

FOLLOWING THE ROUNDTABLE ON THE IMPLEMENTATION OF THE POLICE TRUST FUND ACT 2019.

BACKGROUND

The Police Trust Fund was established in 2019 by a national assembly legislation to offer additional funding for the police. The NPTF Act also creates the NPTF Board of Trustees, responsible for investing Trust Fund funds, as well as establishing regulations for NPTF personnel training and retraining. The Act exempts the Trust Fund from paying income tax on any income generated by the Trust Fund's investments.

On June 24, 2019, President Buhari signed the Nigeria Police Trust Fund (Establishment) Bill into law, and the Board was announced one year later on May 6, 2020.

The Police Trust Fund Act establishes a legal framework for the administration and control of a special intervention fund for the training and retraining of Nigerian police officers, as well as the provision of state-of-the-art security equipment and other related facilities for the improvement of the skills of Nigerian police officers.

The Trust Fund will operate for six years after the Act takes effect, after which it will cease to exist unless an Act of the National Assembly is passed to prolong it. The delay in forming the Board – one year after the bill was enacted into law – ate into the board's planned lifespan.

According to the PTF Establishment Act, the Fund will consist of 0.5 percent of total revenue coming to the federation account, take-off grants, aids, and gifts, as well as 0.005 percent of net profit of enterprises doing business in Nigeria.

Key issues and observations:

1. The Police Trust Fund's early start was hampered by the delay in forming the Board of Trustees as required by the Act.
2. Concerns were raised about the lack of a provision for a Chairman of the Board of Trustees, and wondered how a board without leadership would function.
3. The police's function in this trust fund should be to communicate with the PTF before making decisions so that the PTF may be appropriately informed as to true police needs, rather than imposing its command structure into the PTF.
4. The Nigerian Police Trust Fund was established to provide the police with equipment, training, and retraining, to improve outreach and operations, and to improve safety and security, and wondered how far it had fulfilled this mandate, especially given the Fund's lack of transparency and information on these issues.
5. The fact that the PTF, like the Police Service Commission (PSC), is managed by a retired IGP will have an impact on its effectiveness and ability to achieve its goals.
6. In law, trust funds are established to handle cash or assets on behalf of third parties known as beneficiaries, who should not be trustees. The PTF, on the other hand, does not follow this model, instead making the police both trustees and beneficiaries. The police, as the beneficiaries, should not be part of the trustees by law, as this could lead to a conflict of interest.

7. Between September and October 2020, the NPF conducted a needs assessment, which revealed that the NPF will require at least 1.8 trillion Naira for a year. The needs were compiled from all of the police agencies in the state, from A to H, and they were prioritized. It featured police vehicles, weapons and ammunition, protective clothing, communication devices, and other accessories. The assessment was sent to the Ministry of Justice for review and input before being sent to the PTF. It is unclear why this was done through the Ministry of Justice rather than the Ministry of Police Affairs, as the statute requires. Again, we witness interference from players who were not intended to be involved in the Act's implementation.
8. Staff recruitment took longer than expected. Due to a lack of staff, there was a delay in getting funding. According to the participants, if the Trust Fund had handled it less like a ministry and more like a private sector company, this would have been addressed much more quickly. The PTF will have a very limited influence if it is managed by civil servants, who have a culture of caution and a lack of focus on outcomes which could be highly harmful for the country.
9. The PTF is a method for speedy intervention. It requires quick action and should not be subject to legislative funding. It should be a first-line charge for its money. It should have no bearing on the financial situation. It should not be limited by bureaucracy. Participants were stunned as to why a government agency with 0.5 % revenue and 0.005 0% of company earnings would require budgetary allocations.
10. The PTF should speak up about their problems and collaborate with civil society to make their problems and needs more visible.
11. There is an inability to determine the extent to which the FIRS, the company

tax collector, had complied with the provisions of the PTF Act due to the absence of the PTF representative, but there was some information about how the FIRS was finding it difficult to implement the Act's provisions, which refer to a 0.05 % 'levy' on net profit.

12. Funds accrued to the PTF is unknown other than what has recently been published in the media as NASS approvals for the PTF, which cannot be referring to the funds in the PTF account, which the legislation explicitly indicates can be spent by the PTF.
13. The general election in 2023 is approaching, and the police will be faced with the dual problems of combating growing instability while also managing election security

In addition to these provisions, the Act makes it clear in section 20 that the Fund shall maintain a bank account into which shall be paid all funds. The question whether it should be free of the TSA system which would subject it to another layer of control outside the Fund structure is not addressed in this section.

RECOMMENDATIONS

The following recommendations were made;

- There is an urgent need for an amendment to the Act. The lack of regulations about who is designated as Chairman of the Board of Trustees is one issue that has to be addressed immediately. In terms of leadership, the process starts, when board meetings are called, and so on, there is a substantial gap.
- The PTF should be independent of the police and government bureaucracy, and its beneficiaries may not have authority over it. The Lagos State Security Trust Fund has taught us this lesson. As in the case of the Lagos State Security Trust Fund, the Trustees, who should be independent of any beneficiary control in decision-making in accordance with the Law of Trusts, should make the decisions.

- The Act's financial and fiscal provisions are precise enough that the Fund should activate them instantly; a more elaborate explanation of some of the phrases, such as "levy" and "net profit" in section 4(1)(b), might be handled by amending the Act.
- There is a need to investigate and identify all barriers, as well as to amend the Act establishing the trust fund.
- The provisions of sections 6, 11, 12, and 20 are suitably apparent, and the Board of Trustees should soon meet, give appropriate approvals based on the needs assessment conducted since 2020, and direct the Executive Secretary to put the approvals into implementation.
- The staff of the Fund should not be civil servants seconded from different ministries but rather people with experience in accounting, quality control, supply chain management and procurement
- The PTF needs to clarify exactly what amount is due to it from the various sources and how it can demand and access them through the office of the Accountant General and the FIRS. The BoT must not be hesitant in demanding its due on behalf of the police.
- The PTF must become visible, engage and communicate what they are doing and their challenges
- Considering that two years of the six prescribed in the Act (section 2(2)) for the existence of the Fund have expired with very little achieved, the BoT must approach the remaining four years with urgency to justify all the efforts and expectations.