



## Operationalization of Financial Autonomy for the Office of the Auditor-General

The principal law<sup>36</sup> that provides for the establishment of the Office of the State Auditor-General and Audit Service Commission and for other Matters Connected Therewith was first signed by the Borno State Governor, Babagana Zulum on 25th March 2021. The law was however amended<sup>37</sup> by the House of Assembly and assented to by the same governor on 23rd June 2021.

S.15(1) of the principal law governing public audit activities in Borno State says that “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.

However, S.14(1)(c)(iii) states that “the Auditor-General shall prepare and submit to the House of Assembly at least 90days before the beginning of each year the estimates of revenues and expenditure for inclusion in the State Budget”.

Furthermore, S.14(1)(g) states that “any sum appropriated by the State House of Assembly in each financial year shall be charged on the consolidated revenue of the State”.

Evidence received<sup>38</sup> indicates that the legal provision stated above and contained in the Borno State Audit Law 2021 (principal and amendment) is yet to be operational even after nine months since the amendment was signed into law by Governor Zulum. It is not clear why this legal provision that guarantees the financial independence of the Auditor-General in Borno State is not being implemented as contained in the law despite the Circular<sup>39</sup> by the Borno State Head of Service dated 29th June 2021 and titled “Instructions for the Implementation of Financial and Operational Autonomy for the Offices of the State Auditor-General and the Auditor-General for Local Governments and the Provisions of the Audit Law of Borno State” addressed to all relevant officials involved in the implementation process. Financial autonomy and operational independence for Supreme Audit Institutions are foundational pillars of achieving public accountability. It is therefore imperative for the Borno State Government to begin implementation of this legal provision and ensure costs to the Office of the Auditor-General for Borno State are charged on the first line to the Consolidated Revenue Fund of the State.

## Audit Mandate Execution

The office of the Auditor-General for Borno State conducted financial, compliance and performance audits for the year ended 2020. However, the Office claimed<sup>40</sup> performance audit was not fully done to cover all relevant agencies of government in Borno State due to funding and security challenges. This notwithstanding, the Auditor-General did very well in partly executing performance audits on government programs and projects in Borno State and should be provided all required support by the State government to ensure public expenditure in the State remain efficient, effective and economical.

## Effectiveness of Public Accounts Committee

There is no proof the Public Accounts Committee of Borno State House of Assembly is effective in discharging its statutory mandate. Response<sup>41</sup> received showed the Committee has not reviewed the Auditor-General's report for 2020 and cannot be said to have made any recommendation to the Executive arm to correct audit anomalies to improve public finance

management practices in the state. The Public Accounts Committee equally has backlogs of audit reports to be reviewed including that of 2018 and 2019. The PAC review exercise is very crucial to concluding the audit action cycle for proper accountability in the utilization of public funds.

<sup>36</sup> <https://pfm.bo.gov.ng/wp-content/uploads/2021/08/Law-Establishing-Office-of-the-State-Auditor-General-and-Audit-Service-Commission.pdf>

<sup>37</sup> <https://pfm.bo.gov.ng/wp-content/uploads/2021/06/A-LAW-TO-AMEND-THE-BORNO-STATE-AUDITOR-GENERAL-AND-AUDIT-COM.-LAW-2021.pdf>

<sup>38</sup> SAE Index 2021 Research Survey

<sup>39</sup> <https://pfm.bo.gov.ng/wp-content/uploads/2021/06/Head-of-Service-Circular-on-Implementation-of-Audit-Law.pdf>

<sup>40</sup> SAE Index 2021 Research Survey

<sup>41</sup> SAE Index 2021 Research Survey



## Citizens' Participation in the Audit Process

Civil Society Organizations in Borno State are proactively and independently engaging findings of the Auditor-General in Borno State. Although the office of the Auditor-General for Borno State has not found it necessary to include Civil Society Organizations in the State audit process having not identified what role exactly CSOs should play<sup>42</sup>, the Office ensured that report of the Auditor-General for 2020<sup>43</sup> was published on the website for citizens' access. Feedback<sup>44</sup> from two Civil Society Organizations working in Borno State showed they have

been engaging with audit findings contained in reports of the Auditor-General and have called for more inclusive engagement by the Auditor-General. It is important that citizens who are mostly affected by audit issues and public finance management gaps are able to engage with the Office of the Auditor-General and Public Accounts Committee to ensure their opinions and experiences reflect in planning and executing audit functions as well as the oversight role of the state's Parliament.

<sup>42</sup> SAE Index 2021 Research Survey

<sup>43</sup> <https://pfm.bo.gov.ng/wp-content/uploads/2021/07/2020-Annual-Report-of-the-Auditor-General-Borno-State.pdf>

<sup>44</sup> [https://docs.google.com/forms/d/11MTI9X0Zi\\_bTJHhUXAPuXMi3wyuhdqr4vEpUaJU2sk/edit#responses](https://docs.google.com/forms/d/11MTI9X0Zi_bTJHhUXAPuXMi3wyuhdqr4vEpUaJU2sk/edit#responses)