

LEGAL FRAMEWORK & OPERATIONALIZATION

FINANCIAL AUTONOMY NOT OPERATIONAL

The Public Audit Law of Ondo State 2021¹²³ and the Ondo State Public Audit (Amendment) Law assented to by former 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”.

Response received indicates that the legal provisions stated above are not operational and the Office of the Auditor-General for Ondo State is 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 continues to hinder the optimal performance of the foremost accountability institution in Ondo State as it is unable to implement its audit plans and programs freely and without interference.

ADMINISTRATIVE INDEPENDENCE ACTIVATED

Feedback 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 contributes to strengthening the Office of the Auditor-General administratively especially by ensuring that human resource issues are addressed 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 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

139. <https://oag.on.gov.ng/wp-content/uploads/2021/06/Ondo-State-Public-Audit-Law-amended-copy.pdf>
 140. SAE Index 2024 Research Survey
 141. SAE Index 2024 Research Survey
 142. SAE Index 2024 Research Survey

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.

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

mandate the Auditor-General to public audit reports on an electronic portal immediately after submitting the same to the Parliament.

ANNUAL ACTIVITY REPORT FOR 2023 NOT PUBLISHED

The Office of the Auditor-General for Ondo State did not publish its annual activity report for the 2023 fiscal year on a dedicated website. However, feedback¹²⁶ collected indicated that the report was submitted to the State House of Assembly in compliance with 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”. Best practice requires that such activity reports be published on a dedicated website for public access.

An annual 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.

AUDIT REPORT FOR 2023 PUBLISHED ONLINE

The Ondo State Government published the report of the Auditor-General on for the 2023 financial year on a dedicated website. Making the audit report which includes audit issues, observations and recommendations freely available to citizens enhances civic advocacy and investigative journalism on public finance management practices using audit information.

IMPLEMENTATION REPORT OF AUDIT RECOMMENDATIONS FOR 2022 NOT AVAILABLE

There is no evidence indicating that audit recommendations and resolutions of the House of Assembly for the 2022 financial year have been implemented. Also, it is not evident if the Office of the Auditor-General and House of Assembly in Ondo State have effective mechanisms for monitoring implementation of audit recommendations and resolutions.

143. <https://oag.on.gov.ng/wp-content/uploads/2024/07/Report-of-Auditor-General-for-Year-2023.pdf>
144. <https://oag.on.gov.ng/2024/09/10/2023-citizen-accountability-report/>
145. SAE Index 2024 Research Survey

NO EVIDENCE OF PERFORMANCE AUDIT FOR 2023

The Office of the Auditor-General for Ondo State claimed to have conducted performance audit in 2023. However, the performance audit report was not published. Best practice requires that a separate report on performance audit conducted be produced, submitted to Parliament and published online.

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 2023 PUBLISHED ONLINE

The Ondo State Government published the Citizens' Accountability Report for 2023. 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.

PAC REVIEW OF 2023 AUDIT REPORT NOT STARTED

Response received showed that the Public Accounts Committee of Ondo State House of Assembly has not commenced review of the 2023 report of the Auditor-General and the PAC has a backlog of audit reports for 2021 and 2022 yet to be considered.

The role of the Public Accounts Committee in ensuring timeous review of annual audit reports cannot be over-emphasized 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 is encouraged to improve its effectiveness and ensure reports of the State Auditor-General for 2023 and other pending audit reports are given expeditious consideration. The PAC should also continue to involve civil society and media actors when reviewing audit reports 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

CS/MEDIA ACTORS NOT INVOLVED IN THE AUDIT PROCESS

Participation of civil society and media actors in the audit process of Ondo State is low and it is crucial for state actors including the Office of the Auditor-General and the Public Accounts Committee to intentionally create more opportunities for engaging civil society and media actors. Although the report of the Auditor-General for 2023 was published on a dedicated website for public access, civic actors in Ondo State reported lack of involvement in the activities of the Office of the Auditor-General and the Public Accounts Committee.

A representative of a civil society organization working in Ondo State noted that "We're taking proactive steps to address our concerns about being left out of the loop. Recently, some Civil Society Organizations (CSO) paid a courtesy visit to the state's Auditor General, where we openly discussed the governance issues we've observed. This meeting marked the beginning of a trust-building partnership between our organizations, fostering greater collaboration and transparency in governance". It is important that citizens, civic groups and journalists 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 legislature.

