

ANNUAL BUDGET CONCEPTION, PREPARATION AND PRESENTATION

PROCEDURE BILL, 2016

ARRANGEMENT OF CLAUSES

Clause:

1. Medium Term Economic Framework
2. Enforcement of the fundamental objectives and directive principles
3. Publication and consultations in budget preparations
4. Collation of projects from constituencies
5. Consultation with constituents
6. Reflection of Federal Character System
7. Projects for inclusion
8. Commencement of budget preparation
9. Issuance of call circulars
10. Compulsory use of IPPS by all MDAs
11. Project conception and categorization
12. Stakeholders meeting
13. Mode and contents of MDAs' submission
14. Budget meetings of ministries, departments, etc.
15. Determination of sub-sectoral ceilings
16. Preparation of estimates by ministries, department, etc.
17. Power of the budget and planning Minister to amend estimates
18. Submission of the draft budget by the Minister
19. Executive approval of the proposed annual budget
20. Presentation to National Assembly
21. Copies to be presented
22. Remittance to committees
23. Procedure for budget approval by the National Assembly
24. Budget finalization
25. Accountant-General's report

26. Implementation of Auditor-General report
27. Compulsory publication of annual goals, objectives, etc.
28. Budget implementation reports
29. Interpretation
30. Citation

A BILL

FOR

AN ACT TO PROVIDES FOR THE PROCEDURES FOR THE CONCEPTION, PREPARATION AND PRESENTATION OF ANNUAL BUDGET, THE IMPLEMENTATION OF SAME, YEARLY RECORDS, DISCLOSURE OF INFORMATION, TIMELINESS, PRIORITIZATION OF BUDGET IMPLEMENTATION AND PENALIZATION FOR FAILURE TO IMPLEMENT THE ANNUAL BUDGET IN ACCORDANCE WITH THE APPROPRIATION ACTS

Sponsored by Hon. Adarnu Karnale

[] Commencement

ENACTED by the National Assembly of the Federal Republic of Nigeria as follows:

- 1 **1. The Annual Budget shall contains-**
- 2 (a) the estimates of revenue and expenditure based on fiscal
- 3 strategy and macroeconomic objectives set out in the Medium-Term
- 4 Economic Framework for that financial year;
- 5 (b) the sectoral and compositional distribution of the estimates of
- 6 expenditure in the annual budget shall not exceed the sectoral expenditure
- 7 ceilings and capital expenditure floor set out in the Medium- Term
- 8 Economic Plan for that financial year;
- 9 (c) a statement of the actual revenue and expenditure for the
- 10 preceding financial year as at the date of the submission of the proposed
- 11 budget to the National Assembly; and
- 12 (d) a statement detailing the objectives, targets, outputs and
- 13 outcomes revenue and expenditure estimates of each Ministry and
- 14 Government Agencies for the next financial year.
- 15 **2. The Federal Government shall use the budget process to**
- 16 promote and enforce the observance of the Fundamental Objectives and
- 17 Directive Principles contained in the Constitution reflect the priorities

Medium term
Economic
Framework

Enforcement of
the Fundamental
objectives and
Directive
principles

	1	already indicated in Chapter 2 of the Constitution.
Publication and consultations in budget preparation	2	3. In preparing the Annual Budget, the Budget Office of the
	3	Federation shall-
	4	(a) hold sensitization public hearings with, and receive memorandum
	5	from any Nigerian, group of Nigerians, persons of Organisations of their
	6	representatives on the estimates for the next financial year;
	7	(b) partner with National Assembly to collect projects germane to all
	8	the constituents of the Federation in the preparation of capital projects for the
	9	next succeeding financial year.
Collation of projects from constituencies	10	4. In preparing the Annual budget, the National Assembly shall
	11	centrally collate projects from all the Federal Constituency of the country and
	12	forward same to the Minister of Budget and Planning/Budget Office for
	13	inclusion in the draft Appropriation Bill to be submitted to each parliament for
	14	the coming fiscal year.
Consultations with Constituents	15	5. In collating the projects from the Federal Constituencies under
	16	section 4 of this Bill, each legislative Chamber shall hold consultations with the
	17	constituencies in a manner that shall not allow for manipulation by a particular
	18	legislator/group of legislators.
Reflection of Federal Character system	19	6. Project collated by National Assembly under section 4 of this Bill,
	20	shall capture all constituencies in the country thereby reflecting the principle of
	21	federal character.
Projects for inclusion	22	7. For a project to qualify for inclusion into the National Budget, it
	23	must be one that tally with the overall policy thrust of Government and have
	24	impact on the generality of the citizenry where the project is located no private
	25	projects must be entertained.
Commencement of budget preparation	26	8. The preparation of the Annual Budget shall commence not later
	27	than 30th April in each financial year by constituencies' partnership by both the
	28	legislators and the budget office.
Issuance of call circulars	29	9. The National Assembly shall issue Budget call circular to all
	30	Ministries, Government Departments and Agencies after certifying the

1 provisions or sections 3 -5 of this Bill.

2 **10.** All Ministries, Departments and Agencies must key into
3 Integrated Personnel Payment Scheme of Government without which no
4 salary will be paid to any staff from the day the Bill is passed into law.

Compulsory use
of IPPS by all
MDAs

5 **11.-(1)** Projects are categorized into Meager, Medium or Small
6 Scale Project, depending on the nature and magnitude of the projects.

Project conception
and categorisations

7 (2) Meager Projects can only be nominated by the President
8 through the Ministries, Department and Agency.

9 (3) Medium Project can only be nominated by the MDAs in
10 consultation with the National Assembly in the affected Area.

11 (4) Small Scale Project can only be nominated jointly by affected
12 Ministries, Department and Agency representative of the communities at
13 National and State Assembly, Budget office and chairman of the Local
14 Government Area where the project is located.

15 **12.** There shall be an all stakeholders budget meeting not later than
16 first quarter of the year proceeding the budget year in consideration.

Stakeholders
meeting

17 **13.** The submission by Ministries, Department and Agency must
18 be in prescribed form designed by the Budget Office and must include the
19 objectives, plans, targets, outputs, outcomes, revenue and expenditure
20 estimates of each Ministry and Government Agencies for the next financial
21 year requiring the-

Mode and
contents of MDAs'
submission

22 (a) submission of such other information relating to the preparation
23 of the budget as the Director-General Budget Office of the Federation may
24 deem fit; and

25 (b) stipulation of the process and impact indicators for evaluation
26 and assessment of the expected output and outcomes.

27 **14.** All Ministry and Federal Executives Bodies shall upon receipt
28 of the Budget Call Circular, cause a copy to be made available to each "On-
29 Budget Parastatal or Agency" attached to it or under its supervision and shall
30 'within 21 days comply with the provisions of section 15 of this Bill.

Budget meetings
of ministries,
departments, etc.

Determination
of sub-sectoral
ceilings

1 15.--(1) The Supervising Minister shall be charged with responsibility
2 for determining the sub ministerial ceilings and programmes for the ministry,
3 "on budget provided that sub ministerial ceilings are provided by the ministry
4 of National planning and Budget/budget Office.

5 (2) In determining sub ministerial expenditure ceilings and programs,
6 the Supervising Minister shall have due regard to the independent revenue
7 earning capacity of the ministry and the "on Budget Parastatals" and
8 Government Agencies under it.

9 (3) The Supervising Minister shall also be guided by the economic
10 objectives and priorities of government as set out in the Medium- Term
11 Economic Plan.

12 (4) The sub ministerial ceilings determined by the Supervising
13 Minister in accordance with subparagraphs (1) and (2) of this section shall be
14 binding on all "On-Budget Parastatal" or Government Agencies under the
15 supervision of the ministry and may only be amended by the Ministerial Board,
16 Federal Executive Council and National Assembly.

17 (5) Any "On-Budget Parastatal" or Government Agency dissatisfied
18 with the determination of a Supervising Minister under subsection (2) may
19 within 5 days following such determination, appeal to the president with notice
20 to the supervising minister, and to such manner and on such.

Preparation of
estimates by
ministries,
departments, etc.

21 16.--(1) Each Supervising Minister and every "On-Budget Parastatals"
22 or Government Agency shall prepare its estimates of revenue and expenditures
23 not later than 21 days after the determination of sub ministerial ceilings.

24 (2) A supervising minister shall-

25 (a) have power to assess, scrutinizes, revise, amend or otherwise
26 disallow the estimates prepared by any "on-Budget Parastatal" or Government
27 Agency under its ministry for failing to conform to the budget call circular; and

28 (b) consolidate the expenditure and revenue estimates of its ministry
29 and every "On-Budget parastatal" or Government Agency under the ministry's
30 supervision in the manner prescribed in the Budget Call Circular and submit

1 same to the appropriate authorities.

2 17.-(1) The minister of Budget and Planning shall have power to
3 revise, amend or otherwise disallow estimates of expenditure submitted by
4 any Ministry or government agencies, Extra-Ministerial office, Parastatal,
5 Federal Executive Body or other agency of the Federal Government: in line
6 with input made from budget public hearing report.

Power of the
Budget and
planning Minister
to amend estimates

7 (2) Where the Minister of budget and planning revises, amends or
8 otherwise disallows any estimates under sub section (1) of this section the
9 Minister shall indicate the reasons in a Report to the President.

10 (3) A determination made by the Minister or Budget and Planning
11 under this section shall be binding on all Ministries and may only be
12 amended or otherwise modified by the President acting on an appeal or his
13 discretion.

14 (4) Any ministry dissatisfied with the determination or the Minister
15 of Budget and Planning under this section, may within 5 days following the
16 determination, appeal to the President, in such manner and on such terms as
17 the Minister of Budget and Planning may from time to time made by
18 Regulation.

19 (5) The President or an officer designated by him for that purpose,
20 shall dispose of all appeals filed pursuant to the regulations made under
21 subsection (4) of this section not later than 5 days from the expiration of the
22 time limited for the consideration of the draft by the Executive Council.

23 18. The Minister or Budget and Planning shall forward the draft
24 annual budget to the Federal Executive Council [or consideration not later
25 than 21st August in each financial year.

Submission of
the draft budget
by the Minister

26 19. The President in consultation with the Federal Executive
27 Council shall conclude deliberations on and approve the proposed annual
28 budget not later 30th September in each financial year.

Executive
approval of the
proposed annual
budget

29 20. The President shall present the draft appropriation with the
30 compendium to the joint sitting of the National Assembly accompanied by

Presentation to
National Assembly

1 his budget speech, the revenue forecast based on the approved Medium-Term
2 Expenditure Framework and the draft budget of the government corporations
3 and all revenue generating agencies of government, The presentation shall be
4 in both hard and soft copies not less than three copies for each chambers at the
5 time of presentation.

Copies to be
presented

6 **21.** The presentation must be accompanied (not later than 72 hours
7 after the presentation) with enough copies of the Bill, the speech the
8 compendium as well as other attachments for all members of the National
9 Assembly, the Committees of both chambers as well as leadership of the two
10 chambers of both chambers as well as leadership pf the two chambers and the
11 management of National Assembly.

Remittance to
committees

12 **22.-(1)** On receipt or the Proposed Annual Budget and the
13 Appropriation Bill by the National Assembly ham the President, the presiding
14 officer of each House or the National Assembly shall, remit the Proposed
15 Annual Budget to the relevant committee of each House, in line with the
16 standing rules.

17 (2) Pursuant to the Standing Orders of each House of the National
18 Assembly, the relevant committee of each House charged with responsibility
19 for appropriations shall refer to the standing committees of each House. such
20 part of the Annual Budget.

21 (3) The Minister of Budget and Planning shall at the time the budget is
22 presented to the National Assembly, make available upon request and payment
23 of the reasonable fees printed copies of the detailed estimates to members or the
24 public.

25 (4) Every standing committee to which a part of the estimates in the
26 Proposed Annual Budget is referred shall conduct a public hearing, and
27 thereafter discuss, consider, and review the estimates referred to it and submit
28 its report to the Committee on Appropriation.

29 (5) The committee of each house of the National Assembly charged
30 with responsibility for appropriations shall scrutinize the estimates in the

1 Annual Budget submitted by the president and consider the reports of their
2 ministries and agencies referred to in subsection 3 above.

3 (6) Every Standing Committee to which a part of the estimates in
4 the Proposed Annual Budget has been referred 10 shall immediately on
5 receipt of the proposed budget. publish a notice of public hearing to be held
6 within 5 days or the publication of the notice.

7 **23.** The public hearing under this section 21 (6) of this Bill shall be
8 conducted in a manner that is orderly, effective and allows members of the
9 public access to the venue or the hearing and the right to make oral and
10 documentary presentations and to ask questions.

Procedure for
budget approval
by the National
Assembly

11 **24.-(1)** Each House of the National Assembly shall conclude
12 deliberations on the recommendations of its committee charged with
13 responsibility for appropriations in not later than 4 weeks from the time
14 specified above.

Budget
finalisation

15 (2) The National Assembly shall conclude consideration and
16 passage of the Annual Budget and forward the Appropriation Bill and the
17 Approved Annual Budget to the president for assent not later than three
18 months after the presentation to the National Assembly by the President.

19 **25.** The Accountant General report shall include-

Accountant-
General's report

20 (a) a detailed value for money audit:

21 (b) an abstract account of receipts and payment:

22 (c) a statement of the assets and liabilities at the close of the
23 financial year;

24 (d) detailed statement of the revenue and expenditure arranged
25 according to sub-heads: and

26 (e) such other statements as the National Assembly may from time
27 to time require.

28 **26.** Every person. Public officer, ministry, body, or any
29 government agency exercising legislative, executive or judicial powers
30 shall from the commencement of this Bill bound to fully implement the

Implementation
of Auditor-
General report

	1	report of the Auditor-general of the Federation produced in accordance with
	2	the Constitution.
Compulsory publication	3	27. Every Ministry and Government Agencies shall cause to be
	4	published quarterly, in a manner easily accessible to the public, a Report
	5	showing the following:
	6	(a) annual goals;
	7	(b) annual objectives;
	8	(c) action plan;
	9	(d) amount appropriated for each project;
	10	(e) amount appropriated for each subhead;
	11	(f) subventions received in the quarter;
	12	(g) revenue receipts;
	13	(h) expenditure profiles;
	14	(i) actual details of expenditures made; and
	15	(j) process and impart indicators for evaluation and assessment of the
	16	expected output and outcomes,
Budget implementation reports	17	28. All Accounting Officers of all Ministries Departments,
	18	Commissions, institutions and Government Agencies shall submit detailed
	19	quarterly budget implementation reports to the National Assembly within 30
	20	days after the end of the quarter detailing.
Interpretation	21	29. In this Bill-
	22	(a) Meager Project means project that cuts across more than one State
	23	or are of National values;
	24	(b) Medium Scale Project means projects that affect a particular State
	25	or parts of a State or agencies located in the State; and
	26	(c) Small Scale Project means project that affect the welfare of
	27	communities including, boreholes, hand pumps, machines, public primary and
	28	secondary school building, rural electricity and rural health centres.
Citation	29	30. This Bill may be cited as Annual Budget Conception, Preparation
	30	and Presentation Procedure Bill. 2016.

EXPLANATION MEMORANDUM

This Bill seeks to provide for the procedures for the conception, preparation and presentation of annual budget, the implementation of same, yearly records, disclosure or information, timeliness, prioritization of budget implementation and penalization [or failure to implement the annual budget in accordance with the Appropriation Acts.