

A BILL

FOR

AN ACT TO ALTER THE CONSTITUTION OF THE FEDERAL REPUBLIC OF NIGERIA TO PLACE THE OFFICE OF THE AUDITOR-GENERAL FOR THE FEDERATION ON THE FIRST LINE CHARGE OF THE CONSOLIDATED REVENUE FUND AND TO EMPOWER THE AUDITOR-GENERAL FOR THE FEDERATION AND THE AUDITOR-GENERAL OF STATE GOVERNMENTS TO AUDIT THE ACCOUNTS OF STATUTORY CORPORATIONS, COMMISSIONS, AUTHORITIES, AGENCIES IN NIGERIA AND FOR RELATED MATTERS.

Sponsored by SENATOR AHMAD IBRAHIM LAWAN, PhD, CON

[]

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

1. The Constitution of the Federal Republic of Nigeria 1999 (as amended) is amended as set out in this Bill.

2. Section 81

Insert new Sub-Section (4) immediately after the existing Sub-Section (3) as follows: Alteration of Section 81

“(4) Any amount Standing to the credit of the Auditor-General for the Federation in the Consolidated Revenue Fund of the Federation shall be paid directly to the office of the Auditor-General for the Federation” and renumber sequentially.

3. Section 85

Section 85 (2) is amended by inserting in line one, immediately after the word “offices” the following: “government statutory Corporations, Commissions, authorities, agencies including all persons and bodies established by an Act of the National Assembly” Alteration of Section 85

4. Delete Sub-Sections (3), (4) and renumber sequentially.

5. Section 125

Section 125 (2) is amended by inserting in line one, immediately after the word “offices” the following: “government statutory Corporations, Commissions, authorities, agencies including all persons and bodies established by an Act of the National Assembly” Alteration of Section 125

6. Delete Sub-Sections (3), (4) and renumber sequentially.

7. This Bill may be cited as the Constitution of the Federal Republic of Nigeria (further alteration Bill, 2012). Citation

EXPLANATORY MEMORANDUM

This Bill seeks to strengthen the operations of the Office of the Auditor-General for the Federation by placing its funding on the first line charge of the Consolidated Revenue Fund of the Federation. The Bill also seeks to empower the Auditor-General for the Federation and the Auditor-General of State Governments to directly audit the accounts of government statutory Corporations, Commissions, Authorities, Agencies in Nigeria.

LEAD DEBATE FOR A BILL FOR AN ACT TO ALTER THE CONSTITUTION OF THE FEDERAL REPUBLIC OF NIGERIA TO PLACE THE OFFICE OF THE AUDITOR-GENERAL FOR THE FEDERATION ON THE FIRST LINE CHARGE OF THE CONSOLIDATED REVENUE FUND AND TO EMPOWER THE AUDITOR-GENERAL FOR THE FEDERATION AND AUDITOR-GENERAL FOR STATE GOVERNMENTS TO AUDIT THE ACCOUNTS OF STATUTORY CORPORATIONS, COMMISSIONS, AUTHORITIES, AGENCIES IN NIGERIA AND FOR MATTERS CONNECTED THEREWITH.

Mr. President, my respected and Distinguished Colleagues, thank you for the opportunity to lead the debate on the general principles of this Bill.

This Bill was read for the first time on the 29th November, 2012.

The Bill seeks to among other things:

1. Ensure the financial autonomy, timely release of funds and enhanced funding for the Office of the Auditor-General at both the Federal and States levels; and
2. Empower the Office of the Auditor-General to audit the accounts of Statutory Corporations, Commissions, Authorities and Agencies of the Federal and State governments in Nigeria.

Mr. President, Distinguished Colleagues, numerous challenges have militated against the operations of the Office of the Auditor-General for the Federation and the States.

A significant and crucial impediment to the performance of the Auditor-General for the Federation (OAuGF) is the system and level of funding over the years. In other climes, the Office of the Auditor-General is funded by direct appropriation by the Parliament. In those Jurisdictions, the Auditor-General submits his Annual Financial requirements to the Parliament and the Parliament approves what it deems necessary for his operations.

The task of providing adequate funding for the Office of the Auditor-General for the Federation squarely lies with the Parliament because the Executive Arm of Government is an auditee and therefore would logically prefer, an under-funded, weak inefficient and ineffective Office of the Auditor-General for the Federation. This applies to the States too.

On the other hand, the Legislature also being an “auditor” through its function of Oversight should stand for the opposite: well funded, strong, functional, efficient, effective, enabled and vibrant Office of the Auditor-General for the Federation and for the States.

Mr. President, Distinguished colleagues, it is due to the poor funding and probably, orchestrated efforts by the Executive arm of Government over the years, that the Auditor-General for the Federation is challenged with acute shortage of accommodation, inadequate and poorly trained personnel who are most often at the mercy of the auditee in the performance of their constitutional responsibility.

Mr. President Sir, the Auditor-General for the Federation and for the States are prevented by the provisions of Sections 85 (3) and 125 (3) from auditing the accounts of government Parastatals. This is contrary to the objectives of ensuring Accountability, Transparency and Probity in the conduct of government business. These Parastatals are the biggest players in government expenditure with multi-billion Naira budgets in most cases.

The Bill seeks to empower the Auditor-General for the Federation and for the States to:

- (a) decide on the steps to be taken as a result of an audit;
- (b) at their discretion, determine the nature and extent of audit to be carried out and request the details, statements of accounts and financial statements which they consider necessary;
- (c) in writing, require any person in the employment of an institution whose accounts are being audited by them to appear before them at a time and place mentioned in the request and to produce on demand, all such records, books, vouchers and documents in the possession or under the control of such persons;
- (d) investigate and make extracts from any record, book, documents and other information of any institution or entity whose accounts are being audited by them free of charge;
- (e) liaise with persons, institutions and associations in Nigeria and in other countries on such conditions as they deem fit for the proper performance of their duties;

- (f) direct the withholding of the emoluments and allowances of person(s) who fail(s) or refuse(s) to reply to audit queries within 30 days and for as long as the person(s) fail(s) to comply;
- (g) have unrestricted access to information necessary for proper discharge of their statutory obligations;
- (h) audit all moneys accruing to the nation or any government body or institution.

Nigeria cannot win the war against corruption without a proper audit system. Today numerous reported cases of monumental corruption involving billions and trillions of Naira and many high profile looting of public treasury by some officials of the Ministries, Departments and Agencies of Government have become a reoccurring decimal in our National life. All these could have been easily detected and nipped in the bud through audit, if the Office of the Auditor General is adequately funded and has power for direct audit. This will put to an end to the practice of Government often resorting to unconstitutional process of hiring foreign audit firms to audit accounts of Government Agencies at very high and exorbitant cost.

Finally, the Bill seeks to empower the Auditor-General for the Federation and for the States to directly audit the accounts of Government Statutory Corporations, Commissions, Authorities and Agencies in Nigeria. The inability of the Auditor-General to directly audit these Statutory Corporations, Commissions, etc, evidently means that the Finances of a multi-billion dollar Corporation such as the Nigerian National Petroleum Corporation (NNPC) and its subsidiaries cannot be directly examined by the Auditor-General for the Federation and the implication of this has been elucidated in the recent subsidy imbroglio that engulfed the Federal Republic of Nigeria.

It is in response to the need to provide the legislation to address these challenges that I urge all of you my distinguished colleagues to support the passage of this Constitution alteration Bill.

Thank you.

Sen. Ahmad Ibrahim Lawan, Ph.D, CON
Chairman, Senate Public Accounts Committee (SPAC)