

## **CHAPTER 7 - AGRICULTURAL MECHANISATION AUTHORITY**

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### CHAPTER 7

#### AN EDICT TO ESTABLISH AN AGRICULTURAL MECHANISATION OF AUTHORITY IN THE STATE

[23 July 1988]

##### PART I—PRELIMINARY

1. This Edict may be cited as the Agricultural Mechanisation Authority Edict.
2. In this Edict, unless the context otherwise requires:-
  - "Authority" means the Agricultural Mechanisation Authority established by section 3;
  - "Financial Year" means a period of twelve months commencing on 1st January;
  - "Government" means the Government of the State;
  - "Governor" means the Governor of the State;
  - "Management" includes the General Manager, the Managers and such other officers as may be prescribed under regulations made by the Council;
  - "Member" means a member of the Council and includes the Chairman;
  - "Prescribed" means prescribed by regulations made under section 34;
  - "State" means Gongola State of Nigeria.

##### PART II—ESTABLISHMENT OF GONGOLA AGRICULTURAL MECHANISATION AUTHORITY

- 3.-(1) There is established in the office of the Governor a body to be known as the Agricultural Mechanisation Authority.
- (2) The Authority shall be a body corporate with perpetual succession and a common seal and may sue and be sued in its corporate name.
- (3) The Authority shall have power for the discharge of any of its functions under this Edict, to acquire and to hold any movable or immovable property and to enter into any contract or other transaction for the attainment of its objectives.
- (4) Where there is any hindrance to the acquisition of any land under subsection (3), the land may be acquired for the Authority under the Land Use Act.

##### PART III—FUNCTIONS OF THE AUTHORITY

4. The functions of the Authority shall be to:-
  - (a) provide land clearing machinery services to enable farmers in the State to extend their cultivated areas with a view to increasing agricultural production at subsidised rates;
  - (b) make available tractors or combine harvesters or bulldozers or other farm equipment

to enable farmers achieve timeliness of farm operations and to reduce human drudgeries of farm labour;

(c) encourage the ownership of small or medium farm machinery through loans and direct sales of such machinery to farmers;

(d) encourage any private entrepreneur to own or establish any tractor or other agricultural machinery hiring unit;

(e) advise on the correct usage of agricultural machinery and to encourage the use of animal traction with a view to reducing dependence on costly farm machinery;

(f) develop and encourage development of simple farm machinery through research and development; and

(g) to carry on such other activities as may appear to the Authority to be conducive or incidental to the attainment of the functions of the Authority under this Edict.

**5.** Without prejudice to the generality of section 18, the Authority may, with the prior approval of the Governor and subject to such conditions as it may think fit, by writing under its common seal delegate any of its functions under this Part to any person and may at any time in like manner revoke such delegation.

**6.—(1)** The Authority shall conduct its affairs on sound commercial lines and in such a manner as to ensure a reasonable return on its capital.

(2) In determining what constitutes a reasonable return, all pertinent economic and financial considerations shall be taken into account, including but not limited to the need:-

(a) to provide a reasonable proportion of the funds needed for expanding the Authority's activities and improving its work; and

(b) to provide reserves for expansion or other purposes if and to the extent to which the Authority considers it necessary to establish such reserves.

#### PART IV—THE COUNCIL

**7.** The Authority shall have a governing body to be known as "the Council" which shall be responsible for the discharge of the business and functions of the Authority.

**8.—(1)** There is established in the office of the Governor a body to be known as the Agricultural Mechanisation Authority.

(2) A member of the Council may at any time resign his office by writing addressed to the Governor and may be removed from office by the Governor.

**9.** There shall be paid to members of the Council in respect of their membership such subsistence, travelling and other allowances as the Governor after consultation with the State Commissioner responsible for Finance and Economic Planning, may approve in relation to them.

**10.—(1)** The Chairman shall preside at any meeting of the Council at which he is present, and in the absence of the Chairman at any meeting of the Council, any member of the Council elected by the members present and voting shall preside at the meeting.

(2) Questions proposed at a meeting of the Council shall be determined by a simple majority of members present and voting and in the event of an equality of votes the person presiding shall have a second or casting vote.

(3) The quorum at any meeting of the Council shall be four except that there shall be deemed to be no quorum unless at least one of the persons referred to in paragraphs (e) to (g) of subsection (1) of section 8 is present.

(4) The Council may at any time co-opt any person or persons to act as an adviser or advisers at any of its meetings, but no person so co-opted shall be entitled to vote at any such meeting on

any matter for decision by the Council.

(5) The five Managers referred to in subsection (2) of section 12 shall attend the meetings of the Council and may take part into the deliberations but shall have no right to vote.

(6) The validity of any proceedings of the Council shall not be affected by any vacancy among its members or by any defect in the appointment of any of them.

(7) A member who is in any way directly or indirectly interested in any:-

(a) company or firm with which the Authority proposes to make a contract; or

(b) contract which the Authority proposes to make; or

(c) transaction or project of the Authority,

shall disclose the nature of his interest at a meeting of the Council.

(8) A disclosure under subsection (7) shall be recorded in the minutes of the Council, and the member:-

(a) shall not take part after the disclosure in any deliberation or decision of the Council with respect to:-

(i) the company or firm;

(ii) the contract; or

(iii) the transaction or project, referred to in subsection 7; and

(b) shall be disregarded for the purpose of constituting a quorum of the Council for any such deliberation or decision.

(9) For the purposes of subsection (7), a general notice given at a meeting of the Council by a member to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contract or transaction or project of the Authority concerning the company or firm, shall be regarded as a sufficient disclosure of his interest in relation to that contract or transaction or project.

(10) A member need not attend in person at a meeting of the Council in order to make any disclosure which he is required to make under subsection (7) if he takes reasonable steps to secure that the disclosure is made by notice which is brought up and read at the meeting.

(11) Any member who infringes subsection (7) shall be liable to be removed from the Council.

(12) Except as otherwise expressly provided under this section, the Council shall prescribe the procedure for its meetings.

#### **PART V—MANAGEMENT AND STAFF OF AUTHORITY**

**11.** Subject to this Edict, the Council shall be charged with the management of the property, business, and finances of the Authority and other affairs and concerns thereof on matters of policy.

**12.** —(1) The Authority shall have an officer to be known as the General Manager who shall be the Chief Executive of the Authority.

(2) The Authority shall also have five other officers to be known as Managers who shall be responsible to the General Manager.

(3) The General Manager and the Managers shall be appointed by the Governor and shall hold office upon such terms and conditions as may be specified respectively in their instruments of appointments.

**13.** The General Manager shall, subject to the control of the Council on matters of policy and subject in particular to such regulations or bye-laws or administrative instructions as the Council may make or give in that behalf under section 34 or section 35, be charged with the direction of the day-to-day business of the Authority and of its administration and the control of all the employees of the Authority,

in any place not situated in the State; and every deed signed by such attorney on behalf of the Authority, and under his seal, shall be binding on the Authority and have the same effect as if it were under the common seal of the Authority.

(3) Any instrument or contract which, if executed or entered into by a person other than a body corporate, would not require to be under seal, may be executed or entered into on behalf of the Authority by a member of the Management or any member if such person has previously been authorised by a resolution of the Council to execute or enter into that particular instrument or contract.

(4) The Authority, if it thinks fit, may by writing under its common seal appoint any person outside the State as an agent to execute an instrument or enter into a contract and the instrument or contract if executed or entered into on behalf of the Authority shall have effect as if it had been duly executed or entered into as prescribed for the purpose of this subsection.

(5) Every document purporting to be an instrument executed or issued by or on behalf of the Authority and purporting to be:-

(a) sealed with the common seal of the authority authenticated in the manner provided by subsection (1); or

(b) signed by and under the seal of a person appointed as attorney under subsection (2); or

(c) signed by a member of the Management or other person authorised in accordance with subsection (3) to act for that purpose,

shall be deemed to be so executed or issued until the contrary is shown.

**19.—**(1) The Authority shall have an Internal Auditor.

(2) Subject to this Edict, the Internal Auditor shall be responsible to the General Manager for the performance of his functions.

(3) As part of his functions under this Edict, the Internal Auditor shall, at intervals of three months, prepare a report on the internal audit work carried out by him during the period of three months immediately preceding the preparation of the report, and submit the report to the General Manager who shall convene a meeting of the Management, as soon as possible, to discuss the Internal Auditor's report.

(4) The Internal Auditor's report shall cover the financial transactions of all the divisions and the Local Government Area Branch Offices referred to in section 21 and the Development Area subsidiary offices referred to in section 22 under the Authority.

(5) Without prejudice to the general effect of subsection (3), the Internal Auditor shall make in each report such observations as appear to him necessary as to the conduct of the financial affairs of the Authority during the period to which the report relates.

(6) The Internal Auditor shall send a copy of each report prepared by him under this section to the Governor and also to each of the following:-

(a) the State Commissioner responsible for Finance and Economic Planning; and

(b) the Chairman.

**20.** No member shall personally sponsor or recommend any application for employment of any person under this Edict and any member who infringes this section shall be liable to be removed from the Council.

## **PART VI—LOCAL GOVERNMENT AREA OFFICES AND DEVELOPMENT**

**21.** The Authority shall have a branch office in each of the 17 Local Government Area Headquarters for the attainment of its functions under this Edict.

(2) A branch office referred to in subsection (1) shall have an officer to be designated as an Area Agricultural Mechanisation Officer who shall be responsible to the General Manager.

(3) An Area Agricultural Mechanisation Officer shall be the Head of a branch office and shall perform such functions as the General Manager may by writing delegate to him and shall be assisted in the performance of his functions by such of the Heads of Divisions referred to in section 15 as the General Manager may direct.

**22.—**(1) There shall also be at Development Area level in each of the 85 Development Areas a subsidiary office for the proper and efficient conduct of the business and functions of the Authority under this Edict.

(2) A Development Area subsidiary office shall be responsible to a Local Government Area branch office or offices as the Council may prescribe.

(3) For the purposes of subsection (1), the Authority shall have also an officer to be known as "an Agricultural Mechanisation Superintendent" in this Edict referred to as "a Superintendent" for a subsidiary office referred to in subsection (1).

(4) A Superintendent shall be the Head of a subsidiary office and shall perform the functions mentioned in section 23.

**23.** Without prejudice to the general effect of section 4, the functions of a Superintendent shall be:-

- (a) to receive requests for tractor hiring services;
- (b) to survey the areas for the operations of the Authority;
- (c) to deploy tractors to farms;
- (d) to collect revenues from tractor hiring services and other farm equipment;
- (e) to make daily financial returns to the Local Government Area branch office or offices to which the Development Area office is responsible; and
- (f) to submit a monthly report on the activities and operations of the Development Area subsidiary office to the Local Government Area branch office or offices to which the Development Area subsidiary office is responsible.

(2) The Superintendent may also do all such acts as may appear to him expedient, for the purpose of implementing the functions specified in subsection (1).

## PART VII—FINANCIAL PROVISIONS

**24.—**(1) The funds and resources of the Authority shall consist of:—

- (a) sums provided by the Government or the Federal Government;
- (b) sums realised from tractor hiring services and other farm equipment;
- (c) sums derived from the sale of any property held by or held on behalf of the Authority;
- (d) interests on moneys invested by the Authority.

(2) Subject to this Edict, the sums or any part of such sums referred to in subsection (1) standing to the credit of the Authority may, if the Council thinks fit, be invested in such securities as the Council may determine and the Authority may at any time dispose of such securities.

**25.** The Government may provide to the Authority as working capital for carrying out the functions of the Authority such sums as the Governor may, after consultation with the State Executive Council, agree, being sums requested by the Authority from the Government.

**26. —**(1) The Authority shall submit to the Governor at such times and in such form as the Governor may, in consultation with the State Commissioner responsible for Finance and Economic Planning, direct, detailed estimates of the Authority's income and expenditure for the next following financial year.



(2) The expenditure of the Authority shall be in accordance with the estimates as approved by the Governor acting in consultation with the State Commissioner responsible for Finance and Economic Planning.

**27.** —(1) The Authority may have bank accounts in such banks as the Council may determine.

(2) The Authority may obtain loans and other credit facilities on the guarantee of the Government from such banks as the Governor may after consultation with the State Commissioner responsible for Finance and Economic Planning, approve.

(3) Apart from the powers of the Authority under subsection (2), the Authority may, with the approval of the Governor, borrow from any other source.

(4) The Authority may borrow temporarily by way of overdraft or otherwise such sums as it may require for meeting its current obligations or discharging its functions under this Edict.

(5) The State Commissioner responsible for Finance and Economic Planning may, on behalf of the Government, guarantee the performance of any obligation or undertaking of the Authority under this Edict.

(6) The Governor may, from time to time in consultation with the State Commissioner responsible for Finance and Economic Planning, prescribe the maximum sums which the Authority may borrow under subsection (2) and (3).

**28.**—(1) The Authority shall have a depreciation fund and, for the purpose, the Authority shall open a Depreciation Reserve Account with such commercial banks as the Authority may determine.

(2) At the end of each financial year, the Authority shall transfer to the credit of the Depreciation Reserve Account all amounts charged to profit and loss account in respect of depreciation of buildings, plant and equipment, fixtures and other fixed assets.

(3) Amounts so transferred to the Depreciation Reserve Account shall be utilised only to replace fixed assets and equipment which are worn out or have become obsolete.

(4) Expenditure in respect of current repairs and in respect of purchases of spare parts shall not be met out of the Depreciation Reserve Account but shall be charged to the income and expenditure account of the Authority for the financial year during which the expenditure is incurred.

**29.** Subject to section 6, at the end of each financial year, after the Authority has made provision for bad and doubtful debts, Consolidated depreciation of assets, contributions to staff and superannuation funds and for other contingencies, if any, such part of the profits of the Authority remaining as the Governor may by writing direct, after consultation with the Council and with the State Commissioner responsible for Finance and Economic Planning, shall be paid into the State Consolidated Revenue Fund.

**30.** The Authority shall keep proper books of accounts and proper records in relation thereto.

**31.** —(1) The books and accounts of the Authority shall within Audit, three months after the end of each financial year, be audited in accordance with section 117 of the Constitution of the Federal Republic of Nigeria 1979 as amended by the Constitution (Suspension and Modification) (Amendment) Decree 1986.

(2) The Authority shall, as soon as possible upon receiving the report of the external auditors under this section, forward a copy of such report to the Governor.

## PART VIII—GENERAL

**32.** The Governor may, subject to section 6, after consultation with the Council or the Management, give to the Authority in writing directions of a general character not being

inconsistent with this Edict or with the contractual or other legal obligations of the Authority relating to the performance by the Authority of its functions under this Edict and the Authority shall give effect to such directions.

**33.**—(1) The Council shall, as soon as possible after the expiration of each financial year but within six months after the termination of that year, cause to be submitted to the Governor an annual report of the Authority dealing generally with activities and operations of the Authority within that year which shall without prejudice to the generality of the foregoing, include:-

- (a) a copy of the audited accounts of the Authority;
- (b) a statement of all directions given to the Authority under section 32;
- (c) each report submitted by the Internal Auditor under section 19 in relation to their financial year; and
- (d) such other information as the Governor may request.

(2) A copy of the annual report shall be forwarded by the Council to the State Commissioner responsible for Finance and Economic Planning.

(3) The Council shall also submit to the Governor such other reports on the Authority's financial affairs as the Governor may by writing reasonably request from time to time.

**34.**—(1) The Council may make such regulations as it may think fit for the purposes of giving effect to this Edict.

(2) Without prejudice to the generality of subsection (1), regulations made thereunder may:-

- (a) prescribe the fees chargeable for hiring a tractor;
- (b) prescribe the charge for the operations of:-
  - (i) bulldozers;
  - (ii) combine harvesters;
  - (iii) heavy duty land clearing machines;
- (c) prescribe the number of tractors to be used in any:-
  - (i) Local Government Area branch office;
  - (ii) Development Area subsidiary office;
- (d) prescribe the necessary workshops to be established by the Authority;
- (e) specify the duties of tractor operators under this Edict.

**35.** The Council may, from time to time, issue bye-laws or administrative instructions in writing for regulating the internal operations of the Authority including but without prejudice to the general effect of the foregoing, the regulation of the conditions of service of the employees of the Authority.

**36**—(1) The Tractor Hiring Unit of the State Ministry of Agriculture is hereby dissolved.

(2) All assets, rights and obligations of the dissolved Tractor Hiring Unit of the State Ministry of Agriculture are hereby transferred to the Authority without further assurance.

(3) Liabilities of the Tractor Hiring Unit of the State Ministry of Agriculture shall be computed by the State Ministry of Agriculture and the computed liabilities shall be sent to the State Ministry of Finance and Economic Planning for settlement within a reasonable time.

(4) Every member of staff or other employee of the former Tractor Hiring Unit of the State Ministry of Agriculture shall, with effect from the commencement of this Edict, not be deemed to be a member of staff or an employee of the Authority.

(5) Any member of staff or employee of the former Tractor Hiring Unit of the State Ministry of Agriculture who wishes to be considered by the Authority for employment in the Authority may submit an application to the Authority to that effect.



