

A BILL

FOR

AN ACT TO AMEND THE FISCAL RESPONSIBILITY COMMISSION (ESTABLISHMENT) ACT, 2007 TO EMPOWER THE COMMISSION TO STEM THE HUGE COST ASSOCIATED WITH BUDGET DELAY IN NIGERIA THROUGH EFFICIENT BUDGET CYCLE MANAGEMENT AND AUTOMATION OF BUDGET FORMULATION PROCESS AT THE FEDERAL LEVEL AND FOR RELATED MATTERS

Sponsored by Hon. Mansur Manu Soro

[] Commencement

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

- 1 1. The Fiscal Responsibility (Establishment) Act Cap F40 LFN
2 2007 (in this Bill referred to as "the Principal Act") is amended as set out in
3 this Bill. Amendment of
the Fiscal
Responsibility
Act, 2007
- 4 2. Section 19 of the Principal Act is amended by introducing a new
5 subsection (g) which shall read thus "an Annual Budget Policy Statement
6 which shall clearly detail government policy thrust in the next fiscal year
7 and set out procedures for allocation of resources to sectors and spending
8 ceiling". Amendment of
Section 19
- 9 3. Section 21(2) of the Principal Act is further amended thus "Each
10 of the bodies referred to in subsection (1) of this section shall submit to the
11 Minister not later than the date prescribed in Schedule III of this Act". Amendment of
section 21
subsection (2)
- 12 4. Section 22(1) of the Principal Act is further amended to read
13 thus "Notwithstanding the provisions of any written law governing the
14 corporation, each corporation shall be guided by the extant regulations on
15 the operations of Treasury Single Account of the Federal Government of
16 Nigeria". Amendment of
section 22
subsection (1)

Deletion of section 22 subsection (2)	1	5. Section 22(2) of the Principal Act is hereby deleted.
Amendment of section 23 subsection (3)	2 3 4 5	6. Section 23(3) of the Principal Act is further amended to read thus "Each corporation shall prepare and publish quarterly consolidated budget performance report in accordance with requirements set out in Schedule VI of this Act".
Introduction of a new section 23 subsection (4)	6 7 8 9	7. The Principal Act is further amended by introducing section 23 (4) which shall read thus "Each corporation shall prepare and submit monthly transcripts of revenues and expenditures by line items and forward to the CBN and Ministry of Finance in accordance with Schedule IV of this Act".
Amendment of section 30 subsection (1)	10 11 12 13 14 15	8. Section 30(1) of the Principal Act is further amended and read thus "The Minister of Finance, through the Budget Office of the Federation, shall monitor and evaluate the implementation of the Annual Budget in accordance with Schedule V of this Act, assess the attainment of fiscal targets and report on a monthly basis to the Fiscal Responsibility Council and the Joint Finance Committee of the National Assembly".
Amendment to the Schedule	16 17	9. The Schedule in the Principal Act is amended and reads thus "Schedule J".
Introduction of a new Schedule 2	18 19	10. The Principal Act is further amended by introducing Schedule n which shall provide details on the annual budget planning activities.
Introduction of a new Schedule 3	20 21	11. The Principal Act is further amended by introducing Schedule III which shall provide details on the annual budget preparation activities.
Introduction of a new Schedule 4	22 23	12. The Principal Act is further amended by introducing Schedule IV which shall provide details on budget execution and control activities.
Introduction of a new Schedule 5	24 25	13. The Principal Act is further amended by introducing a Schedule V which shall provide details on budget monitoring and evaluation activities.
Introduction of a new Schedule 6	26 27	14. The Principal Act is further amended by introducing a Schedule VI which shall provide details on budget audit and reporting activities.
Citation	28 29	15. This Bill may be cited as the Fiscal Responsibility Act (Amendment) Bill, 2019.

EXPLANATORY MEMORANDUM

This Bill seeks to enhance the powers of the Fiscal Responsibility Commission to carry-out its statutory responsibilities and stem the huge cost associated with budget delay in the country through efficient budget cycle management and improved budget formulation, execution, and monitoring at the Federal level.

**SCHEDULE II
ANNUAL BUDGET PLANNING**

RESPONSIBILITIES INVOLVED			
1	Review Economic and Fiscal Situation & Updates	▪ Ministry of Finance	Week 2, June
2	Preparation of a Fiscal Framework.	▪ Ministry of Finance	Week 3, June
3	Review of Annual Budget Policy	▪ Ministry of Finance	Week 4, June
4	Preparation of Draft Annual Budget Call Circular	▪ Ministry of Finance	Week 4, June
5	Preparation/Updating of Medium-Term Expenditure Framework (MTEF)	▪ Ministry of Finance	Week 4, June
6	Stakeholders' Consultation	+ Ministry of Finance + Ministry of Information	Week 4, June
7	Consideration/Approval of Draft Call Circular	+ Joint Appropriation Committees + Ministry of Finance	Week 1, July

**SCHEDULE III
ANNUAL BUDGET PREPARATION**

RESPONSIBILITIES INVOLVED			
1	Approval and Circulation of Annual Budget Call Circular to all MDAs.	▪ Ministry of Finance	Week 1, July
2	Consultation between EXCO and the National Assembly	▪ Honourable Minister, Ministry of Finance	August
3	Preparation of Annual Budget Proposals by MDAs.	▪ All MDAs	August
4	Submission of draft Budget Proposals by MDAs to the Ministry of Finance.	▪ All MDAs	Week 1, August
5	Review of Budget Proposals by the Ministry of Finance	▪ Ministry of Finance	Week 2, August
6	Bilateral budget discussions (negotiation and defense of MDAs' budget proposals)	+ Ministry of Finance + Other MDAs	15 th August to 7 th September

7	Collation, Analysis and Consolidation of draft budget	• Ministry of Finance	Week 2, September
8	Presentation of Draft Consolidated budget to the Central Bank of Nigeria	• Honourable Minister, Ministry of Finance	Week 3, September
9	Presentation of Draft Consolidated Budget to the Federal Executive Council	• Federal Executive Council	Week 4, September
10	Presentation of Draft Budget to National Assembly	• The President	Week 4, September
11	Debate, defence, and report on the Appropriation Bill by the National Assembly	• National Assembly	November/ December
12	President's Assents to Appropriation Act	• The President	Week 3, December
13	Presentation of the Budget to the general public	• The President	Week 1, January

**SCHEDULE IV
BUDGET EXECUTION & CONTROL**

	ACTIVITY	RESPONSIBILITY	TIME FRAME
1	MDAs carry out budget profiling of both revenues	• MDAs (coordinated by the Ministry of Finance)	January
2	Request for Quarterly Capital Project Work Plan	• CBN • Ministry of Finance	Week 2, January
3	Submission of Quarterly Capital Project Work Plan	• MDAs	Week 4, January
4	Monthly Release of Funds for Personnel and non-salary recurrent costs.	• CBN	Monthly
5	Monthly Revenue & Expenditure Returns	• MDAs	Week 2, Monthly

SCHEDULE V
BUDGET MONITORING & EVALUATION

SN	ACTIVITY	RESPONSIBILITY	TIMELINE
1	Monthly Budget Performance Review	All MDAs	Week 2 of the succeeding month
2	Monitoring of Individual Capital Project & Programme	+ MDAs + Ministry of Finance + Budget Office	Monthly
3	Consolidated Budget Performance	+ Ministry of Finance + Budget Office	Week 3 of the succeeding month
4	Consolidated Project Monitoring	• Ministry of Finance	Quarterly

SCHEDULE VI
AUDIT & REPORTING

SN	ACTIVITY	RESPONSIBILITY	TIMELINE
1	Preparation of monthly internal audit reports	MDAs' Resident Internal Auditors	Week 1 of the succeeding month
2	External Audit (Statutory Audit, ad hoc, special, interim and final Audit)	Office of the Auditor-General of the Federation (OAUGF)	+ Quarterly + Annually
3	Reporting, Publication and Dissemination of various reports.	+ Ministry of Finance + OAUGF • CBN + MDAs' Internal Auditor's Office	+ Quarterly + Annually