



25<sup>th</sup>

DAY OF

March

2021

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GOVERNOR  
BORNO STATE OF NIGERIA

**A LAW TO ESTABLISH OFFICE OF THE STATE AUDITOR GENERAL AND AUDIT SERVICE COMMISSION LAW, 2021**

**A LAW to Provide FOR THE ESTABLISHMENT OF THE OFFICE OF STATE AUDITOR-GENERAL AND AUDIT SERVICE COMMISSION AND FOR OTHER MATTERS CONNECTED THEREWITH LAW, 2021**

ENACTED by the House of Assembly of Borno State of Nigeria and by the authority of same as follows:-

**PART I-PRELIMINARY**

Short title

1. This Law may be cited as the Borno State Audit Law, 2021 and shall come into operation on the 25..... day of MARCH..... 2021.

Interpretation

2. In this Law unless the context otherwise requires: -

“**Accountant-General**” means the Accountant-General of Borno State;

“**Auditor-General**” Borno State shall have the same meaning as contained in section 125 (1) of the Constitution of the Federal Republic of Nigeria 1999 (as amended)

“**Accounting Officer**” means any Permanent Secretary or Head of extra-Ministerial Department;

“**Constitution**” means the Constitution of the Federal Republic of Nigeria, 1999 (as amended);

“**Executive Council**” means the Borno State Executive Council;

“**Financial Year**” means the Financial Year of the Government;

“**Government**” means the Government of Borno State;

“**Governor**” means the Governor of Borno State;

“**Borno State**” means Borno State of Nigeria.

“**Public Money**” includes:

- a) the public revenue of Borno State include;
- b) any other money held in trust for any period however short by any Officer alone or jointly with other person(s);

“**Revenue**” means Borno State’s share from the Federation Account,



internally generated revenue and any other grants and loans;

**"Statutory body"** means any authority established under any Act of the National Assembly or Laws of Borno State;

**"Professional Staff"** for the purpose of this Law means any staff of the Office of the Auditor General performing audit functions.

**"HE"/"SHE"/"HIS"/"HER"** refer to both male and female gender;

**"House"** means the Borno State House of Assembly.

## **PART II-ESTABLISHMENT OF THE OFFICE OF THE AUDITOR-GENERAL**

Establishment of the  
Office of the  
Borno State Auditor-  
General

3. (1) There shall be established for the State, office to be known as Office of the Auditor-General for Borno State (in this Law referred to as the "Office").

(2) The Office of the Auditor-General shall be a body corporate with perpetual succession and a common seal and may sue and be sued in its corporate name.

(3) The Office shall be headed by the Auditor- General.

(4) The Auditor-General shall require every person employed in the office that is to examine the accounts of Government Departments under this Law to comply with any security arrangements applicable to and to take any Oath of Secrecy required to be taken by persons employed in that department and every such person shall comply with the requirement.

Structure of the  
Office of the  
Auditor-General

4. (1) The Office of the Auditor-General shall consist of Directorates, Departments, and/or Units, which shall include-

a) Directorate of Finance and Administration, which shall comprise of the following Departments/Sections/Units-

- (i) General Administration;
- (ii) Finance and Accounts;
- (iii) Information and Communications Technologies;
- (iv) Transport and Security Unit;
- (v) Legal Services Section;
- (vi) Quality Assurance and Standards; and
- (vii) Internal Audit.

b) Directorate of Planning, Research and Statistics-

- (i) Planning and Budgeting
- (ii) Research and Statistics



- c) Directorate of Government Accounts Audit, which shall comprise of the following sections-
  - (i) Salaries and Related Matters;
  - (ii) Local Inspection (Stores and Store Records);
  - (iii) Board of Survey on unserviceable items;
  - (iv) Gratuity and Deceased's Pensions in bulk;
  - (v) Staff Advances and Loans; and
  - (vi) Special Duties and Forensic Audit.
- d) Directorate of Boards and Parastatals shall be made up of the following sections-
  - (i) Boards, Parastatals. and Tertiary Institutions;
  - (ii) Registration & Renewal of External Auditors;
  - (iii) Emirate Council;
  - (iv) Training Fund; and
  - (v) Joint Accounts.
- e) Directorate of Pension and Gratuity Audit; this shall be made up of the following-
  - (i) Prepayment audit of Pensions and Gratuity;
  - (ii) Computation; and
  - (iii) Records/Register of Retirement & Death Matters.
- f) Directorate of Projects Verification; this shall comprise of the following Sections-
  - (i) Examination of MDAs Expenditure;
  - (ii) Project Verification Units; and
  - (iii) Losses and Queries.
- g) Directorate of Revenue Audit, which shall be made up of the following -
  - (i) Revenue Inspection section;
  - (ii) Cash survey unit; and
  - (iii) Special Investigation of Revenue & Records.
- h) Directorate of Final Accounts Audit; this shall be made up of the following -
  - (i) Financial Statements Audit;
  - (ii) Central and Main Salaries accounts; and

Annual Report of the Auditor General.

- (2) Nothing in this Section shall preclude the Auditor-General from re-structuring the Office as he/she may deem fit.

Appointment of  
the Auditor General

- 5. (1) The Auditor-General shall be appointed by the Governor of the State on the recommendation of the Borno State Civil Service Commission, subject to the confirmation by the State House of



Assembly.

(2) Six months to the expiration of the tenure of the substantive Auditor-General, the Borno State Civil Service Commission shall -

(a) advertise the vacancy for interested and qualified personnel to apply;

(b) schedule examinations and interviews for the applicants and recommend the three (3) top-rated candidates to the Executive Governor; and

(c) The Governor shall appoint one of the recommended candidates and forward his/her name to the House of Assembly for confirmation.

Staff of the Office of  
the Auditor General

6. (1) There shall be a Deputy Auditor-General, whose rank shall be equivalent to Grade Level 17. He shall be appointed by the Audit Service Commission on the recommendation of the Auditor General.

(2) He must be an experienced Director on GL.16 in the service of the Office of the Auditor General or in the Civil Service of the State and must be a holder of a minimum of First Degree in Accountancy or related field. His function shall be among others to assist and deputize the Auditor-General.

(3) The Office of the Auditor General shall have other staff that may be appointed by the Borno State Audit Service Commission on the recommendation of the Auditor General. The Auditor General, the Deputy Auditor General and the other staff shall be public servants.

Qualification of  
the Auditor General

7.(1) The candidates to be recommended to the Governor for appointment as Auditor-General shall be

a) A holder of a minimum of First degree in Accountancy or related field;

b) A member of a Professional Accounting body recognized by law of the Federal Republic of Nigeria;

c) Be of proven professional ability and expertise; and

d) A serving Public Servant in the services of Borno State with a minimum of 15 years' experience in Accounting or Auditing functions.

(2) The candidates must not have been persons convicted of any offence involving dishonesty or fraud by Court of Law in Nigeria or any other country or at any time found guilty of



professional misconduct involving dishonesty or fraud by any professional body established by a Statute of the Federal Republic of Nigeria.

Functions of  
Auditor-General

8. (1) Subject to the Constitution, the Auditor-General shall ensure that;

- (a) All reasonable precautions have been taken to safe guard the collection of public monies and that the Laws, financial regulations or instructions and directions relating to them have been duly observed and obeyed;
- (b) All monies appropriated or otherwise disbursed have been expended on and applied for the purpose for which they were made by the House and that the expenditure conforms to the authority which governs it;
- (c) Adequate audit regulations, instructions and directions exist for accounting and financial operations in the Borno State and they are duly observed;
- (d) Monies have been duly expended with efficiency and effectiveness and due regard to financial regulations/instructions, financial memoranda and directives;
- (e) Standard and auditable procedures have been established to measure and report the effectiveness of programmes, where such procedures could appropriately and reasonably be implemented;
- (f) The attention of the appropriate authorities are drawn in writing to any irregularity observed during the examination of accounts, and facts of such irregularities have been established and confirmed;
- (g) As a result of audits conducted, any query or observations are addressed in writing to the Accountant-General, the Accounting Officer or any other appropriate person, and may call for such accounts, vouchers, statements, documents and explanations as he deems fit;
- (h) He receives, reviews and examines periodic internal audit reports from the Ministries, Departments and Agencies submitted by the Internal Auditors; and
- (i) Donations, grants, loans and other forms of assistance accruable to the State and any of its agencies whether from local or foreign bodies or institutions are audited.
- (j) 'if at any time it appears to the Auditor- General that any irregularity have occurred in the receipt, custody or expenditure of public monies or in the receipt, custody, issue, sale, transfer or delivery of any securities, store or other



Government property, or in the accounting of same, he/she shall immediately bring the matter to the attention of the Accounting Officer of the affected Agency who shall respond to the matter within a timeframe to be determined by the Auditor General.

- (2) The Auditor-General shall, in exercising his functions express his opinion as to whether the financial statement/ accounts represent the financial information in accordance with applicable statutory provisions, generally accepted accounting policies and standards, stated accounting principles and standards of government, and are essentially consistent with those of the preceding years.
- (3) The Auditor-General or any other person authorized by him to conduct business on his/her behalf, shall in addition to the audit report, draw attention to the following -
  - (a) the profitability, liquidity, stability and solvency of a department, or agency, , and also the performance of its shares in the capital market if applicable;
  - (b) any delays in the payment of the Government portion of any dividend into the Consolidated Revenue Fund;
  - (c) any incidents of fraud or loss and, its underlying causes and any person responsible for such fraud or losses;
  - (d) any perceived or identified internal control weaknesses;
  - (e) general corporate performance indicating achievement against set target and objectives; and
  - (f) whether the finances of the institution have been conducted with due regard to economy, efficiency and effectiveness.
- (4) The Auditor-General shall evaluate the adequacy of the State's enterprises risk management strategies and policies, and make recommendations to the appropriate authorities for improvement.
- (5) The Auditor-General shall conduct periodic checks on accounts of Statutory Corporations, and express his opinion as to whether the Commissions etc. Accounts present fairly the financial information in accordance with applicable statutory provisions, stated accounting policies of governments, with generally accepted accounting principles, and are essentially consistent with those of the preceding year.
- (6) The Auditor-General or any person authorized by him to conduct periodic checks on a Statutory Corporation shall, in addition to the audit report, draw attention to the following-
  - (a) the profitability, liquidity, stability and solvency of the



- corporation on the capital markets, where applicable;
  - (b) whether there was any delay in payment of the government's portion of any declared dividend into the consolidated Revenue Fund of the State;
  - (c) any significant case of fraud or losses and, if so, the underlying causes and person(s) responsible for such fraud or losses;
  - (d) any internal control weakness which were identified and the general corporate performance;
  - (e) achievements against set targets and objectives; and
  - (f) whether the finances of the body have been conducted with due regard to economy, efficiency and effectiveness, having regards to the resources utilized
9. (1) Subject to the provisions of the Constitution, the Auditor-General for the State shall audit all public accounts of the State.
- (2) The Auditor-General or any person authorized by him in that regard shall have access to all the books, records, returns, and other documents relating to the public accounts of Borno States.
- (3) The Auditor-General shall determine the methodology, nature and extent of audit to be carried out for any audit activity, which may include forensic audit, value for money audit or as he may deem necessary.
- (4) The Auditor-General shall liaise with any person, relevant Federal, State, or Ministries, Departments, Agencies and international organizations for the proper performance of his duties.
- (5) The Auditor-General shall bring to the attention of the Governor or Accounting Officer of a Department or Agency any irregularities which at any time may have occurred in the receipt custody issue sale, transfer or delivery of any securities, stores or other Government property, or in the accounting of the same.
- (6) The Auditor-General may -
- (a) call upon any public officer to give explanation and information which he may require in order to enable him discharge his duties;
  - (b) without explanation and the payment of any fee, cause a search to be made and extracts to be taken or copies made from any book, document or record in public office;
  - (c) authorize or appoint any person in Nigeria to conduct on his behalf any inquiry, examination or audit and such officer shall report thereon to the Auditor-General provided that person is



qualified to undertake such an inquiry, examination or audit;

- (d) examine upon oath or affirmation any person whom he may deem fit to examine in respect of issues of any stores affected by the provisions of this Law and in respect of all other matters and things, whatsoever necessary for the due performance and exercise of the duties and powers vested in him; and lay before the Attorney-General of the State a case in writing as to any question regarding the interpretation of any Law, Act or Regulations and the Attorney General shall give a written interpretation on such case.

(7) The Auditor-General may disallow any item of expenditure which is contrary to the Law, and surcharge:-

- (a) the amount of any expenditure disallowed upon the person responsible for incurring or authorizing the expenditure;
- (b) any sum which has not been duly brought into the account upon the person by whom the sum ought to have been brought into the account; and
- (c) The amount of any loss or defiance upon any person by whose negligence or misconduct the loss or deficiency has been incurred; provided that the monetary value of the surcharged item does not exceed Five hundred thousand Naira Only (N500, 000.00k).

(8) The Auditor-General may –

- (a) revoke any surcharge with the prior approval of the House of Assembly except if the monetary value of the surcharge is less than Five hundred thousand Naira Only(N500,000.00k);
- (b) issue recommendations for specific changes in the system in any Ministry, Department or Agency to ensure compliance with the Constitution, this Law or any relevant Law, existing regulations, and the blocking of leakages and prevention of corruption;
- (c) seek the advice or opinion of the Attorney General in writing on any question or issue arising from the provisions of this Law in respect of all matters and issues that may be necessary for the due performance and exercise of the duties and powers vested on him, and the Attorney General for the State shall give his opinion within reasonable time; and
- (d) deploy any Officer in his/her office to any government



department, authority, commission and agency to enable the Officer carryout his/her duties, effectively for a given period.

(9) Towards the effective discharge of his duties the Auditor-General, subject to the provisions of the Constitution and this Law may do anything necessary or enter into partnership or agreements which may include:-

(a) developing and maintaining such systems, whether by electronic or other means, for the collection, storage, analysis and retrieval of relevant information including the use of the State Integrated Financial Management Information System (SIFMIS), Computer-Assisted Audit Techniques (CAATs), and other related reforms;

(b) engaging the services of professionals to serve on a contract basis for limited engagements including those required as part of agreements with international organizations provided that all audit opinions remain those of the Auditor-General; and

(c) constituting or establishing any standing Committees to facilitate the discharge of the functions of the Office.

(10) In any proceedings for the recovery of the any sum, a certificate signed by the Auditor-General shall be prima-facie evidence of the facts certified.

(11) The Auditor-General may examine any person on oath or affirmation (which oath or affirmation the Auditor-General is hereby empowered to administer) on any matter appertaining to any account subject to audit by him.

(12) Without prejudice to any other provision of this Law, any person who fails or refuses to reply to any audit query or observations within the appropriate period specified shall, if the Auditor-General so directs, have his emoluments and allowances withheld for so long as the person fails to reply.

Responsibilities  
of the Auditor  
General

10.(1) In the exercise of his functions or powers under this Law, the Auditor- General shall express an independent opinion on the results of each audit and shall -

a) draw the attention of the appropriate authorities to any irregularities observed during the examination of the accounts as soon as the facts of such irregularity have been established and confirmed;

b) as a result of the audit conducted by him, make sure queries and observations addressed to the Accountant-General or any other person and call for such accounts, vouchers, statements,



- documents and explanations as he/she may deem fit;
- c) specify for the appropriate head of Department or Institution the amount due to or from any person upon whom he/she had made surcharge and the reason for the surcharge and the circumstances of the case to the Accounting officer of the affected Department or Institution;
- (2) In the performance of his functions under this law the Auditor-General shall State:-
- a) Whether the accounts are in conformity with the requirements of the relevant Borno State Public Finance Management Laws, regulations or instructions;
- b) Whether all funds appropriated or disbursed have been expended and applied for the purpose intended and that such expenditure conforms to the authority which governs it;
- c) Whether the financial affairs of the Departments and Agencies or other public entities and international institutions audited and all revenues received and public money under its control have been duly managed with integrity by the Accounting officer responsible for such;
- d) Whether all reasonable precautions have been taken to safeguard the resources and property; and that all regulations and instructions have been duly complied with;
- e) Whether the accounts reflected fairly the financial position of the Departments, Agencies or public entities, and project related accounts of International institutions audited;
- f) Whether the Department or Agency complied with the treasury instructions and/or regulations issued by the Accountant-General with regard to the management of and accounting for the public funds dispensed;
- g) Whether money has been expended with due regard to the economy, efficiency and effectiveness; and
- h) Whether financial regulations exist for accounting and financial operations in the State and that they are fully observed.
- (3) Every such query and observation received by the Accountant-General or any other person shall, within 30 days after its receipt by that person, be returned with necessary explanations to the Auditor-General.
- (4) Every sum so specified by the Auditor-General to be due from any person shall be paid by that person to government as the case may be, within 30 calendar days after it has been



so specified.

(5) Any person aggrieved by a disallowance or surcharge made by the Auditor-General may appeal to the Public Accounts Committee of the State House of Assembly for redress and thereafter if not satisfied, to the High Court not later than the expiration of the period of the 3 calendar months prescribe.

(6) Any sum which is lawfully due under this section shall, on civil proceeding taken by the Accounting Officer in a Court of competent jurisdiction, be recoverable as a civil debt, provided that where the person surcharged is in receipt of remuneration from the Government or any Government Institution, the remuneration shall be attached to the extent of the sum lawfully due.

Immunity/Independence of the Auditor-General

11. (1) Subject to the provisions of the Constitution, the Auditor-General in exercising his powers or performing his functions under this Law, shall not be under the direction or control of any authority or person.

(2) The Auditor-General shall be immune from any legal action as a result of the discharge of his/her duties during and after he/she has left office.

Limitation of Liability

12. (1) The Auditor-General or any person acting under his authority shall not be liable in his personal capacity in any civil or criminal proceedings in respect of any act done in good faith;

a) In the performance of any duty or the exercise of any power imposed or conferred upon him under this Law or any other Law;

b) In giving evidence, explanation or producing any documents before a Committee of House of Assembly in connection with are part of the Auditor-General.

Tenure of the Auditor-General

13. (1) Subject to section 127(2) of the Constitution, the Auditor General shall remain in Office until he has attained to the retirement age of sixty (60) years except where he is removed under the provisions of this Law.

Cessation of Office

14. (1) A person holding the office of the Auditor General shall cease to hold office where –

(a) He attains any of the conditions laid down in Section 13 of this Law;

(b) He resigns his appointment before the mandatory retirement age, provided he gives at least three (3) months prior notice of his intention to resign in writing to the Governor;

(c) He is removed by Governor subject to Section 127 (1) of the Constitution provided he is given at least twenty-one (21)



days' notice in writing to defend himself before the House of Assembly;

(d) he is found incapable of discharging the functions of his office either arising from infirmity of mind or any other cause or misconduct; or

(e) He dies in Office

(2) A Resolution to remove the Borno State Auditor-General on grounds of misconduct or any allegation shall require approval by simple majority of the House of Assembly members.

Remuneration,  
pensions, and  
allowances of  
the Auditor-  
General and his staff

15.(1) The salary, gratuity, and benefits of the Auditor-General shall be as may be recommended by the Revenue Mobilization, Allocation and Fiscal Commission and shall be charged upon the Consolidated Revenue Fund of the State as first-line charges.

(2) The salary other than the allowances payable to the Auditor-General, his rights in respect of leave of absence, retirement benefits or retiring age shall not be varied to his disadvantage after his appointment.

(3) The Auditor-General shall be entitled to pension for life at a rate equivalent to the annual salary and allowance of the incumbent Auditor-General.

(4) Any pension granted by virtue of sub-section (3) shall be charged upon the Consolidated Revenue Fund of the State.

(5) In addition to the normal allowances currently payable in the service, the professional staff in the office of the Auditor-General shall be paid consolidated Audit allowances to be determined as follows:

**(a) 5% of basic salary as field facilitation allowance**

**(b) 5% of basic salary as special investigation allowance;**

**(c) 5% of basic salary as hazard allowance;**

**(d) such other allowance as the Governor of the State may approve from time to time.**

(6) Members of staff of the Office of the Auditor-General other than the Auditor-General shall in addition to the provisions of this Law enjoy rights and privileges as are contained in the Public Service of the State and shall retire upon attaining the age of 60 years or service period of 35 years whichever comes first or as the Constitution and Pension Act may from time to time stipulate.



- 16.(1) The Auditor-General shall determine which Auditing Standards should be applied and may establish audit programmes and code of ethics specific to the audits performed by the Office of the Auditors-General
- (2) The auditing standards shall include-
- (a) Public Sector Auditing Standards issued by the conference of Federal and State Auditors-General;
  - (b) Accounting Standards issued by the Financial Reporting Council of Nigeria (FRCN);
  - (c) the International Public Sector Accounting Standards (IPSAS);
  - (d) the Auditing Standards and code of ethics published by the International Organization of Supreme Audit Institutions (INTOSAI) and the International Audit and Assurance Standards Board (IAASB);
  - (e) the Auditing Standards and Code Ethics published by the International Federation of Accountants (IFAC);
  - (f) other recognized or required standards issued or accepted by funding or donor organizations may be required in conducting audits of their projects.



### PART III-AUDIT PROCESS

Audit of Statutory  
Corporations,  
Departments and  
agencies

17.(1) Subject to the Constitution, nothing in this Law, shall be construed as authorizing the Auditor-General for the Borno State to directly audit the accounts of or appoint auditors for government statutory corporations, commissions, authorities, agencies, including all persons and bodies established by Law, however, the Auditor General for the Borno State shall:

- (a) Publish and provide to each body a list of not less than three qualified audit firms from which the bodies shall appoint their external auditors;
  - (b) Provide guidelines on the level of fees to be paid to the external auditors;
  - (c) Specify standards for the reports of the external auditors to be submitted to the Office;
  - (d) Review the audit reports submitted by the external auditors; and
  - (e) Make recommendations where appropriate.
- (2) The Auditor-General for the Borno State, shall comment on the annual accounts of these bodies and the external auditor's report prior to transmission to the House of Assembly.
- (3) Where the Auditor-General for the Borno State is not satisfied with the report of the external auditor he may -
- (a) Order the Audit firm to re-audit the body and may lay out the areas of focus; or
  - (b) Recommend another set of external auditors numbering not less than three (3) for the body to select one for a fresh audit exercise in respect of the same period; or
  - (c) Remove the Audit Firm from the approval list of firms and blacklist the Audit Firm for a specific number of years.

Registration of  
Audit Firms

- 18.(1) Any Audit Firm which intends to render any form of consultancy services to the State shall -
- (a) be registered with the Office at a fee to be determined by the State Tax Laws.
  - (b) upon registration be issued with a Certificate of Registration by the Office.



- (2) The Office shall maintain a database of all registered providers of audit, accounting, financial and tax management consulting services. The registration shall be renewed annually.
- (3) The office shall also maintain a list of blacklisted firms that are in-eligible to undertake and assignment for the State arising from professional misconduct and non fulfillment of past engagement with Borno State, other State Governments or any the Federal Government.
- (4) Audit and consultancy assignments for which registered firms may be engaged include: -
  - (a) Revenue audit and consultancy work including tax audit;
  - (b) Government bank accounts audit
  - (c) Audit of government offices including special investigations;
  - (d) Staff audit including payment at sight;
  - (e) Pension audit
  - (f) Contracts in respect of estates/building or valuation of government assets; and
  - (g) Assessment and evaluation of the effectiveness of government electronic information systems.

Annual Account  
Audit

19. (1) Within a period of six months after the end of each financial Year, the Accountant-General shall present to the Auditor-General for the State, accounts showing the financial position of the State as at the last day of the preceding year.
- (2) Such account shall include: -
  - (a) Statement No. 1: Statement of Cash Flow for the Year;
  - (b) Statement No. 2: Statement of Assets and Liabilities;
  - (c) Statement No. 3: Statement of Consolidated Revenue Fund;
  - (d) Statement No.4: Statement of Capital Development Fund;
  - (e) Notes to the Financial Statements - The Notes to the Financial Statements should present information about the basis of presentation of the financial statements and the specific accounting policies selected and applied for significant transactions and other events for the purpose of users' understanding and comparability.
- (3) Note to the accounts shall be presented in the following order: -
  - (a) Statement of compliance with approved accounting standards;



- (b) Statement of accounting policies applied;
- (c) Supporting information for items presented on the face of the financial statements; and
- (d) Supporting statements.

Annual Certificate  
and Report of the  
Auditor- General

20. (1). The Auditor-General for Borno State shall within 90 days of the receipt of the Accountant-General's Financial Statements and Annual Accounts of the State, submit his report to the House of Assembly and it shall cause the report to be considered by the Public Accounts Committee.
- (2). The Auditor-General shall include in his annual report-
  - (a) his opinion on the truth and fairness of the public accounts of the Borno State;
  - (b) such significant findings and recommendations which he considers should be brought to the notice of the House including: -
    - (i). any act of commission or omission by any officer relating to the probity, regularity or value for money with which public money is managed;
    - (ii). any deficiencies which have been identified in the internal control system of any public body;
    - (iii). details of essential records that have not been maintained or the rules and procedures applied that have been insufficient to safeguard and control assets, to secure an effective check on the assessment, collecting and proper allocation of revenue and to ensure that expenditures have been made only as authorized;
    - (iv). any money that has been expended without due regard to economy, efficiency and effectiveness.
- (3) Notwithstanding the provisions of sub-section (1), the House may by direction extend the time to a further period not exceeding three months within which such reports shall be submitted.
- (4) The Auditor-General may at any time, if it appears to him desirable, issue a special report to the Governor on any matter incidental to his powers and duties under this Law.



- (5) The Auditor-General shall submit his report to the Speaker of the House, the reports may include comments from the relevant Accounting Officers, but the Auditor-General has full editorial control over his reports.
  - (6) The Annual Audit Report of the Auditor-General shall become a public document as soon as it is submitted to the State House of Assembly and may be placed on the Office website; published in the official bulletin of the Office; displayed in the Office Library or other government Archives among others.
  - (7) The certification of Annual Accounts/Financial Statements of the Borno State, the Annual Audit Report and letter of submission of the reports described in this Law shall not be delegated, but be made by the Auditor General in himself.
21. (1) Upon receipt of the Auditor-General's report, the House of Assembly shall cause the reports to be considered by Public Accounts Committee of the House (hereafter referred to as "the Committee").
- (2) In consideration of the Auditor-General's report, the Committee shall:
    - (a) Consider report from the Auditor-General, which process may include questioning the accounting officer from relevant public body, receipt of explanations from the Auditor-General and official responses from Government; The Committee shall make recommendations on the basis of this consideration and shall monitor their implementation.
    - (b) Have the power to summon the Accounting Officers, Public Officials and any member of the public to be questioned about the Auditor-General's findings.
    - (c) Hold its hearing in public but may choose to hold all or part of its hearing in private session.
    - (d) prepare a report to the House of Assembly, which may include comments and recommendations at the end of its review of the report of the Auditor-General; and
    - (e) make recommendations on the basis of the consideration and monitor their implementations.
  - (3) The standing orders and rules of the House of Assembly shall govern the Committee in its considerations of the Auditor-General's report



- (4) The report of the Committee on the Auditor-General's report shall be laid before the House of Assembly at a plenary session for debate and adoption.
  - (5) The resolutions of the House of Assembly on the Committee's report shall be published on the website of the House of Assembly and the Office of the Auditor General and hard copies shall be made available to the public on demand upon payment of a nominal fee to the Auditor-General.
  - (6) All reports of the Auditor-General submitted to the House of Assembly shall be treated as House of Assembly reports and enjoy all privileges accorded to House of Assembly.
- Audit Contracts
22. (1) All Private Audit Firms and Consultants taking up consultancy jobs relating to audit work must be registered with the Office of the Auditor-General and their engagement letters shall be issued by him, such contracts on audit work shall include but not limited to: -
- (a) revenue audit and consultancy work including tax audit;
  - (b) Government bank accounts audit;
  - (c) Audit of Government offices including special investigations;
  - (d) pension audit including verification of "I am alive certificate";
  - (e) staff audit including payment at sight;
  - (f) contracts in respect of estate/building valuation or valuation of specialized government assets; and
  - (g) assessment and evaluation of effective government electronic information system
- Access to people, documents, and property
- 23.(1) The Auditor-General and his staff shall have unrestricted access to such people, documents, computers, other information system, and assets as he considers necessary for the proper performance of his functions.
- (2) The Auditor-General may also obtain such information, as he considers necessary in the performance of his functions from a person who is not a member, employee or public office holder.
- To do this, he shall: -
- (a) Advise the person in writing of the nature of the information and why it is needed; and
  - (b) Reimburse the individual for any reasonable costs



associated with producing such information provided that the individual shall not use such information for any other purpose.

(3) The Auditor-General may in the course of performing his functions, duties or exercising his powers: -

(a) Require a person to give evidence either orally or in writing;

(b) for the purpose of examining a person, the Auditor-General may administer an oath or affirmation on such a person and sanctions relating to perjury are applicable;

(c) he may examine or audit the account of any person in any bank if he has reason to believe that the money belonging to a public body has been fraudulently or wrongfully paid into such person's account;

(d) in exercising this authority, the Auditor-General shall establish that the information obtained shall not be used for any other purpose other than as legally intended and shall first obtain a warrant of a court authorizing such examination.

(e) when presented with the warrant, the bank officer shall produce any documents or provide requested information relating to an account in the bank's custody or control;

(f) the Auditor-General may make copies of any document so produced.

#### **PART IV - ESTABLISHMENT OF BORNO STATE AUDIT SERVICE COMMISSION**

Establishment of  
Audit Service  
Commission

24. (1) There shall be established for the State, Borno State Audit Service Commission (herein after referred to as the "Commission").

(2) The Commission shall be a body corporate with perpetual succession and shall have powers to sue and be sued in its corporate name.

Composition of the  
Commission

25.(1) The composition of the members of the commission shall comprise of:

(a) The Chairman who shall be a retired Auditor General or retired reputable administrator not below the rank of a Permanent Secretary as Chairman;

(b) the Auditor-General of the State; and the Auditor-General for Local Government



- (c) A member from each state Senatorial District who shall have background knowledge of Accounting/Audit and who shall not be a serving Public Officer
  - (d) A Secretary who shall be a Director from the Office of the Auditor General for the State who shall serve interchangeably; and
  - (e) any other member as the Governor may appoint from time to time.
- Tenure of office of the Commission members

- 26.(1) The tenure of office of a member of the Commission other than the Auditor-General shall be one term of four years and may be reappointed for another one term of four years and no more.
- (2) A member of the Commission including the Chairman who is a member by virtue of the position held thereof other than the Chairman shall vacate office if -
- (a) He ceases to hold the specific office or position;
  - (b) in the case of the Director he shall hold office at the pleasure of the Chairman; and
  - (c) for other members at the expiration of four years, subject to renewal of another term of four years.

Functions of the Commission

27. (1) The functions of the Commission shall include-
- (a) Determine the administrative structure of the Offices of the Auditor-General(s) of the State and Local Government on the recommendation of the Auditor-Generals, and dealing with other matters relating to broad issues of policy and administration of the Commission
  - (b) Appoint persons to offices in the Office(s) of the Auditor-Generals, except the position of the Auditor-General
  - (c) Handle all matters of recruitment, promotion, dismissal and exercise of disciplinary control over staff of the Commission and the Office of the Auditors-General;
  - (d) Implementation of ethics and code of conduct for Auditors; and ensuring adherence to International Audit Standards;
  - (e) Determine in consultation with relevant Government Agencies, the salaries and other conditions of service of members of the Office of the Auditor-General and the Audit Commission;
  - (f) Controlling and disbursement of all monies (capital and recurrent) for services of the Commission;

Procedure of the Commission

- 28.(1) The Audit Commission shall meet ordinarily for transaction of business at such place and time, which it shall fix at least once every quarter. A special meeting may be convened upon a written request of the Chairman or by a majority decision of members addressed to the Secretary of the Audit commission.



- (2) Meetings of the Commission shall be presided over by the Chairman or the State Auditor-General, the Deputy Auditor-General or any other member of the Audit Commission shall preside in the absence of the Chairman or the Auditor-General.
- (3) The Commission's other procedures shall include -
  - (a) determination of its own procedure, including the procedure of establishing an Executive Committee, if necessary;
  - (b) making regulations concerning the manner in which the personnel of the office shall be managed; and
  - (c) making such regulations known in a manner it deems fit.
- (4) At a meeting of the Commission a quorum for the meeting shall be constituted by two-thirds (2/3) of the members present.

Appointment and  
Remuneration of  
members

29. (1) The members of the Commission shall be appointed by the Governor and shall be paid from funds annually appropriated For The Commission, such amount as the House of Assembly May determine other than the funds of the Office of the Auditor General and that of Auditor-General for Local Government.
- (2) Notwithstanding the payments of such allowances to a member, he shall not merely by reason thereof be deemed to hold an office of profit in the service of the Borno State.

#### **PART V – FINANCIAL PROVISIONS**

Funds of the  
Auditor General's  
Office & Audit  
Commission

30. (1) There shall be established for Office of the Auditor General of the State a fund consisting of such monies as may in each financial year be appropriated by the House of Assembly and such fund shall not be less than 0.5% of the total Statutory Revenue Allocations of the State. And the approved fund by the House of Assembly to defray expenses incurred by the Office of the Auditor General for Borno State shall be a first line charge on the Statutory Transfers of the Borno State.
- (2) Any amount standing to the 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. And any unspent amount by the auditor General at the end of a financial year shall be rolled over into the following year's budget.
- (3) The Auditor-General may receive from any Non- Governmental organization whether national or international and keep for its own



use financial and other assistance for the enhancement of his functions.

- (4) The Auditor-General shall defray from the fund established pursuant to Sub-Section (1) of this Section, all the expenses payable under or in pursuance of this Law the sum representing but not limited to: -
- (a) cost of training and professional development activities;
  - (b) the funds for travelling, transportation and subsistence needed by staff engaged in conducting duties of the Auditor-General;
  - (c) the administrative expenses of the office of the Auditor-General;
  - (d) any capital development project or special expenditure.

#### **PART VI- MISCELLANEOUS PROVISIONS**

Offences

31. (1) Any person who without lawful justification or excuse: -
- (a) obstructs, hinders or resists the Auditor- General or any person authorized by him in the performance of his duties and exercise of his powers under this Law;
  - (b) refuses or fails to comply with any lawful request of the Auditor-General or his representatives;
  - (c) fails to produce for inspection to the Auditor- General access to any book, record, returns, payment voucher, revenue receipt or other documents relating or relevant to any account to be audited by the Auditor- General, when so requested;
  - (d) fails to keep proper books of accounts or proper records in relation thereto when so required by the provision of any enactment;
  - (e) makes a statement or gives information to the Auditor-General or his representative which is false or misleading; commits an offence under this Law.

Penalties

32. (1) Any person who commits an offence under Section 31 of this Law shall on conviction be liable to a fine not exceeding ₦200,000.00 or to imprisonment for six months.
- (2) In case of a body corporate, it shall be liable to a fine not exceeding ₦500,000.00.

Failure to reply  
Audit Queries

33. Without prejudice to any other provision of this Law, any person who fails or refuses to reply to an Audit Query or observation within 21 days period, shall have his emoluments and allowances withheld for so long as the person fails to reply, and shall be guilty of an offence and liable to summary conviction.



Offence by staff of  
Office of the  
Auditor-General

34. Any member of staff of the Auditor-General's office who: -

- (a) demands or takes any bribe, gratification, recompense or reward for the neglect or non-performance of his duty; or
- (b) willfully fails to report to the Auditor-General any abuse or irregularity coming to his notice in relation to any account audited by him; or
- (c) makes any report to the Auditor-General which he knows to be false or which he has no reason to believe to be true, Commits an offence under this Law and shall on conviction be liable to a fine not exceeding ₦100,000.00 or imprisonment for two years or both such fine and imprisonment.

Offence by body  
corporate and  
partnership

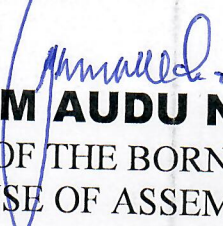
35. (1) In case of offence committed under this Law by a body of persons:-

- (a) Where the body of persons is a body corporate, other than a partnership, every Director and Officer of that body corporate shall be deemed to be guilty of that offence; and
  - (b) where the body is a partnership every partner shall be deemed to be guilty of an offence, provided that no such person shall be deemed to be guilty of an offence under paragraph (a) of this Section if he proves that the offence was committed without his knowledge or that he exercise due diligence to prevent the commission of the offence.
- (2) Accounting Officers shall be held responsible for recovery of losses discovered from erring officers.
- (3) Where an Accounting Officer fails to make necessary recovery, he shall be guilty of an offence and shall be liable to a fine not exceeding ₦500, 000.00 plus the amount of loss involved, if it is proved that he fails to make reasonable effort to recover the said loss.



## **EXPLANATORY NOTE**

This printed impression has been carefully compared by me with the Bill which has been passed by the Borno State House of Assembly and found by me to be a true and correctly printed copy of the Law.

  
**IBRAHIM AUDU NGULDE**  
CLERK OF THE BORNO STATE  
HOUSE OF ASSEMBLY