

Legal Framework and Operationalization

Financial Autonomy is Operational

The State of Osun Audit Law 2019 and the State of Osun Audit (Amendment) Law 2021 signed by Governor Adegboyega Oyetola in May 2019 and June 2021 respectively provides for financial autonomy for the Office of the State Auditor-General. S.52(i) of the principal law states that “there shall be established a fund for the Commission and the provision for the fund shall be made in the annual budget of the State”.

Also, S.52(ii)(a) provides further that “there shall be paid and credited to the fund established under subsection (i) of this section; any sum appropriated to the Commission by the House in each financial year”. Furthermore, S.53(i)(a-c) indicates that “the Auditor-General shall defray from the fund established under this law, all the amount payable being sums representing salaries and running cost of the Office; cost of acquisition, rent and upkeep of premises; and any other payment incidental to the performance of his function under this law”.

S.61(iii) equally provides that “any sum appropriated to the Office of the Auditor-General by the House of Assembly of the State in each financial year shall be charged upon the Consolidated Revenue Fund of the State and paid as a first line charge in equal installments every month of the year”.

Feedback²⁷ collected indicates that the financial autonomy clause is operational and the Office of the Auditor-General for Osun State defrays expenses relating to the Office from the fund established for such purpose. The budget of the Office of the Auditor-General excluding staff salaries is paid quarterly into the fund. The approval of the State Governor to the request for release of funds (capital and overhead costs) by the Auditor-General and the Audited Accounts (conducted by external auditor) of the Office of the Auditor-General were provided as evidence to show that the Osun State Audit Office is indeed

financially independent and does not routinely depend on its auditee (the Executive) for funds to freely conduct its audit plan and programs.

The Osun State Government effectively implementing the audit law to allow for fiscal independence as provided for in the legal framework is exemplary and worthy of emulation by other States of the federation.

Administrative Autonomy not Activated

The Osun State Audit Service Commission has not been activated despite enacting the audit law since 2019 and amending in 2021. S.34(i) and (ii) of the principal audit law provided for the establishment of the Audit Service Commission while S.42(ii)(a-f) provided for its functions including to promote, transfer and confirm appointments as well as to dismiss and exercise disciplinary control over persons employed in the commission among others.

Response²⁸ received showed that the Commission has not been constituted by the Executive. However, the process for activation is ongoing as approval had been granted by the former Governor of the State. Activating the Audit Service Commission to begin performing its statutory functions is meant to be one of the positive effects of the audit law to strengthen the Office of the Auditor-General in Osun State administratively.

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 in Osun 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 Osun State as provided for in the Audit Law is transparent and competitive. S.5(e) of the audit law states that "the selection process for the position of the Auditor-General shall be advertised in the widely circulating newspaper and shall be open to candidates from within and outside the Public Service".

Tenure of Office for the Auditor-General is Secured

The audit law of Osun State provides for a secured tenure for the Auditor-General. The legal framework clarifies the maximum term and number of years an Auditor-General can spend in office.

S.13© of the State of Osun Audit Law 2019 indicates that "The Auditor-General shall remain in office until he has attained the retirement age of 60 years; The Auditor-General shall be appointed and shall have 4 years tenures guarantee which shall be renewable for another 4 years and no more".

Annual Activity Report for 2021 not Submitted to HoA

The Office of the Auditor-General for Osun State did not submit an annual activity report for 2021 fiscal year to the State House of Assembly. However, S.61(1)(a) of the Audit Law states that "the Auditor-General shall prepare and submit to the State House of Assembly, at least ninety (90) days before the beginning of each financial year a draft annual plan that describes the Auditor-General's proposed work programme for that year; and include the interim report for that financial year; the estimates of revenues and expenditure for inclusion in the State budget and

Furthermore, S.13(d) provided for in the State of Osun Audit (Amendment) Law, 2021 indicates that "nobody shall be eligible for appointment as Auditor-General when he has less than four years in Service and/or he is above 56 years of age". Term of office for an Auditor-General must be well defined, consistent and predictable to guarantee their independence. This will also 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 State of Osun Audit Law 2019 provides the legal basis for reports of the Auditor-General to be published and made available to citizens electronically. S.21 provides that "The Auditor-General in the exercise of his responsibility shall publish the Annual Statutory Audit Report of the State/Local Governments electronically and manually". Also, S.59(ii) states that "the Auditor-General's report shall be published and made available to the public after its submission to the House of Assembly".

the operational and administrative expenses of the Office including salaries, allowances, gratuities and pensions payable to staff".

The interim report for the Office of the Auditor-General also known as activity report 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 Osun State published the full audit report for 2021 financial year online. What is available to citizens is the report of the Accountant-General with the financial statements

for the year ended 31st December 2021²⁹. Making the full audit report freely available to citizens enhances civic advocacy and investigative journalism on public finance management practices using audit information.

Implementation Report of Audit Recommendations for 2020 not Available

Although response received showed that implementation of audit recommendations for 2020 financial year had been completed by auditees with evidence of internal communications between the Audit Office and auditees indicating closure to previous audit issues provided, no report on status of implementation of Auditor-General's recommendation or resolutions of the House of Assembly was made available.

However, S.62(ii)(a) and (b) of the Audit Law states that "the Audit Committee shall among other

duties relevant to such a committee in accordance with good practice in corporate governance: monitor the implementation of all recommendations contained in the Auditor-General's report which are approved by the House of Assembly and any other resolution or directive of the House of Assembly; and prepare annually a report showing the status of the implementation of the provisions of sub-section (ii) (a) of this section.

No Evidence of Performance Audit for 2021

The Office of the Auditor-General for Osun 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 Citizens' Accountability Report for the 2021³⁰ financial year, jointly produced by the Ministry of Budget and Economic Planning, Office of Accountant General and Office of Auditor General for Osun State was published online.

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.

29-<https://www.osunstate.gov.ng/wp-content/uploads/2022/06/OSUN-STATE-FINANCIAL-STATEMENT-2021.pdf>
30-<https://www.osunstate.gov.ng/download/2021-citizens-accountability-report/>

CS/Media Actors not Involved in the Audit Process

Civil society and media actors are not involved in the audit process of Osun State and the Office of the Auditor-General and Public Accounts Committee need to intentionally create more inclusive opportunities for engaging civil society and media actors. A civil society organization working in Osun State attested³¹ to the fact that there's little or no engagement with civic and media actors around the audit process of the State. The feedback from civic actors aligns with the inability of citizens to freely access the full report of the Auditor-General on the account of the Osun State Government.

However, the Audit Office organizes audit forum annually which is said to hold around July or

August every year but that of 2022 could not hold due to political activities in the State. The audit forum provides an opportunity to discuss the content of the report of the Auditor-General with citizens.

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

PAC Review of 2021 Audit Report is Ongoing

Response³² received showed that the Public Accounts Committee of Osun State House of Assembly has started consideration of the 2021 report of the Auditor-General. Also, the PAC does not have a backlog of audit reports yet to be reviewed and adopted four (4) audit recommendations in the 2020 financial year to be implemented by Executive agencies to improve public finance management in the 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 the Public Accounts Committee and House resolutions to improve accountability in the utilization of public funds must also be taken seriously and implemented as quickly as possible by Executive agencies.