

Legal Framework and Operationalization

Financial Autonomy not Operational

The Oyo State Audit Commission Law 2021³³ signed by Governor Seyi Makinde in June 2021 provides for financial autonomy for the Office of the Auditor-General. S.40(1) of the law states that “for ease of administration, there shall be established a first line charge fund for the Office of the Auditors-General and provision for the fund shall be made in the yearly budget of the State by the House of Assembly”.

Also, S.40(3)(a) indicates further that “there shall be paid and credited to the fund established under sub-section (1) of this section any fund appropriated to the Office of the Auditors-General by the House of Assembly each financial year.

Feedback³⁴ collected showed that the financial autonomy clause is not operational and the Office of the Auditor-General for Oyo 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 Oyo State as it is unable to implement freely and without interference its audit plans and programs.

Administrative Autonomy not Activated

The Oyo State Audit Commission has not been activated despite enacting the audit law since June 2021. S.3(1) and (2) of the audit law provided for the establishment of the Audit Commission while S.5(2)(a-e) provided for its functions including to appoint, confirm, promote, transfer, and exercise disciplinary control over staff of the Commission among others.

Response³⁵ received showed that while the Chairman of the Commission had been appointed,

the Commission has not been fully constituted as other members are yet to be appointed by the Executive. However, activating the Audit Service Commission to begin performing its statutory functions is meant to be one of the positive effects of the enacted audit law to strengthen the Office of the Auditor-General in Oyo 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 for Oyo 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 not Transparent

The procedure for appointing Auditor-General in Oyo State as provided for in the Audit Law is not transparent. S.22(1) of the Oyo State Audit Commission Law 2021 indicates that “the Auditors-General shall be appointed by the Governor on the recommendation of the State Civil Service Commission subject to confirmation by the House of Assembly” Also, S.2(c) of the law states that “the Auditor-General shall be as determined by the State Civil Service Commission”.

These provisions stated above, or other sections of the Oyo State Audit Commission Law 2021 did not mention explicitly the procedure to be followed in appointing the Auditor-General for Oyo 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

33-<https://auditgenerallga.oyostate.gov.ng/wp-content/uploads/2021/06/OYO-STATE-AUDIT-LAW.pdf>
34-SAE Index 2022 Research Survey
35-SAE Index 2022 Research Survey

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 emerges.

Tenure of Office for the Auditor-General is not Secured

The audit law of Oyo State did not provide secured tenure for the Auditor-General. S.24 of the Oyo State Audit Commission Law 2021 indicates that "The Auditor-General shall remain in office until the retirement age of 60 years or after spending 35 years in service (whichever comes first) unless removed under the provisions of this law".

This legal provision did not specify any term of office for the Auditor-General thereby subjecting the tenure of the Auditor-General in Oyo State to various inadequacies as successive Auditor-Generals are likely to have an inconsistent number

of years in service. Such inconsistencies could negatively affect policy implementation at the office of the Auditor-General in Ondo State. The Oyo State Audit Commission Law 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.

Legal Mandate to Publish Audit Reports Online is Available

The Oyo State Audit Commission Law 2021 provides for reports of the Auditor-General to be published online. S.27(1)(n) indicates that "the Auditor-General shall publish electronically and manually the annual statutory reports of the State and Local Government. Furthermore, S.34(3)(c) states that "the Auditors-General shall express opinion on the audited financial statements referred to in subsection (1) and (2) of this section and may publish and disseminate the reports once formally submitted to the House of Assembly.

Annual Activity Report for 2021 not Submitted to HoA

The Office of the Auditor-General for Oyo State did not submit an annual activity report for 2021 fiscal year to the State House of Assembly. However, S.28(8) of the State Audit Law provides that "the Auditor-General shall submit to the House of Assembly a report of its activities for each year and such report shall be made available to the public through various media including the State Official Website"

The annual activity report for the Office of the Auditor-General 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 Oyo 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 for the year ended 31st December 2021³⁶. 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

The implementation of audit recommendations/House resolutions for the 2020 financial year is said to be ongoing but not completed. Although audit inspection reports have been issued to more than 40 government agencies as of 2021, some of these agencies are

yet to be cleared while other agencies' queries have been closed. There is no public document either by the Office of the Auditor-General or the Public Accounts Committee indicating how many agencies have implemented audit recommendations and House resolutions.

No Evidence of Performance Audit for 2021

Despite the Office of the Auditor-General for Oyo State conducting a performance audit on previous projects awarded including a project to produce school furniture some of which failed to perform and was reported to the Oyo State Anti-Corruption Agency (OYACA), there no evidence such performance audit report on any government project, program or policy in 2021 was produced, submitted to Parliament and published electronically. 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 not Published Online

There is no indication that the Oyo State Government produced or published online the Citizens' Accountability Report for 2021. 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 Oyo State is rather non-existent especially because the full reports 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.

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.

It is important for the Office of the Auditor-General and the Public Accounts Committee to

PAC Review of 2021 Audit Report not Started

There is no proof the Public Accounts Committee of Oyo State House of Assembly has reviewed the 2021 report of the Auditor-General on the account of Oyo State Government. There is no evidence the PAC has commenced review of the report of the Auditor-General for 2021 and there is no proof to show that the Committee 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 Public Accounts Committee 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.