House of Assembly by Two-Thirds majority this.....day of.....2012

.....
Speaker



TARABA STATE
FISCAL RESPONSIBILITY
COMMISSION

TARABA STATE FISCAL RESPONSIBILITY (AMENDMENT) LAW, 2016



EXTRAORDINARY



TARABA STATE OF NIGERIA

OFFICIAL GAZETTE

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**No. 2 Taraba State Fiscal Responsibility
(Amendment) Law, 2016 Page A1 - A10**



TARABA STATE FISCAL RESPONSIBILITY (AMENDMENT) LAW, 2016



LAW NO: 2/2016

A LAW TO AMEND THE TARABA STATE FISCAL RESPONSIBILITY COMMISSION LAW, NO. 7 OF 2011 TO ENHANCE THE POWERS OF THE COMMISSION IN THE PERFORMANCE OF ITS FUNCTIONS UNDER THE LAW INCLUDING BUT NOT LIMITED TO ENFORCEMENT OF REMITTANCE OF REVENUE INTO THE CONSOLIDATED REVENUE FUND OF THE STATE AND OTHER RELATED MATTERS.

Date of Commencement.

(9 August, 2016)

Enactment

ENACTED by the Taraba State House of Assembly of Nigeria as follows:-

Citation and Commencement.

1. This Law may be cited as the Taraba State Fiscal Responsibility Commission (Amendment) Law, 2016 and shall come into force on the 9th day of August, 2016.

Interpretation.

2. In this Law, unless the context otherwise requires, "Principal Law" means the Taraba State Fiscal Responsibility Commission Law, No. 7 of 2011.

Amendment of Section 1.

3. Subsections (1) and (2) of Section 1 of the Principal Law are hereby amended as follows:
 - (a) By substituting the words "shall be" with the words "is hereby"
 - (b) By adding the word "sue" immediately after the word "may" and
 - (c) By inserting, immediately after the end of subsection (2) the conjunction "and" followed by a new subsection (3) as follows:
“(3) shall have the power to acquire and own properties for the performance of its functions under this Law”.



Amendment of Section 2 **4.**

Section 2 of the principal Law is hereby amended by the complete deletion of section 2 thereof and the substitution of the following new section 2 thereof as follows:

“2 (1) For the purpose of performing its functions under this Law, the Commission shall have power to:

- (a) Compel any Person or Government Institution to disclose information relating to Public Revenues and Expenditure;
- (b) Conduct investigations to ascertain whether any person has violated any provisions of this Law;
- (c) Request for and be permitted by all Government Ministries, Departments, Extra-Ministerial Departments, Agencies, Public Bodies, Institutions, Corporations and arms of Government to inspect all Documents, Records, minutes, entries, electronic systems, machines and objects which the Commission shall deem necessary for the performance of its functions under this Law;
- (d) Request for and obtain information relating to public revenue, Expenditure and related matters from any person, Department, public institution or body or arm of the Government of the State;
- (e) Interview any person it deems necessary with regards to Government Revenue and Expenditure;
- (f) Monitor and enforce the remittance of revenue by all Corporations and Government Agencies into the Consolidated Revenue Fund as is herein provided and publish same at the commencement of every fiscal year;
- (g) Collaborate and cooperate with all or any of the Nigeria 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 of the State;



- (h) Without prejudice to the powers of the Auditor-General of the State, review or verify the financial records of any Government Agency, Corporation, Ministry, Extra-Ministerial Department of the State;
 - (i) Make rules and issue guidelines for implementation of this Law; and
 - (j) Do 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 offence under this Law or violated any provision of this Law, the Commission shall liaise with the Attorney General of the State for his prosecution.
- (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 the State.

Amendment of Section 3 5. Subsection (1) of Section 3 of the Principal Law is hereby amended by the deletion of the said subsection (1) of section 3 thereof and the substitution of the following new subsection (1) as follows:-

“3(1) The Commission shall perform the following functions:-

- (a) Monitor and enforce the provisions of this Law and by so doing, promote the economic objectives contained in Section 16 of the Constitution of the Federal Republic of Nigeria, 1999 (As Amended);
- (b) Disseminate such standard practices including international good practice that will result in greater efficiency in the allocation and management of the public expenditure, revenue collection, debt control and transparency in fiscal matters;
- (c) Undertake fiscal and financial studies, analysis and diagnosis, and disseminate the result to the general public;
- (d) Make rules for carrying out its functions under this Law;



- (e) Enforce the submission of periodic returns on revenue performance showing estimates, actual collections and remittances to the Consolidated Revenue Fund of the State by corporations and agencies accompanied by accurate documentary evidence of collections and remittances to the Consolidated Revenue Fund of the State by corporations and agencies;
- (f) Attend and monitor monthly monitoring meetings of all revenue collectors in collaboration with the office of the Accountant General of the State;
- (g) Appoint for the Commission such number of employees as it may deem expedient and necessary for the proper and efficient performance of its functions under this Law;
- (h) Determine the terms and conditions of service in the Commission; including disciplinary measures for the employees of the Commission;
- (i) Regulate its proceedings and make standing orders with respect to the holding of its meetings, notices to be given, keeping of minutes of its proceedings and such other matters as the Commission may from time to time determine; and
- (j) Perform any other function consistent with the promotion of the objectives of this Law.”

Amendment of Section 4 **6.**

Subsection (2) of Section 4 of the Principal Law is hereby amended by the deletion of Subsection (2) of Section 4 thereof and the substitution of the new sub-section (2) as follows:

“4(2) the annual budget of the Commission shall include:

- (a) a charge on the Consolidated Revenue Fund of the State; and shall upon the promulgation of the Appropriation Law be remitted to the coffers of the Board of Internal Revenue;
- (b) grants from any other source.”



Amendment of Section 5. **7.** Section 5 of the Principal Law is hereby amended by the insertion immediately after paragraph (d) of section 5 of the following new paragraphs (e) and (f):

“(e) a representative of the Ministry of Justice.

(f) a secretary who shall either be an experienced lawyer or an experienced Administrator drawn from the public service.”

Amendment of Section 6. **8.** Section 6 of the Principal Law is hereby amended by the deletion of the said section 6 and the substitution of the following new section 6 as follows:-

“6 (1) The Chairman and other members of the Commission shall hold office for the period of 4 years;

(2) The Chairman and other members may be eligible for reappointment for a second term of 4 years and after that, no more.”

Repeal of Section 7. **9.** Section 7 of the Principal Law is hereby repealed.

Amendment of Section 9. **10.** Section 9 of the Principal Law is hereby amended by inserting the words “and other members” immediately after the word “Chairman” in subsection (1) of Section 9.

Amendment of Section 13 **11.** Section 13 of the Principal Law is hereby amended as follows:

(a) By substituting in paragraph (a) of subsection (2) in line 11 the word “may” with the word “shall”

(b) By substituting paragraph (b) with a new one as follows:

“(b) shall seek inputs from the:-

(i) State Ministry of Finance and Economic Development;

(ii) Bureau for Public Procurement;

(iii) State Fiscal Responsibility Commission;

(iv) State House of Assembly; and

(v) any other relevant statutory body as the State Planning Commission may deem necessary.”



- Amendment of Section 14* **12.** Section 14 of the Principal Law is hereby amended by inserting immediately after Subsection (2) of Section 14 the following new subsection (3):-
“(3) The Chairman of the State Planning Commission shall submit copies of the Medium-Term Expenditure Framework to the Commission within one month after it has been approved by the State House of Assembly.”
- Amendment of Section 41* **13.** Section 41 of the Principal Law is hereby amended by the deletion of paragraph (b) of sub-section (1) of Section 41 and the substitution of the following new paragraph (b) as follows:-
“(b) Without prejudice to the powers of the State House of Assembly, Government shall ensure that the level of public debt is not more than 50% of the Statutory revenue of the State in the preceding 12 months.”
- Amendment of Section 45* **14.** Subsection (1) of Section 45 of the Principal Law is hereby amended by the complete deletion of the subsection (1) and substitution of the following new subsection (1) of Section 45 as follows:-
“(1) All Banks and Financial Institutions shall request and obtained proof of compliance from the Commission.”
- Amendment of Section 51 and the insertion of Section 51A* **15.** Section 51 of the Principal Law is hereby amended by the deletion of the said section and the substitution of the following new section 51 and a new Section 51A is hereby created and is to be inserted immediately after Section 51 as follows:-
“51(1)A person shall have legal capacity to enforce the provisions of this Law by obtaining prerogative orders or other remedies at the State or Federal High Courts, without having to prove an injury (personal or otherwise) or to show any special or peculiar interest in the cause of action.
(2). The court shall have the power to, whether under a criminal or civil action brought pursuant to the provisions of this Law, order the recovery of every proceeds of corrupt enrichment or wrongful benefit obtained by or conferred on any person from any public revenue, fund or other opportunity that belong to Government;



- (3) Every public fund recovered under this Law shall be paid into the Consolidated Revenue Fund of the State.

Offences and penalties

- 51A(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 three months or a fine of not less than five hundred thousand naira [₦500,000.00] or both.
- (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 three (3) months or with fine of not less than five hundred thousand Naira [₦500,000.00]) or both.
- (3) Any person who, with intent to deceive or mislead makes a partial disclosure of information to the Commission or its agent, State Ministry of Finance or State Planning Commission in response to a request made in the performance of a function imposed by Law commits an offence and shall upon conviction be liable to a term of imprisonment of not less than three (3) months or with a fine of not less than five hundred thousand Naira [₦500,000.00] or both.
- (4) Any person who refuses or fails, without lawful excuse, to give information to the Commission or State Ministry of Finance or State Planning Commission upon a written 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 six [6] months or a fine of not less than five hundred thousand Naira [₦500,000.00] or both.



- (5) Any person who, without lawful excuse, fails to perform a duty imposed upon or assigned to him or the office which he occupies under this Law commits an offence and shall upon conviction be liable to a term of imprisonment of not less than three (3) months or a fine not less than five hundred thousand Naira [N500,000.00] or both.
- (6) Any person(s) who borrow or lends or is responsible for borrowing or Lending in contravention of the provisions of part IX of this Law commits an offence and shall upon conviction be liable to imprisonment for a term of not less than three (3) months or a fine of not less than five hundred thousand Naira [N500,000.00] or both.
- (7) Any person who under-declares public revenue generated or collected by Government Institutions, Corporation, Agency, or government owned Company commits an offence and shall upon conviction be liable to refund the total amount under-declared, imprisonment for a term of not less than three [3] months or with a fine of not less than 10% of the total amount under-declared.
- (8) 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 House of Assembly commits an offence and shall upon conviction be liable to imprisonment for a term of not less than three (3) months or with a fine not less than five hundred thousand Naira [N500,000.00] or both.
- (9) 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 two [2] years 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.
- (10) Any person who aids or abets the Commission or an officer under this Law commits an offence and shall upon conviction be liable to



- (11) Any person who fails to remit funds pursuant to Section 22 of this Law commits an offence and shall upon conviction be liable to imprisonment for a term of not less than three (3) months or a fine of not less than five hundred thousand Naira [N500,000.00] or with both and shall in addition remit the full amount so outstanding.
- (12) 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 of not less than three (3) months or a fine of not less than five hundred thousand Naira [N500,000.00] or both.”

Amendment of Section 56 **16.** Section 56 of the Principal Law is hereby amended by the insertion at the end of part (XIV) the following new interpretations:-
“**Corporation**” Includes a Government Agency and a Government owned Company;
“**Government**” or any reference to a “Government” shall where appropriate include the Executive, Legislature and Judiciary;
“**Gross Revenue**” under Part IV of this Law means all revenue earned by or accruing to Corporation from all sources, subventions from Government and grant from donors;
“**Lending Institutions**” Means Banks or Financial Institutions.



**SCHEDULE
FORM A
(SECTION 2)**

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

Mr. Ismaila Tentasin Ukwen (JP)
Clerk of the House of Assembly

**FORM B
SECTION 4(1)**

Assented to by me this 9th day of August, 2016

ARC Darius Dickson Ishaku
Executive Governor



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