

# MANAGING IN CHALLENGING TIMES



## To the Government: Plug the Leakages

**O**f the many promises President Buhari has made to Nigerians, one that appears to be prioritised is his fight against corruption. Earlier this year, while receiving the Managing Director of the International Monetary Fund (IMF), Ms Christine Lagarde, the president promised to stop financial leakages by looking inward, enforcing regulation and adopting best practices to mitigate the effect of dwindling oil price on the Nigerian economy. However, very little can be said of this promise to stop financial leakages as not much is evident in this regard. It appears that many Ministries, Departments and Agencies (MDAs) of the Government have carried on their businesses as usual, constrained by the Treasury Single Account but determined to find and exploit other loopholes. One therefore wonders whether this fight against corruption at the expense of a robust development agenda is not a misnomer given that financial leakages persist and might even be expanding. Last weekend a group of us embarked on a road trip to Casa del Papa, Ouidah in Benin Republic. We were excited by the prospects of a scenic and educative experience of road travel within the continent. However, this quickly became a painful yet informative journey. What should have been a four-hour trip took us almost eight hours; half of which was spent at the border, mainly on the Nigerian side. The border was completely disorganized and the apparent confusion was intended to make the process impossible to get through on the right terms. Payments were requested but not receipted, and the stated purposes made no sense. For instance, we were informed that because it was our first time going through the border, our well-used passports were all considered 'virgin' and there was a N2,000 fee per virgin passport. All attempts to get around paying this sum proved impossible. Those without international certificates of vaccination (yellow cards), had to pay N2,500 rather than the official price of N500 and one wondered whether any part of this cash would be remitted to the Government. There was a significant number of personnel representing an obsolete border patrol system – Department of State Security, Nigeria Drug Law Enforcement Agency, Customs, Immigration, Police, and Health Services amongst others. Not one of the officials we came in contact with wore name badges and some even used touts to carry out their extortion. Was this not an ECOWAS border with free movement of persons? Why were there so many Government officials sitting in these dusty and unconventional shacks? It is easy to surmise that the border is a lucrative avenue for Government officials to make money. So how should managers of the country curb financial (and moral) leakages? The President already gave three areas for a start – look inward, enforce regulation and adopt best practices.



**PLUGGING LEAKAGES IS AN IMPORTANT ELEMENT IN THE FIGHT AGAINST CORRUPTION, WHICH CAN BE ACHIEVED EASILY BUT MUST BE PRIORITISED AND DELIBERATELY IMPLEMENTED**

### Look Inward

Despite the apparent success of the Treasury Single Account (TSA) in improving revenue collection by the Government, there remains enormous waste and lack of accountability across the various tiers and their agencies. When the 2016 budget was developed and sent to the National Assembly, the term 'budget padding' came up as tens of billions of naira were supposedly added to the budget – additional areas for legislative pilfering. How could this happen? In a well-structured system, the legislative arm of Government cannot amend the budget. It can raise concern or objections but whatever amendments are to be made must be passed through the executive. As such, the first recommendation to close the loophole is to ensure that the various arms and agencies of Government keep to their mandates. This way, where there is a breach, it is obvious, can be rejected and potentially exposed through the media. People are frustrated with the status quo and will clamour for accountability from their representatives. For the borders with ECOWAS countries, kindly revisit and revise the ECOWAS agreement, shut the borders down and recall personnel to more useful areas. When one moves within the European Union, there is hardly any official stationed at any border as there truly is free movement of persons and goods. Whatever amount comes from the sale of yellow cards cannot justify the personnel stationed at the outposts and the principle behind the yellow

card is to certify that vaccination was indeed received not that a yellow booklet was sold. In the same vein, Government agencies which are overstaffed should consider retraining some of their employees to deliver on other parts of the MDAs mandates or find places where such workers can be put to more productive use. Former Governor Peter Obi during a speech in Lagos on Independence Day 2016, revealed the quantum of waste that goes on in Government Houses. From extravagant entertainment and consumption, to unnecessary purchases of armoured vehicles, to the unconstitutional office of the first lady which gulps billions of naira annually, to traveling with a plethora of aides and assistants which adds no value but significantly increases running costs, to constructing and reconstructing Presidential and VIP Guest Houses for Presidents who would hardly visit or sleep in the states over their entire four-year tenure, and more. Considering that we run 36 State Government Houses and one Presidential villa, it is incredible to imagine the scale of waste that they generate. In addition, it is irresponsible to borrow for consumption. Where Internally Generated Revenue (IGR) does not cover salaries and operating expenses, then that is a clear sign that experts are required to restructure the workforce, plug financial leakages and unlocking IGR. Furthermore the National Assembly gulps an obscene amount of money in the form of allowances which they find hard to disclose to ordinary Nigerians. It is incumbent on our leaders to be accountable and reasonable in their largess. This brings us to the second recommendation which is to embark on strategic planning by taking stock of what is important, cutting waste, prioritising important capital projects and saving a defined proportion of revenue for the future.

### Enforce Regulation

The enforcement of our laws must align with the expectations of all people and create no lacuna for misinterpretation or abuse. The ECOWAS treaty says free movement so kindly let us create the environment for 'free movement'. I thought about EBOLA when writing this but quickly concluded that the current system has no basis or method for checking diseases or stopping their spread from one country to the other. Free movement will encourage trade, education and tourism (yes, there are heritage sites to see across West Africa). Enforcement of regulation will increase trust and the sanctity of contract in Nigeria, which will effectively provide various parties with comfort to go into business partnerships with each other. This leads to the third recommendation which is to ensure that laws are legitimate, impartial are enforced strictly. Despite the public outcry over budget padding corruption by Government officials and the hardship experienced by a majority of citizens, there appears to be no consequence or punishment. We are quick to make excuses for the bad behaviour of leaders and pardon their sins in a wink. This absence of consequences communicates a wrong value system to all and perpetuates a cycle of poor moral behaviour

by the youth. Laws and consequences must be communicated to all so that everyone is aware. For instance, one who takes a bribe to do his/her job should lose his job, be forced to return the money and should be displayed as an example of bad behaviour and its negatives consequences; one who does not deliver on the work for which he/she was hired and cannot add value to the system, should be relieved of the position; anyone who brings the country into disrepute should be charged to court and subject to serving jail term. Thus the fourth recommendation, to ensure that there are severe consequences for negative actions in order to discourage illegality.

### And Adopt Best Practices

Despite the Economic and Financial Crimes Commission (EFCC), the Independent Corrupt Practices Commission (ICPC), the Police, Courts, Churches, Mosques etc, corruption is rife and potentially growing. It starts from our homes where parents must return to instilling good morals in children, help them to distinguish right from wrong and that there are consequences for all actions. Schools must build on this foundation to instill good values in young minds. They must teach ethics, civics and history. Places of religious worship need to stop celebrating wealth and demand accountability from members and then institutions such as the Police, EFCC, ICPC etc. must enforce the law and ensure that all those who err are brought to justice quickly. The scales of justice must indeed be balanced so that corruption and its perception reduce significantly. Botswana is considered the least corrupt country in Africa ranking 28th on the corruption perception index. It achieved this by performing corruption audits to uncover the reasons for corruption in order to mitigate them and then integrated corruption issues in education, including introducing it to school's curriculum. The country also has steep penalties for corruption, including jail term of up to 10 years and a fine of up to USD50,000. In learning from Botswana, we take our fifth recommendation which is to strengthen institutions to promote the right behaviour. It is important for all tiers of government to measure and report their accomplishments against expectations. Budgets are developed based on plans and resources, and in addition to tracking budget achievement, the government should measure and communicate the impact of monies spent periodically. This will highlight gaps and put some pressure on Government agencies to deliver on their mandates. In delivering on their mandates, more people will be positively impacted and further socio-economic development will be achieved. The final recommendation to plug the leakage is to be accountable and thereby promote good governance. Plugging leakages is an important element in the fight against corruption, which can be achieved easily but must be prioritised and deliberately implemented.

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