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

The Edo State Audit (Repeal) Law 2021 signed by Governor Godwin Obaseki on 28th June 2021 repealed the Edo State Audit Law, 2019 and provides for the establishment of Edo State Audit Service Commission and the Office of the Auditor-General of Edo State and Local Governments and for other connected purposes.

S.38(1) of the Edo State Audit (Repeal) Law 2021 indicates that “The Auditor-General shall prepare and submit to the State House of Assembly, the estimated revenue and expenditures pertaining to the office of the Auditor-General of Edo State for inclusion in the Appropriation Bill of Edo State at least ninety (90) days before the beginning of each year, via Public Accounts Committee”.

Also, S.38(3) of the Law states 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 a First (1st) Line Charge in equal installment every month of the year”.

There is no evidence to show that the legal provision stated above and contained in the Edo State Audit (Repeal) Law 2021 has been operational since June 2021 when the law was signed by Governor Godwin Obaseki. Financial autonomy and operational independence for Supreme Audit Institutions especially at subnational level are foundational pillars of achieving public accountability. It is crucial that the Executive arm in Edo State fully comply with the provisions 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.

S.22(2) of the Edo State Audit (Repeal) Law provides that “The Auditor-General shall be appointed by the Governor on the recommendation of the Commission, subject to confirmation by the House of Assembly”. Although S.22(1) states that “The appointment of Auditor-General for the State and Local Government, and all other matters not covered by this Law relating to the Office of the Auditor-General of the State shall be, pursuant to the Constitution of the Federal Republic of Nigeria, 1999 (as amended) and any other Law concerning audit of Public Accounts in the State”, the legal framework ought to have provided for the procedure to be followed in appointing the Auditor-General for Edo State. Such procedure would include advertising the vacancy online and in newspaper publication for a minimum number of weeks and setting a date for interview of shortlisted candidates.

Stating and clarifying procedures to be followed in appointing who becomes Auditor-General is very important to ensure the best candidate for such sensitive and important position is appointed.

S.24 of the Edo State Audit (Repeal) Law 2021 states that “The Auditor-General shall remain in office until the retirement age of Sixty (60) years or after spending Thirty-Five (35) years in service (whichever comes first) unless removed under the provisions of this Law”.

This legal provision did not provide for a definitive term of office and subjects the tenure of the Auditor-General in Edo State to various 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 Edo State. While there could be age limit to retire and maximum number of years of service, the tenure of the Auditor-General should be clearly defined. The Edo State Audit (Repeal) 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.

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60 https://www.edostate.gov.ng/edo-state-audit-repeal-amendment-law-2021/
Audit Mandate Execution

Further to the annual financial audit, the Auditor-General for Edo 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 efficiency, effectiveness, and economy of public spending on programs and projects implemented by the government of Edo State.

Effectiveness of Public Accounts Committee

There are no indications the Public Accounts Committee of the House of Assembly in Edo State has reviewed the 2020 report of the Auditor-General for Edo State. It is equally not clear how much backlog of reports the Committee is yet to review. The effectiveness of the Public Accounts Committee in reviewing audit reports on the accounts of Edo 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 report of the Auditor-General for Edo State is accessible to the public, there’s no evidence that citizens or Civil Society Organizations in Edo 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 Edo 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.