



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

The legal framework for public audit in Kwara State is the Kwara State Public Audit (Re-Enactment) Law 2021<sup>118</sup> signed by Governor Abdulrahman Abdulrazaq on 9th November 2021. The law provides for the audit of public accounts and connected matters in Kwara State.

S. 20(1) of the law states that “not later than 90 days before the end of the financial year the Auditors-General shall prepare and submit draft estimates of revenue and expenditure of their offices for the subsequent financial year first to the House of Assembly, make necessary amendments after receiving comments from the House of Assembly and then submits to the Ministry responsible for budget and planning”.

S. 20(4) provides further that “the sum appropriated to the Offices of the Auditors-General by the House of Assembly in each financial year shall be charged on the Consolidated Revenue Fund of the State and paid as a

first line charge in twelve equal installments for each month of that financial year”.

Evidence received<sup>119</sup> shows that the legal provision stated above and contained in the Kwara State Public Audit (Re-Enactment Law) 2021 is yet to be operational in almost five months of its re-enactment and assent by Governor Abdulrahman Abdulrazaq. It is not clear why this legal provision that guarantees the financial independence of the Auditor-General in Kwara State is not being implemented as contained in the law. Financial autonomy and operational independence for Supreme Audit Institutions especially at subnational level are foundational pillars of achieving public accountability. It is therefore important for the Kwara State Government to begin implementation of this legal provision and ensure costs to the Office of the Auditor-General for Kwara State are charged on the first line to the Consolidated Revenue Fund of the State.

## Exemplary Tenure for the State Auditor-General

S.5(2) of the Kwara State Public Audit (Re-Enactment) Law 2021 which addresses the tenure issue of the Auditor-General indicates that “the Auditors-General shall each be appointed for a term of four years, and may be reappointed once for another term of four years; but must compulsorily retire from office on the 8th anniversary of appointment as Auditor-General regardless of age or years of service if appointed from within the Civil Service”

This legal provision governing the tenure of the Auditor-General in Kwara State is very well defined and

exemplary. The Law clarifies the maximum term and number of years an Auditor-General can spend in office. The Kwara State Public Audit (Re-Enactment) Law 2021 covers potential appointments from both within and outside the Civil Service of the State. Term of office for AuGs must be well defined, consistent, and predictable to guarantee their independence. This will further ensure that an Auditor-General, whether appointed from within the Civil Service or private sector, is not subjected to the direction or control of any person or authority on the account of tenure instability.

## Audit Mandate Execution

The Office of the Auditor-General for Kwara State claimed<sup>120</sup> to have conducted financial and compliance audits for the financial year ended 2020 with findings of the Auditor-General documented in separate reports but consolidated into a single report. The Auditor-General for Kwara State should conduct more comprehensive compliance and performance audits to ensure adherence to fiscal and procurement regulations by government agencies in the State and to guarantee value for money on programs and projects implemented by the government of Kwara State.

<sup>118</sup> <https://kwarastate.gov.ng/wp-content/uploads/Kwara-State-Public-Audit-Re-enactment-Law.pdf>

<sup>119</sup> SAE Index 2021 Research Survey

<sup>120</sup> SAE Index 2021 Research Survey



## Lack of Public Access (Electronic) to Audit Reports

S.16(6) of the Kwara State Public Audit (Re-Enactment) Law 2021 states that “the annual audit report of the Auditors-General shall be considered a public document and as such shall be made accessible to members of the public. Members of the public may obtain a copy at a nominal cost, which shall be used solely to defray the incidental expense of producing such copy”. Also, S. 16(7) indicates that “the Auditors-General shall have discretionary powers to determine whether the communication medium to be employed for making the annual audit report available to the general public shall include access in electronic format on the internet”.

The legal provisions stated above and contained in the Kwara State Public Audit (Re-Enactment) Law 2021 is not progressive and does not reflect the spirit of open government. The Law subjects public access to an important accountability document such as the annual audit report on the account of Kwara State to the discretion of the Auditor-General. This means that the emotion or discretion of the Auditor-General in Kwara State will now be superior to citizens' interest to know how public funds are utilized in Kwara State. Aside from the unjust financial levy on citizens to access hard copies of audit reports, they are likely to be denied access when such a request is submitted to the Auditor-General since there's no law mandating the Auditor-General to produce such a copy upon request.

## Effectiveness of Public Accounts Committee

It is not evident if the Public Accounts Committee of Kwara State House of Assembly has reviewed the report of the Auditor-General for 2020 and whether recommendations were made to the Executive to address fiscal abuses and financial management gaps. The duty of the Public Accounts Committee is to improve public finance management practices and by extension achieve accountability in the utilization of public funds in

Kwara State. 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

The 2020 report of the Auditor-General for Kwara State has not been published; neither is the report accessible to citizens. However, the audited financial statement of the State for 2020<sup>121</sup> is publicly available on the State Government's website. Lack of access to the complete report of the Auditor-General is responsible for low participation of citizens in the audit process of Kwara State especially in using audit information to demand accountability or engagement with the Office of the Auditor-General and Public Accounts Committee. There's no evidence Civil Society Organizations in Kwara State are participating actively in the State's audit process especially since reports of the Auditor-General

are not freely accessible to them. The Kwara 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 engaged 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.

<sup>121</sup> <https://kwarastate.gov.ng/wp-content/uploads/KWARA-STATE-YEAR-2020-FINANCIAL-STATEMENTS.pdf>