

**NATIONAL JUDICIAL
INSTITUTE**

Presents

NATIONAL WORKSHOP

(PROMOTING FINANCIAL DISCIPLINE FOR OPTIMUM PERFORMANCE)

FOR

**DIRECTORS OF FINANCE, INTERNAL AUDITORS,
PROCUREMENT OFFICERS AND OTHER FINANCIAL OFFICERS
OF THE JUDICIARY**

COURSE TITLE:

**BUDGETING, PLANNING
AND MANAGEMENT OF
FINANCE IN THE
JUDICIARY**

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Why do we need Judiciary?

- **Judiciary** is an indispensable organ of government. Its **importance** cannot be over emphasized.
- Any society without a **judiciary system** is bound to face chaos and anarchy.
- In a nation where the **judiciary** is weak or not independent its people might be confronted with injustice and all kinds of intimidation.

Budgeting, Planning and Management of Finance in the Judiciary.

It is important to note here that the roles and activities of Budgeting, Planning and Management of Finance within the Judiciary simply falls under the umbrella of **PUBLIC SECTOR BUDGET AND FINANCE.**

Budget is an important tool in governance used by the government to actualize its development programs.

Plan simply means “**decide on and make arrangements for in advance**”

Budgeting, Planning and Management of Finance in the Judiciary.

Understanding Public Sector?

The simplest definition of 'Public Sector' is "all organizations which are not privately owned and operated, but which are established, run and financed by Government on behalf of the public with no profit making intention rather with provision of quality services"

Budgeting in Judiciary

❑ The Budget is not just a statement of policy, guidelines, statistics, allocations in figures and revenue mathematics, but a fundamental mechanism for redistribution of social wealth and, therefore, of socio-economic development.

❑ **What is a Budget?**

The word “Budget” means the money bag or the public purse which serve as a receptacle for the revenue and expenditure of the State.

❑ It originated from a French word “bougette” which means Little Bag

Overview of Constitutional and Regulatory Framework of Public Sector Financing Environment

The following financial frameworks below cover the activities and delivery expectation from the Budgeting, Planning and Management of Finance within Public Sector Environment:

1) Nigerian Constitution:

- The 1999 Constitution of the Federal Republic of Nigeria is one of the legal frameworks that regulate the receipts and disbursement of Public funds

2) Audit Ordinance of 1956 or Act of 1956:

- S13 (1-3) mandate the Accountant-General of the Federation to furnish the Auditor-General for the Federation with the country's financial statement

3) Finance (Control & Mgt) Act of 1958. Cap 144, 1990:

- This govern the management and operation of government funds. It regulates the accounting system, the books of accounts to be kept and the procedures to be followed in the preparation of accounts and financial statements

Overview of Constitutional and Regulatory Framework of Public Sector Financing

Environment

4) Financial Regulations:

- These are the accounting manual of Government Ministries/Extra-Ministerial Departments which deals with financial and accounting matters. They set out the procedures and steps to be followed in treating most of government transactions.
- According to FR 105, The Minister of Finance shall issue from time to time financial regulations which shall be in accordance with existing laws and policies of government. The financial regulation so issued shall generally apply to the Federal Public Service which term means ministries, extra-ministerial offices and other arms of government (including Judiciary)

5) Finance/Treasury Circulars:

- These are administration tools which are used to amend the existing provisions of Financial Regulations, Public Service rules and the introduction of new policy guidelines.

6) Public Procurement Act, 2007:

- This is an Act which establishes the National Council on Public Procurement (NCPP) and the Bureau of Public Procurement (BPP) as the regulatory authorities responsible for the monitoring and oversight of public procurement, harmonizing the existing government policies by regulating, setting standards and developing the legal framework and professional capacity for public procurement in Nigeria.

Overview of Constitutional and Regulatory Framework of Public Sector Financing

Environment

7) Fiscal Responsibility:

- This Act provides for the prudent management of the Nation's resources, ensure long-term macro-economic stability of the national economy. The Act emphasizes the preparation of Medium-Term Expenditure Framework, Annual Budget, Budgetary Execution and Achievement Targets, Collection of Public Revenue, Public Expenditure, Debt and Indebtedness, Borrowing, Transparency and Accountability.

8) Other Laws guiding Public Sector Accounting and Finance:

- These include:
 - Pension Reform Act of 2004 as amended in the Pension Reform Act 2014
 - The Independent Corrupt Practices and Other Related Offence Commission (ICPC) Act of 2000
 - Economic and Financial Crimes Commission (Establishment) Act, 2002
 - Nigeria Extractive Industries Transparency Initiative (NEITI) Act 2007
 - Appropriation Acts also known as **ANNUAL BUDGET**
 - Code of Conduct Bureau and Tribunal Act, 1991 and;
 - Money Laundering Act, 1995.

Understanding Effective And Efficiency Budget Process

After a careful review of the regulatory and legal framework stated above, it is important to say that, understanding the effectiveness and efficiency of budget processes cannot be over-looked

THE BUDGET PROCESS

- ❑ Budgeting is simply the process of preparing a budget.
- ❑ It refers to the procedures and mechanisms by which the budget is prepared, implemented and monitored.

Understanding Effective And Efficiency

Budget Process

THE BUDGET PROCESS

- ❑ Budgeting is a combination of information flows and administrative processes and procedures that is usually an integral part of the short-range planning and control system of an organisation.
- ❑ The Budgeting process traces the budget in one year from **conception, through to preparation, approval, execution, control, monitoring and evaluation.**
- ❑ The Budgeting process involves **all centres, programmes and administrative units** of an Entity in the development of periodic budget.
- ❑ It refers to the totality of the processes a budget passes through before it finally becomes a document

Budget Cycle

Budget Cycle otherwise known as Budget Process has four stages

- ❑ **Budget Formulation:** when the budget plan is put together by the executive arm of government;
- ❑ **Enactment:** when the budget plan is debated, altered, and approved by the legislative arm;
- ❑ **Execution:** when the policies of the budget are implemented by the government;
- ❑ **Auditing and Assessment:** when the actual expenditures of the budget are accounted for and assessed for effectiveness

What is the Federal Budget Spent on?

Spending through the Federal Budget may be classified into 3 broad categories, namely:

- Statutory Transfers;**
- Debt Services; and**
- MDA Expenditure (that is, spending by the Ministries, Departments and Agencies of Government)**

What are Statutory Transfers?

By law, the Federal Government is required to make certain mandatory expenditures in respect of:

- ❑ **The National Judicial Council;**
- ❑ **The Niger Delta Development Commission;**
and
- ❑ **The Universal Basic Education Commission**

The National Judicial Council

- ❑ **The National Judicial Council** is the body charged with responsibility for the administration of the Nigerian Judiciary.
- ❑ The Constitution makes it mandatory for the Federal Government to transfer to the Judiciary, to funds necessary for its operations
- ❑ This requirement is designed to protect the independence of the Judiciary, which is a separate arm of Government.

Public Financial Management (PFM)

➤ **What is Public Financial Management**

- Public financial management (PFM) is a central element of a functioning administration, underlying all government activities. It encompasses the mechanisms through which public resources are collected, allocated, spent and accounted for.

➤ **Why do Public Finance Managers need to Change?**

- In modern conditions, public finances managers have to take into account a variety of factors and various risks in order to solve the tasks set by the society for effective financial management. To this end, public finance managers are forced to change approaches to management from traditional to new approaches.

Overview Public Financial Management (PFM)

➤ Financial management in the public sector is complex. Multiple, sometimes conflicting, short- and long-term priorities must be addressed. Prudent budgets, managed borrowings and tax policies need to be balanced against support for economic growth, investment in infrastructure and increasing demands for public services.

Priorities for Efficient and Effective Financial Management In Judiciary

➤ In the course of our studies, backed up with input from experts, we identified the following priorities for enhancing financial management in judiciary:

- improving decision support
- balancing financial oversight with operational autonomy
- generating ongoing efficiency in the finance function.

Priorities for Efficient and Effective Financial Management In Judiciary

➤ These priorities are being addressed through the following measures:

- **Decision support:** using analytics, improving value for money assessments, and enhancing budget transparency
- **Balancing financial oversight with operational autonomy:** performance based budgeting and improving the audit trail.
- **Generating ongoing efficiency:** efficiency reviews, robotic process automation, cognitive computing, cloud computing, transaction technologies.

Conclusion

The lessons here are simple. It is the content that determines the height we can go. Therefore, capacity building of our judicial system for quality service delivery is key.

Finally all actors of justices will be delighted when they can enhance their skills, the financial independence ensured and get additional learning opportunities.

Thank
you