

NATIONAL ASSEMBLY WATCH

**(A report of happenings in the Nigerian National Assembly.
Week ending February 18, 2012)**

President Jonathan seeks N1.3tr foreign loan:

A few years after exiting the debt club, Nigeria is to go borrowing again as President Goodluck Jonathan on Tuesday (February 14) sought legislative approval to secure a loan of US\$7,905,690,000 to fund the medium term development plan between 2012 and 2014. That would translate to US\$2.64 billion a year.

The loans, according to President Jonathan's letter of request addressed to the Senate, are being sought from the World Bank, African Development Bank, Islamic Development Bank, Exim Bank of China and Indian lines of credit.

The request said the projects (referred to as 'pipeline initiatives') to be funded by the loans, are at various stages and form part of the Medium Term (2012-2014) External Borrowing Plan of the country and "were designed to put the economy back on track" through "growth and employment".

Senate alleges attempts by MDAs to smuggle in N1 trillion into budget 2012:

The Senate Committee on Appropriation has alleged that some Ministries Department and Agencies (MDAS) secretly smuggled in over N1trillion projects into the N4.7trillion fiscal estimate, thereby bloating it up to about N5.7 trillion.

Committee Chairman, Senator Ahmed Maccido (PDP, Sokoto), alleged that over 40 percent of the projects are not captured in the budget presented to the National Assembly by President Goodluck Jonathan last year but were brought in by the MDAs, adding in a statement that "we at the committee level would jettison them because they are not in the original budget."

Senator Maccido said further that the committee has discovered substantial differences between the projects in the original version of the budget presented by the president and what the MDAs have in their budget proposals and promised to expunge them.

Fuel subsidy: so terrible they probe it twice:

Just the week after the House of Representatives concluded its public sitting on the investigation of fuel subsidy regime, and while the public awaits the report of the mind-boggling revelations, the Senate re-opened its own probe of the same subject matter.

Interestingly, the Senate had earlier commenced its probe in November before suspending it prior to the Christmas break before the House of Representatives, began its. Senate's probe

was pursuant to a motion sponsored by Senator Bukola Saraki (PDP, Kwara) who raised alarm about the extra-budgetary spending which funded the subsidy.

The Senate Joint Committee on Petroleum (Downstream) and Finance and Appropriation headed by Senator Magnus Abe (PDP, Rivers) therefore, last week, invited more than 80 oil marketing companies, banks and government agencies to appear before it to testify.

The list includes the Petroleum Products and Pricing Regulatory Agency (PPPRA) and the Pipeline Products Marketing Company (PPMC) Keystone Bank (formerly Bank PHB) and Union Bank.

The PPPRA was expected to offer explanations regarding the criteria used to allocate fuel import slots as it became evident that some oil companies without outlets, storage facilities and trucks won contracts to supply fuel even as some major oil marketers like Total Oil and Capital Oil alleged that the allocation given to them was not appropriate or commensurate with their level of investments in the sector. In the words of the Managing Director of Capital Oil, Ifeanyi Uba, fuel subsidy regime puts everybody in the same level, describing it as a lazy man's job that does not allow for competition.

At the hearing, the joint committee had to issue a summons to Wale Tinubu, the Managing Director of Oando Plc who doubles as Chairman of the Major Oil Marketers Association of Nigeria (MOMAN), over a letter he signed, which alleged that the association conceded to using kerosene for aviation fuel.

Tinubu is expected to appear before the joint committee on Monday February 20.

KPMG audit of NNPC at risk of being discountenanced?

“Any audit report of any federal government corporations, commissions, authorities and agencies that was not produced by an accredited auditor is not acceptable to the committee”.

The above were the words of the chair of the Senate Public Accounts Committee, Senator Ahmad Lawan (ANPP, Yobe) on Wednesday, while expressing reservations over the use of non-accredited auditing firms by ministries, departments and agencies (MDAs).

Speaking at a public hearing of the committee, the chair stressed that such auditing process would mean that such bodies have not audited their accounts at all.

Even though he agreed that the moves by MDAs to audit their accounts was commendable, Senator Lawan, said the practice infringed the provisions of Section 85(3) of the Constitution, which authorises the Office of the Auditor General of the Federation (OAGF) to audit such accounts or appoint auditors for them.

Accompanied by Committee members like Senators Abdul Ningi (PDP, Bauchi Central) and Olubunmi Adetunmbi (ACN, Ekiti North) the committee chairman specifically cited the recent auditing of the accounts of the Nigerian National Petroleum Corporation (NNPC) by KPMG auditors, which he said is not accredited by the Office of the Auditor General of the

Federation but advised KPMG to seek accreditation from the OAGF if it wants to be considered to audit government agencies.

He then said: “Any auditing exercise that circumvents this established and mandatory process is unconstitutional, Illegal, flawed and null and void in the eyes of the law”.

Senate confirms Lamorde to head EFCC:

The Senate, Wednesday, confirmed the nomination of Mr. Ibrahim Lamorde for appointment as Chairman of the Economic and Financial Crimes Commission (EFCC), following his nomination by President Goodluck Jonathan, in accordance with Section 2(3) of the EFCC Act.

Lamorde, who admitted that there was some level of corruption in the agency, with three officials currently on detention and being interrogated, said he had already put measures in place to sanitise the commission.

The measures taken include the establishment of an Internal Affairs Department, introduction of polygraph (lie detector) tests for staff every six months and scrutiny of the lifestyle of staff.

Lamorde supported the suggestion for the establishment of specialised courts/handling of cases by specialised judges as a means to decongesting pending cases involving EFCC in the courts. While acknowledging that it was the discretion of judges to grant or deny plea bargain, Lamorde said plea bargains are practised in various jurisdictions all over the world.

Asked about the independence of the commission and the allegations that it targets members of the legislature as opposed to the executive arm, Lamorde said he had not personally experienced any external influence since he began acting as chairman of the agency and added that it only goes after lawmakers, based on the petitions received against such lawmakers.

The Senate also wanted to know why the commission allegedly does not make public the amount of funds it receives from donor agencies but Lamorde said all the support coming to the commission from donor agencies were in the form of logistics support, personnel assistance, training support etc, and not cash.

House moves to review Constitution to give bite to resolutions:

Worried about the ineffectiveness of resolutions passed by the National Assembly to move beyond mere opinions and become binding on the executive arm of government, the House of Representatives, within the week, moved to amend the Constitution to ensure such bite to parliamentary resolutions.

The decision of the House, which has been referred to the Ad hoc Committee on Constitution Amendment, seeks to amend of Section 58 of the 1999 Constitution which currently limits the means of making laws to bills passed by both chambers of the federal legislature.

The proposed amendment is aimed at making joint resolutions of the House of Representatives and Senate to be such as would compel the executive arm to act upon.

Leading debate on the bill, the Minority Leader, Rep. Femi Gbajabiamila (ACN, Lagos), argued that the amendment was meant to ensure that resolutions passed by the legislature were not regarded as “mere expressions of opinions” and treated with little seriousness.

Recall that in January, the House had to call short its recess to meet on a Sunday where it passed resolutions asking the executive arm of government to suspend the implementation of a new fuel price regime, but the resolution was spurned by the presidency, who described it as ‘mere expression of opinion’.

Given the provisions for altering the Constitution however, it seems that the proposal by the House will for a long time remain another ‘expression of opinion’. This is because the proposal would require concurrence by the Senate and further endorsement by two-thirds of the State Houses of Assembly.

The bill passed the second reading and has been referred to the House Ad hoc Committee on Constitution Review.

Senate confirms electoral commissioners and insurance director:

The Senate on Thursday confirmed five new Resident Electoral Commissioners (RECs) for the Independent National Electoral Commission (INEC) as proposed by President Goodluck Jonathan.

Those confirmed and their states of origin are Professor Jacob Jatau (Nasarawa State), Baba Abba Yusuf, (Borno State), Segun Agbaje (Ekiti State), Nasir Ayilara (Kwara State) and Austine Okojie (Edo).

At the confirmation, Deputy Senate President, Ike Ekweremadu (PDP, Enugu) urged the new RECs to ‘join forces with those already in the commission on the good work they have started’; build on the success of the last general elections to ‘work with National Assembly so that the 2015 election will be an improvement on the last election and make Nigeria the true pride of Africa.’

The Senate also confirmed a former member of the House of Representatives, Omolara Abiola Edewor as the executive director corporate services, of the Nigeria Deposit Insurance Corporation, (NDIC).

NASS Scrutinises NNPC:

The accounts of the Nigerian National Petroleum Corporation (NNPC) were up for legislative scrutiny, Wednesday as the Joint National Assembly Committee on Petroleum (Up-stream) provided a forum for the corporation to defend its budget proposals for 2012.

The corporation, represented by the Group General Manager of National Petroleum Investment Management Services (NAPIMS), Mr. Morrison Anthony Fiddi, in the absence of its group managing director, Austen Oniwon, was grilled about the actual budgetary receipt for last year, whether it got \$9.387 billion or \$8.722 billion.

Giving an overview of NNPC's budget performance for 2011, Fiddi claimed the corporation achieved high level of performance in 2011, putting it at 88 percent while enumerating the challenges it encountered, top of which was the security situation in the country.

But while the corporation claimed to have received \$8.722 billion in one breath, members of the joint committee picked him up on the figure of \$9.387 billion listed on page 17 of the document presented to the joint committee.

Confronting NNPC's claim to have 'over-performed', the joint committee chair, Senator Emmanuel Paulker (PDP, Bayelsa) told the corporation representatives that the chart they presented did not reflect any such and the figures did not tally.

For the Vice-Chairman of the Senate Petroleum Resources (Upstream) Committee, Senator Kabir Garba Marafa (ANPP, Zamfara), NNPC's presentation was aimed at confusing lawmakers.

He said: "What are these tables and graphs for? You are supposed to tell us in details what you are going to earn and how you are going to spend them. Whenever we invite you, you bring beautiful, beautiful graphs and no one here is an engineer to decode and interpret all these graphs. Even though we have very limited time to finish all these things, we have to respect each other because what you are doing smacks of lack of respect for the National Assembly."