

LEGAL FRAMEWORK & OPERATIONALIZATION

FINANCIAL AUTONOMY IS OPERATIONAL

The Osun State Audit Law 2019 and the Osun State Audit (Amendment) Law 2021 enacted 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”.

Feedback collected indicates that the legal provisions stated above are operational and the Office of the Auditor-General for Osun State defrays expenses relating to the Office from the fund established for such purpose ensuring that the Audit Office does not 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.

ADMINISTRATIVE INDEPENDENCE NOT ACTIVATED

The Osun State Audit Service Commission has not been inaugurated 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.

Response received showed that the Commission has not been inaugurated by the Executive. Constituting the Audit Service Commission to begin performing its statutory functions to strengthen the Office of the Auditor-General in Osun State administratively will improve the effectiveness of the Audit Office.

Administrative independence is crucial to effective functioning of 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(c) 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”.

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”.

ANNUAL ACTIVITY REPORT FOR 2023 NOT PUBLISHED

The Office of the Auditor-General for Osun State did not publish its annual activity report for the 2023 fiscal year. However, feedback collected indicated that the report was submitted to the State House of Assembly in compliance with 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 the operational and administrative expenses of the Office including salaries,

allowances, gratuities and pensions payable to staff”. Best practice requires that such activity reports be published on a dedicated website for public access.

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.

AUDIT REPORT FOR 2023 PUBLISHED ONLINE

The Office of the Auditor-General for Osun State published the audit report on the accounts of the Osun State Government for the 2023. The document published contains audit issues, observations and recommendations of the Auditor-General for 2023. 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

While feedback received indicated that implementation of audit recommendations and resolutions of the House of Assembly for the 2022 financial year have been completed, no implementation report was published. It is not evident if the Office of the Auditor-General and House of Assembly in Osun State have effective mechanisms for monitoring implementation of audit recommendations and resolutions.

Best practice requires that a report showing the status of implementation of audit recommendations be produced and made available to the public in compliance with S.62(ii)(a) and (b) of the Audit Law which 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

148. SAE Index 2024 Research Survey
149. <https://www.osunstate.gov.ng/wp-content/uploads/2024/09/Annual-Report-New.pdf>
150. SAE Index 2024 Research Survey

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 2023

The Office of the Auditor-General for Osun State did not produce a performance audit report on any government project, program or policy in 2023 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 2023 NOT AVAILABLE

The Osun State Government did not publish the Citizens' Accountability Report for the 2023 financial year.

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 IS ONGOING

Response received showed that the Public Accounts Committee of Osun State House of Assembly has commenced review of the 2023 report of the Auditor-General on the accounts of the Osun State Government.

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 MUCH INVOLVED IN THE AUDIT PROCESS

Participation of civil society and media actors in the audit process of Osun 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 Osun State reported lack of involvement in the activities of the Public Accounts Committee.

A representative of a civil society organization working in Ondo State noted that "Few months ago, my organization was engaged in a dialogue session with other CSOs as well as other auditors from the country but this is only related to the office of the AUDITOR GENERAL ONLY. The state always makes it difficult to assess some vital information. We can only be involved if we are invited. Sometimes, getting vital and social information from these actors might be difficult except the Office of the Auditor General".

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.

