



FISCAL RESPONSIBILITY COMMISSION (AMENDMENT), ACT 2011

EXPLANATORY MEMORANDUM

This Act seeks to enhance the powers of the Fiscal Responsibility Commission to discharge its function and boost the fiscal profile of the country through ensuring proper remittance of operating surplus of corporations to the Consolidated Revenue Fund of the Federation.

ARRANGEMENT OF SECTIONS

1. Amendment of FRC Act, 2007.
2. Amendment of Section 2.
3. Amendment of Section 3.
4. Amendment of Section 10.
5. Amendment of Section 21.
6. Amendment of Section 22.
7. Amendment of Section 51.
8. Amendment of Section 55.
9. Amendment of the Schedule.
10. Short title.

An Act to amend the Fiscal Responsibility Commission (Establishment) Act, 2007 to empower the Commission to enforce remittance or revenues of the Consolidated Revenue Fund of the Federation, provide for the Administrative Structure, penalties and for related matters.

Enacted by the National Assembly of the Federal Republic of Nigeria as follows-

1. The Fiscal Responsibility Commission (Establishment) Act, 2007 (in this Act referred to as "The Principal Act") is amended as set out in this Act.
2. Section 2 of the Principal Act is amended by substituting for the existing section 2, a new section "2" –
 - (2) For the purposes of performing its functions under this Act, the Commission shall have power to –
 - (a) inspect all offices of the corporations, be given access at all times thereto and all available information it may require with regard to revenues generated/operating surplus and all documents and records in respect thereof;
 - (b) Compel any person or government institution to disclose information relating to public revenues and expenditure;
 - (c) Cause an investigation into whether any person has violated any provisions of this Act;
 - (d) Enforce remittance of operating surplus of corporations to the Consolidated Revenue Fund of the Federation and publish same at the commencement of every fiscal year;
 - (e) Sanction revenue diversion, failure to remit collections, delayed remittance and revenue consumption without appropriation and related corrupt practices.
 - (2) The Commission shall sanction whoever has committed any punishable offence under this Act or violated any of its provisions by way of prosecution.
3. Section 3 of the Principal Act is amended by –

(a) substituting for the existing section 3(1) a new section "3(1)" -

"(1)" The Commission shall –

- (a) Monitor and enforce the provisions of this Act and by so doing, promote the economic objectives contained in section 16 of the Constitution;
- (b) Disseminate such standard practices including international good practice that will result in greater efficiency in the allocation and management of public expenditure, revenue collection, debt control and transparency in fiscal matters;
- (c) Undertake fiscal and financial studies, analysis and diagnosis and disseminate the result to the general public;
- (d) Ensure returns on revenue performance showing estimates, actual collection and remittance to the Consolidated Revenue Fund of the Federation by the corporations by attaching hard evidence of collections and remittance;
- (e) Ensure monthly monitoring meeting of all the Revenue Collectors with representative of the OAGF;
- (f) Ensure quarterly and annual Revenue Collection Reports are produced and sent to the FRC not later than 30 days after each month and 6 months after the end of the year;
- (g) Design a scheme of incentives to reward performing agencies in the collection and remittance of Internally Generated Revenue;
- (h) Design a comprehensive budgeting, planning, collection and remittance scheme applicable to the corporations to facilitate the accomplishment of its objectives;
- (i) Ensure the maintenance of proper books of accounts (particularly the prescribed Treasury Cash Book) and prompt issuance of receipts for remittances paid through the e-payment and follow up by the paying agencies;

- (j) Ensure submission of scientific estimates and financial statements on regular basis by the corporations;
- (k) Ensure dedication of appropriate Revenue Accounts by the corporations to facilitate effective and proper monitoring and remittance of the operating surplus by the corporations;
- (l) Make regulations for carrying out its functions under this Act; and
- (m) Perform any other function consistent with the promotions of the objectives of this Act.

“(b)” Substituting for the existing section 3(2) a new section “3(2)”-

- (2) The Commission shall be an independent and autonomous body and shall not be subject to the direction or control of any other authority or person in the exercise of its powers and functions under this Act.

4. Section 10 of the Principal Act is amended by inserting immediately after the existing section

10 a new section “10(a)”-

Structure of the Commission

- (1) The Commission shall have the following departments for the purposes of discharging its functions-
 - (a) Policy and Standards
 - (b) Administration and Finance
 - (c) Monitoring and Evaluation
 - (d) Legal and Investigation
 - (e) Communications
 - (f) Planning Research and Statistics

(2) Each of the Departments is headed by a full-time Commissioner and a Director and discharge such functions peculiar to it as stipulated in section 3 of this Act.

5. Section 21 of the Principal Act is amended in subsection (2) by-

(a) Inserting immediately after the existing paragraph (b) the following new paragraph "(cc)"

"(cc)" Their annual revenue estimate for the following year, including the net-current revenue and the respective memorandum items. Estimated revenue shall be broken down by the corporations into monthly collection targets, including, where applicable, a separate description of measures to combat fraud and evasion.

(b) by renumbering the existing paragraphs "(cc)" as paragraph (a).

6. Section 22 of the Principal Act is amended by substituting for the existing sub-section (2) a new sub-section "(2)"-

"(2) Notwithstanding anything to the contrary contained in this Act, or the provisions of any written law governing the corporations, the balance of the operating surplus of each corporation shall be paid to the Consolidated Revenue Fund of the Federation, not later than one month following the statutory deadline for publishing each corporation's accounts."

7. Section 51 of the Principal Act is amended by inserting immediately after the existing Section 51 a new section "51a".

8. 51A. Any person who under-declares revenue generated or collected by any of the establishments listed in the schedule, shall be guilty of an offence and liable on conviction to imprisonment for a term of 5 years or a fine of 10 percent of the total amount under declaration.

9. 51B. Any person who authorised the spending of any money collected or generated pursuant to section 3 of this Act without appropriation by the national Assembly shall be guilty of an

offence and liable on conviction to imprisonment for a term of 5 years or a fine of 10 percent of the total amount expended.

10. Section 55 of the Principal Act is amended by inserting immediately after the existing section 55 a new section "55A"- 55A. The Federal High Court shall have exclusive jurisdiction to try offences under this Act.

11. Amendment of the Schedule.

The Schedule to this Act is amended by-

(a) Deleting the following corporations-

i. National Clearing and Forwarding Agency;

ii. Nigerian Unity Line;

iii. Nigerian Mining Corporation;

iv. Nigeria Re-Insurance;

v. Niger Dock Nig. Plc;

vi. National Insurance Corporation of Nigeria; and

vii. Nigeria Re-Insurance Corporation.

(b) Renumbering the Schedule as appropriate.

12. This Act may be cited as the Fiscal Responsibility Commission (Amendment) Act 2011.