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States Transparency and Accountability: Ekiti and Yobe Ranked 1st, Lagos 36th in the 2023 Subnational Audit Efficacy Index

The Paradigm Leadership Support Initiative (PLSI), a non-profit organization fostering public accountability in Nigeria has released the 2023 edition of its annual flagship research report – the Subnational Audit Efficacy (SAE) Index which assesses the level of transparency and accountability operational in the management and utilization of public funds and implementation of public policies across all 36 states of the federation through public audit and key actors in the public audit action cycle.

The fourth consecutive annual report, unveiled in Abuja on Thursday, March 14, 2024, ranked Ekiti and Yobe States as top performers, both attaining a remarkable score of 73% followed by Akwa Ibom and Katsina States, securing 3rd and 4th positions with 60% and 53%, respectively. Conversely, Sokoto, Taraba, and Ondo States scored 31%, placing them in the 15th spot, while Benue and Lagos States lagged behind, occupying the 35th and 36th positions with 10% and 5%, respectively.

The SAE Index 2023 again revealed that 34 States (except Anambra and Benue) have modern audit laws to guarantee the independence of Supreme Audit Institutions and strengthen public audit practices at the state level. While there have been improvements in the policy landscape, the lack of effective implementation of enacted audit laws in various states continues to impede accountability and development progress.

Speaking at the report launch, PLSI's Executive Director, Olusegun Elemo, emphasized that “the Subnational Audit Efficacy Index, initiated in 2021, serves as an annual scorecard assessing the temperature of public finance management and policy implementation practices at the state level. We retained the same methodology deployed for the 2022 assessment and collected, analyzed, and validated data provided by Supreme Audit Institutions, Public Accounts Committees, Offices of Accountant-General, Civil Society and Media Organizations in all 36 States of the Federation.”

Elemo further noted that PLSI will continue to utilize evidence from its annual assessment to provide tailored support to subnational governments, especially in delivering technical assistance to strengthen the capacity of relevant state and non-state actors to enhance transparency and accountability practices for improved quality of life for citizens. He however expressed concern over the waning performance of states noting that results from the latest assessment indicated a further decline

in the performance of policy actors and erosion of reforms needed to sustain and improve on the World Bank-Assisted States Fiscal Transparency, Accountability, and Sustainability (SFTAS) Programme for Results implemented between 2018 and 2022 of which the sum of \$1.5bn was provided to state governments as grants. While the average score for the 2022 assessment showed 31.81%, the 2023 Index revealed a total average of 30.58% indicating a 1.23% decline year on year.

Olusegun Elemo elaborated on several cross-cutting recommendations aimed at enhancing public finance management practices at the subnational level in Nigeria including the need for the Executive, Legislature, and the Office of the Auditor-General at the state level to collaborate to remedy inadequacies in the audit legal framework and implement the audit law effectively.

Findings from the report showed that only 4 out of 36 States have made progress toward implementing financial autonomy and 12 out of 36 States have implemented legal provisions to activate administrative independence for the Office of the Auditor-General. Also, the report noted that none of the 36 States produced standard performance audit reports on government programs, projects, or policies in the 2022 financial year. Furthermore, only 3 out of 36 States are sufficiently involving civic and media actors in the audit process of their states and just 5 out of 36 States have effective Public Accounts Committee in their Houses of Assembly.