



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

The law for public auditing in Ondo State is the Public Audit Law of Ondo State 2021 signed by Governor Oluwarotimi Akeredolu on 29th June 2021¹³⁹ and Ondo State Public Audit (Amendment) Law 2021¹⁴⁰ signed by the governor on 27th July 2021. The legal framework provides for the establishment of an independent Office of the Auditor General, audit of public accounts and for purposes ancillary thereto.

S.23(1) of the law indicates that “the State and Local Government Auditors-General shall prepare and submit their estimates of revenue and expenditures to the Treasury Board for inclusion in the appropriation Bill and thereafter present the details to the House of Assembly for scrutiny”.

S.23(2) states further that “the sum appropriated for the Office of the Auditor-General by the House of Assembly of the State for each financial year shall be charged on the Consolidated Revenue Fund of the State Government and paid as a first line charge in twelve installments for each month of that financial year which shall reflect actual revenue inflow to the State Government”.

Although response¹⁴¹ collected indicates that the Office of the Auditor-General receives its funding from the Consolidated Revenue Fund, this claim was validated through funds release warrants signed by the State Commissioner of Finance and referenced R00076617

and R00076925. This is an indication that the letter of instruction¹⁴² issued on 28th July 2021 by the Head of Service - Niran Adeyemo directing relevant agencies of government to commence implementation of the law is being implemented in Ondo State. We commend the state government for this and urge it to continue to effectively implement the financial autonomy clause as contained in the Ondo State Audit Law.

However, it is not clear why the Auditor-General has to submit his/her estimates of revenue and expenditures to the Treasury Board for inclusion in the appropriation Bill before presenting the same to the House of Assembly for scrutiny. This provision limits the independence of the Office of the Auditor-General as it is supposed to be answerable only to the House of Assembly which should be responsible for scrutinizing the revenue and expenditure estimates before presenting to the Treasury Board for inclusion in the Appropriation Bill

Nonetheless, 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 Ondo State continue to 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.

Lack of Transparency in the Process of Appointing Auditor-General

S.4(1) of the Public Audit Law of Ondo State 2021 provides that “the respective Auditors-General for Ondo State and Local Government shall be appointed by the Governor of the State on the recommendation of the Ondo State Civil Service Commission subject to confirmation by the House of Assembly of Ondo State”.

Also, amendment of S.5(3) states that “Notwithstanding any previous provisions of this section, where more than one person from the private sector or public service is qualified for appointment as the Auditor-General, the procedure for appointing the Auditor-General shall be transparent and competitive”.

The provisions stated above, or other sections of the principal law or its amendment did not mention explicitly the procedure to be followed in appointing the Auditor-General for Ondo 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.

¹³⁹ <https://oag.on.gov.ng/wp-content/uploads/2021/06/Ondo-State-Public-Audit-Law-amended-copy.pdf>

¹⁴⁰ <https://oag.on.gov.ng/2021/07/28/1560/>

¹⁴¹ SAE Index 2021 Research Survey

¹⁴² <https://oag.on.gov.ng/2021/07/28/1560/>



No Clarity of Tenure for the State Auditor-General

S.10(1) of the Public Audit Law of Ondo State 2021 indicates that “The Auditors-General shall not be removed from office without valid reason before reaching the mandatory age of sixty (60) in accordance with the security afforded to this position under the provision of section 127 of the Constitution and extant Laws or any other period that the periodic amendments thereto may stipulate”.

Also, a new section 5(1)(d) inserted through the amendment states that “a person shall not be appointed Auditor-General unless the person is 56 years old or less on the date of appointment”

These legal provisions did not specify term of office for the Auditor-General thereby subjecting the tenure of the Auditor-General in Ondo 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 Ondo State. The Public Audit Law of Ondo State 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.

Audit Mandate Execution

Although the Office of the Auditor-General for Ondo State said¹⁴³ it conducted compliance and financial audits for the 2020 financial years, the Auditor-General should implement performance audits to guarantee value for money on programs and projects executed by the government of Ondo State.

Electronic Access Audit Reports Not Guaranteed

S.16(9) of the Public Audit Law of Ondo State 2021 provides that “The annual audit report of the Auditor-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 of the annual audit report at a nominal cost, which cost shall be used solely to defray the incidental expense of producing such copy. The annual audit report shall only be made available to the general public subsequent to its submission to the State House of Assembly”.

Also, S.16(10) of the law states that “The Auditor-General shall have discretionary powers to disseminate and publish, after submission of the annual statutory

audit reports of the State government including the follow-up reports, and the activity report of his Office, to the House of Assembly; and to determine whether the communication mediums to be employed for making the annual audit report available to the general public shall include access in electronic format on the internet”.

The provisions stated above and contained in the Public Audit Law of Ondo State 2021 subject citizens' interest for unhindered access to audit reports on the account of the State to the discretion of the Auditor-General. This is against the spirit of accountability and open governance especially in the utilization of public funds.

Effectiveness of Public Accounts Committee

Evidence¹⁴⁴ gathered revealed that the Public Accounts Committee of Ondo State House of Assembly is yet to review 2019 and 2020 reports of the Auditor-General as such no recommendation has been forwarded to the Executive arm to correct audit anomalies or to improve public finance management practices in the State. The role of the Public Accounts Committee in ensuring

timeous review of annual audit reports is very crucial to concluding the audit action cycle for proper accountability in the utilization of public funds. 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.

¹⁴³ SAE Index 2021 Research Survey

¹⁴⁴ SAE Index 2021 Research Survey



Citizens' Participation in the Audit Process

The 2020 report of the Auditor-General for Ondo State has not been published electronically to enable citizens access to the report. However, the audited financial statement of the State for 2020¹⁴⁵ 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 Ondo State especially in using audit information to demand accountability or engagement with the office of the Auditor-General and Public Accounts Committee. Response¹⁴⁶ received from representatives of Civil Society Organizations in Ondo State revealed significant interest in the audit process of the State but also mentioned the challenge of the Office of the Auditor-

General and Public Accounts Committee not involving citizens in the audit process and infrequent legislative discussion of audit findings. The Ondo 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.

¹⁴⁵ <https://www.oag.on.gov.ng/wp-content/uploads/2021/07/ondo-state-gpfs-2REDUCED.pdf>

¹⁴⁶ https://docs.google.com/forms/d/11MTI9X0Zi_bTJHhUXAPuXMi3wyuhdqr4vEpUaIJU2sk/edit#responses