

## **Legal Framework and Operationalization**

### ***Financial Autonomy not Operational***

The Enugu State audit law enacted and amended in July 2021 provides for financial autonomy for the Office of the Auditor-General. S.34(1) of the law states that “the Office shall establish and maintain a fund from which shall be defrayed all expenditure incurred by the office and provision for the fund shall be made in the annual budget of the State.”

Also, S. 34(3) also indicates that “the recurrent and capital expenditure of the Office shall be a charge on the Consolidated Revenue Fund of the State”. Furthermore, S. 34(4) provides that “any amount standing to the credit of the Office in the Consolidated Revenue Fund of the State shall be paid directly to the fund”

Evidence<sup>84</sup> received showed that the legal provisions stated above has not been implemented and the Office of the Auditor-General for Enugu State is still routinely dependent on its auditee (the Executive arm) for its finances. This gap in ensuring that the Audit Office is fiscally independent hinders performance of the foremost accountability institution in Enugu State as it is unable to implement freely and without interference its audit plans and programs.

### ***Administrative Autonomy not Activated***

The Enugu State Audit Service Commission has not been activated despite assenting to the audit law since July 2021. However, S.3(1 & 2) of the audit law established the Audit Service Commission while S.38 provides for its functions including to review all matters of recruitment, promotion, discipline/sanction, staff remuneration, pensions, retirement, changes to the Office administrative structure and other staff matters.

Response<sup>85</sup> received showed that the Commission has not been inaugurated by the Executive to

begin performing its statutory functions of supporting the Office of the Auditor-General in Enugu State administratively and ensuring that human resource issues are managed through the Audit Service Commission rather than the Civil Service Commission.

Administrative independence is crucial to effective functioning of Supreme Audit Institutions at subnational level and to ensure administrative autonomy for the Office of the Auditor-General for Enugu State, it is expected that the Audit Service Commission would be inaugurated to limit reliance on the Civil Service Commission of the State for all human resource matters relating to recruitment, discipline, promotion, and remuneration for staff of the Office of the Auditor-General.

### ***Appointment Procedure for the State Auditor-General is Transparent***

The process for appointing the Auditor-General in Enugu State as provided for in the legal framework is transparent and competitive. S.25(2) provides that “the Civil Service Commission shall widely advertise the position in at least two national newspaper , the State’s website and official gazette for a minimum period of six weeks before the recommendation”

### ***Tenure of Office for the Auditor-General is Secured***

The tenure of office for the Auditor-General in Enugu State is secured. S.25(3)(c) of the Enugu State Audit (Amendment) Law 2021 provides that “the Auditor-General shall be 56 years of age or less on the date of appointment” while S.27 states that “the Auditor-General shall remain in Office until he has attained the retirement age of 60 years”

The legal provisions stated above provides for a minimum term of four years for the Auditor-General. Term of office for an Auditor-General must be well defined, consistent, and predictable to guarantee their independence. This will further ensure that an Auditor-General is not subjected to the direction or control of any person on the account of tenure instability.

### ***Legal Mandate to Publish Audit Reports Online is Available***

The Enugu State audit law provides the legal basis for reports of the Auditor-General to be published online for citizens to access freely. S.34(7) of the

Enugu State audit law (as amended) provides that "The Auditor-General shall publish the annual statutory report of the State Government electronically and manually as soon as the statutory report is presented to the State House of Assembly".

Publishing reports of the Auditor-General online to enable citizens access freely will enhance use of audit information to demand accountability.

### **Annual Activity Report for 2021 not Submitted to HoA**

Response<sup>86</sup> received indicated that the Office of the Auditor-General for Enugu State produced an annual activity report for 2021 but no evidence was provided to show the annual activity report was submitted to the House of Assembly or published online. However, the Enugu State audit law in S.40(f) provides that the Auditor-General shall prepare and submit the following reports to the Public Accounts Committee; an annual report on the activities of the Audit Office which should

also be made available to the public once submitted to the House.

An activity report for the Audit Office/Institution should include the specific initiatives and activities undertaken during the previous/outgoing calendar year to strengthen the office and improve its performance as well as any impacts (financial and non-financial) that were achieved through audit.

### **Audited Financial Statement for 2021 Published Online**

The Office of the Auditor-General for Enugu State produced and published audited financial statement for 2021<sup>87</sup> financial year electronically on a dedicated website. The full audit report on the account of the Enugu State Government was

not published online. Making the full audit report freely available to citizens enhances civic advocacy and investigative journalism on public finance management practices using audit information.

### **Implementation of Audit Recommendations for 2020 Ongoing**

Response<sup>88</sup> received showed that the implementation of audit recommendations and House resolutions for 2020 financial year are ongoing. However, it is not evident if the Office of

the Auditor-General and House of Assembly in Enugu State has effective mechanisms for monitoring implementations of audit recommendations and resolutions.

86-SAE Index 2022 Research Survey

87-[https://www.enugustate.gov.ng/wp-content/uploads/2022/06/Enugu-State-Report-of-the-Accountant-General-for-the-year-ended-31\\_12\\_2021-Final-for-Publication.pdf](https://www.enugustate.gov.ng/wp-content/uploads/2022/06/Enugu-State-Report-of-the-Accountant-General-for-the-year-ended-31_12_2021-Final-for-Publication.pdf)

88-SAE Index 2022 Research Survey

## No Evidence of Performance Audit for 2021

Responses collected indicated that a performance audit was not conducted in 2021 on Government's projects, programs or policies by the Office of the Auditor-General for Enugu State.

Performance audit refers to an independent examination of a program, function, operation or

the management systems and procedures of a governmental entity to assess whether the entity is achieving economy, efficiency, and effectiveness in the employment of available resources.

## Citizens' Accountability Report for 2021 Published Online

The Enugu State Government published online the Citizens' Accountability Report for 2021<sup>89</sup>.

A Citizens' Accountability Report (CAR) is a series of graphic and tabular illustrations of the contents of the Audited Financial Statements prepared by a government agency on behalf of the government

to the citizens to ensure accountability of public funds. This report details the government's performance in carrying out the duties assigned to it and the utilization of funds in the coffers of the government.

## CS/Media Actors not Involved in the Audit Process

There is no indication that civil society and media actors are involved in the audit process of Enugu State, especially because civic actors do not have electronic access to the full report of the Auditor-General on the account of the Enugu State Government. Only the audited financial statement is accessible to citizens and this document does not provide the required information that enables civic groups to engage adequately with state actors on use of public resources.

It is important that civic groups who are mostly affected by audit issues and public finance management gaps can 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.

## PAC Review of 2021 Audit Report not Started

The Public Accounts Committee of Enugu State House of Assembly has not reviewed the 2021 report of the Auditor-General. There is no evidence to show that the PAC does not have a backlog of audit reports not yet considered as relevant officials did not provide information to our research team despite repeated engagements.

The PAC is encouraged to involve civil society and media actors when reviewing the 2021 audit report and ensure its resolutions reflect the experiences and feedback from citizen groups particularly those who are victims of audit findings and other public accountability gaps.

89-<https://www.enugustate.gov.ng/wp-content/uploads/2022/09/2021-Citizen-Accountability.pdf>