



FINANCIAL OVERSIGHT OF THE SECURITY SECTOR FOR LEGISLATORS AND LEGISLATIVE STAFF

This primer answers the following basic questions:

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2. What actors are involved in financial oversight of the security sector in Nigeria?
3. What is the role of the National Assembly in financial oversight in the security sector and why is it necessary?
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1. What is financial oversight in the security sector in Nigeria and why is it important?

Financial oversight of the Nigerian security sector is the process of monitoring the revenue and expenses of security services in Nigeria. These security services broadly comprise of agencies in the Ministry of Defence (the Nigerian Army, Navy and Airforce) and the Ministry of Interior (the Nigerian Police Force, the Nigerian Security and Civil Defence Corps, the Nigerian Immigration Service, the Nigerian Fire Service and the Nigerian Prisons Service). The process is to ensure proper documentation of the disbursement of funds in line with the budget implementation plan that has been approved by the National Assembly (NASS). It is important because a periodic review of the financial management of the sector enables accountability which curbs corrupt practices within the sector. It would also enable the sector to take stock of its capacity in terms of its assets including manpower expenditure on trainings, wages and allowances; and procurements on infrastructure, arms, ammunitions and other equipment. Beyond this, a proper oversight on the financial management also helps in proper fiscal planning for the sector to facilitate efficiency, effectiveness and transparency within the security sector. When there is financial accountability in the security sector, the diversion of funds for illicit engagements under the guise of providing security would be prevented or reduced to the barest minimum, thus making such funds available for capital expenditure in other sectors of the economy.

2. What actors are involved in financial oversight of the security sector in Nigeria?

The actors involved in the financial oversight of the security sector in Nigeria include the following:

The National Assembly	Performs financial oversight through selected Committees that are constituted in the Senate and the House of Representatives. The relevant Committees in the Senate include; Committees on Public Accounts, Defence, Army, Airforce, Navy, Police Affairs, National Security and Intelligence, Drugs Narcotics and Financial Crimes, Internal Affairs, Anti-corruption, Appropriations and Finance.
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	<p>The Committees involved with supervising the financial processes in the security sector in the House of Representatives include the Committees on Public Accounts, Defence, Army, Airforce, .Navy, Interior, Police Affairs, Appropriations, Finance, Public Procurement, Financial Crimes, National Security and Maritime Safety, Education and Administration, Internal Security of the National Assembly and Anti-Corruption.</p>
<p>Auditor-General's Office</p>	<p>Charged with conducting periodic reviews on all persons and bodies established by an Act of the National Assembly. It carries out performance audits on all accounts, including those within the security sector, and submits the audit report to the National Assembly. The Public Accounts Committees also have the statutory powers to examine all audited reports as they deem fit or as referred by the President or National Assembly.</p>
<p>The Joint Services Department of the Ministries of Interior and Defence</p>	<p>Charged with the oversight and coordination of the paramilitary agencies. This Department is responsible for developing the annual budget proposals of the services alongside the budget office of the ministry. It also monitors and evaluates the implementation of projects by each of the services to ensure it is in line with the stipulations of the approved budget.</p>
<p>The Office of the Director of Special Duties at the Ministry of Defence</p>	<p>The Office consists of units performing budget oversight functions namely; the Internal Audit Unit, the Anti-Corruption and Transparency Unit, and the Stock Verification Unit.</p>

<p>The Procurement Departments of the Ministries of Defence and Interior</p>	<p>These Departments handle both the capital and recurrent procurements of the ministry and amongst other things, liaise with the Auditors to ensure that works, goods and services delivery is in consonance with the requested specifications and contract terms in all the security agencies under the ministries. They ensure that this is in collaboration with the Internal Audit and Anti-Corruption Units of the departments.</p>
<p>The Bureau of Public Procurement</p>	<p>The Bureau is empowered by Section 4 (c) of its 2007 Establishment Act to ensure fairness and transparency of procurement and disposal of public assets and practices. It also has the mandate to supervise the implementation of established procurement policies (5 (d)), and also to prevent fraudulent and unfair procurement, while applying administrative sanctions where necessary (5 (n)).</p>
<p>The financial crimes regulating and monitoring commissions, including the Economic and Financial Crimes Commission (EFCC).</p>	<p>These commissions are empowered to investigate all financial crimes especially of suspects living beyond their means, enforce all financial crime laws, and adopt measures for the prevention of all economic and financial crimes. The Independent Corrupt Practices Commission (ICPC) is empowered to request reports on allegations of corrupt practices, examine accused persons and get court orders on the forfeiture of such property.</p>
<p>The Judiciary</p>	<p>Adjudicates over cases of financial violations in the security sector, either as members of the courts-martial for those subjected to Military Law or as judges in civil courts</p>
<p>Civil society organisations and the media.</p>	<p>They serve as the watchdog of the government, its ministries and parastatals to highlight incidents of impunity, financial mismanagement and fraud among other malpractices. They thus investigate the process of financial management and embark on informed public enlightenment on issues of corruption and misappropriations in the security sector.</p>

3. What is the role of the National Assembly in financial oversight in the security sector and why is it necessary?

The National Assembly is empowered under Sections 81-83 of the Constitution to vet and approve the expenditure from the Consolidated Revenue Fund through the passage of the Appropriation Bill for the fiscal Year as presented by the President. In performing this role, the National Assembly carries out its financial oversight over the security sector budgets included in the Bill as prepared by the Ministries of Defence and Interior. It is also empowered in Section 67 (2) to summon any minister in government to account to any of its chambers on any conduct of his/her ministry that is under discussion, which may include expenses from the approved budget. In general, Sections 217 and 218 of the Nigerian Constitution empower the National Assembly to make laws for the administration, organisation and disciplinary control of the members of the Nigerian Police Force and the Armed forces. Financial oversight by the National Assembly is important to prevent and curb corrupt practices in the security sector by ensuring transparency and accountability in the expenditure of allocated funds to the sector.

4. What are the existing legal frameworks for financial accountability in the security sector?

The legal frameworks that exist for financial accountability in the security sector, depending on the nature of the violations and the actors involved, include:

- The 1999 Constitution of the Federal Republic of Nigeria (as Amended)
- The Standing Orders of the Senate
- The Standing Orders of the House of Representatives
- The Appropriation Act (Annual Budget)
- The Public Procurement Act
- The Public Accounts Committee Act
- The Armed Forces Act
- The Police Act
- The Prisons Act
- Nigeria Security and Civil Defence Corps Act
- The Economic and Financial Crimes Commission Act
- Advance Fee Fraud and Other Fraud Related Offences Act

- The Criminal Code Act
- The National Economic Intelligence Committee Act
- The Evidence Act

5. What is defence budgeting and what does the process entail?

Defence Budgeting is the process of allocating resources to the military to enable it carry out its primary responsibility of defending the sovereignty and territorial integrity of a nation. It usually contains budget statements which support the budget items with explanations and justifications of proposed appropriations for defence in the Appropriation Bill. When the Appropriation Act is passed into law, the defence budget thus becomes a legal instrument which guides the disbursement of funds in the key agencies and departments of the ministry of defence.

The defence budgetary allocation provides for three basic areas of expenditure namely; the **Personnel Cost, the Overhead Cost and Capital expenditure**, spread across the three services: The Nigerian Army, the Nigerian Airforce and the Nigerian Navy. All these three services have both the military and the civilian components that are catered for in the budget. While the military component comprises Officers and men enlisted in the service, the civilians are non-military personnel which provide support in the areas of resource management, procurement, legal aids and medical care for the services in the Ministry of Defence.

The budgeting procedure follows the normal cycle of the budget development and proposal phase, the approval phase, implementation phase and audit phase.

During **the first phase**, the Budget and Finance departments of the various services work with the Joint Services Department of the Ministry of Defence in developing budget items to be included in the Appropriations Bill by the Ministry of Finance, which collates the budget and transmits it to the President. It is presented to the joint sitting of the National Assembly by the President.

The **second phase** is the budget approval phase, where the Appropriations Bill is presented by the President to the National Assembly for review and approval.

This is followed by the **third phase** of implementation, where funds are disbursed to the Ministry of Defence for execution as allocated in the reviewed budget.

The **final phase** is the audit phase as led by the Internal Audit department of the Ministry of Defence in collaboration with relevant departments in the different services, as well as the above-named stakeholders where appropriate.

6. What factors may influence defence budgeting?

The factors that influence defence budgeting are primarily dependent on the security context of the country at a particular time period. For instance, recruitment into the services to help ease the stretch of the Nigeria Armed forces currently engaged in the war against Boko Haram, while also being deployed for internal security, saw a significant rise in the recurrent expenditure of the 2018 budget covering capital expenditure, personnel and overhead costs. The other factors that may influence defence budgeting include: the availability of funds from the Consolidated Revenue Fund; training needs of the personnel involved in military operations; the procurement and maintenance of infrastructure, arms and ammunitions; the availability of military aids from donor countries/agencies; the military's involvement in peace support operations outside the country; the electoral cycle (where the military is involved in internal security) and conflict of interest by actors involved in the different phases of the budget cycle.

7. What are the common items in Nigeria's security and defence budgets?

The security and defence budgets include the breakdown of allocations to the different departments and agencies under the Ministries of Defence and Interior. The featured items in budget include:

- Personnel Costs (Salary and Allowances)
- Overhead Costs (Transportation – purchase of Armoured and Operational Vehicles, Computer Purchases, Research and Development, Restocking of Arms, Ammunition, Webbing and Ballistic Equipment, Procurement of UAVs, Whaler and Tug Boats, Aircraft maintenance Utilities, Materials and Supplies, purchase of biometrics machines, Trainings, Maintenance Services – rehabilitation and repairs, other services - Security Votes, cleaning and fumigation-, Consulting and Professional Services, Financial Charges – bank charges, grants and contributions - International Organisations, Drugs and Medical supplies, Commemoration of the Armed forces Remembrance Day.
- Capital Expenditure (Purchase, construction and rehabilitation of fixed assets – Offices, schools, barracks, police stations, prisons; purchase of non-tangible assets – software)

8. What is the role of the National Assembly during the budget approval phase per existing laws?

- The National Assembly is vested with the legislative powers in Section 4 (1) of the Constitution, which enables it to review and pass the Appropriations Bill and Supplementary Appropriation Bill into law. The National Assembly is thus primarily responsible for the final approval of the budget after presentation by the President. In the process of reviewing the budget, the approval of the two chambers of the National Assembly is required before the assent of the President as provided in Section 59. Also, a joint finance committee of both chambers established under Section 62 (3) is mandated to resolve disputes that may arise between both chambers on the budget. Finally, in the event where the Presidential withholds his assent after 30 days of presentation of the appropriation bill, a two-third majority of a joint meeting of the National Assembly is empowered to pass the bill into law without the presidential assent.
- The National Assembly could also approve the establishment of Contingency Funds in line with the provisions of Section 83 of the Constitution where there is an urgent and unforeseen need not within the budget, though this must immediately be accounted for with a Supplementary Appropriation Act.
- The Standing Orders of the Senate and the House of Representatives stipulate the same procedure for the approval of the budget after its presentation. The second reading has to be slated for contributions by members in each chamber before a Committee of Supply as comprised by all the Senators and Representatives. The bill will subsequently be referred to the respective Appropriations Committee, while the standing committees of the financial and security sector serve as sub committees. The Appropriations Committee will then report back to the Committee of Supply comprising all the Members after which the amended Bill will be slated for the third reading and passed.

9. What is the extent of the National Assembly powers in amending the country's security budgets?

The National Assembly has unlimited powers in amending the security budgets as stipulated in section 81 of the Constitution, which mandates the President to submit estimates to the National Assembly for approval. While there are divergent opinions on the extent of the National Assembly's budget powers i.e. whether the National Assembly can or cannot increase estimates submitted by the President, the majority view and current practice in the Nigerian legislature is that they can modify or alter, reduce or increase budget estimates. Following consideration of the budget in each chamber, it can be passed into law after amendments have been made by following the processes mentioned in 8 above. In some other jurisdictions, the legislature can only influence the budget and are constrained from reducing or increasing budget line items.

10. Does the National Assembly influence security sector allocations? If yes, how?

The National Assembly does influence the security sector allocations. It carries out this function through the special committees, standing committees and the Committee of Supply which are charged with the responsibility of reviewing the security sector budgets and making amendments as they deem necessary. The National Assembly, during its review of the budgets, approves the source from which funds are allocated, the purpose of allocation and the Departments and Agencies where they are to be disbursed. For instance, the virement of funds was approved for the Independent National Electoral Commission (INEC) and the Security Agencies in the build-up to the 2019 elections by the Committees of Supply of both chambers. They also approved that the funds be drawn from Service Wide Votes and certain Departments and Agencies. In the 2017 harmonised report of the Senate and House Committees on the internally generated revenue and expenditure of the Nigerian Immigration Service, the Committees endorsed a proposed Technology Building Project for funding support, while recommending a review of the partnership with its private partners to enhance its internally generated revenue.

11. How can the National Assembly mainstream Gender and Human Rights in Security Budgeting?

Gender and Human Rights are core components of budgeting in the 21st Century. While there have been attempts at gender responsiveness in drawing out budgets, the prioritisation of budget items has not been particularly favourable to the female gender. The National Assembly can thus proactively ensure that the budget items that include women and vulnerable groups within the security sector are prioritised. Based on the occupational hazards in the security sector, the National Assembly can ensure an all-inclusive budget that specifically caters to the needs of those perpetually maimed while on active service through budgetary provisions for Housing and infrastructures that are tailored to their peculiar needs. In carrying out its oversight functions on budget implementation, it could also ensure that those who have retired from active service, especially belonging to the lower rank in the services, are paid as at when due. The National Assembly could also help improve the Housing conditions of cadets in training and serving officers and men through budgetary provisions and oversight. More importantly, the Committee on Selection should be gender responsive by including women in Committees working with MDAs in the Security Sector as they are best suited to interrogate marginalisations in budgetary allocations, especially in a male dominated security sector. The National Assembly should also be open to critical observations by the Civil Society and Media organisations on issues of gender and human rights in the security sector.

12. How can the National Assembly help ensure value for money in security budgeting?

The National Assembly can ensure that there is value for money in security budgeting by:

- collaborating with the civil society and the media to monitor compliance and ensure that the tendering process as stipulated in the Public Procurement Act is followed and the most suited bidder is awarded the contract.
- collaborating with the Bureau of Public Procurement in ensuring that the price allocation to each budget item aligns with the national database of standard prices of the Bureau.
- ensuring that the MDAs in the security sector complete the capital projects within the allocated timeframe to avoid recurrence in the subsequent financial year.

13. Which the National Assembly committees are involved in financial oversight of the security sector and how do their duties intersect?

- The responsibility of the financial oversight lies with the Appropriations Committee, which has the dominant stake, with the other related committees serving as sub-committees to provide specific information on oversight of ministries, departments and agencies (MDAs) allocated to them. The relevant committees herein include; Finance, Defence, Army, Airforce, Navy Interior, Police Affairs, Public Accounts, Public Procurement, Financial Crimes, National Security and Intelligence (special in senate), Maritime Safety, Education and Administration, Internal Security of the National Assembly and Anti-Corruption. In the Senate, the Committees include Appropriations, Finance, Public Accounts, Defence and the Army, Airforce, Navy, Police Affairs, National Security and Intelligence, Drugs Narcotics and Financial Crimes, Internal Affairs and Anti-corruption.
- The duties of the committees intersect through the focus on the management of funds within MDAs of the security sector. The Committees on Appropriations and Finance are basically concerned with fiscal expertise regarding the budget while those of Public Accounts, Public Procurements, Drugs Narcotics and Financial Crimes, Internal Affairs and Anti-corruption basically provide oversight for technical expertise on audit related issues. The other Committees on Interior, Police Affairs, National Security and Intelligence, Maritime Safety, Education and Administration, Internal Security of the National Assembly, Defence and the Army, Airforce and Navy focus on the administrative and operational technicalities of the respective security agencies in line with their specific needs as specified in the budget.

14. What is the role of the National Assembly during the budget execution phase?

The role of the National Assembly during the execution phase is that of intermediate monitoring and evaluation of projects and services that have been provided for in the budget. It performs this role through the various relevant standing committees and the plenary session in the Committee of the Whole. The Committee could conduct hearings where summons are served to relevant stakeholders to submit relevant documents, including intermediate reports on the execution process of the projects and services under interrogation. Where needs be, the Committee could constitute an inquiry panel to conduct on site visits for verification and clarification. In the event where there is need for more funds hitherto not covered by the budget, the National Assembly helps to approve supplementary budget proposals to facilitate the execution of the process.

15. What is the trend on the National Assembly oversight of the implementation of defence/security sector budget?

The National Assembly has been carrying out its oversight functions on the defence and security sector through its relevant committees. In terms of procurement audit, in 2016, the House Committee on National Security and Intelligence investigated the Presidential Committee on Audit of Defence Equipment Procurement (CADEF) for failure to submit its report after the stipulated 90 days for submission.

Similarly, in November 2017, the House Committee during one of its plenary sessions mandated the Defence, Army, Finance, Public Procurement and Financial Crimes Committees to investigate the allegation of a breach of procurement guidelines on a contract in the Ministry of Defence involving millions of naira meant for the installation of a military hospital. The Senate Committee on Appropriations was also mandated in April 2018 to summon the Central Bank Governor, the Finance Minister and the Minister of Defence to account for a withdrawal of \$462bn for purchase of helicopters without the approval of the National Assembly. Regarding oversight on salary and allowances, the House of Representatives set up an Ad Hoc Committee in July 2018 to investigate the protest by mobile police officers regarding the non-payment of allowances for six months.

16. What actors are involved in security sector/defence procurement and what is the role of the National Assembly therein?

The relevant actors in security/defence procurement include:

- The procurement and finance departments of the different services and agencies coordinated by their parent departments in the Ministries of Defence and Interior. These departments collate the requests from the various units and draw up the budget to request for funds in line with the procurement plans and strategies. They also coordinate the process for publicising tenders and collating bids from contractors.
- International and local contractors who submit bids for the tender and are required to supply the desired items as specified in the tender. A relevant local institution in security/defence related procurement in Nigeria is Innoson Vehicle Manufacturing Co. Ltd., (IVM) which has produced and supplied armoured vehicles to the Ministry of Defence for use by the Nigerian military. It is important to mention here, the need to strengthen the resourcing and research capacity of the state-owned Defence Industries Corporation of Nigeria (DICON) and the Nigerian Army Vehicle Manufacturing Company (NAVMC) to maximise its capacity in the production of defence equipment, arms and ammunitions.
- The Ministry of Finance and the Central Bank who release the funds for procurement to the respective ministries as requested.
- International actors (both global and regional) who regulate procurement processes in the security sector through guidelines on purchase of items such as arms and ammunitions, war planes and UAVs.
- The National Assembly, who is responsible for the approval of the proposed budget for procurement for the release of funds. It also carries out oversight functions ensuring that the standard procedures are adhered to in line with extant laws. In carrying out these oversight functions, it could conduct committee hearings and request for progress and final reports from relevant bodies to aid its functions.

17. How does the security sector/defence procurement differ from other types of government procurement?

- There are no extant laws in Nigeria specific to procurement in the security and defence sectors but there are provisions in the Public Procurement Act that are specific to defence and national security considerations.

For instance, Section 15 (2) of the Procurement Act excludes the procurement of special goods, works and services for national defence and security from its provisions except

with the permission of the President. The delicate context in which security operatives function also makes secrecy one of the guiding principles and this impacts on most of their activities including procurement.

- Operational activities in the security/defence sectors are sometimes determined by emergency situations within which national security is prioritised over protocols, which may allow for waivers of procedures in order to secure lives and properties within the nation. The Public Procurement Act in Section 42 (f) also allows for emergency procurement with a waiver of the stipulated two stage tendering process of procurement on issues of national security, provided the selected method is considered most appropriate in line with Section 39 2 (b) of the Act.
- The technicalities within the field imply that procurement could only be made from specialised industries on security related equipment, works, goods and services. In Section 45 (3) (c), the Public Procurement Act permits direct requests to limited number of consultants to provide services when there is need for confidentiality due to reasons of national defence and security among others.

18. What are the key challenges in security sector procurement in Nigeria?

- The invocation of secrecy as an operational principle for procurement by the security sector festers the possibility for corrupt practices as there is less room for transparency and accountability. The internal audit processes are also not thorough where superior officers have conflicts of interest.
- There is a persistent concern of insufficient funds for procurement based on budgetary allocations. The growing security challenges in the country necessitate the demand for more funds for a well-equipped and effective security sector.
- The neglect of procedures as laid out in the Public Procurement Act infers that some actors involved in the Nigerian security sector procurement have conflicts of interest and indulge in illicit practice.
- The lack of effective local industries specialised in the manufacture of technologically advanced security related equipment necessitates recourse to foreign organisations, and the terms of foreign relations with their countries often dictate terms of procurement. In terms of services, certain foreign organisations providing technical expertise in PPP (Public-Private Partnerships) arrangements are mostly major beneficiaries from the revenues of such arrangements.
- There is very little consideration for mainstreaming gender and human rights into security budgeting in Nigeria which necessitates further collaborations between the security agencies, media and civil society in ensuring that considerations are made to

prioritise procurement of relevant works, goods and services for women in the service and those incapacitated in the line of duty.

19. How can the role of the National Assembly in security sector procurement be strengthened?

The National Assembly has a fundamental role of oversight in overseeing the financial management of funds within the security sector. This oversight role could be strengthened by:

- Organising special trainings for Committee members working in the security sector to update themselves on global good practices and international regulations on procurements within the security sector.
- Appointing experts as Support Staff to Committees working with the MDAs in the defence and security sector.
- Enhancing the engagements between the National Assembly, MDAs and Civil Society Organisations working in the security sector through periodic meetings and seminars to deliberate on mutually agreed procedures for accountability and transparency within the sector.
- Appointment of individuals who command referent power in the industry to participate in security sector related committees in order to enhance engagements during oversights on procurement in the security sector.
- Legislating on industrial friendly provisions to encourage local actors to venture into provision of advanced equipment and services in the security sector in order to preclude conflicts that may arise with procurement from international actors.

20. How are security budgets audited and what frameworks exist for such?

The existing framework for the audit of security sector budgets is as provided by the Public Procurement Act, 2007. Though Section 5 (p) of the Public Procurement Act mandates the Bureau of Public Procurement to carry out procurement audits and make bi-annual submission of reports to the National Assembly, the exclusion of ***'Special Purpose Goods' defined as 'armaments, ammunition, mechanical electrical equipment or other thing', as defined by the President for the use of the Armed Forces, Police Force and Other Services,*** concedes the audit of the defence and the security sector budgets to the discretion of the President. However, works (infrastructure related projects) and services (specialised consultancies) procured are subject to audit by the Bureau. The Bureau thus works with

the internal audit and procurement departments of the Ministries of Defence and Interior to carry out audits as permitted within the defence and security sectors.

21. What is the role of the National Assembly in audit of security agencies?

- The primary audit role of the National Assembly is to legislate on the audit system in terms of actors, processes and timelines for financial audits and submission of reports. This entails making new laws as well as repealing sections of the law that may be obsolete through occasional reviews. Each House of the National Assembly has a special Committee on Public Accounts, which is mandated with audit-related oversight functions and is inaugurated at the beginning of each Assembly.
- The National Assembly also conducts occasional reviews of financial management in the security sector at sittings, both at the Committee of the Whole and relevant committees performing oversight over a particular sector to which cases are referred. In performing this oversight of financial audit, they may request for intermediate or final audit reports, as well as demand for actors to appear before the sittings where there is need for further clarifications.
- The Committees may also set up ad hoc sub-committees of Inquiry to investigate claims through on-site visit where they are not satisfied with the audit reports. This on-site audit could also come before demanding for reports as compliance audit where they carry out intermediate supervisory roles on projects.
- The National Assembly also receives, reviews and approves the report of the Auditor-General at the end of each financial year.

22. What are some of the challenges in the conduct of the committees' oversight functions?

- The major challenge of the conduct of committee hearings in the security sector is the opacity within the sector in term of its operations. The secrecy that guides some of the activities of the services and agencies with the reasoning of protecting national interests and security implies that certain protocols may delay the presentation of reports and persons before the committees as at when due.
- In some past instances, there have been reluctance and outright refusal by some key actors holding leadership positions within the sector to appear before the standing Committees and Committee of the whole. The delay in the presentation of the Appropriation Bill and subsequent disagreements between the Executive and

Legislative arms of the government on certain items and allocations in the budget delay the passage of the Bill, which consequently affects the implementation of the budget within the specified year.

- There may also be conflicts of interest by some members of the Committees which may cause them to overlook certain aspects of the budget that need review. In some other cases, the Committee members ignore instances where the implementation of some items have not been carried out within the standards that were budgeted for. This largely reduces the impact of their oversight functions.
- Some members of the Legislative Committees performing the oversight may not have the requisite skills to detect abnormalities during the budgeting process. This includes basic interview and investigation skills.
- The volatility of the security situation in the country means that certain expenditures may be incurred based on emergency needs without due protocol. More specifically is the lack of legislative oversight over funds allocated as security votes to certain federal, state and local government officials, which are largely unaccounted for due to the sensitive nature of security. The funds are usually disbursed by the President from the Independent Revenue Account to be used at the discretion of individuals, though this does not follow any constitutional provisions.
- Foreign policies and international relations could also affect implementation of certain items for procurement outside Nigeria as it relates to the security budget. The changes in foreign exchange, changes in cost and refusal by some governments to engage in arms trade with Nigeria are some of the factors that may delay implementation and audit reports that the National Assembly requires to carry out its functions.
- The audit process of the different MDAs may also not be transparent and accountable enough. While the Auditor-General of the Federation is statutorily empowered to request for audit books and determine the terms of engagement between auditors and organs of government during the audit process, he is not given the power of appointing auditors by the Constitution (see section 125 of the Constitution). The discretionary appointment of auditors by organisations and bodies does not allow for transparency and accountability.

23. How can these challenges be overcome?

- There is need for more transparency and accountability within the security sector where the processes of public procurement follow the provisions of the Public Procurement Act. The processes should also be made available to the appropriate audit and legislative authority as required by law.
- Major actors in the security sector and their subordinates should prioritise Nigeria's national interest and collaborate with the various committees of the National Assembly

by obeying summons to give accounts while they are carrying out their tasks on oversights. The National Assembly should also follow the statutory provisions in ensuring compliance to summons.

- The members of the National Assembly should avoid conflicts of interests and abstain from participating in committees where such conflicts may arise.
- The Committee on Selection should consider the area of expertise of members in the National Assembly in order to ensure efficiency and effectiveness of the Committees in carrying out their oversight responsibilities.
- The legislature should use its powers to enact a law supporting legislative oversight on security votes as a short-term measure, while it should be phased out and replaced with a statutory allocation in line with the provisions of the Constitution.
- The Nigerian Security Sector must abide by international standards in terms of the rules of engagement to ensure that human rights are adequately protected, while carrying out its statutory roles in Nigeria. This is important for smooth foreign relations in terms of international procurements relevant to the security sector.
- The Constitution should be amended to empower the office of the Auditor-General of the Federation to appoint external auditors in reviewing the account books of MDAs in government to allow for better transparency and accountability.

24. How can the role of the National Assembly in security budgeting and oversight be strengthened?

The role of the National Assembly in performing its security budgeting and oversight could be strengthened by:

- organising specialised capacity-building seminars for Committee members working in the security sector to update themselves on global best practices and on budgeting and oversight functions relating to the security sector.
- organising working visits to parliaments of other countries in gaining hands-on experiences on supervision of projects during oversight functions.
- appointing experts as Support Staff to Committees working with the MDAs in the defence and security sector who have technical know-how on the workings on budgeting in the security sector.
- organising occasional interactive sessions with the civil society and the media to highlight the state of affairs and extract valuable information on challenges of transparency and accountability within the security sector.

- judicious use of allocated resources by members of the relevant committees such that there is transparency and accountability while carrying out budget supervision and oversight on security sector related matters.

25. What important actors should the National Assembly build relations with in order to strengthen financial oversight?

The relevant actors that the National Assembly should build collaborative relationships for the smooth running of its oversight functions include:

- Auditor-General of the Federation;
- Heads of the Joint Services Department of the Ministries of Defence and Interior ;
- The Director of Special Duties at the Ministry of Defence;
- Heads of the Procurement Departments of the Ministries of Defence and Interior;
- The Director-General of the Bureau of Public Procurement ;
- The Chairman of the Economic and Financial Crimes Commission (EFCC) ;
- The Chairman of the Independent Corrupt Practices Commission (ICPC) ;
- The Judiciary ;
- Civil Society Organisations ; and
- Media .

26. What are some good practices on financial oversight of the security sector from other countries?

There is the ECOWAS Code of Conduct for Armed and Security Forces in West Africa (2006), which stipulates the need for accountability and transparency in defence planning, budgeting and procurement, which could be a yardstick for measuring good practices in the region. Nonetheless, Nigeria could benefit immensely by borrowing from some countries that have devised mechanisms for financial oversight in the security sector:

- The Armed Service Committee of the United States House of Representatives presents a good example for the **National Assembly Committees** working on oversight within the security sector. In 2010, it issued a report based on its assessment of the values added by services of the US Defence Acquisition system, both to the soldiers and the tax-payers. It is important that the Nigerian legislature keeps up a performance review

mechanism to ensure that military acquisitions are acquired and applied for maximum value in contexts where they are needed.

- In terms of **Audit**, the National Audit Office of the United Kingdom is an example of an effective audit institution as it produces reports of major projects inclusive of the largest twenty-five procurements by the ministry of defence on an annual basis. The review of certain provisions of the Public Procurement Act, which excludes defence/ security sector related expenditure from scrutiny except as permitted by the President, is important to allow the auditor-general's office some level of autonomy in auditing the sector. In 2016, a proposed bill to amend this provision was considered by the 8th National Assembly. This proposal may need to be revisited by the current Assembly.
- For the **Academia and CSOs**, the database of the Stockholm International Peace Research Institute (SIPRI) and the journal of the International Institute for Strategic Studies **Military Balance** collate global data on defence budgeting, military spending, deployments, arms production and equipment holding which could be used as templates for tracking and reporting security/defence sector spending in Nigeria.
- In terms of mainstreaming **gender and human rights** into the security sector budgeting, CSOs in Nigeria could collaborate with the Legislature and the Judiciary in amplifying issues on financing within the security sector that are peculiar to women and people living with disabilities incurred during service, by borrowing the example from the Indian model of the **Sakshi** NGO which researched on the judicial challenges in India regarding women, and then trained judges in this regard. The NGO worked with the judiciary to develop an education program that focused on influencing knowledge and attitudes that prevented women and children from seeking access to justice in situations of violence.

For Further Consultation

Relevant Laws

The Constitution of the Federal Republic of Nigeria 1999 (as amended)

The Standing Orders of the Senate

The Standing Orders of the House of Representatives

The Appropriation Act

The Public Procurement Act

The Public Accounts Committee Act

The Armed Forces Act

The Police Act

The Prisons Act

The Nigeria Security and Civil Defence Corps Act

The Economic and Financial Crimes Commission Act

The Advance Fee Fraud and Other Fraud Related Offences Act

The Criminal Code Act

The National Economic Intelligence Committee Act

The Evidence Act

The Freedom of Information Act

The Defence Industries Corporation of Nigerian Act

Relevant Texts

Cole, Eden, Kerstin Eppert and Katrin Kinzelbach (eds). 2008. *Public Oversight of the Security Sector A Handbook for Civil Society Organizations*. Bratislava: UNDP

Masson, Nicolas, Lena Andersson and Mohammed Salah Aldin. 2012. *Guidebook Strengthening Financial Oversight in the Security Sector*. Geneva: DCAF

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Relevant Websites

2018 Budget. The Budget Office of the Federation. <https://www.budgetoffice.gov.ng/index.php/2018-budget>

Budgit. 2018. *Proposed 2018 Budget: A Fiscal Review*. <https://yourbudgit.com/wp-content/uploads/2018/06/SECURITY-PROPOSED-2018-BUDGET.pdf>

Defence Industries Corporation of Nigeria – DICON <https://dicon.gov.ng>

Harmonized Report of the Senate and House Committees on Interior on 2017 Internally Generated Revenue and Expenditure of the Nigerian Immigration Service, October 2017 <http://placng.org/wp/wp-content/uploads/2017/10/Harmonize-Report-of-the-Senate-and-House-Committees-on-Interior-on-the-2017-Internally-Generated-Revenue-and-Expenditure-of-the-Nigerian-Immigration-Service.pdf>

House Rescinds and Reconsiders its Approval of the Virement/Supplementary Budget for Independent National Electoral Commission and Security Agencies for the Conduct of the 2019 General Elections <https://placng.org/wp/2018/11/house-rescinds-and-reconsiders-its-approval-of-the-virement-supplementary-budget-for-independent-national-electoral-commission-and-security-agencies-for-the-conduct-of-the-2019-general-elections/>

House to Investigate Alleged Multi-Million-Naira Contract Scam in the Ministry of Defence <https://placng.org/wp/2017/11/house-to-investigate-alleged-multi-million-naira-contract-scam-in-the-ministry-of-defence/>

House to Investigate Circumstances Leading to the Protest of Mobile Police Officers In Maiduguri <https://placng.org/wp/2018/07/house-to-investigate-circumstances-leading-to-the-protest-of-mobile-police-officers-in-maiduguri/>

House to Investigate Presidency's Committee on Arms Procurement <https://placng.org/wp/2016/11/house-to-investigate-presidencys-committee-on-arms-procurement/>

Ministry of Defence: About MoD <https://www.defence.gov.ng/index.php/the-ministry/about-mod>

Ministry of Interior: Procurement, Joint Services Board, Anticorruption and Internal Audit <http://www.interior.gov.ng/>

Senate Approves the Budget of Security Services for the 2019 General Elections <https://placng.org/wp/2018/10/senate-approves-the-budget-of-security-services-for-the-2019-general-elections/>

Senate Summons CBN Gov, Ministers of Defence, Finance over Illegal Alleged \$462m Illegal Payment <http://saharareporters.com/2018/04/17/senate-summons-cbn-gov-ministers-defence-finance-over-alleged-462m-illegal-payment>



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About PLAC

Policy and Legal Advocacy Centre (PLAC) is a non-governmental organization committed to strengthening democratic governance and citizens' participation in Nigeria. PLAC works to enhance citizens' engagement with state institutions, and to promote transparency and accountability in policy and decision-making processes.

The main focus of PLAC's intervention in the democratic governance process is on building the capacity of the legislature and reforming the electoral process. Since its establishment, PLAC has grown into a leading institution with capacity to deliver cutting-edge research, policy analysis and advocacy. PLAC receives funding support from donors and other philanthropic sources.

