

Legal Framework and Operationalization

Financial Autonomy not Operational

The Public Audit Law of Ondo State 2021²¹ and the Ondo State Public Audit (Amendment) Law assented to by Governor Oluwarotimi Akeredolu in June and July 2021 respectively provides for financial autonomy for the Office of the Auditor-General. 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”

Response²² received indicates that the financial autonomy clause is not operational and the Office of the Auditor-General for Ondo State is still routinely dependent on its auditee (the Executive arm) for finances relating to its annual budget. The inability of the Executive arm to effectively implement the audit law to allow for fiscal independence as provided for in the audit law continues to hinder the optimal performance of the foremost accountability institution in Ondo State as it is unable to implement freely and without interference its audit plans and programs.

Administrative Autonomy Activated

Feedback²³ collected revealed that the Ondo State Audit Staff Management Committee was inaugurated in August 2022 and the Committee had been performing its statutory functions. S.25 of the Public Audit Law of Ondo State 2021 established the Committee while S.29(1-6)

provided for its powers and functions to include the power to appoint, confirm selection and appointment, discipline and impose sanctions, promote and approve retirement of staff among others.

The inauguration of the Audit Staff Management Committee is indeed one of the positive impacts of the newly enacted audit law of Ondo State which is contributing to strengthening the Office of the Auditor-General administratively especially by ensuring that human resource issues are coordinated through the Audit Staff Management Committee rather than through the Civil Service Commission.

Appointment Procedure for the State Auditor-General is Transparent

The process for appointing Auditor-General in Ondo State is transparent and competitive. 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”.

While the legal provisions stated above provides for a transparent and competitive procedure to be followed in appointing Auditor-General for Ondo State, the Audit Law should have mentioned explicitly the such procedure to be followed. Best practice requires such a procedure to include advertising the vacancy online and in newspaper

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

22-SAE Index 2022 Research Survey

23-SAE Index 2022 Research Survey

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 a sensitive and important position is appointed.

Tenure of Office for the Auditor-General is Secured

The Public Audit Law of Ondo State 2021 provides for a secured tenure for the Auditor-General. S.10(1) of the 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"

The legal provisions stated above clarifies the maximum number of years an Auditor-General can spend in office. 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.

Annual Activity Report for 2021 not Submitted to HoA

The Office of the Auditor-General for Ogun State did not submit an annual activity report for 2021 fiscal year to the State House of Assembly. However, S.16(3) provides that "the Auditor-General shall submit, at least once in a year, an annual activity report to the House of Assembly and the House shall cause the report to be considered by a Committee of the House responsible for Public Accounts".

Legal Mandate to Publish Audit Reports Online is Discretionary

The Public Audit Law of Ondo State 2021 did not mandate the Auditor-General to publish audit reports online but made provisions for discretionary powers to be applied. S.16 (9) states 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) indicates 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".

Best practice requires that the legal framework mandates the Auditor-General to public audit reports on an electronic portal immediately after submitting the same to the Parliament.

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

There is no evidence the Office of the Auditor-General for Ondo State published the full audit report for 2021 financial year online. What is available to citizens is the report of the Accountant-General on the general purpose financial statements of Ondo State Government

for the year ended 31st December 2021²⁴. 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 not Started

The implementation of audit recommendations/House resolutions for the 2020 financial year is said to have not started and it is also not clear what mechanisms the Office of the

Auditor-General and Public Accounts Committee has in place to monitor implementation of audit recommendations and resolutions by audited entities.

No Evidence of Performance Audit for 2021

The Office of the Auditor-General for Ondo State did not produce a performance audit report on any government project, program or policy in 2021 that is separate from the annual audit report. Best practice requires that a performance audit be conducted on projects, programs or policies implemented by the Executive and a report produced, submitted to Parliament and published online for members of the public.

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 Ondo State Government produced and published online Citizens' Accountability Report for 2021²⁵.

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

Participation of Civil Society and media actors in the audit process of Ondo State is rather non-existent, especially because the full report of the State Auditor-General is not publicly accessible. The Office of the Auditor-General and Public Accounts Committee need to intentionally create more opportunities for engaging civil society and media actors.

It is important for the Office of the Auditor-General and the Public Accounts Committee to ensure civic actors participate in the audit process to enable those affected by audit issues and public finance management gaps engage with the Office of the Auditor-General and Public Accounts Committee and provide feedback that will enhance planning and executing audit and oversight functions.

24-<https://oag.on.gov.ng/wp-content/uploads/2022/10/GPFS-for-the-year-ended-31st-December-2021.....pdf>
25-https://oag.on.gov.ng/wp-content/uploads/2022/09/ODSG-Citizens_Accountability_Report.pdf

PAC Review of 2021 Audit Report is Ongoing

The Public Accounts Committee is yet to complete consideration of the 2021 report of the Auditor-General. Response received²⁶ showed that the 2021 report is currently being reviewed by the technical team attached to the Public Accounts Committee and only when that exercise is concluded before the Committee can begin consideration of the report itself. The civil society and media also do not attend public hearings because the Public Accounts Committee has not been inviting them. However, the PAC has promised to ensure civic and media actors are invited to attend subsequent public hearings.

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 the Public Accounts Committee to improve accountability in the utilization of public funds must also be taken seriously and implemented as quickly as possible by Executive agencies. The PAC must involve civil society and media actors during review of audit reports. The PAC should equally make its report available to the public.