Sub-national Audit Efficacy (SAE) Index 2020
Short Methodology & Scoring Criteria

Sub-national Audit Efficacy (SAE) Index 2020 aggregates data from different sources to assess public finance management practices and accountability mechanisms leveraging on the role of public audit in all 36 states of the federation of Nigeria. The assessment carried out in 2020 focused on data aggregated from 2019 financial year.

PLSI undertakes data integrity exercise to ensure that information used in assessing efficacy of public audit in each state are drawn from reliable sources. Also, certain evaluation criteria are employed in arriving at the SAE index 2020.

1. Select Data Sources – data used in measuring audit efficacy in each state must fulfil key criteria to qualify as a valid data source.
   - Must have been published by sun-national constituted authority in Nigeria
   - Must be available publicly on a dedicated government website/portal
   - Must contain necessary information and void of ambiguity

The SAE index 2020 is assessed using each sub-national entity’s fiscal information, legal framework, and stakeholder involvement in the public audit cycle.

2. Standardise data sources to a scale of 0-100 where 0 equals the lowest level and 100 equals the highest level of audit capacity to produce intended result of ensuring that public funds are adequately accounted for. This standardisation is done by aggregating scores due from all stages of assessment which include availability (publicly) of financial statement/audited financial statement/audit report, operationalization of a modern or obsolete audit legal framework, legislative involvement in the audit process, executive actions on audit recommendations, and level of citizens participation in the audit process.

3. Key assumptions – absence of autonomy for sub-national parliament in Nigeria necessitated the assumption that state legislators are not able to perform their constitutional duties on public audit independent of the executive arm as provided for in section 125 (5) of the 1999 constitution as amended which states that “the Auditor-General for a State shall, within ninety days of receipt of the Accountant-General’s financial statement and annual accounts of the State, submit his report to the House of Assembly of the State and the House shall cause the report to be considered by a committee of the House responsible for public accounts”. The objectivity and integrity of the legislative exercise on a state audit report produced by the Auditor-General is dependent on the autonomy of such legislature.

It is also assumed that due to lack of independence of state legislature, the executive arm is either taking ineffective or no action at all to correct audit anomalies that should support to improve public finance management practices and accountability mechanisms in states of the federation.