



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

The legal framework for public audit in Cross River State is the Cross River State Audit Law 2021⁴⁷ signed by Governor Ben Ayade on 29th June 2021. The law provides for the administration of the office of the State Auditor-General, auditing of State institutions; administration of the Office of the Auditor-General for Local Governments, auditing of Local Government Councils and the establishment of the Audit Service Commission.

S.25(1) (b) and (c) of the Cross River State Audit Law 2021 indicates that “the State Auditor-General shall prepare and submit to the State House of Assembly at least 90 days before the beginning of each year the estimate of revenue and expenditure for inclusion in the State budget; the operational and administrative expenses of the Office including salaries, allowances, gratuities and pension payable to staff”.

S. 25(3) states further that “any sum appropriated to the Office by the House of Assembly of the State in each financial year shall be charged upon the Consolidated Revenue Fund of the State and paid as first line charge”.

There is no evidence that the legal provision stated above and contained in the Cross River State Audit Law 2021 has been operational since June 2021 when the law was signed by Governor Ben Ayade. This is despite the issuance of letter of instruction⁴⁸ by the Secretary to the State Government – Barr. Tina Banku Agbor on 30th June 2021 directing agencies of government to commence implementation of the law. Financial autonomy and operational independence for Supreme Audit Institutions especially at subnational level are foundational pillars of achieving public accountability. It is very important that the Executive arm in Cross River State fully comply with this provision of the law to ensure that the Auditor-General remains independent, able to perform his/her statutory functions and not subjected to the direction or control of any individual or authority due to financial constraints.

Partially Transparent Process for Appointing Auditor-General

S.3(1) of the Cross River State Audit Law 2021 indicates that “the State Auditor-General shall be appointed by the Governor on the recommendation of the State Civil Service Commission, subject to the confirmation of the State House of Assembly”.

S.3(2)(a) provides that “a person shall not be appointed to the Office of the Auditor-General of the State unless he is a senior management staff of the Office of the Auditor-General not below the position of Director with not less than 15 years cognate public sector audit experience in the office of the State Auditor-General”.

Furthermore, S.5 of the Law states that “in the absence of a suitable candidate as stated in S. 3 of this law, the following additional procedure shall be executed by the Civil Service Commission – (a) the vacancy for the position of the State Auditor-General shall be advertised

in at least 2 National Dailies and 1 local newspaper. (b) all applicants are to be subject to the same interview and/or written test”.

The above legal provisions did not specify any recruitment process for the State Auditor-General if appointed from within the management structure of the Office of the Auditor-General for the State. The law only provided for a process to be followed if there is no suitable candidate from the management structure which takes appointment of the Auditor-General for Cross River State outside the Civil Service. Stating and clarifying procedures to be followed in appointing who becomes Auditor-General whether from within or outside the State Civil Service is very important to ensure the best candidate for such sensitive and important position emerges.

⁴⁷ <https://mof.cr.gov.ng/download/crs-audit-law-2021/>

⁴⁸ <https://mof.cr.gov.ng/download/the-instruction-for-the-implementation-of-financial-and-operational-autonomy/>



No Clarity of Tenure for the Auditor-General

S.11 of the Cross River State Audit Law 2021 provides that “the State Auditor-General shall remain in Office until he has attained the retirement age of sixty (60) years in accordance with S.127(2) of the Constitution, except where he is removed from office under the provisions of section 10 of this law”. This legal provision did not specify the term of office for the Auditor-General and subjects the tenure of the Auditor-General in Cross River State to

varying degrees of inadequacies as successive Auditor-Generals are likely to have inconsistent number of years in service. Such inconsistencies could negatively affect policy implementation at the office of the Auditor-General in Cross River State. The Cross River State Audit Law 2021 needs to provide for a definitive term of office for the Auditor-General and such term of office should be clearly stated, consistent and predictable.

No Legal Provision for Public Access (Electronic) to Audit Reports

S.29(2) of the Cross River State Audit Law 2021 indicates that “the State Auditor-General's report shall be published and made available to the public after its deliberation by the House of Assembly; this shall be on demand and on payment of minimal fee”. This section of the Law or any other section did not make any provision for the Auditor-General for Cross River State to publish his/her report on a dedicated website (electronically) to

enable citizens and civil society organizations access the report and engage with findings of the Auditor-General.

It is important to ensure that the audit legal framework makes adequate provision for citizens to have unrestricted access to reports of the Auditor-General of a State to encourage citizens participation in the audit process of the State.

Audit Mandate Execution

Further to the annual financial audit, the Auditor-General for Cross River State should conduct other types of audits including compliance audit and performance audit. This would ensure adherence to fiscal and procurement regulations by government agencies and guarantee value for money on programs and projects implemented by the government of Cross River.

Effectiveness of Public Accounts Committee

There are no indications the Public Accounts Committee of the House of Assembly in Cross River State has reviewed the 2020 report of the Auditor-General for Cross River State. It is equally not clear how much backlogs of reports the Committee is yet to review. The effectiveness of the Public Accounts Committee in reviewing audit reports on the accounts of Cross River State and making recommendations to correct public finance management gaps could not be ascertained during this research

exercise as relevant officials did not provide required information despite repeated engagements. The role of the Public Accounts Committee in ensuring timeous review of annual audit reports cannot be overemphasized and very crucial to concluding the audit action cycle for proper accountability. Recommendations of Public Accounts Committee to improve accountability in the utilization of public funds must also be taken seriously and implemented as quickly as possible.

Citizens' Participation in the Audit Process

Although the 2020 report⁴⁹ of the Auditor-General for Cross River State is accessible to the public, there's no evidence that citizens or Civil Society Organizations in Cross River State are engaging with the State audit process whether in using audit information to demand accountability or post audit interaction with the Office of the Auditor-General and Public Accounts Committee. The Cross River State Auditor-General as well as the Public Accounts Committee of the House of Assembly

needs to do more in ensuring that citizens are adequately involved when audit reports are produced and when they are being reviewed by the Public Accounts Committee. 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 Parliament.

⁴⁹ <https://mof.cr.gov.ng/download/the-crs-2020-audited-accountsrevised-copy>