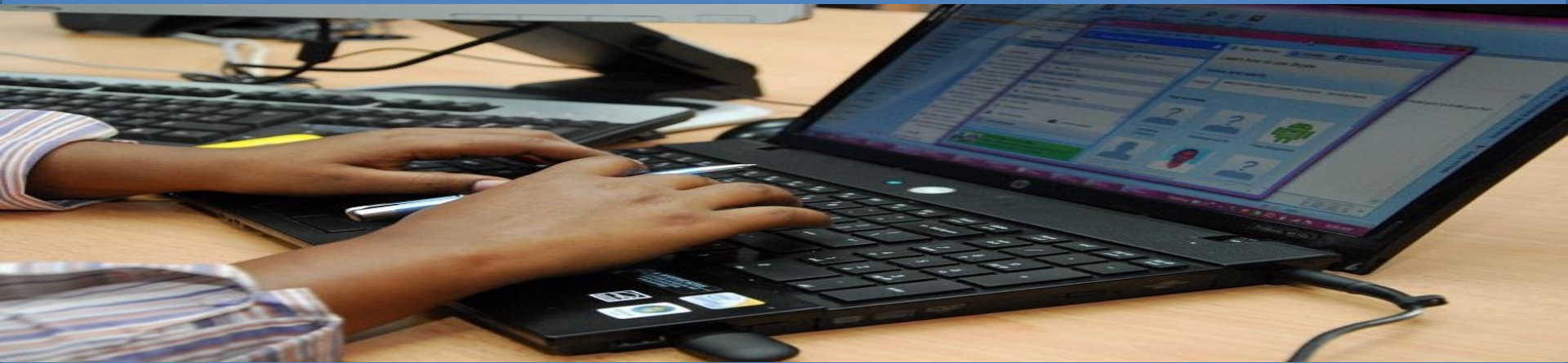


APPLICATION OF FINANCIAL REGULATIONS AND OTHER EXTANT RULES IN THE JUDICIARY



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Outline



- Introduction
- Legal Frameworks
- The constitution and Accounting for Financial Resources
- How is the Judiciary financed?
- Financial Regulations and Objectives
- Contents of FR
- Classification of MDA
- Responsibilities of Principal Officers
- Audit of Public Accounts
- Authority for Public Expenditure and Virement
- Cashbacking and Vouchering



Outline

- Revenue Collection, Borrowing, Bank Account
- Imprest and Advances
- Security Documents
- Oversight over Public Funds
- Public Procurement
- Offences and Sanctions
- Treasury Circular
- Financial Reporting Council Act
- Conclusion



Learning Objectives



- Participants will gain understanding of the Constitutional provisions in the management of public funds
- Appreciate the reason for FR and the various provisions there-in
- Appreciate the other extant laws and circulars
- Gain understanding of the breaches and sanctions thereto



Introduction



- My Lord, Directors and other distinguished personalities in this hall. It is a great honour to be invited to speak at this capacity building workshop for staff engaged in finance and account functions of the Judiciary.
- I wish to commend the Administrator of NJI, Hon. Justice Salisu Garba Abdullahi for your commitment to capacity building not only for the members of the Judiciary but also public finance managers.
- The Judiciary, like other Arms of Government (The Executive and the Legislature) is funded from public purse. Accountability for use of public funds is a priority for any democratic government hence Nigeria as a democratic country cannot be an exception and so are her institutions, like the Judiciary.



- In conducting the financial affairs of government, it has been deemed fit by countries to enact laws and extant rules and regulations to standardize financial management practices. This is to minimize the use of discretion, whims and caprices and to protect the public purse.
- Top in this list is the Constitution which provides the ground norms for the mobilisation of financial resources, disbursements, controls and accountability. The laws and extant regulations aim to ensure economy, efficiency and effectiveness in resource mobilization, allocation and usage.
- The responsibility of Accounting Officer and Head of Account in organization is to ensure that the public interest is served at all times by complying with the extant laws and regulations discussed in this presentation.



Legal Frameworks



These are the instruments that empowers and guides all public officers in carrying out government financial transactions. These include:

- Constitution of the Federal Republic of Nigeria, 1999 (as amended);
- Finance (Control & Management) Act, 1958;
- Audit Act, 1956 as amended to date;
- Public Procurement Act, 2007;
- Fiscal Responsibility Act, 2007;
- Central Bank of Nigeria, Act 2007
- Debt Management Act, 2011
- Annual Appropriation Act (Budget);



- Supplementary Appropriation Act;
- Financial Regulations, 2009;
- Federal Inland Revenue Service Act, 2007;
- Revenue Mobilization, Allocation and Fiscal Commission Act, Cap R7 LFN 2004
- Pension Reforms Act, 2014;
- Financial Reporting Council Act, 2011
- Treasury, Finance, Establishment, and Other Circulars;



The Constitution & Accounting for Financial Resources



- S.80 of the Constitution established the Consolidated Revenue Fund (CRF) which is the main fund of the Federal Government into which all revenues raised are paid into except where exempted by any other Act of Parliament. Its utilisation is only upon Appropriation by the National Assembly through the budgetary process (S.81).
- Public Funds are held in trust and therefore it is imperative to provide standardized practice for accountability.
- Consequently, Government funds are segregated according to the purpose for which they are raised and accordingly separately reported upon (such as Consolidated Revenue Fund (CRF), Capital Development Fund, TETFund, Petroleum Technology Fund (PTDF)).



- FRA S.48(1) provides that the Federal Government shall ensure that its fiscal and financial affairs are conducted in a transparent manner and accordingly ensure full and timely disclosure and wide publication of all transactions and decisions involving public revenues and expenditures and their implications for its finances.
- The Executive Arm of government renders financial accountability on behalf of the Government to the National Assembly (the representatives of the citizens) through the Audited Consolidated General Purpose Financial Statements presented to the Public Accounts Committee of NASS by the Auditor General for the Federation (AuGF).



- The Accountant General of the Federation to prepare and submit the financial statements to the AuGF for audit within 90 days and submit his report to each House of the NASS for consideration of its Public Accounts Committee (PAC) 9S.85 (5))
- **Similarly, the AuGF is empowered under S.85(2) to carry out audit in all offices and courts and submit his report to NASS.** Thus the Judiciary is required by law to render account of funds allocated by preparing its financial statements and rendering financial returns to the OAGF for incorporation into the Federal Government Consolidated Financial Statements.
- **Failure of many MDA to prepare their financial statement has made this a recurring audit issue in the AuGF report to the PAC.**

How is the Judiciary Funded?

- Like other Arms of Government, the Judiciary is funded from public funds.
- S.81(3) provided that any amount standing to the credit of the Judiciary in the CRF of the Federation shall be paid directly to the National Judicial Council for disbursement to the heads of the courts established for the Federation per S.6 of the Constitution.
- S.84(7) equally provided that the recurrent expenditure of judicial offices of the Federation including salaries and allowances of judicial officers are chargeable to CRF.
- Thus the judiciary is among the statutory bodies that are on first line charge
- It is worthy to note that its spending is based on budgetary appropriation and therefore sound budgetary controls are required for effective budget implementation and compliance with extant laws and regulations.



Financial Regulations (FR) and Objectives



- Issued by the Minister of Finance by virtue of Ss. 3 and 4 of the Finance Control and Management) Act Cap 144, LFN, 1990. The Minister shall have full authority to direct on all matters relating to the finance and accounting affairs of the Federation which are not by law assigned to any other Minister.
- FR is an accounting and financial control document.
- It provides guiding principles as well as methods and procedures to be followed to ensure uniformity in the way and manner financial transactions are carried out, documented, recorded and reported by MDA and other Arms Government.



Financial Regulations (FR) and Objectives



- It spelt out the rules, procedures, duties and responsibilities of officers involved in the disbursements and collection of public funds, revenue, and management of assets and stores and the sanctions for breach.
- It facilitates continuity, orderliness, safeguard of assets, comparability, accuracy and keeping of adequate and complete records.
- There are 32 Chapters in the 2009 edition currently in operation



Financial Regulations (FR) and Objectives



The overarching objective is to guide all public officers on the receipts and disbursements of Public Funds as well as the management of assets

Contents of the FR



Chapters	Subject matters
1	Financial Authorities and Responsibilities of Public Officers
2	Revenue-Collection and Accounting
3	Expenditure Authorities
4	Expenditure-Classification and Control
5	Standardization and Accounting Procedures
6	Payments Procedures
7	Bank Accounts and Cheques
8	Cash Book and Monthly Accounts
9	Adjustments
10	Imprest
11	Custody of Public Money

Contents of the FR Contd.

Chapters	Subject matters
12	Receipts and License Books
13	Deposits
14	Advances
15	Salaries
16	Self Accounting Status
17	Internal Audit
18	Board of Survey: Cash and Stamps
19	Pension Scheme in the Federal Public Service
20	Government Vehicles
21	Stores Accounting and Custody
22	Allocated and Unallocated Stores

Contents of the FR Contd.

Chapters	Subject matters
23	Acquisition of Stores-Local Purchase and Indents
24	Handling of Stores
25	Loss or Shortage of Government Funds
26	Loss of Stores and Unserviceable Stores
27	Stores Inspection by Board of Survey and Stock Verifier
28	Stock Verification Unit
29	Public Procurement Contract
30	Miscellaneous Matters
31	Codification of Offences and Sanctions
32	Financial Guidelines on the Operations of Parastatals

Classification of MDA

MDA are classified into Self Accounting Unit and Non-Self Accounting Unit.

- FR122 define Self Accounting Unit as a Ministry, Department or Agency (MDA) that has full control over all its accounting records e.g. NJI. AGF grants such status based on the following criteria:
 - ❖ Adequate qualified manpower for the Finance & Accounts Department;
 - ❖ Existence of well-equipped Central Pay Office;
 - ❖ A secured Voucher Room;
 - ❖ Accounting Code/COA and Internal Audit Guide have been approved by the AGF;
 - ❖ An Internal Audit Department;
 - ❖ Presence of adequate and functional system of internal control in operation;
 - ❖ A conducive office accommodation and other infrastructure.



- NJI and the Courts falls under the Self Accounting Units.
- **Non-Self Accounting Unit.** This refers to governmental organisation that does not keep full records of its financial transactions and operate through the Federal Pay Office.

Responsibilities of Principal Officers of MDA

A. Accounting Officer refers to the Permanent Secretary of a Ministry or the Head of Extra-Ministerial Office and other Arms of Government who is in full control and responsible for Men, Materials and Money which are critical input in the management of the organization (FR111). The Head of Courts are the Accounting Officer. His responsibilities (FR112) include:

- ❖ Establish proper budgetary and accounting systems.
- ❖ Put in place management control tools to minimize waste and fraud.
- ❖ Rendition of monthly and other financial accounting returns and transcripts to the Accountant-General of the Federation
- ❖ Ensure the safety and maintenance of all government assets.



- ❖ Ensure accurate collection and accounting for all public moneys received and expended.
- ❖ Appear before the Public Accounts Committee to answer audit queries.
- ❖ Ensure prudence in the expenditure of public funds.
- ❖ Ensure proper assessments, fees, rates and charges are made where necessary.
- ❖ Ensure that revenue collected are not spent, but remitted timely and to government coffers.
- ❖ Ensure compliance with the Public Procurement Act (FR113)
- ❖ ***His/her accountability does not cease by virtue of his leaving office and that he/she may be called upon at any time to account for his tenure as Accounting Officer (FR111c).***




In line with PPA 2007, an Accounting Officer is required to:

- (a) Constitute and preside over the activities of their Tenders Boards for the proper planning and evaluation of tenders and execution of procurements;
- (b) ensure that adequate appropriation is available for Procurements in their annual budget;
- (c) integrate their entity's procurement expenditure into its yearly budget;
- (d) ensure the establishment of a procurement planning committee over whose activities they shall preside;
- (e) constitute a procurement evaluation committee for the efficient evaluation of tenders;
- (F) constitute a Procurement Committee;



- (g) render annual returns of procurement records to the Bureau of Public Procurement;
- (h) liaise with the Bureau of Public Procurements to ensure the implementation of its regulations; and
- (i) ensure compliance with the provisions of the PPA 2007 by their organizations
- **DFA and Head of Accounts should pay particular attention to this in the documentation for contract payments**



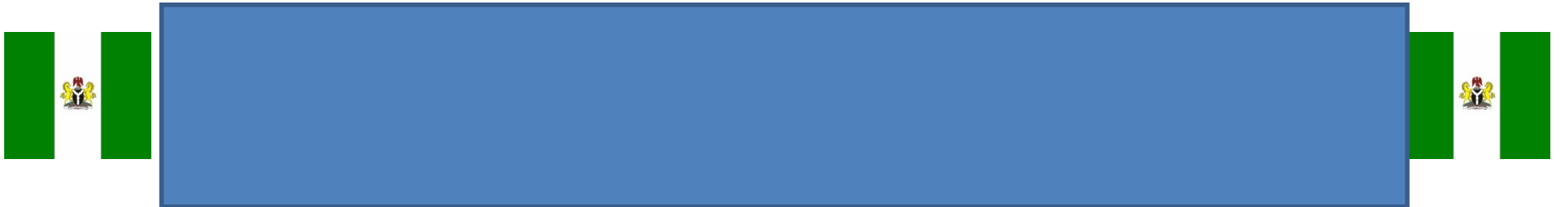
B. Sub-Accounting Officer refers to an officer who is entrusted with the receipt, custody and disbursement of public money and who is required to keep one of the recognised Cash books together with such other books of accounts as may be prescribed by the Accountant-General of the Federation (AGF). Examples are:

- ❖ Director of Finance and Accounts or Head of Accounts
- ❖ Sub-Treasurer of the Federation,
- ❖ Federal Pay Officer,
- ❖ Police Pay Officer,
- ❖ Customs Area Pay Officer and
- ❖ Pensions Pay Officer.



Under FR 114, the DFA or Head Accounts are responsible for:

- Compliance with FR, extant laws, circulars and guidelines
- Proper disbursement of public funds and ensuring that revenue are collected and accounted for
- Adviser to the Accounting Officer and management on all financial matters
- maintenance of proper accounting records and prompt rendition of all financial returns among others.
- Compiling the budget and defence of same at NASS and instituting adequate budgetary controls
- Allow free access to books, records, vouchers, safe, etc by auditors and inspectors
- Attending to all audit queries promptly.
- Developing staff capacity
- Liaison with OAGF on matters requiring clarifications



C. A "**Revenue Collector**" refers to an officer, other than a Sub-Accounting officer, who is entrusted with an official receipt, licence or ticket booklet for the regular collection of some particular forms of revenue and who is required to keep a cash book and his duties (FR119 & 209) include:

- ❖ Make lodgments into Bank Account
- ❖ Issue Treasury Receipt Book 6
- ❖ Maintains a Revenue Cash Book
- ❖ Pays Revenue to STF or FPO
- ❖ Prepares Revenue Returns
- ❖ Issue demand notice to defaulters
- ❖ Maintains a Revenue collection chart



D. Director Internal/ Head Internal Audit (FR1703):

Internal Audit is that part of financial control system that provide assurance to management that all other controls are effective and functional. The Internal Auditor therefore:

- ❖ Carries out prepayment Audit;
 - ❖ Carries out scheduled Audit of Sections;
 - ❖ Ensures Compliance with laid down rules governing financial transactions;
 - ❖ Writes and submit monthly report to the Accounting Officer and copy the OAGF and OAuGF.
- Issue special report if considered germane



Note that “All officers are personally and pecuniarily responsible for the due performance of the financial duties of their ministries/extra-ministerial offices and other arms of government, for the proper collection and custody of all public moneys receivable by them, and for any inaccuracies in the accounts rendered by them or under their authority” –

FR124

Audit of Public Accounts

Auditor General (FR109) are empowered to carry out the following audit activities to enable the AuGF express his opinion on the fair presentation of the financial statements: He carries out:

- Financial Audit - to determine whether the accounts have been satisfactorily and faithfully kept.
- Appropriation Audit - to ensure that funds are expended as appropriated by the National Assembly.
- Financial Control Audit – to ensure that laid down procedures are being observed in all financial transactions.
- Value-for-Money (Performance) Audit – to ascertain the level of economy, efficiency and effectiveness derived from Government Projects and Programmes.
- Issuance of observations to MDA for response
- Issuance of Audit Opinion on the GPFS to the legislature.



Authority for Public Expenditure (FR 301)



- Appropriation or Supplementary Appropriation Act is the legal backing for public expenditure. However, the authority for actual spending is the Warrant or Authority to Incur Expenditure.
- Warrant is an authority issued by the Minister of Finance to the AGF authorizing him to disburse from the CRF to MDA contained there-in the amount specified for the purpose of executing the budget.
- Warrant equally authorize the Accounting Officers of MDA contained there-in to use the amount disbursed by the AGF for the purposes stated.
- Minister may issue AIE in lieu of Warrant. Accounting Officer can similarly issue A.I.E to authorize other offices to incur expenditure on its behalf but monthly return should be rendered.(FR 405 and 406).



Warrants are classified into two:

- Recurrent Expenditure; and
- Capital Expenditure.

Recurrent expenditure warrants are:

- Provisional General Warrant
- Recurrent Expenditure General Warrant
- Supplementary General Warrant
- Recurrent Expenditure Supplementary General Warrant
- Supplementary (Contingencies) Warrant
- Virement Warrant
- Supplementary (Statutory Expenditure) Warrant



- The authority for recurrent and capital expenditure lapses at the end of the financial year except otherwise authorised by NASS, FR 413. This also applies to unspent balance, FR 414.
- All officers are required to exercise due economy and should not spend money merely because it was appropriated, FR 415.
- Contractors' outstanding payments are required to be compiled after the year end by MDA and forwarded to the AGF for consideration of the Minister of Finance for a revote, FR 415.

Virements

Virement seeks to move funds to address a shortfall in one expenditure line item when there are savings in another line items in the same expenditure head. FR 316 and 324 however, lays down stringent conditions which include:

- Completion of application form Gen. 57 to be submitted to HoCSF for approval in respect of personnel grading and establishment
- Completed application to be forwarded to DG, BOF and copied to AGF and AuGF
- No virement between recurrent and capital expenditures



- Reallocation should not give effect to a new principle or policy or increase provision substantially
- Cannot be used to create a new project
- Virement applications to be collated by the HMFBNP and submitted to NASS for approval
- Register for all virement approvals to be kept
- MDA to ensure that expenditure does not exceed the reduced amount from where it was vired

Cashbacking

The AGF is guided by warrant issued by the HMFBNP based on the annual budget in release of funds to MDA.

- Under the GIFMIS platform, warrants are issued based on Cash Plan.
- Upon issuance of warrant by the HMFBNP as per the Cash Plan, MDA can access their funds unhindered.
- Effective from 2009, all government receipts and payments are through electronic channels and use of cheques abolished, FR 631 & 632

Vouchering

This is a very important phase in the documentation of payment or receipt which serve as evidence of transaction. It is an accounting document of a prescribed form which details financial transactions in favour of/from whom money is paid/due. Vouchers in use in the government accounting system may be grouped into five categories:

- Receipt Voucher
- Payment Voucher
- Adjustment Voucher
- Store Receipt Voucher (SRV)
- Store Issue Voucher (SIV)



- The payment procedure (FR601 – 633) involves the following:
 - Request for payment via memo;
 - Approval by the Accounting Officer;
 - Preparation of payment voucher;
 - Checking;
 - Internal auditing;
 - Payment in the Cash Office.



CATEGORIES OF PAYMENT VOUCHER



- Payment voucher can be categorised into:

Salary Vouchers

**Other
charges**

**Capital
Expenditure
Vouchers**



- It is important that all payments are thoroughly reviewed before being finalized in order not to contravene the provisions of the FR and other extant rules and regulations.
- Areas to watch should include Authority, vote of charge, amount in figure and word, beneficiary, alteration of documents, supporting documents, unauthorized Virement, etc.



Revenue Collection



- All MDA are agents of government for revenue collection and accounting, FR 201. In the case of Judiciary, revenue include tender fees, court fees and fines, etc which must be remitted gross into the CRF, FR 223.
- Spending of internally generated revenue is prohibited in line with S.80 of the Constitution except authorised by NASS.
- Interest on bank deposits is payable into the CRF
- Revenues collectible which remain outstanding at year end are to be compiled and return made to the AGF as Arrears of Revenue, FR 227
- Revenues in respect of WHT, VAT and PAYE are to be remitted immediately to the relevant authority (FIRS – WHT & VAT; and FCT or States IRS). FR 235.



Borrowing



- Federal Government borrowing is centrally managed by the FMFBNP through the Debt Management Office. The process for borrowing are contained in FRA, 2007 which requires the approval of NASS.
- No MDA is allowed to borrow including taking of overdraft except authorised by the AGF (FR710).



Maintenance of Bank Account



- All government institutions are required to maintain separate bank account for personnel, overhead and capital domiciled with CBN (FR704) in line with Treasury Single Account Policy of the Federal Government
- The authority for establishment of bank account by MDA and other Arms of Government rest with the AGF (FR701). Any other bank account outside the CBN has to get the blessings of Mr. President.



Maintenance of Bank Account



- Note that while the Accounting Officer has approving authority for any payment to be made, the payment process including signatories to the account rest with the DFA/Head of Accounts. The signatories to the account should be approved by the Accounting Officer.
- No payment is allowed to be made for services not yet rendered or goods supplied (FR708)
- Monthly reconciliation of bank account is mandatory (FR806)
- Both the staff of OAGF and OAuGF have access rights to bank accounts and books of accounts of all MDA and other Arms of Government (FR709)
- Idle funds are allowed to be invested in Nigeria Treasury Bills (FR739)



Imprest



- **Imprest** refers to all sums advanced to a public officer to meet expenditure under current Estimates, for which vouchers cannot immediately be presented to Head of Accounts for payment (FR1001).
- Issuing of Imprest is conveyed in the Annual General Imprest Warrant issued by the Minister of Finance to the Accountant-General of the Federation based on Annual Appropriation Act.
- Standing imprests are specific amount authorized in the Imprest warrant which can be replenished on quarterly basis while special imprests are granted for a particular assignment and must be retired in full when the purpose has been achieved (FR1004)



Imprest



- Special imprest or cash advance are not allowed to be used in place of local purchase order or job order for the procurement of stores locally - FR 2302 (ii).
- Proper imprest cashbook are required to be maintained and available for audit examination.

S/No	Cadre	Limit of Reimbursable Standing Imprest
i	Honourable	₦300,000.00
ii	Permanent Secretary and Director-General	₦200,000.00
iii	Directors / Head of Department	₦100,000.00
iv	Head of Formation in each State and any other Imprest Holder	₦60,000.00



Advances



This may be Personal where it is granted to individual officer or Non Personal if granted to an officer to carryout specific assignment, programme or project.

- In the case of project, the leader of the project is the Accounting Officer who shall approve all payments and the project Accountant disburse as well as retire the advance.
- No advance should be granted until earlier one is retired
- Adequate records should be kept for advances



- Salary advance is a personal advance granted to an officer proceeding on transfer and has to bear the costs of movement. One month salary only is allowed to be granted.
- A new appointee may also be granted one month salary advance on production of acceptable guarantee.
- These advances are repayable over three equal monthly instalment
- Advances for Correspondence Course and evening class



Security Documents



Adequate security should be established and maintained for all security documents (FR1130) in Finance and Accounts against unauthorized access. These include:

All receipts and license books, Local Purchase Order Books, Stores Requisition Books, etc;

- ✓ Legal documents – Contract Agreements, Bonds, insurance Policies, etc.
- ✓ Cash books
- ✓ Principal and Other journals
- ✓ Principal and Subsidiary Ledgers



Security Documents



- ✓ Loans Register
- ✓ Investment Register
- ✓ Assets Register
- ✓ Personnel Emolument Register
- ✓ Pension Registers, etc.

These documents are to be retained perpetually (FR1132).

Oversight of Public Funds

Controls are established through laws and regulations to ensure checks and balances, check abuses and entrench transparency, accountability and probity. Compliance with established procedures and controls are carried out by:

- ✓ National Assembly through oversight, during budget defence, and PAC hearing
- ✓ Supervising Ministry (Ministry of Justice and NJC in the case of the Judiciary);
- ✓ Office of the Accountant-General of the Federation via –
 - Inspectorate Department
 - Board of Survey
 - Board of Enquiry
 - Revenue and Investment Department
 - Revenue Monitoring



Public Procurement Act, 2007



Procurement is defined as the acquisition of goods and services by the government for the common good of the country.

- DFA/Head of Account is member of the MTB and should ensure that the Act is followed. It is important to note that all the members of MTB have collective responsibility and therefore liable to any lapses in the procurement. He should be mindful of the following which constitute offences and punishable:
 - Collusive tendencies;
 - Procurement fraud;
 - Tender splitting;
 - Bid rigging;
 - Alteration of procurement document;
 - Unauthorized Virement;
 - Refusing access of BPP officials to procurement documents



Public Procurement Act, 2007



- It is important to take cognizance of the following in processing Contract Payment:
 - ❖ Budgetary appropriation
 - ❖ Evidence of funds availability;
 - ❖ Certificate of “No Objection”;
 - ❖ Evidence of Tenders Board approval signed by its Chairman and Secretary;
 - ❖ Evidence of Federal Executive Council Approval, where applicable;



Public Procurement Act, 2007



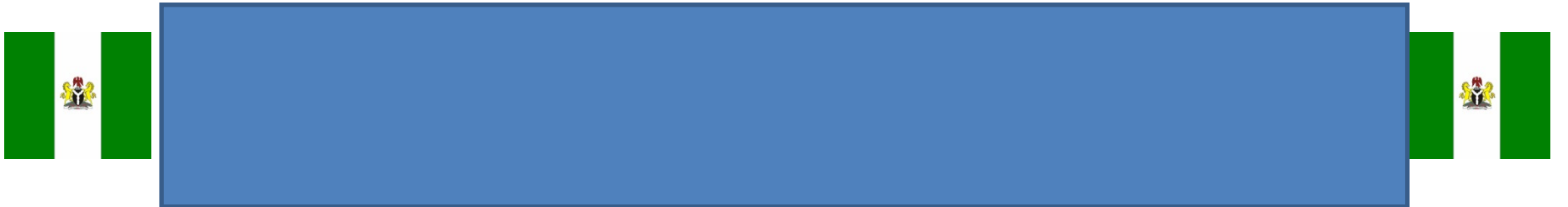
- ❖ Interim Performance Certificate issued by Public Procurement Committee;
- ❖ Contractor request for payment and invoice with Bank Account details;
- ❖ Approval of Accounting Officer
- ❖ Evidence of Tax Identification Number (TIN)

Approval Thresholds for Procurement

<i>Approving Authority</i>	<i>Goods</i>	<i>Works</i>	<i>Non-Consultant Services</i>	<i>Consultant Services</i>
BPP issues “No Objection” to award/FEC	₦300 million and above	₦1.5 billion and above	₦300 million and above	₦300 million and above
Ministerial Tenders Board	₦20 million and above but less than ₦300 million	₦30 million and above but less than ₦1.5 billion	₦20 million and above but less than ₦300 million	₦20 million and above but less than ₦300 million
Parastatals Tenders Board	₦10 million and above but less than ₦100 million	₦20 million and above but less than ₦500 million	₦10 million and above but less than ₦100 million	₦10 million and above but less than ₦100 million
Permanent Secretary	Less than ₦20 million	Less than ₦30 million	Less than ₦20 million	Less than ₦2 million
Director	Less than ₦10 million	Less than ₦20 million	Less than ₦10 million	Less than ₦10 million

Offences and Sanctions

- The codification of offences (Chapter 31) create awareness on the consequences of breach. These include:
 - **Inflation of Contract/Contract unauthorized variation**- queried, surcharged appropriately, removed from schedule of duty, dismissed and be prosecuted **(FR 3102)**.
 - **Payments for job not executed**-Refund of money, Contractor to be blacklisted and referred to EFCC for prosecution **(FR 3104)**
 - **Poor quality of work**-Contractor to rectify anomaly within 42 days or refund for the amount overpaid. Officers that certified the job shall be demoted in rank while the contractor blacklisted and reported to EFCC for prosecution **(FR 3105)**.

- 
- **Irregular or wrong payment-** Given 21 days to offer explanations. Where explanation is not acceptable the amount involved shall be recovered from the officer and he will be removed from that schedule **(FR 3106)**.
 - **Payment to non-existent employee-**Charged for gross misconduct, removed from the schedule and reported to EFCC for prosecution **(FR 3110)**.
 - **Failure to account for Govt. Revenue-**Surcharged, for the full amount involved and handed over to the EFCC and ICPC **(FR 3112)**.



- **Poor cash Management**-Queried, removed from the schedule and discipline in line with Public Service Rules **(FR 3115)**.
- **Splitting of Contract**-Queried, loss to be recovered or surcharged against the defaulting officer **(FR 3116)**.
- **Non recovery of the advance**-Queried, losses suffered by Govt. Will be recovered or surcharged against defaulting officer. If public officer will be charged for gross misconduct under the Public Service Rules **(FR 3118)**.
- **Non-posting of ledgers**-Query and any loss will be recovered from the officer concerned



- **Failure to prepare Bank Reconciliation Statements**-Formal query, any loss will be recovered or surcharged against the defaulting officer **(FR 3121)**.
- **Non-rendition of returns**-Formal query, any loss will be recovered from the officer. Where there are no losses the defaulting officer shall be warned **(FR 3122)**.
- **Non-rendition of monthly transcripts**-formal query and allocation of funds shall be suspended indefinitely **(FR 3123)**.
- **Non-retirement of Advance and imprest**-query and the total amount involved recovered**(FR 3124)**.



Treasury Circulars



- FR 502 empowers the AGF to issue from time to time Treasury Circulars and Accounting Manual to guide Accounting Officers and other employees of government on all matters relating to the provisions of FR.
- Treasury Circulars are financial authorities that provide guidance and instructional information to MDA government on the sources, utilization, treatment and accounting for public funds.
- It introduces, amends and updates existing regulations and guidelines.
- Provide new rules and guidelines on recognition, measurement and disclosure of financial transactions and other events.



FRCoN Act, 2011



The Act empowers the Council under S.8 (a & b) as follows:

- Develop and publish accounting and financial reporting standards to be observed in the preparation of financial statement of public interest entities and
- Review, promote and enforce compliance with the accounting and financial reporting standards adopted by the Council
- Receive notices of non-compliance
- Receive copies of annual reports and financial statements within 60 days of its approval



- Advise FG on matters relating to accounting and financial reporting standards
- Maintain a register of professional accountants and other professionals engaged in the financial reporting process
- Promote compliance with adopted standards issued by IFAC (IPSASB - IPSAS)



Conclusion



Public funds requires protection from government officials in charge from mismanagement. Hence, laws are enacted to ensure the protection of public purse in the public interest to guarantee efficient and effective service delivery, accountability, probity and transparency.

Aside the Constitution that provide the ground norms, other extant laws and regulations further provide guidance and standardise processes and procedures to facilitate compliance.

Some of these extant laws were highlighted including offences and associated punishments.

I believe that sufficient awareness have been created for participants and no one here can claim ignorance.

As you are aware, ignorance of the law in not an excuse.



Quote



- Thomas Jefferson, former President of the United States of America was quoted by Arthur Andersen, 1986 that he had wished to see “the finance of the Union as clear and intelligible as a merchant's books, so that every member of Congress, and every man of any mind in the Union, should be able to comprehend them, to investigate abuses, and consequently to control them”.



Thank you

Questions & Comments





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