

Legislative Role in the Control of Public Fund: the National and State Assemblies of Nigeria

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Abstract

This study attempts to highlight the legislative role in the control of public fund at the national and state assemblies of Nigeria. The Constitution of the Federal Republic of Nigeria, 1999, as amended has empowered the legislatures to control the public fund to ensure effective and efficient administration and development of the nation. It also promotes transparency, accountability and to establish stewardship on the revenue. The study uses the documentary research method i.e. secondary method to highlight the role of legislatures in the control of public funds; it concluded that legislatures play a relevant role in checking the expenditure of the public fund in Nigeria. The role is mainly played through the appropriation bill otherwise known as money bill. Appropriation bill when passed into law by the legislatures became appropriation law or Act which provides a financial template in an annual basis which the government is bound to follow strictly.

Key words: *Effective, efficient, administration, transparency, accountability.*

Background to the Study

The control of public fund is in the hands of the elected representatives of the people in most countries of the world. The situation is the same in Nigeria as it is expressly stated in the constitution. Government has to do with the whole nation. It is represented by organizations that are established to use the resource of the country for the services and welfare of its citizens. In this light government / public expenditure is guided by the constitution and financial regulations of a nation, for the effective and efficient administration and development of the country, and also to promote transparency, accountability and establish stewardship on the revenue of the nation.

At the state level budgeting is also governed, to some extends, by the country's constitution as well as strictly under the regulations of the state houses of assembly, which regulates this administrative and financial operations besides the financial memorandum. Therefore, the fact that the budgetary process is largely regulated by the executive as well as the State House of Assembly is portrayed in this paper.

Objective of the paper

The primary objective of this paper is to examine the role and impact of legislative control of public fund in Nigeria, with particular reference to the National and State Assemblies.

Source of Materials and Method

The study uses the documentary research method. Data are obtained mainly from secondary sources; past publications, government documentaries, new bulletin, etc.

Literature Review

Each year the federal or state governments prepare a budget or fund to determine how much money they will spend during the upcoming financial year. The fund determines which public goods to produce, which spill over's to correct, and how much assistance to provide for financially disadvantaged people. The chief executive of the government which is the president or governor proposes the budget. However the legislature that is the senate / House of Representatives, state legislatures, ultimately must pass the budget.

Legislative Control of Public Fund

This control has to do with the various measures that parliamentarians can use to control the use of public funds. This system of control is very important since parliament or legislatures are to be independent body from the executive where the government administration is formed by the ruling party. Parliament is therefore known traditionally in the British system of governance as the controller of purse, meaning the instruction which controls the money of government and the use of the money. The constitution establishes the parliamentary authority over public funds and their uses. The parliamentarians achieve this financial control over public revenue and expenditure mainly through the concept of appropriation. It refers to the procedure through which national revenue is made available to the executive or government organizations annually to finance their programs or activities.

Section 59 of the 1999 constitution of the federal republic of Nigeria in sub-section 1(a) and (b) provides the mode of exercising federal legislative power. Money bill, accordingly it stated that the provisions of this section shall apply to an appropriation bill or supplementary appropriation bill, including any other bill for payment, issue or withdrawal from the consolidated revenue fund or any other public fund of the federation of any money charged there on or any alteration in the amount of such payment, issues or withdrawal, and a bill for imposition of or increase in tax, duty or fee or any reduction, withdrawal or cancellation thereof. This provision confirms the assertion that the major system of control of public fund (expenditure) centers on the operation of appropriation.

Appropriation is the crystallized estimate of the expenditure of departments and agencies, classified under programs or activities which are included in a bill known as the appropriation bill which are introduced into parliament to provide for the issue from the consolidated fund such other appropriation fund of the sums of money necessary to meet that expenditure and the appropriation of those sums for the purposes specified in that bill. For any particular budget year's finances, the needed finances are prepared in the form of estimates by spending organization and are submitted in the form of statements referred to as the supply estimate to the legislature for approval. An appropriation bill covers the combined estimates of the spending organizations and this bill is passed into appropriation Act after all the estimates have been examined and debated upon.

Several constitutional provisions have empowered the legislature to control public funds and make the executive conform to the constitutional order in public expenditures. The constitutional basis for the exercise of this function is captured in 199 federal constitution of Nigeria, chapter 5, Es' of part 1 and 2 chapter 6, part 1; C. the constitutional provisions in the sections will now be examined with specific from on the control power of the legislature to public funds, these sections are as follows:

Section 80(3) No money shall be withdrawn from any public fund of the federation, other than the consolidated revenue fund of the federation, unless the issue of those money have been authorized by an act of the national assembly.

i. Establishment of consolidated revenue fund section 80 (National Assembly) and 120 (State House of Assembly) provided for the establishment of consolidated revenue fund, which serve a purse of the federation, as such all revenues or other money raised or received by the federation must be paid into the fund. The constitution went further in the sub-section 2, 3 and 4 to provide how the money shall be withdrawn from the fund; usually through an authorization of the appropriation Act, supplementary appropriation Act of the national assembly and state houses of assemblies passed in pursuance of section 86 of the constitution.

ii. Authorization of Expenditure
Section 81 and 82 (National Assembly) and 121 and 122 of (State Houses of Assembly) provided that the president shall cause to be prepared and laid before each houses of the National assembly at any time in each financial year estimates of

the services and expenditures of the federation for the next following financial year.

Section 82 authorized the president to withdraw money from consolidated fund in case of delay in passing into law the appropriation bill by the beginning of the financial year, but with condition; provided that the withdrawal shall not exceed that amount passed and authorized by the appropriation Act of the immediately preceding financial year and for a period not exceeding six months or until the coming into operation of the appropriation Act, whichever is the earlier.

- iii. **Establishment of Contingencies Fund.**
Section 8 (National Assembly) and 123 (State houses of assembly) provided the establishment of contingencies fund for the federation or state by the legislature for unforeseen and urgent need for expenditure for which no other provision exists, to make advance from the fund to meet the needs, however a supplementary appropriation bill must be provided for the purpose of replacing the amount so advanced.
- iv. **Control on Remuneration, Salaries and Allowances**
Section 84, sub-section 1, 2, 3, 4, 5, 6 and 7 (National Assembly) and 124, sub-section 1, 2, 3, 4 and 5 (State House of Assembly) provided for the control on the remuneration, salaries and allowances of some officers, like the office of the president and vice president, chief justice of Nigeria and other federal courts, the auditor general for the federation and chairmen and some members of executive bodies. It stated that these shall be paid to the holders of the offices mentioned such remuneration, etc as may be prescribed by the national assembly or state houses of assemblies, but not exceeding the amount as shall have been determined by the revenue mobilization allocation and fiscal commission, are charged upon the consolidated revenue fund of the federation.
- v. **Confirmation of Auditor-General and Audit of Public Account**
Section 85, 86 and 87 (National Assembly) and 124 and 127 (State House of Assembly) provided for the appointment of an Auditor-General by the president or governor for the state on the recommendation of the federal civil service commission subject to the confirmation by the senate or house of assembly of the state, who shall audit the public account and report, by submitting his reports to the National or state Assembly.
- vi. **Investigation on the Conduct of Principal Officers in the Administration of Appropriated Funds** section 88 and 89 (National Assembly) and 128 and 129 (State Houses of Assembly) provide in sub-section 1(b), that each house of the national or State Assembly shall have the power to direct or cause to be directed an investigation into any matter or things with respect to which it has power to make law; and conduct of the affairs of any person, authority, ministry or government department charged or intended to be charged, with the duty of or responsibility for:

- a) Executing or administering laws enacted by the National Assembly, and
 - b) Disbursing or administering moneys appropriated or to be appropriated by the National Assembly.
- vii. **Determination and Prescription for Revenue Allocation**
Section 162, 163, 164 and 168 of the constitution provided for the maintenance of a federation account into which shall be paid all revenues collected by the government of the federation, except the proceeds from personal income tax of the personnel stipulated in section 162, sub-section 1. However, it is the responsibilities of the national assembly to determine the formula, taking into account the allocations principles for the proposed revenue allocation from the federation account as presented by the president based on the advice from the Revenue Mobilization Allocation and Fiscal Commission.

Policy Implications

The Constitution of the Federal Republic of Nigeria, 1999, as amended empowers the legislative arm of government in Nigeria to play a relevant role in checking the expenditure of public fund in Nigeria. By the constitutional arrangements, they play this role mainly through appropriations, which connote the passage of annual budget or an appropriation bill, otherwise known as a money bill. Appropriation bill when passed into law by these legislatures become appropriation law or Act which provides the financial template on an annual basis which the government is bound to follow strictly.

It is for this basis that the legislative arm of the government through the provision of the constitution, investigates its implementation, see to its establishment of consolidated revenue fund from which the budget is financed, the appointment of an Auditor-General for auditing of the federation account etc. the implementation of legislative control mechanism is carried out by some committees of the National Assembly and House of Assembly. More so, there are auxiliary committees that aid in the execution; they are auxiliary in the sense that are not changed with appropriation function but they involved in the determination of the annual budget estimates, like public procurement, National planning and economic development, capital market, industry, banking and currency, trade, investment, commerce etc.

Conclusion and Recommendation

The paper has analyzed the provision and the attendant role as it provides the necessary check and control on public fund and expenditure in Nigeria. It recommends the need for improved transparency and accountability in the expenditure of public funds in Nigeria, at Local State and Federal levels.

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