

**EKITI STATE PUBLIC FINANCE  
MANAGEMENT LAW, 2020.**

**NO. 11 OF 2020**

**EKITI STATE OF NIGERIA**

# **PUBLIC FINANCE MANAGEMENT LAW, 2020.**

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**A LAW TO REGULATE THE FINANCIAL MANAGEMENT OF THE STATE AND  
LOCAL GOVERNMENT AREAS OF EKITI STATE AND OTHER RELATED  
MATTERS.**

**NO. 11 OF 2020.**

**EKITI STATE OF NIGERIA**

*Commencement*

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**ENACTED BY THE EKITI STATE HOUSE OF ASSEMBLY *as follows:***

**PART 1**

**MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT.**

**Duties of the Commissioner for Finance.**

1. In addition to any function specifically conferred on the Commissioner for Finance (referred to in this Law as the "Commissioner") under this Law or any other law, the Commissioner shall formulate policies and be the overall head of the Ministry of Finance and Economic Development.

**Functions of the State Treasury Office.**

2. The functions of the State Treasury Office shall be to:
  - (a) account for all receipts and payments of the State Government;
  - (b) supervise the accounts of the State Ministries, Extra-Ministerial Departments and Agencies (MDAs);
  - (c) collate and prepare Statutory Financial Statements of the State Government and any other statements of accounts required by the Commissioner for Finance and Economic Development;
  - (d) maintain and operate the accounts of the Consolidated Revenue Fund, Development Fund, other public funds and provide cash backing for the operations of the State Government;
  - (e) maintain and operate the State Government's accounts;
  - (f) formulate and implement the accounting policy of the State Government; and
  - (g) perform any other functions as contained in the financial regulations and/or assigned by the Commissioner.

**Duties of the Accountant-General of the Treasury Office.**

3. The Accountant General of the Treasury Office (referred to in this Law as “the Accountant-General”) shall:
- (a) serve as the Chief Accounting Officer of the receipts and payments of the State Government and of the Treasury Office;
  - (b) establish and supervise Treasury Cash Offices in each Local Government Headquarters and any other locations in the State considered suitable.
  - (c) ensure revenue monitoring and accounting;
  - (d) issue officially approved forms bearing Treasury numbers for use in all the State Ministries, Department and Agencies to ensure uniformity;
  - (e) contribute to the preparation of a draft financial instructions for consideration and issuance by the Commissioner upon securing the approval of the Executive Council;
  - (f) The Accountant General shall be responsible for the performance of the functions conferred on the State Treasury Office under this Law in addition to any other functions that the Commissioner and or Executive Council may from time to time confer on him or the Treasury Office.

**Powers of the Commissioner to delegate duties.**

4. (1) The Commissioner may in writing delegate any of his powers, duties or functions under this Law to the head of any department of the Ministry of Finance and Economic Development.
- (2) In delegating any power, duty or function in accordance with the provision of subsection (1) of this section the Commissioner may attach any limitation or condition.
- (3) Any power delegated under subsection (1) of this Section shall not divest the Commissioner of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty.

**Banks, Cash Management and Investment Framework.**

5. (1) The State Treasury Office shall prescribe the framework within which Ministries, Departments, Agencies, Parastatals and Institutions shall conduct their cash management.

- (2) All Ministries, Departments, Agencies, Parastatals and Institutions shall open bank accounts with a bank duly registered and licensed in Nigeria and such transaction shall be approved in writing by the Accountant-General.
- (3) No Ministry, Department, Agency, Parastatal or Institution shall open a bank account abroad or with a foreign bank except with the written approval of the Governor through the Commissioner for Finance.
- (4) The State Government through the Commissioner for Finance in consultation with relevant agencies shall prescribe the investment policy for the State.
- (5) Any bank or other financial institution which has opened an account for a Ministry, Department, Agency, Parastatal or Institution shall promptly disclose information on the account when so requested by the Accountant-General or the Auditor-General or the Executive Secretary, Bureau of Central Internal Audit.
- (6) The Accountant-General shall blacklist any bank or financial institution that does not comply with the provisions of subsection (5) of this Section and/or any subsisting Service Level Agreement (SLA).

**Deposits into the Consolidated Revenue Fund.**

6. (1) All revenue generating Agencies shall promptly deposit into the Consolidated Revenue Fund, all taxes, levies, fees, investment income and other monies collected by them, in accordance with a framework to be determined by the State Treasury Office from time to time.
- (2) All monies received by any Ministry, Department, Agency, Parastatal or Institution of the State Government shall be paid into the Consolidated Revenue Fund, except public funds of the State established for a specific purpose for the use of-
  - (a) Public Institutions or Parastatals listed in Schedules I to IV of this Law;
  - (b) commercialized Parastatals or Institutions if the money is received in the ordinary course of operations;
  - (c) any Agency where the funds are received from a donor agency(s) on condition that it shall be paid into a special account; or
  - (d) funds held in trust for a specific person or category of persons

- or for a specific purpose such as in the case of the Public Trustees Law, except for such fees charged by Public Trustee which should be paid into the Consolidated Revenue Fund in accordance with any law regulating public trustee;
- (e) monies paid by one Ministry, Department, Agency, Parastatal or Institution to another for services rendered; and
  - (f) monies held in trust for a specific person, category of persons or institution for a specific purpose.
- (3) Money received by any State parastatal or institution listed in schedules I to IV of this law shall be paid into a bank account opened by the parastatal or institution.

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

7. (1) The State Treasury Office shall be responsible for the withdrawal of money from the Consolidated Revenue Fund, and shall do so only:
- (a) to provide for payments or transfers as may be authorized;
    - (i) in terms of an appropriation by a law of the State House of Assembly; or
    - (ii) as a direct charge against the Consolidated Revenue Fund as provided for in the Constitution or in any other law.
  - (2) The State Treasury Office shall refund money wrongly paid into the State Consolidated Revenue Fund.
  - (3) Any withdrawals made pursuant to subsection (1) of this section shall be a direct charge against the Consolidated Revenue Fund

#### **Development Fund.**

8. (1) There is an established Development Fund into which all capital receipts shall be paid and from which all capital expenditure shall be withdrawn.
- (2) Capital receipts which shall be paid into the Development Fund include the following-
- (a) internal loans;
  - (b) bonds or funds raised from Public Offers;
  - (c) grants and reimbursements;
  - (d) transfer from Consolidated Revenue Fund;
  - (e) development levies;

- (f) external loans; and
- (g) any other source classified under capital receipts in the Appropriation Law.

### **Capital Development Warrant.**

9. (1) All capital expenditure shall be paid from the Development Fund and no such expenditure may be incurred except on the authority of a warrant duly approved by the Commissioner without which the Accountant-General shall not accept into his/her accounts any charges upon the Development Fund.
- (2) The authority of the Commissioner may be conveyed in one of the following forms of warrant-
  - (a) the Development Fund General Warrant;
  - (b) a Provisional Development Fund Supplementary General Warrant;
  - (c) a Development Fund Supplementary Warrant;
  - (d) a Development Fund (Special) Warrant;

### **Use of funds in emergency situations.**

10. As applicable in Section 123 of the 1999 Constitution of the Federal Republic of Nigeria, (as amended).

### **Basis of Government Accounting.**

11. The basis of all government accounts shall be in consonant with International Public Sector Accounting Standards (IPSAS) as adopted by Federal Allocation Accounts Committee (FAAC) for the three tiers of Government in Nigeria.

### **Annual Consolidated Financial Statements.**

12. The Accountant-General shall-
  - (a) prepare consolidated financial statements which shall comply with the format for General Purpose Financial Statements (GPFS) in accordance with International Public Sector Accounting Standards (IPSAS) issued by the Federal Allocation Accounts Committee (FAAC) sub-committee, approved by the Financial Reporting Council of Nigeria and applicable to all tiers of government in Nigeria for each financial year in respect of:

- (i) State Ministries and Extra-Ministerial Departments and Agencies; and
  - (ii) Public Parastatals or Institutions.
- (b) include in any report prepared under this section any financial information known to him/her which materially affects the significance of the figures presented in the financial statements and which is not otherwise required to be recorded in public accounts; and
- (c) submit these statements for audit to the Auditor-General within three (3) months after the end of that financial year.

### **Financial Report.**

13. Any financial report shall be based on IPSAS accrual basis and shall be in the following format-

- (a) Statement of Responsibility;
- (b) Statement of Financial Performance;
- (c) Statement of Financial Position;
- (d) Statement of Cash Flow;
- (e) Statement of change in Net Assets/Equity;
- (f) Statement of comparison of Budget and Actual Amount;
- (g) Notes to the Financial statements.

### **Form of Statements.**

14. The forms of statements mentioned in Section 13 of this Law shall contain the following information:

**(a) Statement of Responsibility:** The Accountant-General shall confirm his responsibility to the fact that the financial statements have been prepared in accordance with the provisions of this Law and in compliance with generally accepted accounting practice.

**(b) Statement of Financial Performance** (Also known as Statement of Revenue and Expenses, Profit and Loss Account, Income Statement or Operating Statement): This statement shall show the income accrued to the State from all sources and expenditure incurred during the period.

**(c) Statement of Financial Position** (Also known as Statement of Assets and Liabilities or Balance Sheet): This statement shall show the Assets, Liabilities and Net Assets/Equity of the State. Both Assets and Liabilities are categorized as Current and Non-Current in

the Statement.

**(d) Statement of Cash Flow** (Also known as Statement of Sources and Application of Fund): This statement shall -

- (i) report inflow, outflow of cash and cash equivalent during the reporting period and;
- (ii) serve to analyze the changes in cash and cash equivalents.

**(e) Statement of Change in Net Assets/Equity:** This Statement shall

- (i) explain the changes in Net Assets of the State;
- (ii) detail the change between the current and prior period for net assets balance.

**Note:** Net assets/equity refers to the residual measure in the Statement of Financial Position (Assets Less Liabilities).

**(f) Statement of Comparison of Budget and Actual Amount** (Also referred to as Performance Report): This statement shall –

- (i) indicates and ascertain the budget performance of the State;
- (ii) compare the actual revenue and expenditure performance of the State against the approved budget.

**(g) Notes to the Financial Statements:** The notes shall –

- (i) show the details of revenue, expenditure and other items as presented in the financial statements and
- (ii) give detailed information about the activities reported in the Financial Statements.

### **Financial Statistics and Aggregations.**

- 15.** (1) The Commissioner responsible for budgetary matters in collaboration with all government Ministries, Departments and Agencies shall annually-
- (a) compile in accordance with international standards, financial statistics and aggregation concerning all spheres of government activities;
  - (b) determine the actual Gross Domestic Product (GDP) of the State; and
  - (c) publish same in a State Government publication.
- (2) The Commissioner responsible for budgetary matters in collaboration with all relevant ministries, departments and agencies shall create a data bank for the purpose of planning.

### **Publication of Financial Statements.**

16. (1) The Accountant-General having obtained the approval of the Commissioner shall publish the State's Financial Statement half yearly and end of the year.
- (2) The statements referred to in subsection (1) of this Section shall be in a form that is consistent with the budget estimates for the financial year and may include any additional information that the Accountant-General considers relevant.

### **The Debt Management Office and its Functions.**

17. (1) There is established an agency to be known as the Ekiti State Debt Management Office (referred to as “the Office”).
- (2) The Debt Management Office shall have the status of an agency with an Executive Secretary in line with the DMO Regulation and shall operate in line with the Ekiti State Debt Management Regulation, No. 1 of 2011.
- (3) The Office:
- (i) shall be a corporate body with perpetual succession;
  - (ii) may sue and be sued in its corporate name; and
  - (iii) may acquire, hold and dispose of property whether movable or immovable for purpose of exercising its functions under this Law.
- (4) The Office shall:
- (a) issue, on behalf of the State, such Debt Securities as the State may approve from time to time;
  - (b) borrow on behalf of the Government, from any individual or institutional bodies as may be approved by the State;
  - (c) maintain a reliable database of all Debt Securities, loans taken or guaranteed by the Government or any of its agencies and all contingent liabilities related to it;
  - (d) prepare and submit to the Government, a forecast of loan service obligations for each financial year;
  - (e) prepare and implement a plan for the efficient management of the State’s debt obligations sustainable levels compatible with desire economic activities for growth and development; and participate in negotiations aimed at realizing those objectives;
  - (f) verify and service debt guaranteed or taken directly by the

Government;

- (g) reconcile and where applicable service debts taken by local governments where such debts are authorized and guaranteed by the State Government;
- (h) set guidelines for managing Government financial risks and financial exposure with respect to all loans and instruments;
- (i) advise the Government on the terms and conditions on which monies are to be borrowed;
- (j) advise the Government on the restructuring and refinancing of all debt obligations;
- (k) submit to the Government, for consideration in the annual budget, a forecast of the State's borrowing capacity;
- (l) prepare a schedule of any other Government obligation such as trade debt and other contingent liabilities and provide advice on policies and procedures for their management;
- (m) carry out such other functions which are required for the effective implementation of its function under the Ekiti State Debt Management Regulation, No. 1 of 2011.

**Restrictions on Borrowing, Guarantees and other Commitments.**

- 18.** The Debt Management Office shall borrow money or issue a guarantee, indemnity or security, or enter into any other transaction that binds or may bind the State's Consolidated Revenue Fund to any future financial commitment, unless such borrowing, guarantee, indemnity, security or other transaction is done in compliance with any requirement stipulated by law.

**Establishment of Bureau of Internal Audit.**

- 19.** (1) There is established a Bureau of Internal Audit which will serve as a supervising and coordinating body of all internal audit activities within the State Civil Service.
- (2) The Bureau of Internal Audit shall provide continuous checks and balances of government activities in Ministries and Extra-Ministerial Agencies through its officers.
- (3) The Bureau shall be headed by an Executive Secretary in accordance with the Law establishing the Bureau.
- (4) The Executive Secretary shall be responsible to the Governing Council for –

- (a) reviewing and maintaining effective and efficient internal control system and ensuring adequate accounting system that shall be appropriate to all Ministries and Extra-Ministerial Agencies;
  - (b) deploying internal auditors to manage Internal Audit Departments, Divisions, Units, Ministries and Extra-Ministerial Agencies;
  - (c) supervising and coordinating activities of internal auditors in Ministries and Extra-Ministerial Agencies;
  - (d) overseeing the internal audit functions of Government Agencies except the Tertiary Institutions;
  - (e) initiating quality assurance activities to ensure that established standards are met;
  - (f) training all internal auditors and other staff in the office;
  - (g) formulating and implementing internal audit policies for the State's Civil Service;
  - (h) promoting career progression of all internal auditors;
  - (i) evaluating internal audit reports, forwarding observation letters to the accounting officers and requesting for update to ensure that actions are taken on the observations and recommendations as early as possible;
  - (j) ensuring strict adherence to all control procedures introduced to safeguard the assets and records of government; and
  - (k) reviewing all payments to ensure that payments are commensurate with the values of goods and services to be received.
- (5) The Governing Council of the Bureau shall comprise the following:
- (a) The Honourable Commissioner for Finance as the Chairman;
  - (b) Permanent Secretary, Ministry of Finance as Member;
  - (c) Accountant-General/Permanent Secretary as Member;
  - (d) Solicitor-General/Permanent Secretary as Member;
  - (e) Permanent Secretary, Min of Budget as Member;
  - (f) Permanent Secretary, Office of ESTABS as Member;
  - (g) The Executive Secretary, Bureau of Internal Audit shall serve as the Secretary to the Council.
- (6) The Executive Secretary shall report to the Council.
- (7) There is established in each ministry or agency an internal audit

department, division or unit to carry out internal audit functions and duties.

- (8) The Accounting officer of the ministry or agency shall be responsible for the operation of an internal audit unit in conjunction with the Executive Secretary, Bureau of Central Internal Audit.
- (9) The following provisions shall apply to internal auditor operating in any establishment-
  - (a) the internal auditor shall possess the requisite qualification and experience to manage the internal audit department, division or unit of such establishment;
  - (b) the resident internal auditor shall have free access to all books of record, information, explanations from scheduled officers, store, cash and confirmations from third parties that will enable him to perform his duties;
  - (c) that the resident Internal Auditor shall conduct all necessary internal audit procedures and stamped the vouchers (checked and passed) before any payment is made;
  - (d) the resident internal auditor shall be responsible to the Accounting Officer and to the Executive Secretary, Bureau of Internal Audit;
  - (e) the resident internal auditor shall conduct his functions under the supervision of the Bureau of Central Internal Audit of the Ministry of Finance;
  - (f) the resident internal auditor shall prepare and submit detailed audit programme to the Accounting Officer and the Bureau of Central Internal Audit of the Ministry of Finance periodically; and
  - (g) the resident internal auditor shall present a monthly, quarterly and end of year report to the Executive Secretary, Bureau of Internal Audit, and a copy to the Accounting Officer of the establishment, the Permanent Secretary, Ministry of Finance and Economic Development, the Ministry of Budget and Economic Planning and the State Auditor-General.

**PART 2**  
**LOANS TO PARASTATALS OR INSTITUTIONS.**

**Lending Money to Parastatals or Institutions.**

20. (1) The Commissioner shall obtain the approval of the Executive Council of the State before granting loans to parastatals or institutions.
- (2) The loan referred to in subsection (1) of this Section can only be given for any of the following purposes-
- (a) starting off at the inception of the Parastatals or Institutions where such take off grant was not appropriated for within that year;
  - (b) assisting the Parastatals or Institutions during the period of critical financial crisis that is not due to the inefficiency or ineffectiveness of the management.
- (3) Loans so granted must not be monies appropriated for another purpose or Ministry, Department or Agency.

**Repayment and Consolidation of Loans.**

21. (1) The modalities for the repayment of the loan shall be agreed to by the Commissioner and the borrower in writing before the release of funds.
- (2) The Commissioner may with the concurrence of the borrower consolidate two or more loans into an existing or new loan.

**Conditions for Writing-off Loans.**

22. (1) Any loan given to a parastatal or institution may be written off with the approval of the House of Assembly where-
- (a) the office of the Auditor-General has investigated the parastatal or institution and where any person indicted for negligence, mismanagement or misappropriation has been surcharged or otherwise dealt with appropriately according to law;
  - (b) such parastatals or institutions have been dissolved;
  - (c) projects for which the loan was granted were transferred to another parastatal or institution and as a result the accepting agency shall-
    - (i) assume the loan and the condition for repayment, and

- (ii) the loan shall be written off from the initial parastatal or institution; or
  - (d) where the Auditor-General certifies that the loan has been non-performing for a minimum period of five years.
- (2) Subject to the approval of the House of Assembly, the Governor may approve the write off of loans falling under subsections (1) (b), (c) and (d) of this Section.

### **PART 3**

#### **THE STATE BUDGET PROCESS.**

##### **Government Budgeting.**

23. The State Commissioner responsible for budgetary matters shall be responsible for the preparation of the State's Annual Budget and presentation of the Budget to the State Treasury Board and subsequently to the State Executive Council.

##### **General Budgetary Issues.**

24. (1) Budget preparation and implementation shall be carried out in a manner that will ensure macro-economic stability and sustainable development.
- (2) Budgets shall be prepared, implemented and controlled in conformity with the policies, targets and priorities envisaged in development plans and on Medium Term Expenditure Framework and in accordance with Medium Term Sectorial Strategy Plan.
- (3) Budgets shall be negotiated and evaluated together with the Budget estimations for the next three (3) years.
- (4) The Budget shall provide a comprehensive and transparent view of operations of the Government.
- (5) All revenues and expenditures shall be indicated in the Budget with their gross values.
- (6) Budgeted revenues and expenditures shall be broadly matched to minimize fiscal deficits.
- (7) Budgets shall not be implemented unless they are considered and passed by the State House of Assembly and approved.
- (8) All revenues and expenditures of public parastatals or institutions shall be indicated in their budgets.

### **Budget Process.**

25. The budget process shall be based on the under listed stages:

(a) Conception stage of the budget shall include-

- (i) review of the previous year's budget for the purposes of determining the performance in terms of achieved objectives to guide future projection,
- (ii) the articulation of macro-economic framework,
- (iii) inter-ministerial meeting with Fiscal Coordinating Agencies, namely Ministry of Finance and Economic Development, Office of Accountant-General, Internal Revenue Service, Office of Auditor-General, Bureau of Internal Audit, Bureau of Statistics, Bureau of Public Procurement and Ministry of Budget and Economic Planning.
- (iv) the forecasting of the amount of total revenue and expenditure for the financial year as well as the determination of the funds to be allocated to each ministry, department and agency;

(b) Preparation stage shall include:

- (i) a call circular issued to articulate Government goals and objectives for the particular financial year, as well as stating the criteria expected to be applied in preparing the Budget,
- (ii) the receipt and collation of Agencies' proposals.
- (iii) the holding of bilateral discussions and town hall meetings; and
- (iv) collation and consolidation of proposals;

(c) Approvals stage shall include:

- (i) consideration and approval of draft budget by the State Treasury Board;
- (ii) consideration and approval by the State Executive Council;
- (iii) presentation of the Appropriation Bill to the House of Assembly for consideration and passage;
- (iv) signing of the Appropriation Bill by the Governor.

### **Contents of the State Budget.**

26. (1) An Annual Budget shall be in accordance with the prevailing

standard and shall contain amongst others:

- (a) estimates of all internally generated revenue expected to be collected during the financial year to which the budget relates;
  - (b) estimates of all Statutory allocations expected to be collected during the financial year to which the budget relates;
  - (c) estimates of total recurrent expenditure to be incurred for that financial year per vote;
  - (d) estimates of all direct charges against the relevant revenue fund and standing appropriation for that financial year;
  - (e) estimates of total capital receipts to be received for that financial year;
  - (f) estimates of interest and debt servicing charges, and any repayments on loans;
  - (g) estimates of capital expenditure per account code for that financial year and the projected financial implication of that expenditure for future years;
  - (h) estimates of revenue excluded in terms of Sections 7(2) and Section 9 of this Law from the relevant revenue fund for that financial year;
  - (i) actual revenue for the previous financial year;
  - (j) actual expenditure per vote for the previous financial year;
  - (k) borrowing for the previous financial year; and
  - (l) any other information as may be prescribed, including any multiyear budget information required for the Medium Term Expenditure Framework (MTEF).
- (2) When the Annual Budget is presented to the State House of Assembly, the accounting officer for each Ministry, Department, Agency shall submit to the House, measurable objectives for each Ministry, Department and Agency for further consideration by the Appropriation Committee of the State House of Assembly.

### **Budget Monitoring and Control.**

27. The Commissioner responsible for budgetary matters shall monitor budget performance through monthly revenue and expenditure returns by Ministries, Departments and Agencies.

### **State Supplementary/Revised Budget.**

28. The Governor may table a Supplementary/Revised Budget before the State House of Assembly as provided for under Section 121 Subsection (4) (a) & (b) of the 1999 Constitution of Federal Republic of Nigeria, (as amended).

### **Quarterly Budget Report.**

29. (1) The Commissioner responsible for budgetary matters shall present a quarterly report to the State Executive Council not later than six (6) weeks after the end of every quarter in the financial year.
- (2) The quarterly report shall contain details of the performance of the Government and the entire public sector for the period covered by the report in comparison with the proposal in the annual plan and estimates for that financial year and shall include-
- (a) financial statements for the Government and the entire public sector which shall be prepared on a basis consistent with the forecast financial statements in the annual plan and estimates for that year; and
  - (b) a schedule of appropriations used for that quarter and for any preceding quarter in that financial year on a cumulative basis compared with the appropriations granted under the Appropriation Law for the financial year.

## **PART 4**

### **FUNCTIONS OF ACCOUNTING OFFICERS AND ACCOUNTS OFFICERS.**

#### **Accounting Officers of Ministries, Departments, Agencies, Parastatals or Institutions.**

30. The Permanent Secretary, Director-General, General Manager, Executive Secretary, Vice-Chancellor, Rector/Provost shall be the Accounting Officer of their respective Ministries, Departments, Agencies, Parastatals or Institutions.

#### **Responsibilities of Accounting Officers.**

31. (1) The Accounting Officer shall ensure that the Ministry, Department, Agency, Parastatal or Institution has and maintains-

- (a) an effective, efficient and transparent system of financial, risk management and internal control:
  - (b) a system of internal audit under the control and direction of an Internal Auditor complying with and operating in accordance with prescribed norms and standards:
  - (c) an appropriate procurement system which is fair, equitable, transparent, competitive, cost-effective and complies with the provision of any law governing public procurement and
  - (d) a system for proper evaluation of all major capital projects prior to a final decision on the projects.
- (2) The Accounting Officer shall -
- (a) be responsible for the efficient and transparent use of the resources of the Ministry, Department, Agency, Parastatals or Institutions:
  - (b) take effective and appropriate steps to--
    - (i) collect all money due to the Ministry, Department, Agency Parastatal or Institution; and
    - (ii) prevent unauthorized, irregular, and wasteful expenditure.
  - (c) be responsible for safeguarding, maintaining and managing the assets and liabilities of the Ministry, Department, Agency, Parastatal or Institution;
  - (d) ensure compliance with any tax, levy, duty, pension and audit commitments as may be required under any law;
  - (e) settle all contractual obligations and pay all money owed, including inter-governmental claims;
  - (f) ensure that the expenditure of that Ministry, Department, Agency, Parastatal or Institution is in accordance with the account code in the chart of accounts;
  - (g) ensure that effective and appropriate steps are taken to prevent unauthorised expenditure;
  - (h) keep full and proper records of the financial affairs of the Ministry, Department, Agency, Parastatal or Institution in accordance with prescribed norms and standards;
  - (i) prepare financial statements for each financial year as stipulated by the Accountant-General: and
  - (j) submit financial statements within one (1) month after the end of the financial year to the Auditor-General for auditing.

- (3) The Auditor-General shall audit the financial statements referred to in subsection (2)(j) of this Section and submit an audit report on those statements to the Accounting Officer within two (2) months of receipt of the statements.
- (4) The Accounting Officer shall-
  - (a) at the beginning of a financial year submit to the Commissioner responsible for budgetary matters in the prescribed form, with a breakdown on monthly basis of the anticipated revenue and expenditure of that ministry for that financial year; and
  - (b) submit information in the prescribed format on actual revenue and expenditure for the preceding month.
- (5) Where an Accounting Officer is unable to comply with any of the responsibilities required of his office in this Section, he shall promptly report the inability together with reasons to the relevant authority.

**Responsibilities of Accounting Officers when Assets and Liabilities are transferred.**

- 32.** (1) Where assets and liabilities of a Ministry, Department, Agency, Parastatal or Institution are transferred to another Ministry, Department, Agency, Parastatal or Institution in accordance with the provisions of a law or following a re-organisation of functions, the Accounting Officer for the transferring department shall-
- (a) draw up an inventory of such assets and liabilities;
  - (b) provide the Accounting Officer for the receiving Ministry, Department, Agency, Parastatal or Institutions with substantiating records, including personnel records of staff to be transferred.
- (2) The Accounting Officers of both the transferring and the receiving Ministry, Department, Agency, Parastatal or Institution shall sign the inventory when the transfer takes place.
- (3) The Accounting Officer of the transferring Ministry, Department, Agency, Parastatal or Institution shall file a copy of the signed inventory with the relevant agency responsible for the documentation of assets record and the Auditor-General within fourteen (14) days of the transfer.

**Acting Accounting Officers during temporary absence.**

33. When an Accounting Officer is absent or otherwise unable to perform the functions of his office, or during a vacancy, the functions of the Office shall be performed by the officer next in rank to him in an acting capacity for such period of his absence.

**Delegation of powers by Accounting Officers.**

34. (1) An Accounting Officer may in writing delegate any of the powers vested in him in accordance with the provisions of Section 31 of this Law to any officer in his Ministry, Department, Agency, Parastatals or Institutions to act in his place.
- (2) A delegation or instruction to an official in accordance with subsection (1) of this Section-
- (a) is subject to any limitations or conditions prescribed in accordance with the provisions of this Law or as the Accounting Officer may impose;
  - (b) may either be to a specific individual or to the holder of a specific post in the Ministry, Department, Agency, Parastatal or Institution, and
  - (c) does not divest the Accounting Officer of the responsibility with regards to the exercise of the delegated power or the performance of the assigned duty.
- (3) The Accounting Officer may accept, vary or revoke any decision taken by an officer as a result of powers delegated to him in accordance with subsection (1) of this Section subject to any right or obligation that may have accrued in consequence of the decision.

**Duties of Accounts Officers.**

35. The Accounts Officers in charge of revenue and payments of a Ministry, Department, Agency, Parastatal or Institution is responsible to the Accounting Officer and shall:-
- (a) ensure collection of all funds into government accounts as and when due;
  - (b) collect remittances and pay same into the Ministry, Department, Agency, Parastatal or Institution's accounts for further disbursement;
  - (c) arrange for payment of staff salaries;

- (d) ensure that unclaimed salaries or pensions and other unspent monies are paid back to State Treasury;
- (e) maintain and operate the Ministry, Department, Agency, Parastatal or Institution's accounts as custodian of relevant documents and signatory to the accounts;
- (f) maintain and keep cash books, relevant ledgers, accounts books and registers of the Ministry, Department, Agency, Parastatal or Institution;
- (g) participate actively in the preparation and decision making on budgetary matters;
- (h) maintain and ensure compliance with financial regulations, treasury circulars and other relevant rules and policies:
- (i) supervise, assign responsibilities, post and maintain discipline of account staff in the Ministry, Department, Agency, Parastatal or Institution;
- (j) prepare periodic financial reports and other financial statements as may be required by the Ministry, Department, Agency, Parastatal or Institution and the State Treasury Office;
- (k) advise the management on all accounting and financial matters affecting the Ministry, Department, Agency, Parastatal or Institution:
- (l) liaise with the State Treasury Office on behalf of the Ministry, Department or Agency;
- (m) participate as a member on all relevant committees of the Ministry, Department, Agency, Parastatal or Institution; and
- (n) perform any other duties that may be assigned to him by the accounting officer of the Ministry, Department, Agency, Parastatal or Institution and the State Treasury Office.

## **PART 5**

### **ADDITIONAL PROVISIONS FOR PARASTATALS, INSTITUTIONS AND EXTRA-MINISTERIAL DEPARTMENTS.**

#### **Application of this Part.**

- 36.** The provision of this part of this Law shall apply to the extent indicated to all State Government parastatals and institutions in the State.

#### **Parastatals or Institutions.**

- 37.** (1) The Commissioner for Finance may, by Legal Notice publish in the State

Gazette-

- (a) amend any of the Schedule to this Law to include any parastatal or institution that is not listed; and
  - (b) make technical changes to the list.
- (2) The accounting authority for a parastatal or institution that is not listed in Schedules I – IV must without delay, notify the Ministry of Finance in writing that the parastatal or institution is not listed.

**Classification of parastatals or institutions.**

38. (1) The Commissioner for Finance, may by Legal Notice in the State Official Gazette classify Parastatals or Institutions listed in Schedules I-IV of this Law in accordance with the relevant definitions set out in this Section.
- (2) A Parastatal or Institution for the purpose of this Law is regarded as belonging to the class in which it is classified in terms of subsection (1) of this Section.
- (3) All Parastatals, Institutions and Agencies listed in Schedule I of this Law are to pay all revenues received into the Consolidated Revenue Fund, which also include dedicated accounts.
- (4) All Parastatals, Institutions and Agencies listed in Schedule II of this Law are referred to as commercialised institutions (fully or partially) and are expected to-
- (a) be autonomous of government;
  - (b) run their affairs as a business concern;
  - (c) prepare on a yearly basis and submit an audited financial statement for the year ending to the Ministry of Finance covering-
    - (i) income statement,
    - (ii) balance sheet,
    - (iii) cash flow statement and
    - (iv) statement of net worth.
  - (d) pay annual dividend into the Consolidated Revenue Fund of the State.
- (5) All Parastatals or Institutions listed in Schedule II to this Law are fully excluded from paying their daily receipt into the Consolidated Revenue Fund.
- (6) All Parastatals or Institutions listed in Schedule III to this Law that are subvented are excluded from paying their receipts into the

Consolidated Revenue Fund.

- (7) All Parastatals or Institutions listed in Schedule IV of this Law are public institutions that are excluded from paying their daily receipts into the Consolidated Revenue Fund.

**Accounting Officer.**

39. Every Parastatal or Institution shall have an Accounting Officer who shall be accountable for the purpose of this Law.

**Fiduciary duties of Accounting Officer.**

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

**Disclosure of interest.**

41. An Accounting Officer of a Board Approving Authority shall:
- (a) disclose direct or indirect personal or private business interest that he or his spouse, partner or close family member may have in any matter, before any decision concerning the matter is taken; and
  - (b) withdraw from the proceedings of the approving authority when that matter is being considered, unless the accounting authority decides that the member's direct or indirect interest in the matter is trivial or irrelevant.

**General responsibilities of Accounting Officer, Board/Approving Authority.**

42. (1) An Accounting Officer for a Parastatal or Institution shall ensure and maintains-
- (a) effective, efficient and transparent system of financial risk management and internal controls;
  - (b) a system of internal audit complying with and operating in

- accordance with Section 19 of this Law;
- (c) an appropriate procurement system which is fair, equitable, transparent, competitive, cost-effective and complies with the provisions of appropriate law governing public procurement; and
  - (d) a system for properly evaluating all major capital projects prior to a final decision on the project.
- (2) An Accounting Officer for a parastatal or institution shall take effective and appropriate steps to-
- (a) collect all revenues due to the parastatal or institution concerned; and
  - (b) manage available working capital efficiently and economically.
- (3) An approving authority shall also be responsible for-
- (a) management, safeguarding of assets, revenue and expenditure of the parastatal or institution and protecting it from liabilities;
  - (b) ensuring compliance with any tax, levy, duty, pension or audit commitments as may be required by law; and
  - (c) taking effective and appropriate disciplinary steps against any employee of the parastatal or institution which-
    - (i) contravenes or fails to comply with any of the provisions of this Law, or
    - (ii) does an act which undermines the financial management and internal control system of the parastatal or institution.

#### **Responsibilities of other officials.**

43. An official in a parastatal or institution within the area of responsibility of that official shall-
- (a) ensure that the system of financial management and internal control established for that parastatal or institution is carried out;
  - (b) be responsible for the effective, efficient, economic and transparent use of finance and other resources;
  - (c) take effective and appropriate steps to prevent any irregular and wasteful expenditure and any under-collection of revenue due;
  - (d) comply with the provisions of this Law including any delegation and instruction given pursuant to the provisions of this Law; and

- (e) be responsible for the management and safeguarding of the assets of the parastatal or institution and the management of its liabilities.

**Annual budget and corporate plan by parastatals or institutions.**

44. The Accounting Officer for a Parastatal or Institution listed in Schedules to this Law shall comply with a call circular issued by the Commissioner responsible for budgetary matters by preparing their proposals in accordance with the guidelines in the call circular in preparation for bilateral discussions.

**Annual Report and Financial Statements of Parastatals.**

45. (1) The Accounting Officer for a Parastatal or Institution shall-
- (a) keep full and proper records of the financial affairs of the Parastatal or Institution;
  - (b) prepare financial statements for each financial year in accordance with generally accepted accounting practice and guidelines issued by the State Treasury Office;
  - (c) submit those financial statements within three months after the end of the financial year to the external auditors of the Parastatal or Institution for auditing;
  - (d) submit within four months of the end of a financial year to the State Treasury Office and the Auditor-General's Office-
    - (i) an annual report on the financial activities of that Parastatal or Institution during that financial year,
    - (ii) the financial statements for that financial year after the statements have been audited, and
    - (iii) the report of the external auditors on those statements.
- (2) The annual report and financial statements referred to in subsection (1) (d) of this Section shall-
- (a) fairly-
    - (i) show the state of affairs of the parastatal or institution,
    - (ii) disclose its business, financial results and financial position at the end of the financial year concerned, and
    - (iii) highlight its performance against predetermined objectives.
  - (b) include particulars of any-
    - (i) financial assistance received from the State and commitments made by the State on its behalf;

- (ii) losses foreseen or written off; and
- (iii) other matters that may be required by the State Treasury Office.

**Power of the Auditor- General.**

46. Subject to the Constitution and any other Law made hereafter by the State House of Assembly in this regard, the Auditor-General shall have power:
- (a) to call upon any public officer for any explanation and information which the Auditor-General may require in order to enable him discharge his duties;
  - (b) to authorize any officer of his department or any other person or an appropriately qualified professional appointed by him for that purpose to make any public inquiry, examination or audit;
  - (c) without the payment of any fee, to cause search to be made, certified copies and extract to be taken from any book, document or record in any public office of the State; and
  - (d) to examine upon oath or affirmation (which oath or affirmation the Auditor-General is hereby empowered to administer) any person whom he may think fit to in respect of receipt or expenditure of money or the receipt or issue of any public stores affected by provisions of this or any other Law, and respecting all other matters and things whatever necessary for the due performance and exercise the duties and powers vested in him by this or by any other written Law.

**Transmission of Account to the Auditor-General.**

47. (1) Within the time specified by appropriate authority but not later than the end of three months after the 31st day of December in each year, the Accountant-General shall transmit to the Auditor-General accounts showing the financial position of the State on the said 31st day of December which shall comply with the format for General Purpose Financial Statements (GPFS); including statutory financial statements, performance reports, statistical reports, and accounting policies complying with International Public Sector Accounting Standards (IPSAS) issued by the Federal Allocation Accounts Committee (FAAC) Sub-committee, approved by the Financial Reporting Council of Nigeria and applicable to all tiers of Government in Nigeria.

- (2) Within time specified by appropriate authority but not later than a period of one (1) month after the close of each financial year, every Accounting Officer shall prepare and transmit to the Auditor-General appropriation accounts of the monies expended under the votes for which they are responsible showing the services for which the money was voted, the sums actually expended on each such service during the period of account and the state of each vote compared with appropriation.
- (3) Each appropriation account made pursuant to subsection (2) of this Section shall be duly signed by the Accounting Officer, containing an explanatory statement of any variation between the expenditure and the sums voted and shall be based on the National Chart of Accounts and formats of General Purpose Financial Statements (GPFS) and contain such other information which shall be in such form as in compliance with the accounting standards currently applicable to all tiers of government in Nigeria.
- (4) Within such time specified by appropriate authority but not later than one month after the end of each financial year:
  - (a) any officer charged by the Accountant-General with the administration of any fund established under the provisions of this Law (other than the Capital Expenditure and Development Fund) shall in respect of such fund prepare, sign and transmit to the Auditor-General an account relating to the period of account in compliance with the accounting standards applicable to all tiers of Government in Nigeria.
  - (b) any officer charged by the Accountant-General with the administration of any fund or account not provided for in this Section shall, if so directed by the Treasury Office, prepare, sign and transmit to the Auditor-General an account of such fund or account in compliance with the International Public Sector Accounting Standards (IPSAS) applicable to the three tiers of government in Nigeria.
- (5) If at any time it appears to the Auditor-General that any major irregularities have occurred in receipt, custody or expenditure of public monies, or in receipt, custody, issue, sale, transfer or delivery of any stocks, security, public stores or other Government property or in accounting for the same, he shall immediately bring the matter

to the notice of the Commissioner responsible for Finance and Accountant General with specific directives on steps and actions the Accountant General must take to remedy the situation, including requirement for steps to be taken to ensure that disciplinary steps are undertaken by appropriate authority.

#### **Appointment of External Auditor.**

- 48.** (1) A parastatal or institution shall appoint an external auditor from a list of qualified auditors provided by the Auditor-General of the State to audit its Annual Financial Statements.
- (2) The fee payable to an auditor appointed by a parastatal or institution shall comply with guidelines on level of fees provided by the Auditor-General of the State.
- (3) If the accounts of the parastatal or institution are not audited for two or more years, the Auditor-General shall recommend an external auditor or compel the Parastatal or Institution to audit its account within a stipulated time.

#### **Duties and Powers of Auditor-General in relation to a parastatal or institution.**

- 49.** (1) The Auditor-General may investigate any parastatal or institution in case of a complaint or when circumstances warrant.
- (2) An investigation under subsection (1) of this Section may be carried out either by the Auditor-General or a person appointed by the Auditor-General.
- (3) The report of the Auditor-General's investigation shall be submitted to the House of Assembly.
- (4) The Auditor-General shall review and comment on the Annual Accounts and Auditor's Report submitted by an External Auditor appointed to audit the accounts of a Parastatal or Institution under this Law.
- (5) The Auditor-General shall ensure independent verification of the Parastatal's pension account.
- (6) The Auditor-General shall carry out periodic check of parastatals/ institutions in line with the provision of Section 125 of the 1999 Constitution of the Federal Republic of Nigeria (as amended).

### **Discharge of External Auditors.**

50. (1) The tenure of an external auditor should not be more than three (3) years.
- (2) An auditor appointed by a parastatal or institution under Section 48 of this Law may not be discharged before the expiration of the auditor's terms of appointment except by the executive authority responsible for that Parastatal or Institution acting-
- (a) after consultation with the accounting authority for that parastatal or institution; and
  - (b) with the concurrence of the Auditor-General of the State.
- (3) If an executive authority intends to discharge an External Auditor in accordance with subsection (1) of this Section, the executive authority shall-
- (a) give notice of the proposed discharge to the auditor, with reasons in writing; and
  - (b) give the external auditor an opportunity to make written representations to the executive authority's notice and the Auditor-General within twenty-one (21) days of receipt of the notice.

### **Duties and Powers of External Auditors.**

51. (1) An external auditor appointed in accordance with the provisions of Section 48 shall-
- (a) have access at all reasonable times to the accounting records, including all books, vouchers, documents and other properties of the Parastatal or Institution;
  - (b) require from the accounting authority for that Parastatal or Institution such information and explanations as are necessary for the purpose of the audit;
  - (c) investigate whether there are adequate measures and procedures for the proper application of sound economic, efficient and effective management; and
  - (d) report on the internal controls, effectiveness or otherwise on the going concern of the Parastatal or Institution.
  - (e) carry out Value for Money (VFM) for all on-going Projects.
- (2) The external auditor may consult the Auditor-General or any authorised officer concerning any matter relating to the audit of the

Parastatal or Institution concerned.

### **Reports of External Auditor.**

- 52.** (1) The report of an external auditor shall be addressed to the Accounting Officer of the Parastatal or Institution concerned and must state separately in respect of each of the following matters whether in the auditor's opinion:
- (a) the annual financial statements of the Parastatal or Institution fairly represent the financial position and the results obtained by the entity in accordance with Section 45 of this Law applied on a basis consistent with that of the preceding year;
  - (b) the performance information furnished in terms of Section 45 of this Law is fair in all material respects; and
  - (c) the transactions that had come to the auditor's attention during auditing were in all material respects in accordance with the mandatory functions of the Parastatal or Institution as determined by law or otherwise.
- (2) The external auditor shall –
- (a) report to the supervising authority responsible for the Parastatal or Institution the results of any investigation carried out under Section 52 (1)(c) of this Law;
  - (b) when reporting in terms of paragraph (a) of this subsection, draw attention to any other matter within the auditor's knowledge which in the Auditor's opinion should in the public interest be brought to the notice of the Governor.

## **PART 6**

### **LOCAL GOVERNMENT REVENUE, FINANCE AND ADMINISTRATION.**

#### **Local Government Area Revenue Sources.**

- 53.** The sources of revenue for Local Government Councils shall comprise of:
- (a) revenue sources as stated in the Constitution of the Federal Republic of Nigeria;
  - (b) revenue sources as enacted by the Law of the House of Assembly; and
  - (c) grants from Federal, State Governments and donor agencies.

### **Establishment of Local Government Revenue Committee.**

54. (1) There is established for each Local Government Council of the State a Committee to be known as the Local Government Revenue Committee (referred to in this Law as the "Revenue Committee").
- (2) The members of the Revenue Committee shall be as contained in Section 15 of Board of Internal Revenue Law (No. 13 of 2019) of Ekiti State.
- (3) All appointments of members made pursuant to this Section shall be subject to the confirmation by the legislative arm of the Local Government.

### **Functions of the Revenue Committee.**

55. (1) The Revenue Committee shall be responsible for the implementation of assessment and collection of all taxes, fines, rates, charges or other revenue under its jurisdiction and shall account for all amounts so collected in a manner to be prescribed by the Chairman of the Local Government subject to the financial memorandum and guidelines on Local Government Administration.
- (2) The Revenue Committee shall report to the Chairman of the Local Government.

### **Functions of Local Government Finance and Supplies Department.**

56. The functions of the Finance and Supplies Department in a Local Government Council shall be as contained in the Financial Memoranda.

### **Allocation of Revenue to Local Governments.**

57. The State shall-
- (a) maintain a special account to be called "State Joint Local Government Account (SJLGA)" into which shall be paid:
- (i) all allocations from Federation Account to Local Governments;
- (ii) 10% of State's Internally Generated Revenue (IGR).
- (b) distribute to Local Governments credit balance in the SJLGA in such manner as prescribed by appropriate law of State House of Assembly.

### **Expenditure of the Local Government.**

58. (1) A Local Government may incur all expenditure necessary for or

incidental to the carrying out of any functions conferred on it under this Law or any other enactment, provided that the expenditure is included in the approved budget of the Local Government and is within the approval limits prescribed from time to time.

- (2) The Finance and Supplies department of each Local Government shall be responsible for making all payments out of the Local Government funds and ensuring that such payments are properly authorised and relate to duties entrusted to the Local Government.

**Duties and responsibilities of the Director, Finance and Supplies  
Department.**

59. (1) The Director, Finance and Supplies Department of a Local Government shall be a qualified accountant and a member of any of the recognized accounting bodies in Nigeria.
- (2) He shall be-
  - (a) the Head of Finance and Supplies of the Local Government;
  - (b) the adviser on matters relating to Finance and Supplies of the Local Government: and
  - (c) an officer not below grade level 16.
- (3) The Finance and Supplies Department shall consist of the following sections-
  - (a) treasury;
  - (b) accounts; and
  - (c) stores.
- (4) He shall prepare statements of accounts and submit same to the Auditor-General for Local Governments for Audit, not later than 31st March of each year in respect of the preceding year.
- (5) He shall deal promptly with queries arising from such inspections and audit.
- (6) He shall carry out other duties and responsibilities as prescribed by Financial Memoranda.

**Local Government Bank Accounts.**

60. A Local Government shall open and maintain the following bank accounts-
  - (a) single revenue account;
  - (b) single salary account:
  - (c) single running cost account.

**Investment of funds.**

61. (1) The Chairman of a Local Government Area may invest any proportion of its monies in stocks, government bonds or in such other manner as may be approved by the legislative arm of the Local Government.
- (2) A Local Government shall invest any money held in a current bank account for which there is no immediate requirement for its use.
- (3) The Accountant-General in an advisory capacity may from time to time issue guidelines on investment options for Local Governments.

**Power to borrow money.**

62. (1) The Chairman of a Local Government may, from time to time with the approval of the legislative arm of the Local Government, obtain loan from-
- (a) banks within Nigeria; or
- (b) other financial institutions approved by the Governor, and secure same upon its properties and revenues for the purpose of the fulfillment of its functions under the law.
- (2) Loans shall only be raised by a Local Government to defray capital development expenditure or specific projects and shall not be used for any other purpose other than that for which they were specifically raised.

**Writing-off irrecoverable debts.**

63. (1) The legislative arm of a Local Government may by resolution, approve a recommendation for the Chairman of a Local Government to write-off as irrecoverable debt in any one year, any sum due or payable to the Local Government from or by any person or a corporate body.
- (2) The Chairman of a Local Government shall within twenty-one (21) days after the occurrence of any write-off, inform the Auditor-General for Local Governments in writing of the total sum written off and the reasons for doing so.

**Budgets of Local Governments.**

64. (1) The Chairman shall cause to be prepared and laid before the legislative arm of the Local Government at any time before the commencement of the financial year, estimates of revenues and

- expenditures of the Local Government Area for the following year.
- (2) The budget shall-
    - (a) reflect the priorities and needs of the locality as contained in the Local Government development plan;
    - (b) be prepared in accordance with procedures prescribed by law: and
    - (c) be pasted on the notice board of a Local Government after its approval by the legislative arm of the Local Government and during the whole of the financial year to which it applies.
  - (3) The Commissioner for Local Governments, (after consultation with the Chairmen of Local Governments) shall liaise with the Commissioner for budgetary matters, issue guidelines for the preparation of budgets by Local Governments in order to integrate Local Governments into the State's economic development activities.
  - (4) A copy of the budget shall be submitted to the Commissioner responsible for Local Government and Officer responsible for budgetary matters and the Auditor- General for Local Governments.

#### **Use of Assets.**

- 65.** Subject to the approval of the legislative arm, a Local Government shall use its assets including markets, motor parks, vehicle parking lots and other facilities to generate income.

#### **Auditing of Accounts of Local Governments.**

- 66.** (1) The accounts of Local Governments and all other offices of the Local Governments shall be audited annually in accordance with the provisions of this Section.
- (2) Auditing of Accounts of Local Governments by the Auditor-General for Local Governments shall be as follows:
- (a) The Auditor-General for Local Governments shall within six (6) months from the end of each financial year submit his report to the House of Assembly;
  - (b) For the purpose of carrying out his duties under this Section, the Auditor- General for Local Governments or any person authorised by him in that behalf, shall have access to all books, records, returns and other documents relating to those accounts;

- (c) In exercise of his functions under this Law, the Auditor-General shall not be subjected to the direction or control of any other authority or person.

#### **Accounts and Audit.**

67. (1) Every Local Government shall in each year keep proper books of accounts and proper records in relation to its accounts and shall within the first quarter of the subsequent financial year, prepare a statement of its final accounts in conformity with existing financial regulations.
- (2) The Accounts and Financial Statement of Local Government shall be audited by the Auditor-General for Local Governments or his representative within six (6) months after the close of the financial year and the Chairman of a Local Government shall provide the auditors with all the necessary and appropriate facilities for the examination of the accounts and statements of the Local Government.
- (3) The Auditor-General for Local Governments shall submit a report of the audit to the Local Government concerned and the State House of Assembly.
- (4) The Auditor-General's report shall draw attention to any irregularity in the accounts.
- (5) The accounts and the Auditor-General's report on it shall be public documents and shall be published and made available to the public in the State Library and on the State's ICT platform.
- (6) The Chairman of a Local Government shall lay the annual accounts together with the Auditor-General's report before the Local Government's legislative arm within thirty (30) days of receipt of the report.
- (7) The Chairman of a Local Government shall submit a report to the Auditor-General on the action taken by the Local Government on the report within sixty (60) days of receipt of the report.
- (8) A copy of the report as submitted in subsection (7) above shall be forwarded to the House of Assembly.

#### **Power of Auditor-General for Local Government to disallow or surcharge.**

68. (1) The Auditor-General for Local Governments may disallow any item

of expenditure which is contrary to this Law or surcharge any person for any of the following-

- (a) the amount of any expenditure disallowed on the person responsible for incurring or authorizing that expenditure;
  - (b) any sum which has not been duly brought into account upon the person by whom the sum ought to have been brought into account; or
  - (c) the amount of any loss or deficiency caused by any employee of a Local Government or any elected officer or any person by whose negligence or misconduct the loss or deficiency has been incurred and shall give notice to the person affected.
- (2) In giving notice of any disallowance or surcharge under subsection (1) of this Section, the Auditor-General shall state in writing the grounds upon which his decision is based.
  - (3) A person against whom a disallowance or surcharge was made by the Auditor-General may appeal to the House of Assembly through the Public Account Committee after the Auditor-General shall have stated in writing the grounds upon which his decision was based.
  - (4) Any sum certified by the Auditor-General to be due from any person shall be paid by that person to the Local Government or other body concerned within thirty (30) days after it has been so certified or if an appeal with respect to that sum has been made under subsection (3) of this Section within thirty (30) days after the appeal is finally disposed of or abandoned or failed by reason of non-pursuance.
  - (5) The Chairman of a Local Government shall ensure that all money surcharged under subsection (2) of this Section are collected and paid into the account of the Local Government.

#### **Recovery of sums certified due.**

- 69.** (1) Any sum which is certified by the Auditor-General for Local Governments to be due and which has become payable shall be recoverable by the management of the Local Governments.
- (2) Any person aggrieved by a decision of the Auditor-General for Local Governments may appeal to the House of Assembly and if dissatisfied, may appeal to the High Court.

### **Internal Audit.**

70. (1) Every Local Government shall establish an Internal Audit Department in order to ensure effective, efficient and continuous audit of the financial activities of the Local Government.
- (2) In pursuance of subsection (1) of this Section, career progression shall be harmonised and a new Audit cadre shall be created to distinguish accounting from auditing functions.
- (3) The head of the Internal Audit Department shall at intervals of three (3) months, prepare a report on the internal audit work carried out by the Department during the three (3) months immediately preceding the preparation of the report and submit it to the legislative arm of the Local Government and forward copies to the Auditor-General for Local Government.
- (4) The head of the Internal Audit Department shall make in each report such observations as appear necessary as to the conduct of the financial affairs of the Local Government during the period to which the report relates.
- (5) The Department shall be headed by the Local Government Internal Auditor in line with the existing State cadre.
- (6) The Local Government Internal Auditor's functions shall cover both the financial and operational activities of the Local Government.

### **Existing regulation.**

71. The provisions of the financial memorandum as reviewed from time to time shall be used in addition to the provisions of this Law.

### **Local Government to prepare Development Plans.**

72. (1) A Local Government shall cause to be prepared a development plan which shall guide the development of the locality.
- (2) The draft of the development plan shall be made available to the public.
- (3) A development plan shall form the basis for the preparation of the budget of a Local Government.
- (4) A Local Government shall before approving or reviewing a development plan, consult residents of the locality, agencies of government and non-governmental and International organizations that have interest in working in the locality.

- (5) The Commissioner responsible for budget in consultation with Commissioner for Local Governments and Chairmen of Local Governments shall issue guidelines for the preparation of development plans.

**Local Technical Planning Committee.**

73. (1) The Chairman of a Local Government shall constitute a Local Technical Planning Committee (referred to in this Law "as the Committee") which shall consist of-
- (a) the Chairman of a Local Government who shall preside over the Committee;
  - (b) heads of relevant departments of the Local Government; and
  - (c) any technical person co-opted by the Chairman of the Local Government. (if necessary)
- (2) The development plan for a Local Government shall be prepared by the Committee.

**Approval of development plans.**

74. (1) The Chairman of a Local Government shall present a draft development plan for the approval of the legislative arm of the Local Government.
- (2) A review of a Local Government Development Plan is subject to the approval of the legislative arm of the Local Government.

**Review of development plans.**

75. A Local Government shall review its development plan as and when necessary.

**Availability of Development Plans.**

76. A copy of the approved development plan shall be made available at the office of the Local Government and in a conspicuous place in every ward, immediately after approval.

**Development plans not to be incompatible.**

77. A development plan prepared and approved by a Local Government shall not be incompatible with any development plan adopted by the State Government.

**Local Government to take inventories.**

78. (1) Every Local Government shall compile and cause to be maintained a comprehensive inventory of the assets of the Local Government annually.
- (2) Copies of the inventories shall be sent to the Commissioner responsible for Local Government and the Auditor-General.

**Security for printing of revenue receipts.**

79. (1) All Local Government revenues shall be documented in receipts and serially and specially numbered forms made by the Government Printer.
- (2) The Director of Finance and Supplies shall ensure adequate security of printed receipts and other security documents.

**Publications of Local Government required to be made public**

80. (1) A Local Government shall paste on a notice board in a conspicuous place within the premises of the Local Government and on a notice board in each ward for at least thirty-one (31) days or until an updated version is available-
- (a) monthly statements of financial accounts: stating the income and expenditure of the Local Government;
  - (b) annual income and expenditure statements;
  - (c) inventories of assets of the Local Government;
  - (d) bye-laws and notices relating to tax rates and fees; and
  - (e) development plans.
- (2) Copies of the reports, notices and statements shall be made available on request and on payment of a nominal fee.

**Ministry to promote participatory process in governance.**

81. The Commissioner for Local Government shall put in place participatory processes in Local Governments and encourage citizens' inclusion and involvement in governance.

## PART 7

### MISCELLANEOUS PROVISIONS - LIABILITY FOR LOSS OF FUNDS.

#### **Liability for loss of public money.**

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

#### **Liability for keeping public money.**

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

together with interest is due and payable to the Government.

#### **Application of provisions to stores.**

84. The provisions of this part shall with necessary modifications apply to government stores or the value thereof where appropriate, as they apply to government funds.

#### **Power to make regulations.**

85. The Commissioner for Finance may make regulations concerning any matter for the purpose of giving effect to the provisions of this Law.

#### **Conflict of Provisions.**

86. In the event of conflicts with any other finance related law(s) or regulations in force in Ekiti State, the provisions of this Law shall prevail and such other law(s) or regulation shall to the extent of the inconsistency, be void.

#### **Interpretation.**

87. In this Law, unless the context otherwise indicates-

**"Accountable"** means the requirement to record, report, explain and justify actions as the case may be, to a superior officer, the House of Assembly or the public;

**"Account code"** means one of the segments of Accounts which specifies the total amount which is usually appropriated per Charge of Accounts in an Appropriation Law;

**"Agency"** means and includes all government parastatals, institutions and companies;

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

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

**"Auditor"** means a professionally qualified accountant that is registered

with the State Auditor-General as an external auditor;

**“Auditor-General”** means the Auditor-General of the State or the Auditor-General for Local Governments as provided under the relevant part under this Law;

**“Budget”** means the annual estimates of revenue and other receipts and the expenditures of government submitted for the approval of the House of Assembly by the Governor or to a Local Government Council by the Chairman of the Local Government.

**“Cash basis”** means a basis of accounting that recognises transactions and other event when cash is received or paid. It measures financial results for a period as the difference between cash received and cash paid;

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

**“Development plan”** means a long term strategic plan for the development of the community;

**“Governor”** means the Governor of Ekiti State;

**“House”** means the Ekiti State House of Assembly;

**“INTERNAL control”** means a system which ensures-

(i) that financial and other records are kept, reliable and complete.

(ii) adherence to Government's policies. the orderly and efficient conduct of the assets and other resources of the Government;

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

**“Local Government”** includes Local Council Development Areas;

**“Medium Term Expenditure Framework (MTEF)”** means the three to five (3-5) year rolling plan containing the budget estimates for the year to which it relates together with indicative budgets for the succeeding years;

**"Money"** means any coin, note or negotiable instrument;

**"Money received"** includes all moneys that are paid to a public coffer under or pursuant to an enactment, trust, treaty, undertaking or contract;

**"Public Accounts Committee"** means the Public Accounts Committee of the House of Assembly;

**"State"** means Ekiti State of Nigeria.

**"Internal Auditor"** means any officer appointed by the State Civil Service Commission/Local Service Commission in that capacity.

**Citation.**

- 88.** This Law may be cited as the Ekiti State Public Finance Management Law, 2020.

## **SCHEDULE I**

### **GOVERNMENT PARASTATALS.**

1. Broadcasting Service of Ekiti State
2. Ekiti State Adult and Non-Formal Education Agency
3. Ekiti State Agricultural Credit Agency
4. Ekiti State Agricultural Inputs Supply Agency
5. Ekiti State Board for Technical & Vocational Education
6. Ekiti State Board of Internal Revenue
7. Ekiti State Boundary Commission
8. Ekiti State Christian Pilgrims Welfare Board
9. Ekiti State Civil Service Commission
10. Ekiti State Council for Arts & Culture
11. Ekiti State Electricity Board
12. Ekiti State Emergency Management Agency
13. Ekiti State Environmental Agency
14. Ekiti State Fiscal Responsibility Commission
15. Ekiti State Hospitals Management Board
16. Ekiti State Housing Corporation
17. Ekiti State Independent Electoral Commission
18. Ekiti State Job Creation and Employment Agency
19. Ekiti State Liaison Office Abuja
20. Ekiti State Library Board
21. Ekiti State Local Government Commission
22. Ekiti State Muslim Pilgrims Board
23. Ekiti State Pension Commission
24. Ekiti State Pension Transition Arrangement Department
25. Ekiti State Primary Health Care Development Agency
26. Ekiti State Sport Council

27. Ekiti State Signage and Advertisement Agency
28. Ekiti State Teaching Service Commission
29. Ekiti State Universal Education Board
30. Ekiti State Urban Renewal Agency
31. Ekiti State Waste Management Board
32. Ekiti State Water Corporation
33. Office of the Auditor-General for Local Government.

## **SCHEDULE II**

### **FULLY COMMERCIALISED PARASTATALS.**

1. Fountain Holdings Plc.

## **SCHEDULE III**

### **SUBVENTED INSTITUTIONS**

1. College of Education, Ikere Ekiti.
2. Ekiti State University/College of Medicine.
3. University Teaching Hospital, Ado-Ekiti.
4. Judiciary.
5. Judicial Service Commission.
6. College of Health, Science & Technology, Ijero Ekiti.
7. Nigeria Civil Defence Corps.
8. Nigeria Legion.
9. Ekiti United Football Club.
10. Ekiti State College of Agric, Isan Ekiti.

## **SCHEDULE IV**

### **PUBLIC INSTITUTIONS.**

1. Ekiti State University.
2. Ekiti State University Teaching Hospital, Ado-Ekiti.
3. College of Education, Ikere-Ekiti.
4. College of Health Technology, Ijero-Ekiti.

EKITI STATE PUBLIC FINANCE MANAGEMENT LAW, 2020

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

.....

**MR. TOLA ESAN**  
*Clerk of the House of Assembly*

.....

**RT. HON. FUNMINIYI AFUYE**  
*Speaker of the House*

**Governor's Assent**

**I hereby signify my assent to this Bill**

**DR. JOHN KAYODE FAYEMI**  
**Executive Governor of Ekiti State**

**MADE AT ADO EKITI THIS .... DAY OF .....2020**