

Legal Framework & Operationalization

Financial Autonomy Not Operational

The principal Audit Law for Kano State enacted in 2020⁷³ and the amendment signed into law by former Governor Ganduje in 2021⁷⁴ provides for financial autonomy for the Office of the Auditor-General. S.31(1) of the principal law states that “the Auditor-General shall prepare his budget proposal containing revenue and expenditure after receiving call circular and submit the proposal to the Ministry of planning and budget as part of the budget process”.

Also, amendment 8(b) of the Kano State Audit (Amendment No. 2) Law 2021 states that “all funds appropriated by the House of Assembly to defray expenses incurred by the office of the Auditor-General shall be a first line charge on the Consolidated Revenue Fund of the State. Any amount standing in credit of the office of the Auditor-General in the annual budget shall be paid directly to the Auditor-General for management and disbursement as approved by the House of Assembly” .

The legal provisions stated above to guarantee fiscal independence for the Office of the Auditor-General for Kano State are not being implemented and the Office of the Auditor-General for Kano State is dependent on its auditee (the Executive arm) for its finances. The inability of the Executive to ensure effective implementation of the audit law to allow for financial autonomy for the Audit Office continues to hinder the optimal performance of the foremost accountability institution in Kano State as it is unable to implement freely and without interference its audit plans and programs.

Administrative Independence Not Activated

The Audit Service Commission of Kano State has not been inaugurated since assenting to the Audit Law in 2020 and enacting additional amendments in 2021. S.3 (1) of the State Audit Law established the Audit Service Commission with functions to include the power to promote, transfer and confirm appointment of persons employed by the Commission. The Commission is also empowered to dismiss or exercise disciplinary control over such persons holding or acting in such offices among others.

A fully functional Audit Service Commission would guarantee administrative independence for the Office of the Auditor-General for Kano State and limit reliance on the Civil Service Commission of the State for all human resource matters relating to recruitment, discipline, promotion, and remuneration for staff of the Office of the Auditor-General.

Appointment Procedure for the State Auditor-General Not Transparent

The procedure for appointing Auditor-General in Kano State as provided for in the Audit Law is not transparent and competitive. S.24(1) of the Principal Law states that “the Auditor General shall be appointed by the Governor on the recommendation of the Audit Service Commission, subject to the confirmation by the House of Assembly in accordance with the provision of section 126 of the 1999 Constitution of the Federal Republic of Nigeria as amended”. Although Section 24(1) was amended to replace “Audit Service Commission” with “Civil Service Commission”, section 24(2) as stated in the Amendment Law provided for the attributes, professional qualification, and experience of a person to be appointed as Auditor-General for Kano State.

The provisions stated above, or other sections of the Audit Law for Kano State did not mention explicitly the procedure to be followed in appointing the Auditor-General. Such procedure would include advertising the vacancy online and in newspaper publication for a minimum number of weeks and setting a date for interview of shortlisted candidates. Stating and clarifying procedures to be followed in appointing who becomes Auditor-General is very important to ensure the best candidate for such a sensitive and important position emerges.

Tenure of Office for the Auditor-General is Secured

The Kano State principal audit law (2020) and amendment (2021) provides for a secured tenure for the Auditor-General. S.4(2)(d) of the amendment (which amends S.24 of the principal law) states that “a person shall be qualified to be appointed as Auditor-General if the person is of proven professional ability and expertise. Where an

73 https://plsinitiative.org/audit_laws/kano-state/

74 <https://financekanostate.files.wordpress.com/2021/12/kano-state-audit-amendment.pdf>

applicant is from the public service, he shall have at least four years to serve before he is due for retirement. If the applicant is not from the public service, he shall not be less than 45 years old at the date of appointment”.

The term of office for the Auditor-General appointed in Kano State is well defined, consistent, and predictable.

Legal Mandate to Publish Audit Reports Online Not Available

The Kano State Audit Law and amendment did not mandate the State Auditor-General to publish his/her reports online as soon as it is submitted to the State House of Assembly.

S.36(2) indicates that “the Auditor-General’s report shall be published and made available to any person(s) on demand and upon payment of prescribed fees”.

The legal provisions stated above allows the Auditor-General to decide whether or not to publish audit reports online. This negates the notion that the annual reports of the Auditors-General is considered a public document. Best practice requires the legal framework to mandate the Auditor-General to publish annual audit reports on an electronic portal as soon as it is submitted to the House of Assembly for citizens to access freely and this should not be subject to the discretion of the Auditor-General especially because audit reports are public documents.

Annual Activity Report For 2022 Not Published

There is no evidence the Office of the Auditor-General for Kano State submitted its annual activity report for 2022 to the House of Assembly. The report is also not available to the public. However, S.38(1)(c) of the principal audit law mandates the Auditor-General to submit an “interim report” for the outgoing financial year.

An annual activity report for the Audit Office should include the specific initiatives and activities undertaken during the previous or outgoing calendar year to strengthen the office and improve its performance as well as any impacts (financial

and non-financial) that were achieved through audit.

Audit Report for 2022 Published Online

The Office of the Audited-General for Kano State published online the audit report for the 2022⁷⁵ financial year. The report published contained audit issues, observations and recommendations. Making the audit report freely available to citizens enhances civic advocacy and investigative journalism on public finance management practices using audit information.

Implementation of Audit Recommendations for 2021 Ongoing

Response received⁷⁶ indicated that implementation of audit recommendations and House resolutions for the 2021 financial year are ongoing. However, it is not evident if the Office of the Auditor-General and House of Assembly in Kano State has effective mechanisms for monitoring implementations of audit recommendations and resolutions.

No Evidence of Performance Audit for 2022

Feedback collected⁷⁷ showed that the Office of the Auditor-General for Kano State conducted performance audit on specific sectors of the economy in 2022, the Audit Office did not publish any performance audit report that is separate from the annual report of the Auditor-General. Best practice requires that performance audit reports be published as a separate document from the annual statutory audit reports.

Performance audit refers to an independent examination of a program, function, operation or the management systems and procedures of a governmental entity to assess whether the entity is achieving economy, efficiency, and effectiveness in the employment of available resources.

75 <https://audit.kn.gov.ng/wp-content/uploads/2023/08/Updated-Verion-2022-Accounts.pdf>

76 SAE Index 2023 Research Survey

77 SAE Index 2023 Research Survey

Citizens' Accountability Report for 2022 Available

The Kano State Government published the Citizens' Accountability Report for the 2022⁷⁸ financial year.

A Citizens' Accountability Report (CAR) is a series of graphic and tabular illustrations of the contents of the Audited Financial Statements prepared by a government agency on behalf of the government to the citizens to ensure accountability of public funds. This report details the government's performance in carrying out the duties assigned to it and the utilization of funds in the coffers of the government.

PAC Review of 2022 Audit Report Not Started

Response received⁷⁹ indicated that the Public Accounts Committee of Kano State House of Assembly has not commenced review of the 2022 report of the Auditor-General.

The role of the Public Accounts Committee in ensuring timeous review of annual audit reports cannot be overemphasized and very crucial to concluding the audit action cycle for proper accountability. Recommendations of the Public Accounts Committee to improve accountability in the utilization of public funds must be

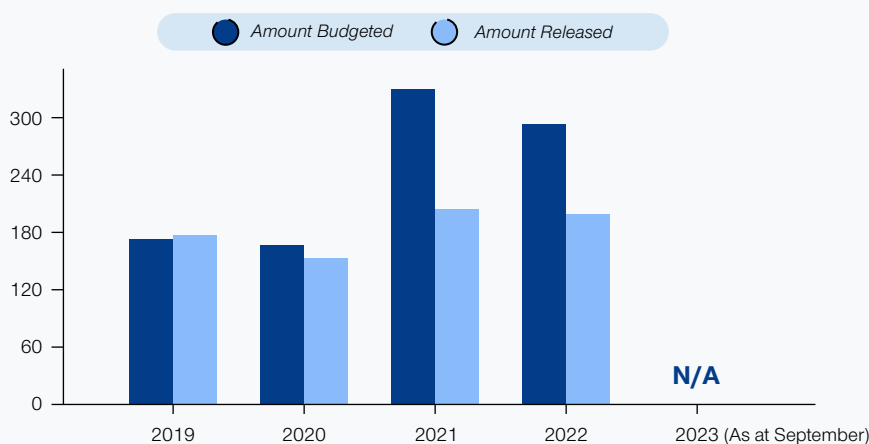
implemented as quickly as possible by Executive agencies. The PAC must also involve civil society and media actors during review of audit reports.

CS/Media Actors Less Involved in the Audit Process

Civil society and media actors are less involved in the audit process of Kano State. Although response collected⁸⁰ revealed that representatives from civil society participate in technical sessions for the production of Citizens' Accountability Reports and are invited to attend audit forums, there is no evidence that civic and media groups participates throughout the entire audit process including observing proceedings during review of audit reports by the Public Accounts Committee of the State House of Assembly. While a civil society organization working in Kano State confirmed participation during development of Citizens' Accountability Reports, the organization also affirmed their exclusion in the audit process at the PAC level.

It is important that civic groups who are mostly affected by audit issues and public finance management gaps can use audit information to engage with the Office of the Auditor-General and Public Accounts Committee to ensure their opinions and experiences reflect in planning and executing audit functions as well as the oversight role of the State's Parliament.

SAI Budgets and Releases (NGN'm) (2019 - 2023)



SOURCE: OAU/CS

78 <https://audit.kn.gov.ng/wp-content/uploads/2023/09/Kano-State-2022-Citizens-Accountability-Report-05-09-2023-PERL-1.pdf>
 79 SAE Index 2023 Research Survey
 80 SAE Index 2023 Research Survey