

## Office of the Accountant-General of the Federation

### Federal Ministry of Finance

#### Framework for the Management of COVID-19 Funds in Nigeria under the Treasury Single Account

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#### 1. Introduction

The rapid spread of Coronavirus and the resulting high fatality rate due to absence of a vaccine and cure have created a global health emergency never seen in generations. COVID-19, the disease caused by Coronavirus, has been classified as a pandemic by the World Health Organization (WHO). It is now both a public health emergency and an economic catastrophe. In a bid to curtail its spread and impact, Nigeria like most countries in the world, is implementing total lockdown.

Around the world, governments are channelling resources towards fighting the pandemic and the hardship it imposed on citizens. The private sector has also stepped in to support government efforts with generous financial and material donations.

In Nigeria; the organized private sector, wealthy individuals and ordinary citizens are rising to the occasion through financial and material donations for the provision of critical medical facilities and equipment as well as palliatives for vulnerable citizens. According to a statement by the Central Bank of Nigeria (CBN) on Friday, April 17 2020; donations to the Private Sector Coalition Against COVID-19 (CACOVID) Fund domiciled at the CBN was N25.8 billion.

  
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In addition to the main CACOVID Fund Account with CBN; Mr. President has approved the opening of five COVID-19 Donor Accounts which form part of the existing TSA arrangement in the following commercial banks:

- a) Zenith Bank
- b) Access Bank
- c) Guarantee Trust Bank,
- d) UBA; and
- e) First Bank.

## **2. Scope of the Framework**

This Framework covers all public funds allocated and dedicated to the fight against COVID 19 including the Fiscal Stimulus Package. It also applies to all donations by corporate bodies and individuals to the Federal Government of Nigeria towards the fight against COVID 19 and the mitigation of its social and economic effects on citizens at large including donations under the Private Sector Coalition Against COVID-19 (CACOVID) Fund domiciled at the CBN . Lastly, it provides clarity on the operation of the five newly opened COVID 19 Donor TSA Sub-Accounts domiciled in commercial banks.

## **3. Objective of the Framework**

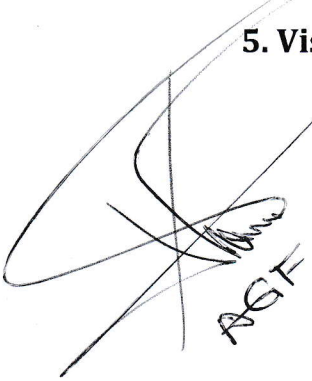
Federal Government recognizes citizens expectation that these resources be prudently applied towards the fight against COVID 19. In accord with citizens expectations, Government is committed to managing these funds with the highest sense of transparency and integrity.

This Framework is therefore designed to articulate the measures put in place by Government for the transparent and accountable management of COVID-19 Donor Funds as an expression of its commitment towards bridging the trust gap.

## **4. Scope of Commercial Bank TSA Sub Account**

The TSA Sub Account in commercial banks are to be used for the purposes of receiving COVID-19 donations only. On no account shall any other fund of Federal Government Ministries, Departments and Agencies (MDA) be deposited into the accounts or any other account in commercial banks. All other government accounts are to be maintained at the Central Bank of Nigeria (CBN) in line with the Presidential directive on TSA, the TSA Guidelines and related extant Circulars.

## **5. Visibility of Collections**



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All accounts with commercial banks are to be linked with the TSA at CBN to provide a single consolidated view of aggregate Government cash balances. This will provide a single window for real time access to details of receipts and payments across all commercial bank accounts. In the absence of a ready tool to accomplish this requirement, the current CBN Payment Gateway may be deployed.

#### **6. Sweeping of Funds to Sub-Recurrent Account at CBN**

All collections into the Commercial bank accounts are to be swept into FGN Sub-Recurrent Account with the CBN. Failure to sweep all balances within 24 hours shall be deemed a violation of the Presidential directive on TSA which shall attract sanctions.

#### **7. Disbursement**

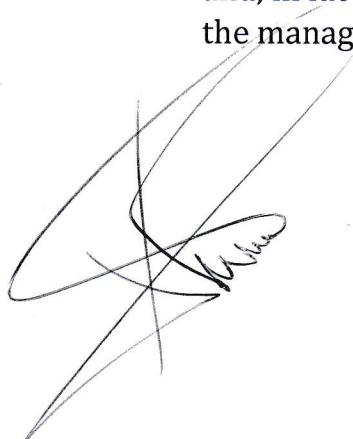
Disbursements of all COVID 19 Fund including those being collected directly by CBN and those domiciled with commercial banks shall be through appropriation.

The Honourable Minister of Finance, Budget and National Planning may liaise with the National Assembly for emergency passage of a supplementary budget for the utilization of COVID-19 donation based on estimated total collection for the year.

Funds are to be appropriated directly to participating MDA and spending units like Ministry of Health, Ministry of Humanitarian Affairs, Nigerian Centre for Disease Control, etc rather than to an intermediary agency like the Presidential Task Force (PTF). Administrative cost of the PTF shall be appropriated separately to the PTF Secretariat.

The advantage is that the respective spending units and their Accounting Officers take full responsibility for funds appropriated to them and likely bottlenecks at the PTF are eliminated. Furthermore, transparency is enhanced when funds are spread to more MDA than when a huge amount is put under the control of a single entity.

Given that there is a national emergency to which everyone including NASS is invested in addressing, there is no doubt that NASS will be willing to fast track its passage. This will bind all spending units to the Appropriation Act and, in fact, provide the greatest measure of credibility and transparency to the management of the donation.

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To ensure equity and transparency in fund allocation, the HMFB&NP may work with the PTF to determine the needs of participating MDA such as Health, Humanitarian Affairs, NCDC, etc.

Affected MDA shall present details of their needs together with estimated cost. This will form the basis for allocation of funds and enables post expenditure reporting and audit. Funds are to be transferred to TSA Sub Accounts of spending units based on approved allocations.

### **8. Accounting**

For collection of donations and disbursements therefrom, a new line for COVID 19 Donations under Fund Source segment is to be added to the Chart of Accounts. This will make it possible for all receipts and payments relating to COVID 19 Fund to be uniquely tracked and reported.

If funds are to be disbursed based on NASS appropriation, then all payments are to be effected using GIFMIS.

Where the extra-budgetary option applies, MDA shall spend using the REMITA platform

In all cases; extant laws, rules and regulations including those relating to Public Procurement Act shall apply.

### **9. Reporting**

Where GIFMIS is used, Fund based Budget Performance reports shall be generated for each participating MDA using all applicable segments to provide additional level of details and transparency. Otherwise, MDA are to prepare the reports manually providing all relevant details similar to a standard Budget Performance report or Expenditure Return at the Sub-Account Class level of details [A draft format will be provided for guidance].

### **10. Financial Transparency Policy**

All the requirements of the Financial Transparency Policy of the Federal Government shall be complied with.

For avoidance of doubt the following shall strictly apply:

a) The Office of the Accountant General of the Federation shall publish a Daily Treasury Statement for COVID-19 Fund outlining all the inflows into the Fund and all the outflows. The inflow information shall indicate the source of the funds while the outflow information shall indicate the MDA responsible for each payment out of the Fund.





b) Each participating MDA shall publish a Daily Payment Report indicating the Beneficiary, Purpose of the Payment and the amount for any payment above N5 million made out of the COVID-19 Fund.

c) The publications in 9 (a) and (b) above shall be made on the Open Treasury Portal ([www.opentreasury.gov.ng](http://www.opentreasury.gov.ng)) not later than one week following the respective transaction. In addition each MDA shall publish a detailed report of its activities relating to COVID-19 Fund on its website at the end of every week.

d) The Monthly Budget Performance Report for the COVID-19 Fund shall be published on the Open Treasury Portal not later than 14 days following the end of the month.

d) In addition, a comprehensive report of all receipts and payments shall be published on the OAGF Transparency Portal as well as other Government websites including those of Federal Ministry of Finance, Budget and National Planning; Secretary to the Government of the Federation and Office of the Accountant-General of the Federation (OAGF) not later than two weeks following the end of the pandemic.

Furthermore, it is mandatory for all participating MDA to provide information on all COVID-19 Fund transactions to any member of the public - individual or corporate - under the Freedom of Information Act (FOI) within 7 days of receiving the request.

Failure to publish timely report of COVID-19 activities in the prescribed format and at the stipulated intervals or to respond to FOI request will constitute early warning signs of mismanagement and shall be deemed as contravention of this Guideline.

## **11. Audit**

Internal Audit procedures shall apply to all transactions relating to COVID-19 Funds. In the event that, due to the urgent nature of expenditures under this Fund, proper pre-payment audit was not carried out or even where proper pre-payment audit was carried out; Internal Auditors are mandated to carry out detailed post-payment audit and review of all transactions and to promptly forward their reports to the Audit Monitoring Department of OAGF.

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A copy of their report shall be sent to the TSA Department to test the adequacy of the overall TSA architecture in re-enforcing internal controls and blocking leakages.

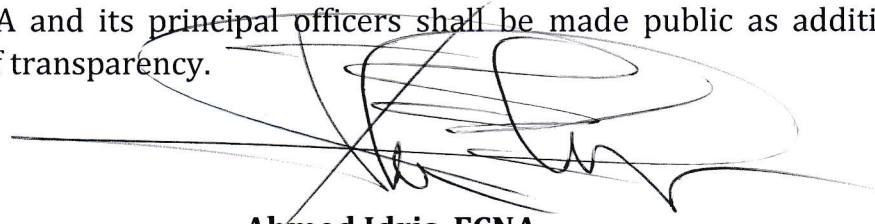
Internal Auditors are also to ensure that published reports give true and fair view of the underlying transactions and accounts.

Internal Auditors are further reminded that they have enormous role to play in ensuring that these funds are prudently spent, and optimum value-for-money achieved.

Any Internal Auditor that encounters any challenge in the discharge of his duties under this Guideline should immediately report to the Accountant-General of the Federation in writing for the attention of Director, Audit Monitoring. A copy of the report shall be sent to Director, Treasury Single Account.

## **12. Contravention of Guidelines/Sanctions**

Participating MDA are reminded that the COVID-19 Fund is a public fund in the truest sense of it. For that reason, the public is invested in ensuring that the funds are utilized in the most transparent and prudent manner. For this reason, any participating MDA that contravenes this Guideline may be sanctioned from continued participation in the programme. Also, the name of the MDA and its principal officers shall be made public as additional measure of transparency.



**Ahmed Idris, FCNA**  
Accountant-General of the Federation

May 5, 2020