



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

The legal framework governing public audit function in Lagos State is not in public domain despite indication¹²³ that the State House of Assembly within the period after 7th June 2019 passed Lagos State Audit (Amendment) Law, 2019 and forwarded to Governor Babajide Sanwoolu for assent. However, The Office of State Auditor- General is an independent entity whose existence, powers and responsibilities are provided for under the 1999 Constitution of the Federal Republic of Nigeria. Although, the Constitution of the Federal Republic of Nigeria 1999 (as amended) does not provide comprehensive and explicit operational framework that guarantees effective public auditing. This significant gap ought to have been bridged in the Lagos State Audit (Amendment) Law, 2019 to ensure adequate framework for audit function in Lagos State and to institutionalize the office of the Auditor-General for Lagos State for greater effectiveness and sustainability.

While the Constitution of the Federal Republic of Nigeria 1999 (as amended) provides for the appointment, functions, powers, independence and removal of the Auditor-General under S.125 - 127¹²⁴, these provisions are not comprehensive enough and do not guarantee

financial autonomy for the Office of the Auditor-General of a State.

The Lagos State Audit (Amendment) Law passed by the House of Assembly in 2019 is said to be undergoing another review currently making it imperative for the Lagos State Government to ensure that the legal framework for public auditing in the State guarantees financial autonomy and administrative independence for the Office of the Auditor-General in the State. The Lagos State Government also has the responsibility to make sure that these provisions, if already contained in any existing legal framework, are effectively implemented. Financial autonomy and operational independence for Supreme Audit Institutions especially at subnational level are foundational pillars of achieving public accountability. It is imperative that the Executive arm in Lagos State fully comply with relevant 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 or operational constraints.

Audit Mandate Execution

Beyond the annual financial audit, the Auditor-General for Lagos 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 Lagos State.

Effectiveness of Public Accounts Committee

There are no indications the Public Accounts Committee of the House of Assembly in Lagos State has reviewed the State Auditor-General's report for 2020. 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 Lagos 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.

¹²³ <https://www.vanguardngr.com/2019/10/lagos-assembly-passes-audit-law/>

¹²⁴ <http://www.nigeria-law.org/ConstitutionOfTheFederalRepublicOfNigeria.htm>



Citizens' Participation in the Audit Process

The 2020 report of the Auditor-General for Lagos State is not accessible to the public, only the 2020 Audited Financial Statement¹²⁵ has been published on the official State Government's website. There is no evidence citizens or Civil Society Organizations are actively involved in the Lagos State audit process. Lack of access to the complete report of the Auditor-General is responsible for low participation of citizens in the audit process of Lagos State especially in using audit information to demand accountability or engagement with the Office of the Auditor-General and Public Accounts Committee.

Citizens should be involved in audit planning and execution by the Auditor-General and the review exercise carried out 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 state's Parliament.

¹²⁵ <https://lagosstate.gov.ng/wp-content/uploads/2021/04/Y2020-AUDITED-FS.pdf>