

LAWS OF  
LAGOS STATE  
OF NIGERIA



PENGUIN BOOKS



THE LAWS OF LAGOS STATE  
OF NIGERIA 2015

LAW REFORM COMMISSION

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LAWS OF LAGOS STATE OF  
NIGERIA

IN FORCE ON  
THE 25TH DAY OF MAY 2015

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PREPARED UNDER THE AUTHORITY OF  
LAGOS STATE LAW REFORM COMMISSION LAW OF 2007 AS AMEND

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## ASSENT AND COMMENCEMENT

I give my assent to the Revised Laws of Lagos State, 2015 enacted by the Lagos House of Assembly.

The Revised Laws of Lagos State, 2015 shall come into force on the 25th day of 2015.

Given under the hand and Seal of His Excellency, the Governor of Lagos State 1 day of May 2015.

Babatunde Raji Fashola, SAN  
Governor of Lagos State

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### PUBLIC FINANCE MANAGEMENT LAW

#### A LAW TO REGULATE THE FINANCIAL MANAGEMENT OF LAGOS STATE GOVERNMENT AND LOCAL GOVERNMENT AREAS

[Commencement]

[1st August, 2011]

THE LAGOS STATE HOUSE OF ASSEMBLY enacts as follows—

#### PART 1

Departments of Ministry of Finance

#### 1. Departments in the Ministry of Finance

The departments of the Ministry of Finance include the following—

- (a) Finance Office;
- (b) State Treasury Office; and
- (c) Debt Management Office established by Law.

#### 2. Duties of the Commissioner for Finance

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.

#### 3. Functions of the State Treasury Office

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;
- (d) maintain and operate the accounts of the Consolidated Revenue Fund, development fund and other public funds and provide cash backing for the operations of the State Government;

- (e) maintain and operate the State Government's accounts;
- (f) conduct routine and in-depth inspection of the books of accounts of ministries, departments and agencies to ensure compliance with rules, regulations, provisions and maintenance of account codes;
- (g) formulate and implement the accounting policy of the State Government;
- (h) perform any other functions as contained in the financial regulations issued by the Commissioner.

#### Duties of the Accountant-General of the State

(1) The Accountant-General of the State (referred to in this Law as "Accountant-General") shall—

- (a) serve as the Chief Accounting Officer for the receipts and payments of the State Government;
- (b) establish and supervise revenue offices in each divisional headquarters in the State;
- (c) ensure revenue monitoring and accounting;
- (d) issue officially approved forms bearing treasury numbers for use in State ministries, departments, agencies, parastatals and institutions to ensure uniformity; and
- (e) deploy through the office of the Head of Service to any department, agency, parastatal or institution an officer employed in the State Treasury Office to enable the Accountant-General to carry out his functions under this Law or any other enactment.

(2) The Accountant General shall be responsible for the performance of the functions conferred on the State Treasury Office under section 3 of this Law.

#### Powers of the Commissioner to delegate duties

- (1) The Commissioner may in writing delegate any of his powers, duties or functions under this Law to the head of any department or office of the Ministry of Finance.
- (2) In delegating any power, duty or function in accordance with the provisions 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.

## 6. Banks, cash management and investment framework

(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 transactions 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 Government through the Commissioner.

(4) The State Government through the Commissioner shall prescribe the investment policy for the State.

(5) Any bank or other financial institution which has opened an account for a ministry, department, agency, parastatal or institution shall promptly disclose information on the account when so requested by the Accountant-General or the Auditor-General.

(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 subsidiary Service Level Agreement (SLA).

## 7. Deposits into the Consolidated Revenue Fund

(1) All revenue generating agencies shall promptly deposit into the Consolidated Revenue Fund, all taxes, levies, fees and other monies collected by them, in accordance with a framework 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 II, III and IV of the Law;
- (b) commercialised 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 on the condition that it shall be paid into a special account; or

(d) funds held in trust for a specific person or category of persons for a specific purpose such as in the case of the Public Trustees Law, except such fees charged by Public Trustee which should be paid into the Consolidated Revenue Fund in accordance with any law regulating 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 Schedule IV of this Law shall be paid into a bank account opened by the parastatal or institution.

## 8. Withdrawals from the Consolidated Revenue Fund

(1) The State Treasury Office shall be responsible for the withdrawal of monies from the Consolidated Revenue Fund, and shall do so only—

- (a) to provide for payments or transfers as may be authorised—
  - (i) in terms of an appropriation by a law of the House of Assembly;
  - (ii) as a direct charge against the Consolidated Revenue Fund provided for in the Constitution or in any other law.

(2) The State Treasury Office shall refund money wrongly paid into the Consolidated Revenue Fund.

(3) Any withdrawals made pursuant to subsection (1) of this section shall be a direct charge against the Consolidated Revenue Fund.

## 9. Development fund

(1) There is established a 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) investment income;
- (e) transfer from Consolidated Revenue Fund;
- (f) external loans; and
- (g) any other source classified under capital receipts in the Appropriation Law.

## 10. Capital development warrant

(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 signed by the Commissioner without which the Accountant-General shall not accept into his 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;
- (e) a Development Fund Virement Warrant.

## 11. Withdrawal from the development fund

The Accountant-General may withdraw from the development fund, subject to the approval of the Governor or as may be delegated to the Commissioner by the Governor.

## 12. Use of funds in emergency situations

(1) The Governor shall present before the House a proposal for the use of funds from the Consolidated Revenue or development fund for consideration and approval within 48 hours to defray expenditure of an exceptional nature which is not provided for and which cannot, without prejudice to public interest, be postponed.

(2) The total amount of authorisation under subsection (1) of this section shall not exceed one percent of the total amount appropriated in the Annual State Budget for the current financial year.

## 13. Basis of government accounting

The State Government may, if it is expedient to do so, adopt any other accounting basis that is different from the cash basis mode of accounting if it is relevant and compatible with the infrastructure or foundation that it is required to operate and any other basis of accounting shall include the following—

- (a) modified cash basis;
- (b) modified accrual basis; or
- (c) the accrual basis.

## 14. Annual consolidated financial statements

The Accountant-General shall—

(a) prepare consolidated financial statements in accordance with generally recognised Public Sector Accounting Standards as stipulated by the Nigerian Accounting Standard Board for each financial year in respect of—

- (i) State Ministries and Extra-Ministerial Departments and Agencies,
- (ii) public parastatals or institutions;

(b) include in any report prepared under this section any financial information known to him which materially affects the significance of the figures presented in the financial statements and which is not otherwise required to be recorded in public accounts;

(c) submit these statements for audit to the Auditor-General within three months after the end of that financial year.

## 15. Financial report

(1) Any financial report shall be based on the cash basis accounting and shall be in the following format—

- (a) Statement No.1: Responsibility for Financial Statement;

- (b) Statement No.2: Statement of opinion of Auditor-General;
- (c) Statement No.3: Cash Flow Statement;
- (d) Statement No.4: Statement of Asset and Liabilities;
- (e) Statement No.5: Statement of Consolidated Revenue Fund;
- (f) Statement No.6: Statement of Capital Development Fund; and
- (g) Statement No.7: Notes to the Financial Statements.

(2) For the realisation of the full benefits of the financial reporting standard forms under subsection (1) of this section, the following additional statements and management reports shall be prepared—

- (a) Statement of Recurrent Revenue;
- (b) Statement of Total Recurrent Expenditure;
- (c) Statement of Personnel Cost;
- (d) Statement of Capital Receipts;
- (e) Statement of Capital Expenditure;
- (f) Statement of Investment in Companies;
- (g) Statement of Commercial Loans;
- (h) Statement of External Loans;
- (i) Statement of Public Debts; and
- (j) Statement of Sectoral Revenue and Expenditure.

## 16. Form of statements

The forms of statements mentioned in section 15 of this Law shall contain the following information—

(a) Statement No.1—Responsibility for Financial Statement: 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 No.2—Statement of Opinion of the Auditor-General: this statement shall contain a certificate by the Auditor-General to the effect that proper audit has been carried out in respect of the financial statements prepared by the Accountant-General.

(c) Statement No.3—Cash Flow Statement: this shows opening cash position, movement and closing balances.

(d) Statement No.4—Statements of Assets and Liabilities: this shall contain information of assets in different groups segregated and identified in their groups and liability side of the statement should show groups of claims as public funds and amounts owing to other governments.

(e) Statement No.5—Statement of Consolidated Revenue Fund: this statement shall contain receipts accruing to the State Government which are mainly receipts from the Consolidated Revenue account and other sources including information on all recurrent expenditure government debited to the fund, information on contribution to the capital development fund, and information on the operation of contingency fund, and issues and repayment of treasury bills.

(f) Statement No.6—Statement of Capital Development Fund: these are transferred from the Consolidated Revenue Fund which is utilised in financing the State Government Capital Expenditures. Other sources into the development fund are internal and external loans and external grants.

(g) Statement No.7—Notes to the Financial Statements: these explain how balances in Statements Nos 1–6 are derived.

## 17. Financial statistics and aggregations

(1) The Commissioner responsible for budgetary matters in collaboration with relevant 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 of the State; and
- (c) publish same in a State Government publication.

(2) The Commissioner responsible for budgetary matters in collaboration with relevant ministries, departments and agencies shall create a data bank for the purpose of financial planning.

## 18. Publication of financial statements

(1) The Commissioner shall publish the State's Financial Statement in relation to the end of a month, quarter and year not later than fifteen (15) days, twenty-five (25) days and one hundred and eighty (180) days from the end of the month, quarter and year respectively.

(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.

## 19. Restrictions on borrowing, guarantees and other commitments

The public institutions to which this Law apply shall not borrow money or issue a guarantee, indemnity or security, or enter into any other transaction that binds or may bind that institution or the State's Consolidated Revenue Fund to any future financial commitment, unless such borrowing, guarantee, indemnity, security or other transaction is done through the Debt Management Office and in compliance with any requirements stipulated by law.

## PART 2

### LOANS TO PARASTATALS OR INSTITUTIONS

## 20. Lending money to parastatals or institutions

(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 of ministry, department or agency.

## 21. Repayment and consolidation of loans

(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 more loans into an existing or new loan.

## 22. Conditions for writing-off loans

(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 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 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, the Governor may approve the writing off of loans falling under subsection (1)(b), (c) and (d) of this section.

## 23. Establishment of a Central Internal Audit Office

(1) There is established a Central Internal Audit Office which will serve as the supervising and coordinating body of all internal audit activities within the State and Public Service.

(2) The Central Internal Audit Office shall be resident in the Ministry of Finance and it shall provide continuous checks and balances of government activities in Ministries and Extra-Ministerial Agencies through its officers.

(3) There is the Director of Central Internal Audit Office within the Ministry of Finance who shall be responsible to the Commissioner through the Permanent Secretary (Finance) for—

- (a) reviewing and maintaining effective and efficient internal control systems and ensuring adequate accounting system that shall be appropriate to Ministries and Extra-Ministerial Agencies;

- (b) deploying through the office of the Head of Service internal auditors to manage Internal Audit Departments, Divisions, Units, Ministries and Extra-Ministerial Agencies as approved by the Commissioner;
  - (c) supervising and co-ordinating activities of internal auditors in Ministries and Extra-Ministerial Agencies;
  - (d) initiating an investigation into the financial activities of Ministries and Extra-Ministerial Agencies as the need may arise;
  - (e) training all internal auditors and other staff in the office;
  - (f) formulating and implementing internal audit policies for the State's Civil Service;
  - (g) promoting career progression of all internal auditors;
  - (h) 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;
  - (i) ensuring monthly auditing of the Oracle Active Payroll or any software that is in use before remittance is approved;
  - (j) ensuring strict adherence to all control procedures introduced to safeguard the assets and records of government; and
  - (k) reviewing contract payments to ensure effective performance and value for money.
- (4) There is established in each ministry or agency an internal audit department, division or unit to carry out internal audit functions and duties.
- (5) The accounting officer of the ministry or agency shall be responsible for the operation of an internal audit unit in conjunction with the Director of the Internal Audit Office.
- (6) The accounting officer of the Ministry or Extra-Ministerial Agency shall make a formal request to the Director of Internal Audit for the provision of internal auditors in the internal audit unit of the establishment who shall be the resident internal auditor.
- (7) 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 confirmations from third parties that will enable him to perform his duties;
- (c) the resident internal auditor shall be responsible to the accounting officer of the Ministry or Extra-Ministerial Agency;
- (d) the resident internal auditor shall conduct his functions under the supervision of the Central Internal Audit Office of the Ministry of Finance;
- (e) the resident internal auditor shall prepare and submit detailed reports on the audit programme to the accounting officer and the Central Internal Audit Office of the Ministry of Finance periodically; and
- (f) the resident internal auditor shall present a monthly, quarterly and annual report to the accounting officer of the establishment and the Central Internal Audit Office of the Ministry of Finance.

#### 14. Audit report

The Director of Central Internal Audit Office, Ministry of Finance shall submit a monthly report to the Office of the Auditor-General after collating the reports from the resident internal auditors.

### PART 3

## THE STATE BUDGET PROCESS

#### 15. Government budgeting

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 Treasury Board and subsequently to the State Executive Council.

#### 16. General budgetary issues

- (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 national 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 estimates for the next three (3) years.

(4) The budget shall provide a comprehensive and transparent view of the fiscal 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 minimise fiscal deficits.

(7) Budgets shall not be implemented unless they are considered and approved by the House of Assembly.

(8) All revenues and expenditures of public parastatals or institutions shall be indicated in their budgets.

## 27. Budget process

The budget process may be based on the underlisted 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 finance, parastatal monitoring office and establishment; and
- (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
- (iv) collation and consolidation of proposals;

(c) approvals stage shall include the—

- (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 consideration and approval.

## 28. Contents of a budget

(1) An annual budget shall be in accordance with a format as may be prescribed by the Commissioner responsible for budgetary matters 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 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 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 repayment 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 9 of this Act from the relevant revenue fund for that financial year;
- (i) estimated revenue for the previous financial year;
- (j) estimated expenditure per vote for the previous financial year;
- (k) borrowing for the previous financial year; and
- (l) any other information as may be prescribed, including any multi-year budget information required because of the Medium Term Expenditure Framework (MTEF).

(2) When the annual budget is introduced in 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 House of Assembly.

## 29. Budget monitoring and control

The Commissioner responsible for budgetary matters shall monitor budgetary performance through monthly revenue and expenditure returns by ministries, departments and agencies.

## 30. Withholding of appropriated funds

(1) The Commissioner responsible for budgetary matters may withhold from any ministry, department or agency any remaining funds appropriated for a specific function if that function is transferred to another department or any other institution.

(2) The funds withheld under subsection (1) of this section may be allocated to any other department or institution as may be deemed appropriate.

## 31. State supplementary budget

(1) The Governor may table a supplementary budget before the House of Assembly provided additional revenue outside of the budget has accrued.

(2) A State supplementary budget shall only provide for—

(a) supplementary fund required due to significant and unforeseeable economic and financial event affecting the fiscal target set by the annual budget; or

(b) unforeseeable and unavoidable expenditure.

## 32. Quarterly budget report

(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 appropriations granted under the Appropriation Law for the financial year.

## PART 4

### FUNCTIONS OF ACCOUNTING OFFICERS AND ACCOUNTS OFFICERS

#### 13. Accounting officers of ministries, departments, agencies, parastatals or institutions

The Permanent Secretary, Director-General, General Manager, Vice-Chancellor/Director/Provost shall be the accounting officer of their respective ministries, departments, agencies, parastatals or institutions.

#### 14. Responsibilities of accounting officers

(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 and internal 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 properly evaluating all major capital projects prior to a final decision on the project.

(2) The accounting officer shall—

(a) be responsible for the efficient and transparent use of the resources of the ministry, department, agency, parastatal 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 unauthorised, 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 three (3) months 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 actual 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.

## 15. Responsibilities of accounting officers when assets and liabilities transferred

(1) Where assets or 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 reorganisation 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 institution with substantiating records, personnel records of staff to be transferred.

(2) The accounting officers of both the transferring and the receiving department, agency, parastatal or institution shall sign the inventory when it takes place.

(3) The accounting officer of the transferring ministry, department, parastatal or institution must file a copy of the signed inventory with the relevant authority responsible for the documentation of assets record and the Auditor-General within (14) days of the transfer.

## 16. Acting accounting officers during temporary absence

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 an accounting officer next in rank to him in an acting capacity for such period of his absence.

## 17. Delegation of powers by accounting officers

(1) An accounting officer may in writing delegate any of the powers vested in him in accordance with the provisions of section 33 of this Law to any officer in the ministry, department, agency or institution 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 Governor or the Commission may impose;
- (b) may either be to a specific individual or to the holder of a specific office 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.

### 38. Duties of accounts officers

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) collect and remit 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, agency;

(m) participate as a member on all 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

#### 9. Application of this Part

The provision of this part of this Law shall apply to the extent indicated, to parastatals and institutions listed in Schedules I-IV of this Law.

#### 10. Parastatals or institutions

(1) The Commissioner may by Legal Notice published 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.

#### 11. Classification of parastatals or institutions

(1) The Commissioner 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 shall pay all revenues received into the Consolidated Revenue Fund, which also includes 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; and
- (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 partially 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.

#### 42. Accounting officer

Every parastatal or institution shall have an accounting officer who must be accountable for the purpose of this Law.

#### 43. Fiduciary duties of accounting officer

- (1) 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 the accounting officer under this Law; and
- (d) not use the position or privileges or confidential information of the accounting officer for personal gain or improperly to confer on another person.

#### 44. Disclosure of interest

An accounting officer of a Board/Approving Authority must—

- (a) disclose direct or indirect personal or private business interest if his spouse, partner or close family member may have in a matter before any decision concerning the matter is taken; and
- (b) withdraw from the proceedings of the approving authority if a matter is being considered, unless the accounting officer's direct or indirect interest in the matter is trivial or immaterial.

#### 45. General responsibilities of accounting officer, Board/Approving Authority

- (1) An accounting officer for a parastatal or institution shall ensure that the institution maintains—
  - (a) an 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 23 of this Law;
  - (c) an appropriate procurement system which is fair, equitable, transparent, competitive, cost-effective and complies with the provisions of the law governing public procurement; and
  - (d) a system for properly evaluating all major capital projects prior to the decision on the project.
- (2) An accounting officer for a parastatal or institution shall take the following appropriate steps to—
  - (a) collect all revenues due to the parastatal or institution concerned;
  - (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 who—
  - (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.

#### 46. Delegation of powers and duties by accounting officer

(1) The accounting officer for a parastatal or institution may in writing, delegate any of his powers under this Law to an official in that parastatal or institution.

(2) A delegation or instruction to an official under subsection (1) of this section—

- (a) is subject to any limitations or conditions the accounting officer may impose;
- (b) does not divest the accounting officer of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty.

(2) The accounting officer may confirm, vary or revoke any decision taken by an official as a result of a delegation or instruction under subsection (1) of this section, subject to any right that may have accrued as a consequence of the decision.

#### 47. Responsibilities of other officials

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 delegative instruction given pursuant to the provisions of this Law; and
- (e) be responsible for the management and safeguarding of the assets parastatal or institution and the management of its liabilities.

#### 48. Annual budget and corporate plan by parastatals or institution

The accounting officer for a parastatal or institution listed in Schedule I 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.

#### 49. Annual report and financial statements of parastatals

(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 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 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) of this section shall—

- (a) fairly present—
  - (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; and
- (b) include particulars of any—
- (i) financial assistance received from the State and commitments made by the State on its behalf;
  - (ii) losses foreseen or written off, and
  - (iii) other matters that may be required by the State Treasury Office.

### 50. Appointment of external auditors

(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 fees 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.

### 51. Duties and powers of Auditor-General in relation to a parastatal or institution

(1) The Auditor-General may investigate any parastatal or institution in case of a complaint.

(2) An investigation under subsection (1) of this section may be carried out either by the Auditor-General or a person appointed by the Auditor-General.

(3) The report of the Auditor-General's investigation shall be submitted to the House of Assembly.

(4) The Auditor-General shall 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 pensions account.

### 52. Discharge of external auditors

(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 50 of this Law may not be discharged before the expiry 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 (20) days of receipt of the notice.

### 53. Duties and powers of external auditors

(1) An external auditor appointed in accordance with the provisions of section 50 shall—

(a) have access at all reasonable times to the accounting records, including books, vouchers, documents and other properties of the parastatal or institution;

(b) require from the accounting authority for that parastatal or institution 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 internal control system of the parastatal or institution.

(2) The external auditor may consult the Auditor-General or any authorised person concerning any matter relating to the audit of the parastatal or institution concerned.

## 54. Reports of external auditor

(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 49 of this Law applied on a basis consistent with that of the preceding year;
- (b) the performance information furnished in terms of section 49 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 53(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.

## 55. Appointment of Auditor-General

The appointment of the Auditor-General for the State, and all other matters not covered by this Law relating to the Office of the Auditor-General of the State shall be as contained in the Constitution and any other Law concerning audit of public accounts in the State.

## PART 6

### LOCAL GOVERNMENT REVENUE, FINANCE AND ADMINISTRATION

## 56. Local Government area revenue sources

(1) The sources of revenue for Local Government Council shall comprise of—

- (a) revenue sources as stated in Schedule IV of the Constitution;

(b) revenue sources as enacted by the Law of the House of Assembly;

(c) grants from Federal, State Governments and donor agencies.

## 57. Establishment of Local Government Revenue Committee

(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 Revenue Committee shall comprise of the following—

- (a) a person experienced in revenue matters appointed by the Chair of the Local Government Area (not being a political appointee or public officer) from within the Local Government as the Chairman;
- (b) Council Manager;
- (c) Director of Accounts/Treasury;
- (d) Legal Officer;
- (e) a member of the public not being a member of the Local Government who is experienced in revenue matters to be nominated by the Chair.

(3) All appointments with the exception of the ex officio members mentioned in this section shall be subject to the confirmation of the legislative arm of the Government.

## 58. Functions of the Revenue Committee

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

(2) The Revenue Committee shall be autonomous of the Local Government Treasury and shall be responsible for the day-to-day administration of the department and its personnel which forms its operational arm.

## 59. Functions of Local Government Treasury Department

The Treasury Department in a Local Government Council is responsible for the day-to-day administration of the department and shall not be involved in the collection of revenue.

## 60. Allocation of revenue to Local Governments

The State shall—

- (a) maintain a special account to be called “State Joint Local Government Account” into which shall be paid all allocations to Local Governments of the State; and
- (b) pay to each Local Government such proportion of its total revenue in such manner as may be prescribed by a Law of the House of Assembly.

## 61. Expenditure

(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 Treasury 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.

## 62. Duties and responsibilities of the Council Treasurer

(1) The Treasurer of a Local Government otherwise known as the Council Treasurer shall be a qualified accountant and member of any of the recognised accounting bodies in Nigeria.

(2) He shall be—

- (a) the Head of Accounts of the Local Government;
  - (b) the adviser on matters relating to the state of accounts of the Local Government; and
  - (c) an officer not below grade level 12.
- (3) The Accounts Department shall consist of the following units—
- (a) treasury;
  - (b) sub-treasury (central pay office);
  - (c) final accounts; and
  - (d) reconciliation.

(4) He shall prepare statement of accounts as at when due and submit to Auditor-General for Local Government for Audit, not later than 31st March of in respect of the preceding year.

(5) He shall deal promptly with queries arising from such inspections and

## 63. Local Government bank accounts

A Local Government shall open and maintain the following bank accounts

- (a) main allocation or grant account;
- (b) development account for capital project;
- (c) revenue accounts; and
- (d) any accounts as may be prescribed by the Executive Council.

## 64. Investment of funds

(1) The Chairman of a Local Government Area may invest any 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—

- (a) any money held in a current bank account for which there is no requirement for its use; and
- (b) all balances held in a renewal fund deposit account.

(3) The Accountant-General in an advisory capacity may from time to time issue guidelines on investment options for Local Governments.

## 65. Power to borrow money

(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 subject to the approval of the legislative arm of the Local Government, upon its properties and revenues for the purpose of fulfilling 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.

## 66. Writing-off irrecoverable debts

(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 irrevocable debt, in any one year, any sum due or payable to the Local Government from or by any person.

(2) The Chairman of a Local Government shall within twenty-one (21) days after the end of each quarter, inform the Auditor-General for Local Governments in writing of the total sum written off during the quarter and the reasons for doing so.

## 67. Budgets of Local Governments

(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) balance income and expenditure by way of annual financial estimate of revenue and expenditure;
- (c) be prepared in accordance with procedures prescribed by law; and
- (d) 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 responsible for Local Government shall, after consultation with the Commissioner responsible 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 each of the budget shall be submitted to the Commissioner responsible for Local Government, Commissioner responsible for budgetary matters and the Auditor-General for Local Governments.

## 68. Use of assets

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

## 69. Auditing of accounts of Local Governments

(1) The accounts of Local Governments and all other offices of the Governments shall be audited annually in accordance with the provisions of this section.

(2) The Auditor-General shall within six (6) months from the end of each financial year, submit his report to the House of Assembly.

(3) For the purpose of carrying out his duties under this section, the Auditor-General or any person authorised by him in that behalf, shall have access to all the records, returns and other documents relating to those accounts.

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

## 70. Accounts and audit

(1) Every Local Government shall in each year keep proper books of account and proper records in relation to its accounts and shall, within the first quarter of each 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 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 the necessary and appropriate facilities for the examination of the accounts and statement of the Local Government.

(3) The Auditor-General shall submit a report of the audit to the Local Government concerned and the 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 on payment of minimal fees.

(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. A copy of the report shall be forwarded to the House of Assembly.

### **71. Power of Auditor-General to disallow or surcharge**

(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 authorising 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 is based.

(4) Any sum certified by the Auditor-General to be due from any person shall be paid by that person to the Local Government or other body concerned within thirty (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.

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

(1) Any sum which is certified by the Auditor-General to be due and which has become payable shall be recoverable as a civil debt.

(2) Any person aggrieved by a decision of the Auditor-General may a House of Assembly and if dissatisfied, may appeal to the High Court.

### **73. Internal audit**

(1) Every Local Government shall establish an Internal Audit Department to ensure effective, efficient and continuous audit of the financial activities of the 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 functions.

(3) The head of the Internal Audit Department shall at intervals of six (6) 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 forward copies to the legislative arm of the Local Government and the Auditor-General of the Local Government.

(4) The head of the Internal Audit Department shall make in each year such observations as appear necessary as to the conduct of the financial affairs of the 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 the financial and operational activities of the Local Government.

### **74. Existing regulation**

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

### **75. Local Government to prepare development plans**

(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 Local Government's budget.

(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 organisations that have interest in working in the locality.

(5) The Commissioner responsible for budget matters shall issue guidelines for the preparation of development plans.

## 76. Local Technical Planning Committee

(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.

(2) The development plan for a Local Government shall be prepared by the Committee.

## 77. Approval of development plans

(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.

## 78. Review of development plans

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

## 79. Availability of development plans

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.

## 80. Development plans not to be incompatible

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

## 81. Local Government to take inventories

(1) Every Local Government shall compile and cause to be a comprehensive inventory of the assets of the Local Government annually.

(2) Copies of the inventories shall be sent to the Commissioner re Local Government and the Auditor-General.

## 82. Security for printing of revenue receipts

(1) All Local Government revenues shall be documented in receipts numbered forms made by the Government Printer.

(2) The Director of Accounts shall ensure adequate security of printed other security documents.

## 83. Publications of Local Government required to be made p

(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 at least thirty-one (31) days or until an updated version is available—

- (a) monthly statements of financial accounts; stating the 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 and on payment of a nominal fee.

## 84. Ministry to promote participatory process in governance

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



## PART 7

### MISCELLANEOUS PROVISIONS—LIABILITY FOR LOSS OF FUNDS

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

(1) Any person who cannot account for public money in his nominal custody shall be liable to refund the said sum to the State.

(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.

#### 86. Liability for keeping public money

(1) Where the Accountant-General 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,

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.

(2) Where a person fails to comply with a notice served on him under subsection (1) within the time stated therein, the Accountant-General shall cause to be stated an account between such person and the Government, showing the amount of money involved and charging interest at the prevailing bank rate from the date the amount became due.

(3) In any proceedings for the recovery of any money due under this section, a copy of the account so stated by a person authorised in that regard by the Accountant-General shall be prima facie evidence that the amount stated therein, together with interest, is due and payable to the Government.

#### 87. Application of provisions to stores

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

#### 88. Power to make regulations

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

#### 89. Repeal

The provisions of the Finance (Control and Management) Law Cap. F Lagos State of Nigeria 2003 is repealed.

#### 90. Interpretation

In this Law, unless the context otherwise indicates—

“**accountable**” means the requirement to record, report, explain and justify 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 an amount which is usually appropriated per Charge of Accounts in an Appropriation

“**agency**” means and includes all government parastatals, institutions and companies;

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

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

“**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 Government as provided under the relevant part under this Law;

“**budget**” means the annual estimates of revenue and other receipts and expenditures of government submitted for the approval of the House of Assembly 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 Lagos State;

“House” means the Lagos 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 budget containing the budget estimates for the year to which it relates together with indicative budgets for the succeeding years;

“money” means any coin, note or negotiable instrument;

“money received” includes all 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 Lagos State of Nigeria.

## 91. Citation and commencement

This Law may be cited as the Lagos State Public Finance Management Law and shall come into force on 1st August 2011.

## SCHEDULE I

### PARASTATALS FULLY SUBVENTED BY THE GOVERNMENT

1. Lagos State Agriculture Development Authority.
2. Lagos State Electricity Board.
3. Lagos State Ferry Services.
4. Lagos State Waste Management Authority.
5. Lagos State Number Plate Plant Authority.
6. New Towns Development Authority.
7. Lagos State Environmental Sanitation & Special Offences (Enforcement) Unit
8. Lagos State Urban Renewal Agency.
9. Lagos State Environmental Protection Agency.
10. Lagos State Building Control Agency.
11. Lagos State Physical Planning & Permit Authority.
12. Lagos State Traffic Management Authority.
13. Lagos State Signage & Outdoor Advertisement Agency.
14. Lagos State Infrastructures Management & Regulatory Authority.
15. Lagos State Examination Board.
16. Lagos State Scholarship Board.
17. Lagos State Library Board.
18. Lagos State Agency for Mass Education.
19. General Hospital Lagos.
20. Gbagada General Hospital.
21. Orile Agege General Hospital.
22. Isolo General Hospital.
23. Ikorodu General Hospital.
24. Ajeromi General Hospital.
25. Badagry General Hospital.
26. Epe General Hospital.
27. Agbowo General hospital.
28. Surulere General Hospital.
29. Lagos Island Maternity Hospital.
30. Massey Street Children Hospital.
31. Mainland Hospital Yaba.
32. Onikan Health Centre.
33. Apapa General Hospital.
34. Ebute Metta Health Centre.
35. Harvey Road Health Centre.
36. Ketu-Ejirin Health Centre.
37. Ijede Health Centre.
38. Alimosho General Hospital.
39. Ibeju Lekki General Hospital.
40. Somolu General Hospital.
41. Amuwo Odofin General Hospital.
42. Ifako Ijaiye General Hospital.

43. Mushin General Hospital.
44. Oshodi Medical Store, Oshodi.
45. Ojo General Hospital.
46. Eti-Osa General Hospital.

## SCHEDULE II

### FULLY COMMERCIALISED PARASTATALS

1. Lagos State Printing Corporation.
2. Eko Engineering Ventures.
3. Lagos State Development & Property Corporation.
4. Radio Lagos/Eko FM.
5. Lagos Television/LTV 8.
6. Lagos Building Investment Company.
7. Ibile Holdings Limited.
8. Lagos State Finance & Industrial Development Company.
9. Lagos State Water Corporation.

### **SCHEDULE III**

#### **PARASTATALS PARTIALLY SUBVENTED**

1. Lagos State Council for Rural Development.
2. Lagos State Council for Arts & Culture.
3. Lagos State Sports Council.
4. Lagos State Public Works Corporation.
5. Lagos State Agric Lands Holding.
6. Lagos State Water Front & Tourism Corporation.
7. Lagos State Board of Traditional Medicine.
8. Lagos State Independent Electoral Commission.
9. Lagos State Market Advisory Board.
10. Lagos State Christian Pilgrims Welfare Board.
11. Lagos State Muslim Pilgrims Welfare Board.
12. Lagos State Water Corporation.
13. Centre for Rural Development.
14. Lagos State Universal Education Board.
15. Lagos Metropolitan Area Transport Authority.
16. Lagos State Agric Inputs Supply Authority (LAISA).
17. Lagos State Coconut Development Authority.

### **SCHEDULE IV**

#### **PUBLIC INSTITUTIONS**

1. Lagos State University.
2. Lagos State Polytechnic.
3. Adeniran Ogunsanya College of Education.
4. Lagos State University College of Medicine.
5. Lagos State College of Primary Education.
6. Lagos State Public Service Development Centre.
7. Women Development Centre.
8. Lagos State Public Service Club.