THE HOUSE OF REPRESENTATIVES COMMITTEE ON PUBLIC ACCOUNTS

REPORT

OF

THE CONFERENCE COMMITTEE ON THE FEDERAL AUDIT SERVICE COMMISSION BILL, 2018 (HB.107)

JULY, 2018

REPORT OF THE CONFERENCE COMMITTEE ON THE FEDERAL AUDIT SERVICE COMMISSION BILL, 2018 (HB.107)

1.0 INTRODUCTION

You may recall that the above-mentioned Bill which originated from the House of Representatives was passed on 19th April, 2016 and transmitted to the Senate for concurrence.

The Bill is to empower the Office of the Auditor-General to bring about proper accountability in public expenditure of the Federation. The Bill will also establish the Federal Audit Service Commission to cater for the staff of the Office of the Auditor-General for the Federation. The Bill will also repeal the Audit Act of 1956, Public Accounts Committee Act, CAPT P35 LFN 2004 and Public Accounts Implementation Tribunal Act, CAP.P36, LFN 2004.

2.0 MEMEBERSHIP

The Conference Committee Members of both Houses consist of the following:

2.1 SENATE

1.	Senator Matthew urhoghide	-	Chairman
2.	Senator Gbolahan Dada	-	Member
3.	Senator Abdullahi Yahaya	-	Member
4.	Senator Mao Ohuabunwa	-	Member
5.	Senator Baba Kaka Bashir Garbai	-	Member
6.	Senator Bassey Akpan	-	Member

2.2 HOUSE OF REPRESENTATIVES

1.	Hon. Kingsley O. Chinda	-	Co-Chairman
2.	Hon. Ibrahim Mohammed Baba	-	Member
3.	Hon. Orker-Jev Emmanuel Yisa	-	Member
4.	Hon. Daniel Reyenieju	-	Member
5.	Hon. Rimamnde Shawulu	-	Member
6.	Hon. Sunday Adepoju	-	Member

3.0 DELIBERATIONS ON THE BILL

The Conference Committee deliberated and scrutinized both the Senate and House of Representatives versions of the Bill. A total of **twenty-eight (28)** Clauses had differences. **Twenty-five (25)** Clauses of the Senate version were adopted, while **three (3)** Clauses of the House of Representatives version were adopted.

4.0 RECOMMENDATION

The Committee hereby recommends adoption of its recommendation as indicated in the tabular report attached.

5.0 CONCLUSION

Members of the Conference Committee wishes to thank the Senate and House of Representatives for the opportunity given to us to serve the Committee.

REPORT OF THE CONFERENCE COMMITTEE ON THE FEDERAL AUDIT SERVICE COMMISSION BILL, 2018 (HB. 107)

SIGNATURE PAGE

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Senator Matthew Urhoghide Chairman	Hon. Kingsley O. Chinda Co-Chairman
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Senator Gbolahan Dada Member	Hon. Ibrahim Mohammed Baba Member
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Senator Abdullahi Yahaya Member	Hon. Orker-Jev Emmanuel Yisa Member
....	....
Senator Mao Ohuabunwa Member	Hon. Daniel Reyenieju Member
....	....
Senator Baba Kaka Bashir Garbai Member	Hon. Rimamnde Shawulu Member
....	....
Senator Bassey Akpan Member	Hon. Sunday Adepoju Member
....	....
A. E. Abdullahi Director/Clerk	T. S. Ajiha Director/Clerk

A BILL FOR AN ACT TO ESTABLISH THE OFFICE OF THE AUDITOR-GENERAL FOR THE FEDERATION, PROVIDE FOR ADDITIONAL POWERS AND FUNCTIONS TO THE OFFICE; ESTABLISH THE FEDERAL AUDIT SERVICE COMMISSION; REPEAL THE AUDIT ACT 1956, THE PUBLIC ACCOUNTS COMMITTEES ACT, CAP. P35 LFN 2004 AND PUBLIC ACCOUNTS IMPLEMENTATION TRIBUNAL ACT 1990, CAP. P36 LFN 2004 AND ENACT THE FEDERAL AUDIT SERVICE COMMISSION BILL 2018; AND TO PROVIDE FOR OTHER MATTERS RELATED THERETO

[ ] Commencement.

BE IT ENACTED by the National Assembly of the Federal Republic of Nigeria as follows:

PART I – ESTABLISHMENT OF THE OFFICE OF THE AUDITOR-GENERAL FOR THE FEDERATION

Section	HOUSE OF REPS. VERSION	SENATE VERSION	REMARKS
1. Establishment of the Office of the Auditor-General for the Federation	(2) The Office shall be a corporate body: - (a) with a common seal and perpetual succession; and	(2) The Office shall be a body corporate: - (a) with a common seal and in perpetual succession; and	*Senate version adopted*
	(4) The Auditor General shall be assisted by 2 Deputy Auditors-General who shall be of same rank in public service as a permanent secretary or its equivalent and such other staff as may be appointed by the Federal Audit Service Commission on the recommendation of the Auditor-General.	(4) The Auditor General shall be assisted by 3 Deputy Auditors-General who shall be of same rank in public service as a permanent secretary or its equivalent and such other staff as may be appointed by the Federal Audit Service Commission on the recommendation of the Auditor-General.	*Senate version adopted*
	(5) The Auditor-General, the 2 Deputy Auditors-General and other staff of the Office shall be public servants.	(5) The Auditor-General, the 3 Deputy Auditors-General and other staff of the Office shall be public servants.	*Senate version adopted*

2. Qualification of Auditor-General and Deputy Auditors-General	(2) Where the applicant is from the public service, he shall have at least four years (4) to serve before he is due for retirement.	(2) Where the applicant is from the public service, he shall have at least two (2) years to serve before he is due for retirement.	*House version adopted*
	(3) Where the applicant is not from the public service, he shall not be less than 45 years and not more than fifty (50) years old at the date of appointment.	(3) Where the applicant is not from the public service, he shall not be less than fifty (50) years old at the date of appointment.	*Senate version adopted*
3. Procedure for appointment of Auditor-General.	**3.** (1) Where the post of the Auditor-General is vacant, the vacancy shall be filled by the appointment of the most qualified person with cognate experience in the service of the Office of the Auditor-General or in the public service of the Federation or State.	**3.** Where the post of the Auditor-General is vacant, the Federal Civil Service Commission in exercise of its powers under the constitution shall be guided by the following: (1) The vacancy shall be filled by the appointment of the most qualified person with cognate experience in the service of the Office of the Auditor-General or in the public service of the Federation or State.	*Senate version adopted*
4. Salary	**4.** (1) Notwithstanding the provision of any Act, the Auditor-General shall be paid such salary and allowances as may be determined by the National Assembly on the recommendation of the Revenue Mobilization Allocation and Fiscal Commission.	**4.** (1) Notwithstanding the provision of any Act, the Auditor-General shall be paid such salary and allowances as may be recommended by the Revenue Mobilization Allocation and Fiscal Commission.	*Senate version adopted*

	(3) Any person who holds office as Auditor-General shall be entitled to pension for life at a rate equivalent to the annual salary of the incumbent Auditor-General. Provided that such a person was not removed from office on grounds on misconduct or convicted for any offence involving dishonesty.	(3) Any person who holds office as Auditor-General shall be entitled to pension for life at a rate equivalent to the annual salary of the incumbent Auditor-General. Provided that such a person was not removed from office on grounds of misconduct or convicted for any offence involving dishonesty.	*Senate version adopted*
6. Cessation of the office of the Auditor-General	**6.** A person holding office as the Auditor-General shall hold office until he – (a) attains the age of 65 years or he has served in the public service of the Federation for 35 years depending on which comes first;	**6.** A person holding office as the Auditor-General shall hold office until he – (a) attains the age of 60 years or he has served in the public service of the Federation for 35 years depending on which comes first;	*House version adopted*
7. Removal of the Auditor-General on grounds of misconduct	(2) The Senate shall not initiate proceedings to remove a person holding Office as Auditor-General, unless the Senate:	(2) The Senate shall not commence proceedings to remove a person holding Office as Auditor-General, unless the Senate:	*Senate version adopted*
8. Administrative structure of the office	(2) The Audit Commission on the recommendation of the Auditor-General shall from time to time, review the administrative structure of the Office to meet the prevailing needs, and where it so reviews, the new structure shall not be valid unless published in the Official Gazette.	(2) The Audit Service Commission on the recommendation of the Auditor-General shall from time to time, review the administrative structure of the Office to meet the prevailing needs, and where it so reviews, the new structure shall not be valid unless published in the Official Gazette.	*Senate version adopted*
9. Functions of Auditor-General	**9.** (1) Subject to the Constitution, the functions of the Auditor-General shall include the following:	**9.** (1) Subject to the provisions of the Constitution, the functions of the Auditor-General shall include the following:	*Senate version adopted*

	(d) carrying out performance audit by ensuring that Federal Government and its agencies business is economically, efficiently and effectively performed;	(d) carrying out performance audit by ensuring that Federal Government and its agencies' business is economically, efficiently and effectively performed;	*Senate version adopted*
	(h) carrying out audit of international institutions to the extent of Nigeria contributions to such bodies;	(h) carrying out audit of international institutions to the extent of Nigeria's contributions to such bodies;	*Senate version adopted*
	(i) carrying out audit of all Federal government and its agencies subsidies and their application;	(i) carrying out audit of all Federal government and its agencies' subsidies and their application;	*Senate version adopted*
	(j) carrying out audit of all Federal government and its agencies counterpart funded projects in thexd country;	(j) carrying out audit of all Federal government and its agencies' counterpart funded projects in the country;	*Senate version adopted*
	(o) carrying out such audits as he may deem necessary to safe guard Federal government and its agencies assets and promote good governance.	(o) carrying out such audits as he may deem necessary to safeguard Federal government and its agencies' assets and promote good governance.	*Senate version adopted*
12. Independence of Auditor-General	**12.** Subject to the Constitution the Auditor-General, in exercising his powers or performing his functions under this Bill shall not be under the direction or control of any authority or person.	**12.** Subject to the provisions of the Constitution the Auditor-General, in exercising his powers or performing his functions under this Bill shall not be under the direction or control of any authority or person.	*Senate version adopted*
14. Operations	(a) the accounts are in conformity with the requirements of the Finance (Control and Management) Act, other Acts and Financial regulations;	(a) the accounts are in conformity with the requirements of relevant extant Acts and Financial regulations;	*Senate version adopted*

	(3) The National Assembly shall, after the receipt of the report submitted to it under Subsection (2), debate, consider at the plenary session and then submit the report to the President or Chief Justice of Nigeria who may within one month pass it to the Public Accounts Implementation Tribunal for immediate action.	(3) The National Assembly shall, after the receipt of the report submitted to it under Subsection (2), debate, consider at the plenary session and then submit the report to the President for implementation.	*House version adopted*
	(5) The Auditor-General may, at any time, if it appears to him desirable, submit to the National Assembly a special report on any matter incidental to his powers and functions under this Bill.	(5) The Auditor-General shall, at any time, submit to the National Assembly a special report on any matter incidental to his powers and functions under this Bill.	*Senate version adopted*
	(6) The reports of the Auditor-General in this Bill shall become a public document as soon as it is submitted to the National Assembly and may be placed on the Office website; published in the official bulletin of the Office, displayed in the Office library among others.	(6) The reports of the Auditor-General shall become a public document as soon as it is submitted to the National Assembly and may be placed on the Office website; published in the official bulletin of the Office, displayed in the Office library among others.	*Senate version adopted*
15. Procedure	(4)(a) The Auditor-General or any person authorized by him to carry out an audit shall hold exit conference with the Accounting Officer on observations raised and the parties at the conference shall sign as being present and having agreed with the observations or sign as being present and having disagreed with the observations state reasons;	(4)(a) The Auditor-General or any person authorized by him to carry out an audit shall hold an exit conference with the Accounting Officer on observations raised and the parties at the conference shall sign as having been present and having agreed with the observations or sign as having been present and having disagreed with the observations state reasons;	*Senate version adopted*

	(b) The refusal of Accounting Officer to sign the audit observations mentioned in Subsection (4)(a) of this Section shall not render the audit report invalid.	(b) The refusal of an Accounting Officer to sign the audit observations mentioned in Subsection (4)(a) of this Section shall not render the audit report invalid.	*Senate version adopted*
	(5) The Auditor-General may make a report to the National Assembly on anyone or more audits conducted by or on behalf of him under this Bill or any other bill which:	(5) The Auditor-General shall make a report to the National Assembly on any one or more audits conducted by or on his behalf under this Bill or any other bill which:	*Senate version adopted*
	(b) may include any recommendation(s) arising out of the audit that he thinks fit to make;	(b) shall include any recommendation(s) arising out of the audit that he thinks fit to make;	*Senate version adopted*
17. Specific issues to be addressed in audit of MDAs, etc, accounts	(d) any internal control weakness which were identified and the general corporate performance indicating:	(d) any internal control weakness identified and the general corporate performance indicating:	*Senate version adopted*
19. Reporting of /Fraud	(2) Where the Auditor-General is satisfied that sufficient evidence exists to warrant special investigation, he shall carry out detailed investigation and make a special report on his findings to the National Assembly or the Police.	(2) Where the Auditor-General is satisfied that sufficient evidence exists to warrant special investigation, he shall carry out detailed investigation and make a special report on his findings to the National Assembly and the Police.	*Senate version adopted*
20. Reference to National Assembly	(c) any sum which out to have been but was not brought to account, he shall, in the case of expenditure, disallow the sum as a charge upon public funds and in all cases, call in question the sum concerned and makes a report on the sum to the National Assembly which shall refer the report to the committees	(c) any sum which ought to have been but was not brought to account, he shall, in the case of expenditure, disallow the sum as a charge upon public funds and in all cases, call in question the sum concerned and makes a report on the sum to the National Assembly which shall refer the report to the committees of both Houses	*Senate version adopted*

	of both Houses responsible for public finance.	responsible for public accounts.	
23. Submissions of annual financial statements	**23.** (1) The financial statements of the Federal Government shall be submitted to the Auditor-General not later than the 30th June of the following financial years.	**23.** (1) The financial statements of the Federal Government shall be submitted to the Auditor-General not later than the 30th June of the following financial year.	*Senate version adopted*
	(3) Subject to the provisions of the Constitution, the Accounting Officer of all statutory corporations, parastatals, authorities, commissions, agencies, including all persons and bodies established by an Act of the National Assembly shall submit their audited financial statements to the Auditor-General for audit not later than 90 days following the end of a financial year.	(3) Subject to the provisions of the Constitution, the Accounting Officer of all statutory corporations, parastatals, authorities, commissions, agencies, including all persons and bodies established by an Act of the National Assembly shall submit their audited financial statements to the Auditor-General for review not later than 90 days following the end of a financial year.	*Senate version adopted*
	(4) Any person who contravenes the provisions of Subsections (1), (2) and (3) of this Section commits an offence and on conviction shall be personally liable to a fine of not less than ₦500,000.00.	(4) Any person who contravenes the provisions of Subsections (1), (2) and (3) of this Section commits an offence and on conviction shall be personally liable to a fine of not less than ₦500,000.00 or two (2) years imprisonment or both.	*Senate version adopted*
	(5) Notwithstanding the provisions of Subsection (4) of this Section, any Federal Ministries, Departments and Agencies or other public entities, and international institutions that contravene the provisions of Subsections (1), (2) and (3) of this Section shall be caused to make a representation to the National Assembly.	(5) Notwithstanding the provisions of Subsection (4) of this Section, any Federal Ministry, Department and Agency or other public entity, and international institution that contravenes the provisions of Subsections (1), (2) and (3) of this Section shall be caused to make a representation to the National Assembly for further disciplinary action.	*Senate version adopted*

24. Submissions of audited annual financial statements to the National Assembly	(3) National Assembly shall publish its findings on the Auditor-General's report on the Accountant-General's financial statement mentioned therein, within 120 days of receiving such report.	(3) The National Assembly shall publish its findings on the Auditor-General's report on the Accountant-General's financial statement mentioned therein, within 120 days of receiving such report.	*Senate version adopted*
25. Publication of audit reports	**25.** (1) All reports issued by the Auditor-General shall be considered public documents after the reports are presented to the National Assembly. (2) The Auditor-General may provide copies of his published reports to:	**25.** (1) All reports issued by the Auditor-General shall be considered public documents after the reports are submitted to the National Assembly. (2) The Auditor-General shall provide copies of his published reports to:	*Senate version adopted*
26. Public Accounts Committee review of all audit reports	**26.** (1) The committee responsible for the Public Accounts may consider each report from the Auditor-General which is tabled in the National Assembly.	**26.** (1) The committee responsible for the Public Accounts shall consider each report from the Auditor-General which is tabled in the National Assembly.	*Senate version adopted*
28. Expenses of the Office of the Auditor-General **Charging Fees**	Nil	(3) The Auditor-General shall charge fees for the conduct of audits undertaken on behalf of International Aid Agencies, unanticipated audit requests, State Owned Enterprises (Government Business Enterprises – GBE) Funds and autonomous commissions that are not funded directly from the state budget and such amounts shall be remitted to the Consolidated Fund, net of Audit costs.	*Senate version adopted*

34. Offences and penalties	3(a) in the case of an individual, to a fine of not less than ₦300,000; or a term of imprisonment of not less than three years or both; (b) in the case of a body corporate, to a fine not less than ₦5,000,000. (4) Any person who commits an offence under Subsection (2) of this Section shall on conviction, be liable to a fine not less than ₦300,000; or a term of imprisonment of not less than three years or both. (5) Except otherwise provided by this Bill, where the Bill provides for an offence and no penalty is prescribed for the offence, any person who contravenes any of the provisions of those Sections, shall be able to a fine not exceeding ₦200,000 or a term of imprisonment not exceeding 2 years or both.	3(a) in the case of an individual, to a fine of not less than ₦2,000,000.00; or a term of imprisonment of not less than three years or both; (b) in the case of a body corporate, to a fine not less than ₦10,000,000.00. (4) Any person who commits an offence under Subsection (2) of this Section shall on conviction, be liable to a fine not less than ₦2,000,000.00; or a term of imprisonment of not less than three years or both. (5) Except otherwise provided by this Bill, where the Bill provides for an offence and no penalty is prescribed for the offence, any person who contravenes any of the provisions of those Sections, shall be able to a fine not exceeding ₦1,000,000.00 or a term of imprisonment not exceeding 2 years or both.	*Senate version adopted*
36. Composition of the Audit Service Commission	**36.** (1) The Audit Service Commission shall consist of: (a) a Chairman who shall be the Auditor-General; (b) six (6) person known as Commissioners, one each from the six (6) geo-political zones of the Federation, and each of who shall be a member from any recognized professional accounting body with not less than 15 years	**36.** (1) The Audit Service Commission shall consist of: (a) a Chairman who shall have not less than 15 years cognate experience in Accounting and Auditing, in public or private sector or both; (b) six (6) persons known as Commissioners, one each from the six (6) geo-political zones of the Federation, and three (3) of whom shall be from accounting and auditing profession and other 3 from Law or Public Administration, with	*Senate version adopted*

	standing; (d) two persons who retired from the service of the Office of the Auditor-General who must have attained at least Deputy Auditor-General; (2) Except the ex-officio members, other members of the Commission shall be appointed by the President subject to confirmation by the Senate.	not less than 15 years cognate experience (d) two persons who retired from the service of the Office of the Auditor-General who must have attained the rank of a Director on grade level 17. (2) Except the ex-officio members, the Chairman and other members of the Commission shall be appointed by the President subject to confirmation by the Senate.	
37. Secretary and Staff of the Audit Service Commission	(2) The Secretary, who shall be on same rank with a Director-General or its equivalent in public service shall be the accounting officer of the Audit Service Commission and shall be responsible to Chairman for the daily running of the Audit Service Commission.	(2) The Secretary, who shall be on same rank with a Permanent Secretary or its equivalent in the Federal public service shall be the accounting officer of the Audit Service Commission and shall be responsible to the Chairman for the daily running of the Audit Service Commission.	*Senate version adopted*
39. Functions of the Commission	**39.** (1) The Audit Commission shall: (a) determine on the recommendation of the Auditor-General, the administrative structure of the Office of the Auditor-General; (b) except for the Office of the Auditor-General, appoint persons to offices in the Office of the Auditor-General and the Audit Service Commission;	**39.** (1) The Audit Service Commission shall, on the basis of recommendations by the Auditor-General: (a) determine the administrative structure of the Office of the Auditor-General; (b) appoint persons to offices in the Office of the Auditor-General and the Audit Service Commission.	*Senate version adopted*

	(c) handle matters of recruitment, promotion and discipline of members of staff of the office of the Audit Service Commission; (d) determine in consultation with relevant government agencies the salaries and other conditions of service of members of staff of the Office and the Audit Service Commission; and	(c) handle all matters referred to it on recruitment, promotion and discipline of members of staff of the Office of the Auditor-General and the Audit Service Commission; (d) determine in consultation with the National Salaries, Incomes and Wages Commission and any other relevant government agencies the salaries and other conditions of service of members of staff of the Office of the Auditor-General and the Audit Service Commission; and	
40. Length of service of staff of the Office of the Auditor-General and the Audit Service Commission	**40.** (1) Notwithstanding the provision of any Act, a staff of the Office of the Auditor-General other than the Audit Service Commission shall retire from service when he attains the age of 65 years or has served 35 years in the public service of the Federation depending on which comes first. (2) Notwithstanding the provision of this Bill and any other Act, any staff of the Office of the Auditor-General who has served for 8 cumulate years as a Director or Deputy Auditors-General shall retire from the service. (3) Notwithstanding the provision of any Act, a staff of the Audit Service Commission shall retire from service in accordance with general retirement guidelines in the public service of the Federation.	**40.** (1) Notwithstanding the provision of any Act, a staff of the Office of the Auditor-General other than the Audit Service Commission shall retire from service when he attains the age of **60** years or has served 35 years in the public service of the Federation depending on which comes first. Delete (2) Notwithstanding the provision of any Act, a staff of the Audit Service Commission shall retire from service in accordance with general retirement guidelines in the public service of the Federation.	*Senate version adopted*

48. Independent Auditors for the Audit Service Commission	**48.** (1) The National Assembly may appoint, subject to the Public Procurement Act, an Independent Auditor to audit the accounts of the Audit Service Commission for each financial year. 3(b) has proven track of performance and integrity; (c) is not involved or has not audited the Office of the Auditor-General or any Federal Ministries, Departments and Agencies or other public entities, and international institutions which is subject to audit by the Office for at least a period of three years before such appointment; (d) has not been a consultant to the Office or the Audit Service Commission for at least a period of three years before such appointment.	**48.** (1) The National Assembly shall appoint, subject to the Public Procurement Act, an Independent Auditor to audit the accounts of the Audit Service Commission for each financial year. 3(b) has proven track record of performance and integrity; (c) is not involved or has not audited the Office of the Auditor-General or any Federal Ministries, Departments and Agencies or other public entities, and international institutions which is subject to audit by the Office of the Auditor-General for at least a period of three years before such appointment; (d) has not been a consultant to the Office of the Auditor-General or the Audit Service Commission for at least a period of three years before such appointment.	*Senate version adopted*
50. Transition and Savings	(2) Notwithstanding the provision of Subsection (1) of this Section, the existing staff of the Office of the Auditor-General shall be subject to terms and conditions of service to the Audit Service Commission from the commencement of this Bill.	(2) In accordance with the provision of Subsection (1) of this Section, the existing staff of the Office of the Auditor-General shall be subject to terms and conditions of service to the Audit Service Commission from the commencement of this Bill.	*Senate version adopted*

51. Repeal	**51.** The following Acts are hereby repealed: (a) The Audit Ordinance Act of 1958; (b) The Public Account Committee Act, CAP. P35, LFN 2004.	51. The following Acts are hereby repealed: (a) The Audit Ordinance Act of 1958; (b) The Public Account Committee Act, CAP. P35, LFN 2004. (c) Public Accounts Implementation Tribunal Act, CAP. P36, LFN 2004	*Senate version adopted*
53. Short Title	**53.** This Bill may be cited as the Federal Audit Service Commission Bill, 2016.	**53.** This Bill may be cited as the Federal Audit Service Commission Bill, 2018.	*Senate version adopted*