THE ROLE OF THE AUDITOR-GENERAL FOR THE FEDERATION

CITIZENS GUIDE

Office of the Auditor-General for the Federation

Our Vision

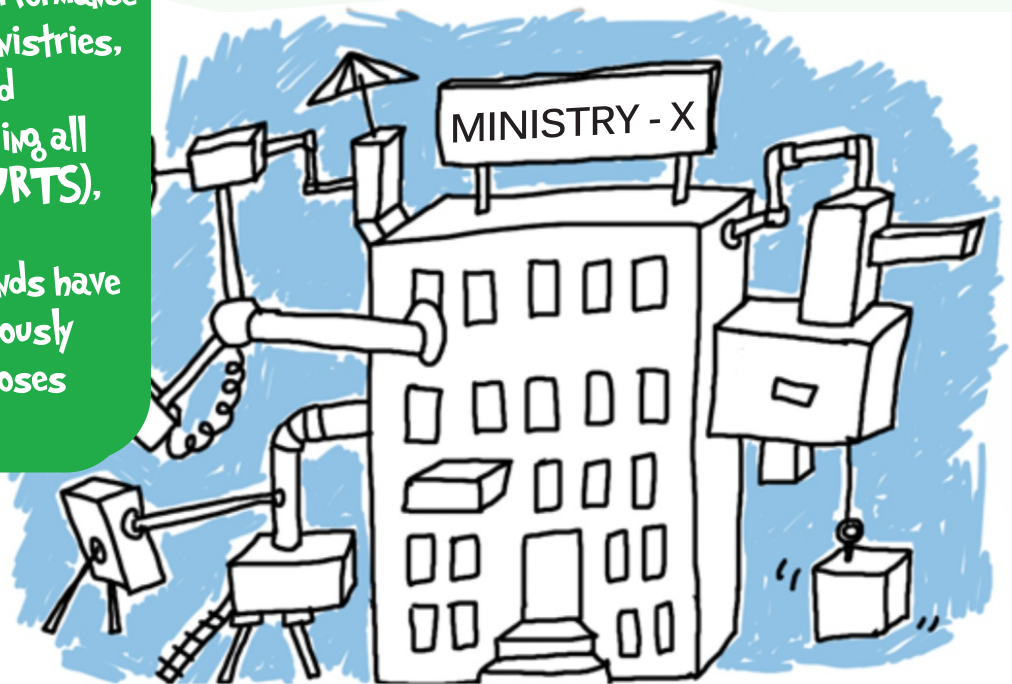
"To be a foremost Audit Institution, applying best professional practices towards fostering good governance & providing leadership to other Supreme Audit Institutions."

Our Mission

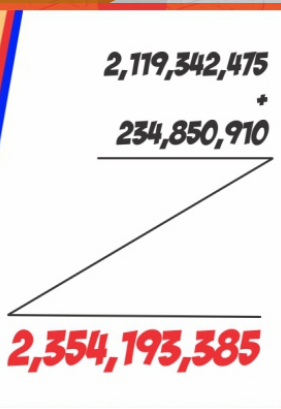
“To audit the Nation's accounts in the most professional & transparent manner, ensuring value for money in government financial activities for the benefit of the Nigerian people."

What does the AUDITOR-GENERAL do?

The Auditor-General for the Federation examines the accounts and performance of all Federal Ministries, Departments and Agencies (including all **OFFICES & COURTS**), to determine if public money/funds have been used judiciously and for the purposes intended.



How does the AUDITOR-GENERAL carry out this function?



BY CHECKING THE EXPENDITURE OF ALL MDAs THROUGH DIFFERENT TYPES OF AUDIT.

NATURE OF AUDITS CARRIED OUT BY THE OFFICE OF THE AUDITOR-GENERAL FOR THE FEDERATION

1. Audit of the Accountant-General's Annual Financial Statements of Government
2. Audit of the Federation Account, belonging to the 3 tiers of government
3. Periodic Checks of Government Statutory Corporations/ Parastatals
4. Vetting & Commenting on the annual accounts and auditors report on the accounts of Government Statutory Corporations, Commissions, Authorities and Agencies created by Acts of Parliament (Parastatals)
5. Performance audit/value for money audit to find out if there is economy, efficiency, and effectiveness in the use of public resources.
6. Audit of the books and records of all ministries
7. Audit of FCT Financial Statements, Regularity Audit (Financial & Compliance)

The AUDITOR-GENERAL for the Federation

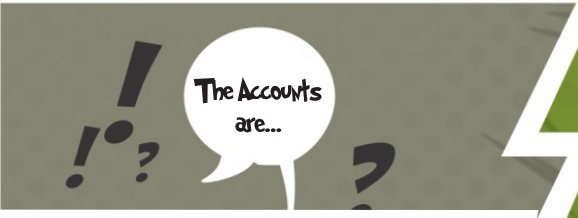
ANNUAL REPORT

The Auditor-General for the Federation submits his Annual Reports to the 2 arms of National Assembly in line with the constitution.

The report contains:

- Comments on the Federal Government's Financial Statements
- Comments on the examination of Federation Accounts of the 3 tiers of Government
- Losses of Cash, Stores & Plants
- Management reports on audit carried out in MDAs.
- Performance Audit Reports
- Periodic Checks of Statutory Bodies

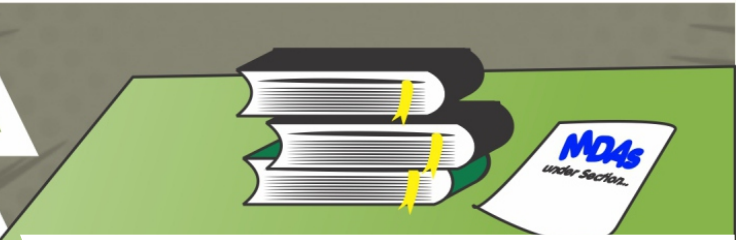
ISSUES covered in the Annual Report of the AUDITOR-GENERAL for the Federation



Comments and opinion on Financial Statements

Comments on Inflows and Outflows into the Federation Account.

Whether Financial Statements are fairly represented.



Whether MDAs comply with all Laws, Financial Regulations and Extant rules governing financial matters.

Performance Audit of Projects and Programmes to assess efficiency, economy and effectiveness in the use of public resources.

Regularity audit of financial transactions.

Recommendations for improving Public Financial Management.

The Auditor-General for the Federation's financial audit of any MDA could result in any of the following outcomes.

DISCLAIMER:

When the Auditor cannot give a view at all, e.g. due to a limitation in scope

Other forms of audit such as Performance Audits will result in a stand alone report to the National Assembly'

REPORTS on all Forms of IRREGULARITIES which include...

WANTED

1) Those who disregard financial regulations, public service rules and other rules, and extant procedures.

2) Those who partially conform with rules and regulations through short cuts.

3) Those who refuse or neglect to account for public funds in their trust.

4) Those who fail to follow due process and procurement procedures in the purchase of goods/services and use of public funds.

5) Those who disburse money for the purchase/procurement of goods/services for government but with no evidence that such goods were received or benefit delivered to Government.

6) Those who fail to apply adequate interval controls or follow government laid down procedures over the disbursement of public funds.

7) Those who follow unauthorised/ irregular routes in the disbursement of public funds.

Role of the OAuGF in Public Accountability and Anti-Corruption

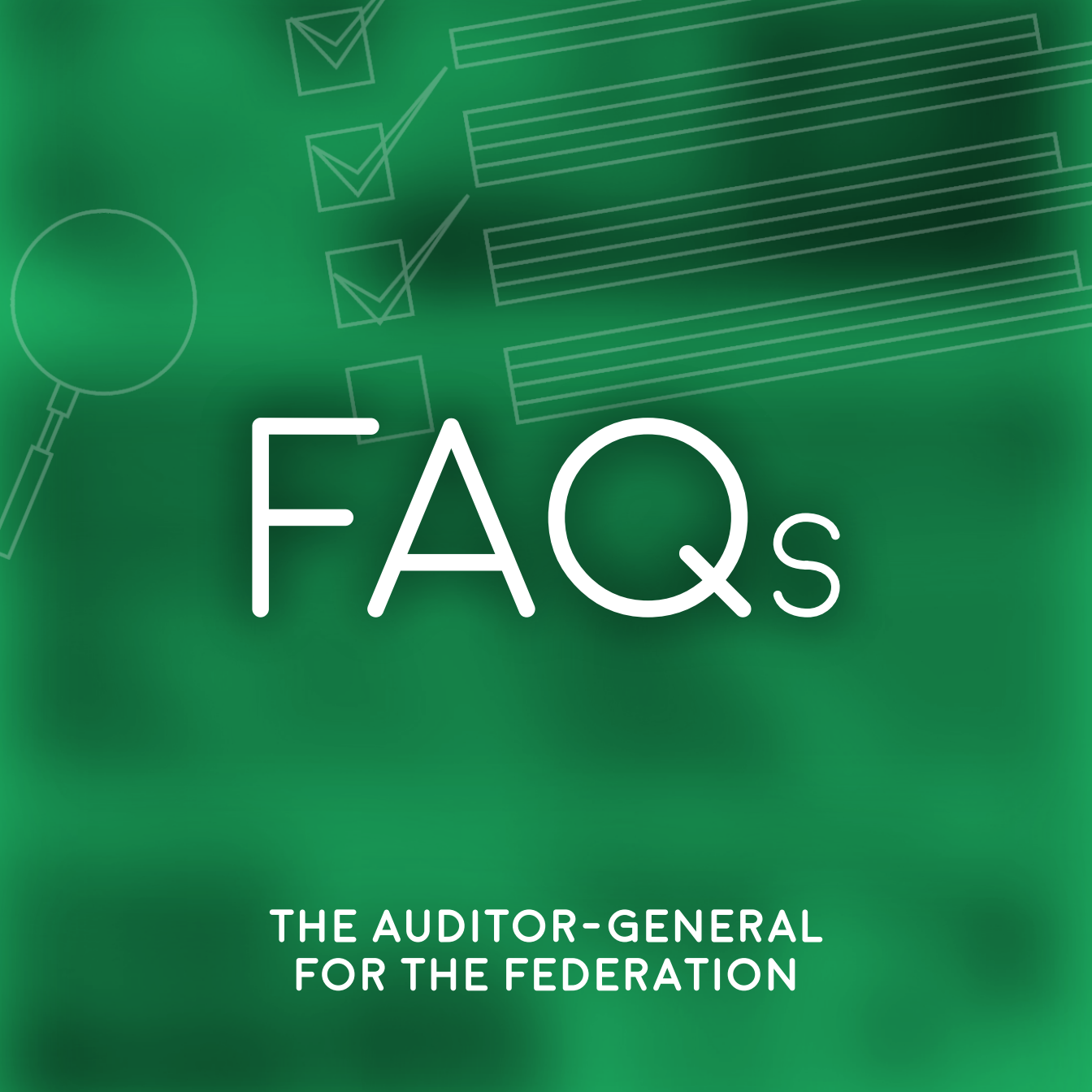
Carry out external audit functions and scrutiny of national and international public funds

Detect and deter corruption, through timely audit

Suggest cost savings, waste reduction, more efficient and effective measures in the public sector

Strengthen citizens participation by publishing audit findings after submission to National Assmbly

In order to strengthen the Office of the Auditor-General for the Federation and enable the office deliver on its mandate, the office needs financial and administrative autonomy.


FAQs
THE AUDITOR-GENERAL
FOR THE FEDERATION

Q Is the OAuGF under the Federal Ministry of Finance?

A No, the OAuGF is an independent Office having a working relationship with the Ministry of Finance but is neither under the Ministry nor reporting to the Ministry. The office only reports to the National Assembly.

Q Is OAuGF under the Presidency?

A No, the OAuGF is not under the Presidency however the Auditor-General for the Federation is appointed by the President, subject to confirmation by the Senate of the National Assembly.

Q To whom does OAuGF report?

A The Constitution provides that the Auditor-General for the Federation reports to the National Assembly. i.e. the Senate and the House of Representatives - as the representatives of the people of Nigeria

Q **What is the difference between OAuGF Auditors and Internal Auditors in MDAs?**

A

- The Office of the Auditor-General for the Federation is the external auditor of the Government while the internal auditors are staff of Office of the Accountant-General of the Federation.
- Internal Auditors are under the supervision and control of the Office of the Accountant-General of the Federation while OAuGF Auditors act as external auditors.
- The internal auditors are part of the administration and internal control in the MDAs.
- The Internal Auditors report to the Chief executive while Auditors of the OAuGF report to Auditor-General, who in turn reports to the National Assembly.

Q **Who audits the auditor (Office of the Auditor-General for the Federation)?**

A

- Good practice requires that parliament appoints independent auditors to carry out audit of the activities of the SAI. This is provided for in the Audit bill presently under consideration by the National Assembly. The National Assembly will ensure the Office of the Auditor-General for the Federation is properly audited by an independent audit firm.
- Peer Review is another mechanism of auditing the auditor where another Supreme Audit Institution reviews the activities of the OAuGF.

Q What is the difference between OAGF and OAuGF?

A The Law and extant Financial Regulations require that the Office of the Accountant-General for the Federation (OAGF) is responsible for the preparation of the Financial Statements of the Federal Government while the Office of the Auditor-General for the Federation (OAuGF) carries out the external audit of these Financial Statements.

Q Is the Auditor-General for the Federation under the control of any Government body?

A The Auditor-General under section 85 (6) of the Constitution is not subject to the direction or control of any other authority or person in the discharge of his functions under the Constitution.

Q What is the role of the Auditor-General in public financial management.?

A The Auditor-General for the Federation plays the role of the ‘Watch Dog”, to report on accountability for public funds

Q How does the OAuGF protect the interest of Nigerians?

A By confirming whether public funds are used judiciously and for the intended purpose, also by highlighting areas of waste

Q **Why is the report of Office of the Auditor-General for the Federation not made available to the public?**

A The annual reports of Auditor-General for the Federation from 2013 are now available on the office website and hard copies given to various stakeholders. All future reports are being published online at ***www.oaugf.ng*** once they are submitted to the National Assembly.

Q **Why is the outcome of the consideration of Auditor- General for the Federation's report by National Assembly not made public?**

A The Public Accounts Committees of the National Assembly are responsible for considering the report of Auditor-General for the Federation and then laying their report before the National Assembly for onward transmission to the executive for implementation.

Q **How is the OAuGF different from ICPC and the EFCC?**

A The OAuGF is constitutionally responsible for the audit of Federal Government financial transactions and is expected to submit its report to the National Assembly whereas ICPC and EFCC were created by Acts of the National Assembly to investigate and prosecute cases involving financial crimes/corruption. The ICPC and EFCC are both subject to external audit by the OAuGF.

Q What is the role of OAuGF in the fight against corruption?

A The OAuGF is the foremost accountability Office in Nigeria under the Constitution. If in the course of its audit, there are indications of financial recklessness or infractions on our laws/regulations, the agencies responsible for prosecution, such as the ICPC or EFCC take it up from there.

Q What then is the difference between the OAuGF and NEITI?

A The OAuGF is an accountability office created by the Constitution to carry out audit of government transactions including the NEITI, whereas NEITI was specially created to carry out audit of agencies/players in the extractive industries to ensure that government is not short-changed. In summary, NEITI'S roles in the extractive industry are complementary to those of the OAuGF.

Q If the OAuGF submit reports to the National Assembly and no action is taken on such reports, what other options are available to the OAuGF?

A The Constitution only provides for the Auditor-General to submit his reports to the National Assembly who has power to determine when and what time is convenient for it to look at the reports. However, whenever the National Assembly is holding public hearings on the reports, the Auditor-General or his representative is usually in attendance.

Q **Like other Supreme Audit Institutions, does the OAuGF have an Audit Act?**

A Yes, but the Audit Ordnance of 1956 is obsolete. Since independence, Nigeria is yet to have an Audit Act. Efforts are being made to have a new Audit Act through the Audit Bill presently with the National Assembly.

Q **What are the key merits of having an Audit Act?**

A The OAuGF will have operational/administrative independence. i.e. will be able to recruit, promote and discipline its staff. The OAuGF will also have financial independence. i.e. will no longer be dependent on the Federal Ministry of Finance for its funding.

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