TOPIC: AUTHORIZATION AND CONTROL OF GOVERNMENT EXPENDITURE AND REVENUE

SOLUTION TO QUESTION1:

(a.) RECURRENT EXPENDITURE WARRANTS – Recurrent expenditure is financed from the Consolidated Revenue Fund. The authorities of the Minister of Finance are conveyed through one of the following warrants:

- **Annual General Warrant** – this authorises the accountant-general to issue funds for the payment of personal emoluments and other services provided for in the approved estimate/budget.
- **Provisional General Warrant** – this is issued before the appropriation act comes into operation at the beginning of the financial year. It provides for continuation of government activities at a level not exceeding the level of those services prevailing in the previous financial year.
- **Supplementary general Warrant** – this is issued for additional personal emoluments and other services provided for in the approved Supplementary Estimates. It should also be published in the gazette.
- **Reserved Expenditure warrant** – this authorises the release of funds included in the approved annual and supplementary estimates but excluded from the annual general or supplementary general warrants, that is, the release of fund which the minister of finance initially withheld in order to exercise special control.
- **Virement Warrant** – this is issued when, as a result of unforeseen circumstances during the time the annual estimates being approved, an additional provision is required under a particular sub-head, and an equivalent amount can be saved under another
sub-head. It should not be used to create a new sub-head or used for item disallowed by the budget of estimate committee.

- Contingency Warrant – this is issued in an exceptional cases.
- Development Fund General Warrant – this authorised the A.G.F to issue funds for expenditure on capital projects, as contained in the annual estimate and authorises the officer controlling expenditure to incur expenditure on these projects.
- Provisional Development Fund General Warrant – this is issued before the approval of the draft capital estimate by the National Assembly at the beginning of the financial year.
- Departmental Warrant (Authority To Incur Expenditure) – this is issued where there is need for an accounting officer of one ministry or department to authorise an accounting officer to another ministry to incur expenditure.

(b.) Conditions for Approval of Virement Warrant:

- Should not be used contrary to government policy
- Should not be used to correct audit query
- Should not be used for items that have been disapproved in the Budget.
- The transfer should be genuine transfer
- It should be within the same expenses head.
- The amount to be vired should not exceed 10% of the approved estimates foreign sub-head.

SOLUTION TO QUESTION 2:

(a.) The under listed are the functions of the Public Accounts Committee(PAC):

- To examine such audited accounts of the federation and of all offices and courts of the federation and the reports of the auditors – general for the federation submitted to the National Assembly
- To summon the appropriate accounting officers to appear before the committee to give explanation on any observation that may
be contained in the report of the auditor-general for the federation

- To examine, on oath, any person(s) that may be considered helpful to the committee
- To recommend to the president any action that may be taken against any erring officers
- To deliberate on any other matters that relate to the management of public funds
- To submit a written report highlighting any area of weak financial management control observed
- To carry out any other duty as may be so required by National assembly

(b.) Section 6 of the Corrupt Practices and other Related Offences Act, 2000 stipulates that it shall be the duty of the Commission:

- Where reasonable grounds exist for suspecting that any person has conspired to commit or has attempted to commit or has committed an offence under the Act or any other law prohibiting corruption, to receive and investigate any report of the conspiracy to commit, attempt to commit or the commission of such offence and in appropriate cases, to prosecute the offenders
- To examine the practices, systems and procedures of public bodies and where, in the opinion of the commission, such practices, systems or procedures aid or facilitate fraud or corruption, to direct and supervise a review of them.
- To instruct, advise and assist any officer, agency or parastatal on ways by which fraud or corruption may be eliminated or minimised by such officer, agency or parastatal
- To advise heads of public bodies of any changes in practices, systems or procedures compatible with the effective discharge of the duties of the public bodies as the commission thinks fit to reduce the likelihood or incidence of bribery, corruption and related offences
- To educate the public on and against bribery, corruption and related offences
- To enlist and foster public support in combating corruption
SOLUTION TO QUESTION 3:

In Nigeria, some constitutional and ethical measures have been made to safeguard the independence of the auditor-general for the federation. These include:

(a.) The constitutional provision that the president shall, upon the recommendation of the Federal Civil Service Commission, appoint the Auditor-General for the Federation, subject to the confirmation of the senate (S86 of the 1999 Constitution of the Federal Republic of Nigeria)

(b.) The provision that the Auditor-General for the Federation shall not be removed from office by the President, except when he is acting on an address, supported by two-thirds majority of the Senate, praying that he, the Auditor-General be removed for inability to discharge the function of his office, or for misconduct (S87 of the 1999 Constitution of the Federal Republic of Nigeria)

(c.) The provision that the remuneration and salaries paid to the Auditor-General for the Federation and his condition of service, other than allowances, shall not be altered to his disadvantage, after his appointment, and such shall be a charge upon the Consolidated Revenue Fund, in-so-far as it is prescribed by the National Assembly, but does not exceed the amount as shall have been determined by the Revenue Mobilization Allocation and Fiscal Commission (S84 of the 1999 Constitution of the Federal Republic of Nigeria)

(d.) The Auditor-General for the Federation is precluded from giving any definite view on the legality, accounting treatment or value-for-money aspects of a transaction which is under consideration by any auditee, if by so doing, would prejudice his independence or impair his ability to deal with objections impartially. In summary he is not expected to act as financial or legal adviser.

(e.) Once appointed, no one has the right to interfere in the professional skills and judgement of the Auditor-General for the Federation, carrying out of his constitutional duties in relation to the audit of accounts. He operates on an ‘arms’ length basis from the President, Senate and the Federal Civil Service Commission.
(f.) The Auditor-General for the Federation should not make any pre-transaction comment or impose his opinion to the extent that his independence and objectivity would be at risk.

(g.) The Auditor-General for the Federation or any person authorised by him, shall have access to all records and other documents relating to any account, under audit, at all times. (S85(2) of the 1999 Constitution of the Federal Republic of Nigeria).

Regards,

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