



**GOMBE STATE FISCAL RESPONSIBILITY  
(AMENDMENT) LAW,**

2018



**A LAW TO PROVIDE FOR THE ESTABLISHMENT OF  
GOMBE STATE FISCAL RESPONSIBILITY (AMENDMENT)  
LAW AND OTHER MATTERS CONNECTED  
THEREWITH 2018.**

**BE IT ENACTED** By the Gombe State House of Assembly as follows:

**PART 1- ESTABLISHMENT, FUNCTIONS AND POWERS OF THE  
FISCAL RESPONSIBILITY COMMISSION AND THE GOVERNING  
BOARD.**

Citation &  
Commencement

**S. 1** This Law may be cited as the Gombe State Fiscal Responsibility (Amendment) Law 2018 and shall come into operation on the.....day of .....2018.

\* Establishment

- S.2** (1) There shall be established, a body to be known as the Fiscal Responsibility Commission (hereinafter in this law referred to as "the Commission")
- (2) The Commission shall be a body corporate with perpetual Succession and a common seal and may sue and be sued in its corporate name.
- (3) The Commission shall be responsible for monitoring and enforcing the provisions of this Law and by so doing promote the economic objectives contained in section 16 of the 1999 Constitution (as amended).

Responsibilities and  
Powers of the  
Commission

- S. 3** (1) For the purpose of performing its functions under this law, the Commission shall have powers to:
- (a) Compel any person or Government Institution to disclose information relating to public revenues and expenditure; and
- (b) Investigate whether any person has violated any provisions of this law.
- (2) If the Commission is satisfied that such a person has violated any provision of this law, the Commission shall forward the report of the investigation to the Attorney-General of the State for prosecution.

Functions of the  
Commission

- S.4** (1) The Commission shall:
- (a) Monitor and enforce the provisions of this law to promote the economic objectives of the State as contained in section 16 of the 1999 Nigerian Constitution as amended.
- (b) Disseminate such standard practices including international best practices that will result in greater efficiency in the allocation and management of public expenditure, revenue collection, debt control and transparency in fiscal matters:



- (c) Undertake fiscal and financial studies, analyses and diagnoses and disseminate the result to the general public;
- (d) Make rules for carrying out its functions under this law; and
- (e) Perform any other legitimate functions consistent with the promotion of the objective of this law.

(2) No suit shall lie against any member of the Commission for any act done in pursuance of the functions of the Commission under this law.

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

Establishment of funds for The Commission

S.5 (1) The Commission shall establish and maintain a fund which shall be defrayed all expenditures incurred by the Commission including amounts payable to the members of the Board.

(2) There shall be credited to the fund established pursuant to subsection (1) of this section, the budgetary allocation from Gombe State Government and grants from any other source, provided that, it shall be mandatory for the State Government to adequately fund the Commission.

Establishment, and Composition of the governing Board

S.6 (1) There is hereby established for the Commission, a governing Board (hereinafter in this Law referred to as "the Board") which shall have power for the overall supervision of the Commission specified in this Law.

(2) The Board shall consist of:

- (a) A Chairman, who shall be a seasoned Professional with public finance background who shall be the Chief Executive and Accounting Officer of the Commission.
- (b) One member representing the organized private sector.
- (c) Two members representing civil societies engaged in causes relating to probity, transparency and good governance.
- (d) A representative of the Ministry of Finance at a level not lower than Director;
- (e) One Member to represent each Senatorial District in the State.
- (f) One member representing the Attorney General of the State.
- (g) All members of the Board shall be persons of proven integrity and must possess a minimum qualification of degree in economics business, accountancy, finance, law or related disciplines with no less than 10 years cognate experience.
- (h) Chairman and other members of the Board other than ex-officio Office Members shall be appointed by the governor and
- (i) Members of the Board other than the Chairman who shall be the Chief Executive, shall be full-time members

\* Tenure of Office

S.7 Tenure of Chairman and Members shall be five years from the date of appointment subject to renewal by the Governor where desirable.



Cessation of  
Membership

- S.8 (1) Notwithstanding the provisions of Section 5 (2) of this Law, a member of the Board shall cease to hold office if:
- (a) He becomes bankrupt or makes a compromise with his creditors; or
  - (b) He is convicted of a felony or any offence involving dishonesty, corruption or fraud, or
  - (c) He becomes incapable of carrying out the functions of his office either by reason of an infirmity of mind or body; or
  - (d) The Governor is satisfied that it is not in the interest of the Commission or the interest of the public that the member should continue in office and the Governor may remove him from office by a notice under the Governor's hand;
  - (e) He has been found guilty of violation of Code of Conduct or serious misconduct in relation to his duties :or
  - (f) He resigns his appointment by a notice under his hand addressed to the Governor; and
  - (g) In the case of person who becomes a member by virtue of his office he ceases to hold such office for whatever reason.
- (2) Where a vacancy occurs in the membership of the Board, it shall be filled by the appointment of a successor. To hold office for the remainder of the term of office of his predecessor. So however that the successor shall represent the same interest as his predecessor.

Powers of the  
Board

- S.9 The Board shall have power to:-
- (a) Formulate and provide general policy guideline for the discharge of the function of the Commission.
  - (b) Superintend the implementation of the policies of the Commission:
  - (c) Appoint for the Commission, such numbers of employees as may in the opinion of the Board be expedient and necessary for the proper and efficient performance of the function of the Commission.
  - (d) Determine the terms and conditions of service including disciplinary measures for the employees of the Commission
  - (e) Fix the remuneration allowances and benefits of the employees of the Commission.
  - (f) Do other things, which in its opinion are necessary to ensure the efficient Performance of the functions of the Commission
  - (g) Regulate its proceedings and make standing orders with respect to the holding of its meetings, notices to be given, the keeping of minutes of its proceedings and such other matters as the Board may, from time to time, determine.

Emoluments  
of Board  
Members

- S.10 (1) There shall be paid to the Chairman of the Board such salaries allowances and benefits as may be approved by the Governor.
- (2) There shall be paid to other members of the Board such sitting allowances and benefits as may be determined by the Board and approved by the Governor.

Submission of  
Annual report of  
the Commission

- S.11 The Board shall prepare and submit to the Gombe State House of Assembly not later than 30<sup>th</sup> June in each financial year, a report of its activities including all cases of contravention investigated during the preceding financial year, and shall include in the report a copy of its audited report and accounts for the Preceding financial years.

## PART II – THE MEDIUM TERM EXPENDITURE FRAMEWORK

Medium – Term  
Expenditure

S.12

- (1) The State Government shall:-
- (a) Not later than six months from the commencement of this law cause to be prepared a Medium – Term Expenditure framework for the next three financial years, and
  - (b) Thereafter, not later than four months before the commencement of the next financial year, cause to be prepared a Medium –Term Expenditure framework for the next three financial years.
- (2)
- (a) The Medium Term Expenditure framework setting out the macroeconomic projections, for the next three financial years. The underlying assumption for those projects and an evaluation and analysis of the macroeconomic projections for the preceding three financial Years.
  - (b) A Fiscal Strategy paper setting out:-
    - (i) The State Government's medium term financial objectives;
    - (ii) The polices of the State Government for the medium term relating to taxation, recurrent (non-debt) expenditure, debt expenditure, capital Tax expenditure, borrowings and other liabilities, lending and investment;
    - (iii) The strategic economic, social and developmental priorities of the State Government for the next three financial years;
    - (iv) An explanation of how the financial objectives, strategic, economic, social and developmental priorities and fiscal measures set out pursuant to paragraphs (i), (ii) and (iii) of this subsection relate to the economic objectives of the State.
  - (c) An Expenditure and Revenue Framework setting out:-
    - (i) Estimates of aggregate revenues for Gombe State Government each financial year in the next three financial years, based on the predetermined Revenue Sources and commodity reform price adopted as applicable to the State.
    - (ii) Aggregate expenditure ceiling for the State for each financial year in the next three financial years.



(iii) Minimum capital expenditure flow for each financial year in the next three years.

(iv) Aggregate tax expenditure for each financial year in the next three financial years, provided that the estimates and expenditures provided pursuant to paragraph (d) of this subsection, shall be-

(d) Based on reliable and consistent data certified in accordance with Section 12(2) of this Law.

Aggregate  
Expenditure  
Ceiling

- S.13(1) Subject to the provisions of subsection (2) of this section but notwithstanding anything to the contrary contained in any other Law, the estimates of aggregate expenditure and the aggregate amount appropriated by the State House of Assembly for each financial year shall not be more than the estimate aggregate revenue plus a deficit, not exceeding three percent of the estimated Gross Domestic Product for each financial year.
- (2) The aggregate expenditure for a financial year may exceed the ceiling imposed by the provisions of subsection (1) of this section, if in the opinion of the Governor there is a clear and present threat to the security of the State.

Preparation of the  
Medium  
Expenditure  
Framework

- S.14(1) The Commissioner for Finance shall be responsible for the preparation of the Medium –Term Expenditure Framework.
- (2) In preparing the draft Medium –Term Expenditure Framework, the Commissioner for Finance
- (a) May hold public hearing which may be widely published, on the Macroeconomic framework, the Fiscal Strategy paper, the Revenue and Expenditure Framework, the strategic economic, social and developmental priorities of government, and such other matters as the Commissioner deems necessary;
- Provided that such hearings if held shall be open to the public the press and any citizen or authorized representatives of any organization, group of citizens who may attend and be heard on any subject matter properly in view;
- (b) Shall consider and reflect as may be deemed appropriate inputs of the bodies and persons shall seek the inputs of:-
- i. Ministry of Finance and Economic Development
  - ii. Joint Planning Board consisting of the State and its Local Government Areas;
  - iii. Any Economic team as may be set up by the State Government,
  - iv. The Gombe State House of Assembly
  - v. The State Ministry of Economic Planning.
  - vi. Any State Ministry, Department or Agency considered relevant for the purpose'



Time Limit for the Presentation of Medium Term Expenditure Framework

S.15 The Commissioner for Finance shall before the end of the second quarter of each financial year present the Medium-Term Expenditure Framework to The State Executive Council for consideration and approval.

Publication of Medium-Term Executive in the Gazette

S.16 (1) Commissioner for Finance shall cause the Medium –Term Expenditure Framework to be published in the gazette.

(2) The Ministry of Finance shall collate, certify and publish data, one month before issuance of annual budget circular,

(3) Subject to (2) of this section the Governor may cause adjustments to be Made to a medium –term expenditure framework.

### PART III – THE ANNUAL BUDGET.

Annual Budget to be Derived from Medium Expenditure Framework

S.17 (1) Notwithstanding anything to the contrary contained in this law, the Medium –Term Expenditure Framework shall be the basis for the preparation of the estimates of revenue and expenditure required to be prepared and laid before the State House of Assembly.

(2) The sectoral and composition of distribution to the estimates of expenditure referred to in subsection (i) of this section shall be consistent with the medium term developmental priorities set out in the Medium-Term expenditure framework.

(3) Any adjustments to a medium-term expenditure framework shall be limited to:-

(a) the correction of manifest error and:

(b) Changes in the Fiscal indicators which in the opinion of the Governor are significant.

Annual Budget to be accompanied by certain documents

S.18 The estimates of revenue and expenditure referred to in this law as the “Annual Budget”, shall be accompanied by-

(a) A copy of the underlying revenue and expenditure profile for the next two years.

(b) A report setting out actual and budgeted revenue and expenditure and detailed analysis of the performance of the budget for the 18 months up to June of the preceding financial year,

(c) A revenue Framework broken down into monthly collection targets prepared on the basis of the predetermined Reference commodity price as contained in Medium-Term Expenditure Framework,

(d) Measures on cost, cost control and evaluation of results of programmes financed with budgetary resources and.

(e) A Fiscal Target Appendix derived from the underlying medium-Term Expenditure Framework setting out the following targets for that financial year.

(i) target inflation rate:

(ii) target fiscal account balances;

(iii) any other development target deemed appropriate.

Criteria for admission into the Appropriation Bill

- S.19(1) Projects and Programmes shall only be admitted into an Appropriation Bill if they.
- (a) are derived from the Medium- Term Expenditure Framework:
  - (b) have complied with public procurement guideline. or law; and
  - (c) Have undergone a cost benefit analysis in the manner prescribed by the Ministry of Finance.
- (2) New projects shall only be admitted into an Appropriation Bill, if adequate funding has been provided.
  - (3) All expenditures involving public securities or contractual debt shall be contained in the Appropriation Bill.
  - (4) The refinancing of public debt shall be stated separately in the Appropriation Bill.
  - (5) Liabilities arising by reason of judgment of the court established under the constitution shall be stated separately in the Appropriation Bill.

Preparation of the Annual Budget

- S.20 The preparation of the Annual Budget shall commence not later than 1<sup>st</sup> week of July in each financial year by the Annual issuance of a Budget call Circular in such form as the Commissioner may from time to time prescribe to all Commissions, parastatals, State Executive Bodies and other executing agencies of Government.

Responsibility for preparation of the Annual Budget

- S.21 (1) The Commission shall prepare and present to the State Executive Council not later than first week of September, in each financial year, prepare a draft Budget and present it to the Governor who shall in turn present the draft budget to the State House of Assembly by November of each financial year, for the next following financial year.
- (2) Non-compliance with any of the provisions of parts II & III of this law shall constitute an offence punishable under this law.

#### PART IV – BUDGETARY PLANNING OF CORPORATIONS AND OTHER RELATED AGENCIES

Preparation of Estimates of Revenue and Expenditure by Corporations etc

- S.22 (1) All Corporations, Agencies and Government owned Companies (hereinafter in this law referred to as “the Corporations”) shall not later than 6 months from the commencement of this law and from every three financial years thereafter, not later than the end of the second quarter, Cause to be prepared and submitted to the Commissioner their estimates of revenue and expenditure for the next three financial years.
- (2) Each of the bodies referred to in subsection (1) of this Section shall submit to the Commissioner not later than the end of July in each financial year.
    - (a) An Annual budget derived from the estimates submitted in pursuance of subsection (1) of this section:
    - (b) Projected operating surplus, which shall be prepared in line with acceptable accounting practices:
    - (c) The Commissioner shall cause the estimates submitted in pursuance of subsection (2) of this section, to be attached as an appendix to the Annual Budget.



Creation of  
operating surplus  
and reserve funds

- S.23 (1) Notwithstanding the provision of any written law governing corporations, each corporation shall establish a general reserve fund and shall allocate thereto at the end of each financial year one-fifth of its operating surplus reserved funds for the year
- (2) The balance of the operating surplus shall be paid to the consolidated revenue fund of the State Government not later than one month following the statutory date line for publishing each corporations accounts.

Classification of  
operating surplus

- S.24 (1) The corporation's surpluses shall be classified as State Treasury Revenue.
- (2) Where a corporation's result is a deficit, the deficit shall be classified as the corporation's loss for the fiscal year.
- (3) Each corporation shall not later than three months after the end of its financial year cause to be prepared and published its audited financial reports in accordance with such rules as may be prescribed from time to time.

Cessation of  
Application of part IV

- S.25 The provisions of section 22,23 and 24 of this Law shall cease to apply to any of the corporations from the date of its privatization.

#### **PART V- BUDGETARY EXECUTION AND ACHIEVEMENT OF TARGETS.**

Annual Cash Plan

- S.26 (1) The State Government's annual cash plan shall be prepared by the office of the Accountant General of the State.
- (2) The Annual Cash plan shall be prepared in advance of the financial year. Setting out projected monthly cash flows and shall be revised periodically to reflect actual cash flows.

Disbursement  
Schedule

- S.27 The Commissioner shall within 30 days of the enactments of the Appropriation Law prepare and publish a disbursement schedule derived from the Annual Cash plan for the purpose of implementing the Appropriation Law.

Power of  
Commissioner to  
approve Virement

- S.28 (1) The sums appropriated for a specific purpose shall be used solely for the purpose specified in the Appropriation Law.
- (2) Without prejudice to (1) of this section the Commissioner may in Exceptional Circumstance and in the overall public interest approve virement from sub-heads under heads of account without excluding the amount Appropriated to such head of Accounts.

Power to restrict  
further Commitments

- S.29 (1) Whereby at the end of three months after the enactment of the Appropriation Law, the Commissioner of finance determines that the targeted revenues may be insufficient to fund the heads of expenditure in the Appropriation Law, the Commissioner shall within the next 30 days of such determination, take appropriate Measures to restrict further commitments and financial operation.
- (2) Where the targeted revenues are re-established, either in part or in full, the appropriations for which further commitments were restricted shall be restored Proportionately.
- (3) The provisions of subsections (1) and (2) of this section shall not apply to statutory or Constitutional expenditures.



Responsibility of  
the Budget  
Implementation

**S.30** (1) The Commissioner of Finance through the Budget office of the State, shall monitor and evaluate the implementation of the Annual Budget, assess the basis of attainments of the fiscal targets and report thereon on a quarterly basis to the Fiscal Responsibility Board and the joint Finance and Appropriation Committee of the Gombe State House of Assembly.

(2) The Commissioner of Finance shall cause the report prepared pursuant to subsection (1) of this section to be published in the mass and electronic Media and on Ministry of Finance Website, not later than 30 days after the end of each quarter.

Application of part V to  
Local Government

**S.31** (1) In implementing their annual budgets, Local Governments shall be guided by and adopt the provisions of this Law with such modifications as may be appropriate and necessary.

(2) The Department of Budget and Planning shall on or before one year from the date of this law, issue guidelines for the full implementation of this law to Local Government.

(3) The Department of Budget and Planning shall from time to time develop and implement capacity building plan for relevant Local Government staff and officers to ensure full application of the law.

#### **PART VI - PUBLIC REVENUE AND EXPENDITURE**

Collection and  
remittance of Public  
Revenues

**S.32** (1) For the purpose of accountability, all revenue collecting Ministries, Department and Agencies shall remit, on monthly basis or as may be advised, all revenues collected on behalf of the State Government to the account designated for the purpose by the Accountant General of the State in the manner prescribed in an extant Treasury Circular to be issued from time-to-time.

(2) All revenues collected must not be spent by the collecting Ministry, Department or Agency without appropriation:

(3) Failure to adhere to the provisions of this section shall be an offence under this law.

Conditions for Increasing  
Government Expenditure

**S.33** (1) The creation, expansion or improvement action which result in an expenditure increase shall be accompanied by

(a) a statement by the person requesting for the expenditure, stating that the increase is consistent with the Appropriation Law and the Medium- Term Expenditure Framework.

(b) An estimate of the budgetary or financial impact in the year it becomes effective and in the two subsequent years.

(2) The provisions of this section shall not apply to expenditures deemed inconsequential.

Conditions for  
Increasing Personnel  
Expenditure

**S.34** The granting of any advantage or increase of remuneration, the creation of posts or alteration of career structure and admission of personnel on any account by bodies and entities including foundations established and maintained by State



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

All Contracts to comply with Rules & Guidelines S.35 All contracts with regards to the execution of annual budget shall comply with the rules and guidelines on;

- (a) procurement and award of contracts, and
- (b) Due process and certification of contract.

Effect if Violation of Rules S.36 Any violation of the requirements in Sections 32, 33, 34 and 35 shall be unlawful.

## PART VII – DEBT AND INDEBTEDNESS.

Frame work for Debt Management S.37 (1) The Framework for debt Management during the financial year shall be based on the following rules-

- (a) The State Governments shall only borrow for capital expenditure and human development. Provided that. Such borrowing shall be on concessional terms with low interest rates and with a reasonably long Amortization period; and
- (b) The State Government shall ensure that the level of public debt as a proportion of State income is held at a sustainable level.

(2) Non-compliance with the provisions of this section shall constitute an offence Punishable under this Law.

Limits on Consolidated Debt of State and Local Government S.38 (1) The Government shall within 90 days from the commencement of the Law and on an advice from the Commissioner set overall limits for the amounts of consolidated debt of the State and Local Government pursuant to the provisions of item 7 of part 1 of the second schedule to the 1999 Constitution and the limits and conditions shall be consistent with this Law and with the Fiscal policy objectives and guidelines in the medium Term Fiscal Framework.

(2) The Governor may choose to delegate this function to the Commissioner who shall be advised by the Debt Management office (DMO) as part of the management of the overall fiscal framework.

(3) Outstanding judgment debts not paid shall be considered part of the consolidated Debt for the purpose of application of the respective limits set out to the pursuance of this section

(4) For the purpose of verifying compliance with the limits specified pursuant to this Section. The Commission shall at the end of each quarter, determine the amount of the consolidated debt and other liability of each tier of government.

(5) The Commission shall publish on a quarterly basis, a list of the Ministries, Agencies and Parastatals in the State that have exceeded the limits of consolidated debt indicating the amount by which the limits was exceeded.

(6) Where at the end of any quarter the consolidated debt of the State or Local Government exceeds the respective limits: it shall be brought within the limits. Not later than the end of the next Fiscal year with a minimum of 25% reduction in the first quarter.



(7) Violators of the limits specified pursuant to this section shall –

- (a) be prohibited from borrowing from internal or external sources. Except or the refinancing of existing debts;
- (b) bring the debt within the established limit by, inter-alia. Restricting funding commitments accordingly.

(8) Where non-compliance with the limit specified to this section persists after the time limit by subsection (5) of this section. The affected tier of Government shall also be prohibited from receiving grants from any other Government in the Federation.

(9) Wherever the fundamentals of the proposals referred to in this section are charged due to economic instability or changes in monetary or exchange rate policies the Governor shall submit to the State House of Assembly a request for a review of the current limit.

Servicing of External Debt

- S.39
- (1) Servicing of debt shall be the direct responsibility of the State Government.
  - (2) The amount of debt service due on Federal Government guaranteed loans shall be deducted at source from the share of the State Government.
  - (3) In the case of Local debts; each tier of Government shall be responsible for servicing of debt

Condition of Borrowing and Verification of compliance with Limit

- S.40
- (1) (a) The Commissioner may borrow on behalf of the State Government subject to the limits stated in this law and in conformity with the borrowing guidelines.
  - (b) The State Government its agencies, Parastatals and Local Governments desirous of borrowing shall specify the purpose for which the borrowing is intended and present a cost benefits analysis to the Commissioner detailing the economic and social benefits to which the fund will serve.
  - (c) The Commissioner shall within a reasonable time period stipulated in the borrowing guidelines assess and verify the request in subsection (1) above and verify its compliance with this law and with existing borrowing guidelines prior to issuing a consent to borrow.
- (2) Without prejudice to subsection (1) of this section each borrowing shall comply with the following conditions:-
    - (a) The existence of prior authorization in the Appropriation or other law for the purpose for which the borrowing is to be utilized, and
    - (b) The proceeds of such borrowing shall solely be applied towards long-term Capital expenditures.
  - (3) Nothing in this section shall be construed to authorize borrowing in excess of the limits set out pursuant to section 41 of this Law.
  - (4) The Commission shall verify on a quarterly basis compliance with the limits and conditions for borrowing by the State Government. Its Agencies and Local Government.
  - (5) Without prejudice to the specific responsibility of the State House of Assembly, the Commission shall maintain a comprehensive reliable and current electronic



data base of internal and external public debts. Guaranteeing public access to the information.

Lending by Banks and Financial Institutions

S.41 (1) All banks and financial institutions shall request and obtain proof of compliance with the provisions of this part before lending to any State Ministry, Agency or Local Government.

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

Powers of the Commissioner to grant Guarantees

S.42 (1) The Commissioner of Finance subject to the provisions of this part, may with the approval of the State Executive Council issue guarantees on behalf of any Local Government or agency in the State.

(2) Any guarantee granted by the Commissioner shall be conditional upon provision of counter guarantee in an amount equal to or higher than the guarantee obligation Provided that, there are no overdue obligations from the requesting Local Government, Agency, or Parastatals to the guarantor and its controlled corporations.

(3) The Counter – guarantee required by the State from its Agencies, Local Government and Corporations may consist of the appropriation of tax revenue directly collected and resulting from statutory transfers and the guarantor shall be authorized to retain such revenue and use the respective amount to repay overdue debts.

## PART VIII – TRANSPARENCY AND ACCOUNTABILITY.

Fiscal Transparency

S.43(1) The Government shall ensure that its fiscal and financial affairs are conducted in a transparent manner and accordingly shall ensure full and timely disclosure and wide publication of all transactions and decisions involving public revenues and expenditures and their implications for its finances.

(2) The Legislative arm of Government shall ensure transparency by way of public hearings during the preparation and discussion of the Medium term expenditure framework. Annual Budget and the Appropriation Bill.

Publication of Audited Account by all tiers and all arms of Government

S.44(1) The State Local Governments and Agencies of Government shall publish their audited accounts not later than six months following the end of the financial year.

(2) The State, Local Governments and Agencies of Government shall, not later than one year following the commencement of this law and thereafter not later than 6 months following the end of each financial year. Consolidate and publish in the mass media audited accounts for the previous year.

(3) The publication of general standards for the consolidation of State public accounts shall be the responsibility of the office of the Accountant General of the State.

(4) The Accountant – General of the State shall, not later than 9 months following the end of the financial year cause to be consolidated and published in the mass media the accounts of all Government agencies.



Publication of a summarized Report on Budget Execution

**S.45** The Executive arm of the State and Local Government through their budget offices shall within 30 days after the end of each quarter, publish a summarized budget execution in such budget form as may be prescribed by the fiscal Responsibility Commission and not later than 6 months after the end of the financial year the Commissioner shall publish a consolidated budget execution report showing implementation against physical and financial performance target.

## PART IX OFFENCES AND PENALTIES

Penalties

- S.46** (1) Any person who willfully or negligently fails to perform his obligation under this law, or who knowingly or recklessly makes a false statement in the discharge of his obligations under this law. Commits an offence and is liable on conviction to a term of up to one year imprisonment or a fine of N100, 000.00.
- (2) Any person who willfully or negligently acts in contravention of the provisions of this law. Commits an offence and is liable on conviction to a term of imprisonment of up to 3 years or a fine of N250, 000.00
- (3) Where an institution's responsibility is provided for in this law; the head of the institution shall ensure the performance of such responsibility and where he fails to do so, he and the person or persons involved commits an offence punishable under subsection (1) and (2) of this section accordingly.

## PART X MISCELLANEOUS PROVISIONS.

Limit for consolidated Securities

**S.47** A State law may set a limit for consolidated debt securities, borrowing and granting of guarantees lower than the one provided for pursuant to this law.

Government Securities as Collateral to Guarantee Loans

**S.48** Government securities, provided that they are duly listed on the Stock Exchange, may be offered as collateral to guarantee loans or other financial transaction under this law for their economic value as defined by the Ministry of Finance.

Restriction and utilization of proceeds of sale of

**S.49** The proceeds derived from the sale or transfer of public properties and rights over public assets shall not be used to finance recurrent expenditure, provided that, such proceeds may be used to liquidate existing liabilities directly charged against such properties or assets.

Condition for Local Government Contribution

**S.50** A Local Government shall contribute to cover cost of expenditure incurred by the other tiers of Government if authorized in a covenant, agreement, accord, or any similar arrangement.

Technical & Financial Assistance to Local Government

**S.51** The State may provide technical and financial assistance to Local Governments for the modernization of their respective tax financial and asset administration for the purpose of complying with the provisions of this law.

Supremacy of This Law

- S.52** (1) In the event of any inconsistency between the provisions of this law and of any State legislation, the provisions of this law shall prevail and the provisions of that other legislation shall, to the extent of its inconsistency be void.
- (2) The Governor shall in addition to any other powers conferred on him under this law, make regulations generally for the purposes of carrying into effect the provisions of this law.



S.53. In this Law, unless the context otherwise requires:-

“**Appropriation Law**” means any Law passed by the Gombe State House of Assembly or Local Government Areas authorizing Spending from the Consolidated Revenue Fund and includes a Supplementary appropriation Law.

“**Appropriation Bill**” means the Bill containing the projected estimates of Income and expenditure of the State or Local Government Areas for any financial year and includes any Supplementary Bill.

“**Arms of the Government**” means the Executive, Legislature and Judiciary;

“**Borrowing**” means any financial obligation arising from (i) any loan including Principal, interest, fees of such loan.(ii) the deferred payment for property, goods or Services, (iii) bonds, debentures, notes or similar instrument.(iv) letters of credit and Reimbursement obligation with respect thereto, (v) trade or bankers’ acceptances.(vi) Capitalized amount of obligations under leases entered into primarily as a method of Raising finances or of financing the acquisition of the asset leased (vii) agreements providing for swap ceiling rates, ceiling and floor rates. Contingent participation or other hedging mechanisms with respect to the payment of interest or the convertibility of Currency and (viii) a conditional sale agreements, capital lease or other title retention agreement.

“**Budget call Circular**” means a circular –(i) requesting the submission. In prescribed form, of the revenue and expenditure estimates of Ministries, Extra-Ministerial departments and other executing agencies of Government for the next financial Year; and (ii) giving Detailed guidelines and instructions on the preparation of the estimates and expenditure In a manner consistent with the medium term development priorities set out in the Medium –Term Expenditure Framework;

“**Capital Expenditure**” means spending on an asset that lasts for more than one financial Year and expenses associated with the acquisition of such assets.

**Concessional Term**; means the terms and conditions of the loan must be at an interest Rate not exceeding 3%.

“**Consolidated Debt**” means the aggregate of the outstanding financial obligations of Government including those of the Parastatals and agencies at any point in time arising from:

- (i) Borrowed money including principal, interest, fees of such borrowed money;
- (ii) The deferred payment for property, goods or services;
- (iii) Bonds, debentures, notes or similar instruments;
- (iv) Letters of credit and reimbursement obligations with respect thereto;
- (v) Guarantees;
- (vi) Trade or bankers acceptances;



- (vii) Capitalized amounts of obligations under leases entered into primarily as a method of raising finances or of financing the acquisition of the asset leased;
- (viii) Agreements providing for swaps. Ceiling rates, ceiling and floor rates, contingent participation or other hedging mechanisms with respect to the payment of interest or the convertibility of currency, and
- (ix) A conditional sale agreement, capital lease or other title retention agreement.

“**Financial Year**” means the period of 12 months from January – December used by Government for the purpose of planning and reporting or any such period used by current Corporations and Agencies;

“**Fiscal Policy**” means the goals set by government for attainment of set target for the given period;

“**Gombe State Government Owned Company**” means a statutory corporation. Government Agency and a company in which Government has controlling interests’

“**Medium Term Expenditure Framework**” means the document referred to and the Contents of which is prescribed in part II of this Law;

“**Commissioner**” means Commissioner Charged with the responsibility for Finance;

“**Public Debt**” means securities issued by the Gombe State Governments, its Parastatals and Agencies at any point in time;

“**Public Revenue**” means all moneys received by Gombe State Government;

“**Recurrent Expenditure**” means normal overhead and administrative expenses, personnel Cost including salaries, emolument and other benefits of employees;

“**Reference Community Price**” means the moving average for the last preceding 5 years plus. A spread not exceeding 5 dollars determined by the Commissioner. However, given the recent unexpectedly high oil prices a 10 years moving average will be used initially until such a time it is determine that prices have stabilized at the long-run average. Consistent with market and structural conditions:

“**State Financial Institution**” means any financial institution in which the State Government has controlling shares.

“**Cost-benefits-analysis**” means an analysis that compares the cost of undertaking a service, project or programme with the benefits that citizens are likely to derive from it.

“**Reasonable terms**” means the terms and condition of the loan must be in the form considered “reasonable” by the Commissioner in line with reigning money and capital market conditions in Nigeria at the time of borrowing.

“**Tiers of Government**” means the Federal. State and Local Government.




**SUMMARY OF THE GOMBE STATE FISCAL RESPONSIBILITY  
(AMENDMENT) LAW, 2018**

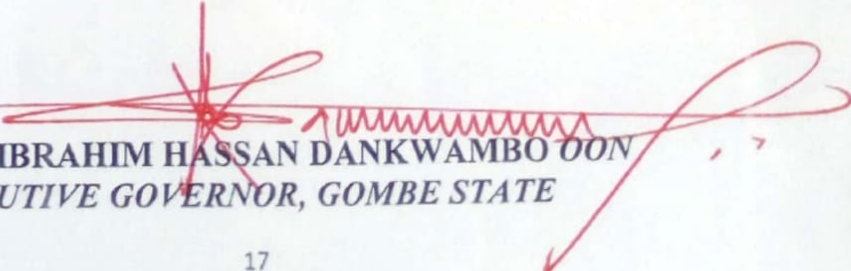
<b>SHORT TITLE</b>	<b>LONG TITLE</b>	<b>SUMMARY</b>	<b>DATE PASSED</b>
Gombe State Fiscal Responsibility (amendment) Law 2018.	A Law to provide for the establishment of Gombe State Fiscal Responsibility (amendment) Law and Other Matters connected therewith 2018.	This Law seeks to amend the Gombe State Fiscal Responsibility Law to ensure prudent Management of State's resources, ensure long-term macroeconomic stability of the economy, secure greater accountability and transparency in fiscal operations within a medium term fiscal policy framework and the establishment of the Fiscal Responsibility Commission to ensure the State's economic objectives.	1 <sup>st</sup> November, 2018

**CERTIFICATION**

I certify that this Law has been carefully compared by me with the decision reached by the Honourable House and found by me to be true and correct assertion of the house and this is in accordance with the provisions of the Authentication Act 1962.

  
**SHEHU MUHAMMAD ATIKU**  
**CLERK-TO-THE-HOUSE**

I ASSENT THIS **21<sup>ST</sup>** DAY OF **NOVEMBER** 2018

  
**ALH. IBRAHIM HASSAN DANKWAMBO OON**  
**EXECUTIVE GOVERNOR, GOMBE STATE**