Kano State Government of Nigeria

Office Of The Auditor-General, Kano State

FINANCIAL REPORT ON:

STATE UNIVERSAL BASIC EDUCATION BOARD FOR THE YEAR ENDED

31ST DECEMBER 2025.

Submitted to the Honorable House of Assembly

JUNE 2026

KANO STATE UNIVERSAL BASIC EDUCATION BOARD (SUBEB) HOPE-EDU PROGRAMME – ZERO YEAR ASSESSMENT FOR THE YEAR ENDED 31 DECEMBER 2025

1.0 EXECUTIVE SUMMARY

In accordance with the Constitutional mandate of the Office of the Auditor-General, International Standards of Supreme Audit Institutions (ISSAIs) and the requirements of the HOPE-EDU Programme, an audit review was conducted on the financial activities of the Kano State Universal Basic Education Board (SUBEB) for the 2025 fiscal year.

The report represents the Zero-Year Financial Statements for the HOPE-EDU Programme and provides baseline information for future comparative reporting.

The audit exercise examined accuracy, budgetary allocations, expenditure performance, financial management practices, compliance with approved appropriations, and utilization of public resources.

Kano State Universal Basic Education Board (SUBEB) has an opening balance of ₦7.228 billion and total receipts of ₦18.088 billion, while total expenditure was to the tune of ₦12.423 billion against a final approved budget of ₦15.129 billion, representing a budget implementation rate of 82% during the year under review.

2.0 <u>Audit Objective</u>

The audit sought to determine whether:

- ✓ Public funds allocated to the programme were utilized for approved purposes.
- ✓ Expenditures were properly supported and recorded.
- ✓ Financial resources were managed economically, efficiently and effectively.
- ✓ Programme implementation complied with budgetary provisions and HOPE Programme requirements.

3.0 Key Financial Highlights

Item	Amount ₦'000
Final Approved Budget	15,129,761
3.0Actual Expenditure	12,423,451
Budget Utilization Rate	82.11%
Unspent Balance	2,706,309
Capital Expenditure	11,967,623
Personnel Cost	324,061
Overhead Cost	131,766

4.0 Financial Performance

The Board operated an approved final budget of ₦15.129 billion and incurred actual expenditure of ₦12.423 billion representing 82.11% budget performance.

Capital expenditure accounted for approximately 96.3% of the total programme expenditure, indicating substantial emphasis on educational infrastructure and learning improvement interventions.

3.0 FINANCIAL PERFORMANCE SUMMARY

Administrative Classification

Description	Final Budget (₦'000)	Actual Expenditure (₦'000)	Variance (₦'000)	Performance %
SUBEB	15,129,760.66	12,423,451.38	2,706,309.28	82

4.0 FUNCTIONAL EXPENDITURE ANALYSIS

Function	Final Budget (₦'000)	Actual (₦'000)	Performance %
Education	15,129,760.66	12,423,451.38	82.1
Pre-primary & Primary Education	15,129,760.66	12,423,451.38	82.1
Primary education	15,129,760.66	12,423,451.38	82.1

Total Functional Expenditure:
Final Budget: ₦15.129 billion
Actual Expenditure: ₦12.423 billion
Budget Utilization Rate: 82.1%

STATEMENT OF SOURCES AND USES OF FUNDS

(Receipts Statement)

Description	Current Year 2025 ₦	Prior Year 2024 ₦
Opening Cash Balance (Matching Grant)	4,341,961	2,618,275
Opening BESDA	2,886,316	749,112
Opening Balance Subeb Expenditure Account	0:00	0:00
Total Opening Balances	**7,228,277**	**3,367,387**
Add: Receipts for the year		
FGE/UBE Matching Grant & State count funding	8,689,007	2,706,475
BESDA	0:00	8,123,256
Subeb Expenditure Account	2,171,632,	0:00
Total Receipts	**10,860,640**	**10,829,731**
Total Sources of Funds	**18,088,918**	**14,197,118**
(Payments Statement)		
Capital	11,967,623	6,608,247
Overhead cost	131,766	110,689
Personnel Cost	324,061	249,905
Totals	**12,423,450**	**6,968,841**
Closing Cash Balance	**5,665,468**	**7,228,277**

COMPARATIVE EXPENDITURE ANALYSIS

Programme	2025 Actual (₦)'000	2024 Actual (₦)'000	Increase/ (Decrease) (₦)'000
Capital	11,967,623	6,608,247	5,359,376
Overhead cost	131,766	110,689	21,077
Personnel Cost	324,061	249,905	74,156
Totals	**12,423,450**	**6,968,841**	**5,454,609**

STATEMENT OF DEBT STOCK

Category	Amount ₦'000
Domestic Loans	23,439,514
Foreign Loans	200,638,076
Total Debt Stock	**224,077,590**

DEBT SERVICE STATEMENT

Description	Amount (₦)
Principal Repayment	13,760,228
Interest Charges	4,948,731
Total Debt Service	**18,708,959**

NOTES TO THE ACCOUNTS

Kano State Government
Consolidated Financial Statements
For the year ended 31 December, 2025

Notes to the Financial Statements

Notes	Codes	Description	31st Dec, 2025 ₦'000	
28	4102	Total Debt Stock		**₦'000**
	410201	Internal Debts		23,439,514
	410202	External Debts		200,638,076
		Total		**224,077,590**
28i	4203	Long Term Public Debt (Borrowing)		
		Internal Public Debt (Borrowing)		14,463,198
		External Public Debt (Borrowing)		190,905,433
		Sub-Total		**205,368,631**
28iii	2206	Repayment of Loan (Total Debt Service)		
	220303	Principal Amount		13,760,228
	220601 &220602	Public Debt Charges		4,948,731
				18,708,959
		Note*		
		Loan Repayment for the year ended 2024		
		less: Repayments for Dec 2023 Paid in Jan 2024		
		Eleven months Loan Repayments (FAAC Deduction)		
		Add: Repayments for Dec 2024 Paid in Jan 2025		
		Adjusted Loan Repayments for the year 2024		
		Loan Repayment for the year ended 2025	18,708,959	
		less: Repaymets for Dec 2024 Paid in Jan 2025	(963,905)	
		Eleven months Loan Repayments (FAAC Deduction)	17,745,055	
		Add: Repaymets for Dec 2025 Paid in Jan 2026	1,758,566	
		Adjusted Loan Repayments for the year 2025	19,503,621	

29		Proceeds from Borrowing		
		External Loan		
		Kano State Agro Climatic Resilience in Semi-arid Landscape (ACReSAL) Project		18,414,255
		Rural Access Agricultural Marketting Project		4,421,894
		Kano State Agro Pastoral Development Project		854,557
		Kano State- Accelerated Nutrition Results -IDA		-
		Total		**23,690,705**
		*Details of Debt Stock (See, Schedule 10 and 11)		
		Note		
		State Domestic Debt Profile		
		Power Intervention Fund: This is a Loan from the Federal Government of Nigeria to the Kano State Government through Fidelity Bank. The loan Principal amount was 10 billion at 7% interest rate with estimated life-span of 10 years for the execution of Independent Power Supply Project (IPP) in the State.		

Major Expenditure Areas

- Construction of classrooms and school infrastructure.
- Provision of school furniture and learning materials.
- School feeding and nutrition programmes.
- Procurement of textbooks and instructional materials.
- Teacher capacity development and training.
- School quality assurance and monitoring activities.

Audit Findings

i. Overall, budget implementation was satisfactory with expenditure performance of 82.11%.

ii. Several projects recorded under-utilization due to procurement delays and phased implementation schedules.

iii. Certain activities recorded expenditure above approved provisions and should be subjected to further management review and authorization procedures.

iv. Capital projects dominated expenditure, which aligns with the objectives of improving access to and quality of basic education.

v. Employees' Biodata were linked to the payroll. This prevents Ghost Workers.

vi. Contracts above N20m were tested using sampling method. However, while most of the procurement process were in conformity with the Programme Manual, some were observed to have been delayed in execution and some supplies were not taken on charge.

vii. Physical verification of the projects executed reveals compliance with contracts' specifications and Procurement Law but some projects files were not presented for audit review.

viii. Fixed Assets Register should be updated and some equipment should be tagged for ease of identification.

Conclusion

Subject to the observations contained in this report, the financial records examined present a fair reflection of programme expenditures incurred during the period under review.

Recommendations

I. Strengthen budget planning and expenditure forecasting.
II. Ensure timely execution of approved projects.
III. Improve monitoring and evaluation mechanisms.
IV. Maintain complete supporting documentation for all expenditures.
V. Strengthen internal control and project supervision arrangements.

Rabiu Yusuf, cna
Auditor-General
Kano State
FRC/2026/PRO/ANAN/004/514307
Date: June 2026