

## LEGAL FRAMEWORK & OPERATIONALIZATION

### FINANCIAL AUTONOMY NOT OPERATIONAL

The Oyo State Audit Commission Law 2021 135 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.

Feedback collected showed that the legal provisions stated above are not operational and the Office of the Auditor-General for Oyo 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 Oyo State as it is unable to implement its audit plans and programs freely and without interference.

### ADMINISTRATIVE INDEPENDENCE NOT ACTIVATED

The Oyo State Audit Commission has not been inaugurated 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.

Response received indicated 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, inaugurating the Audit Service Commission to begin performing its statutory functions will contribute to strengthening the Office of the

Auditor-General in OyoState administratively.

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 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 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”.

The legal 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 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 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”.

151. <https://auditgenerallga.oyostate.gov.ng/wp-content/uploads/2021/06/OYO-STATE-AUDIT-LAW.pdf>  
 152. SAE Index 2024 Research Survey  
 153. SAE Index 2024 Research Survey

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 inconsistent tenures. 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 2023 NOT PUBLISHED ONLINE**

The Office of the Auditor-General for Oyo State did not publish its annual activity report for the 2023 contrary to 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”. Also, there is no evidence that the report was submitted to the State House of Assembly.

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 2023 PUBLISHED ONLINE**

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 Oyo State have effective mechanisms for monitoring implementation of audit recommendations and resolutions.

#### **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 Oyo State have effective mechanisms for monitoring implementation of audit recommendations and resolutions.

#### **NO EVIDENCE OF PERFORMANCE AUDIT FOR 2023**

The Office of the Auditor-General for Oyo 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 NOT PUBLISHED**

The Oyo State Government published the Citizens' Accountability Report for 2022<sup>139</sup> on a dedicated web platform.

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

154. <https://ag.oyostate.gov.ng/wp-content/uploads/2024/07/OYO-STATE-AUDITED-FINANCIAL-REPORT-FOR-YEAR-2023.pdf>  
155. <https://ag.oyostate.gov.ng/wp-content/uploads/2024/11/CITIZENS-ACCOUNTABILITY-REPORTS-YEAR-2023.pdf>  
156. SAE Index 2024 Research Survey

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**

Responses received showed that the Public Accounts Committee of the House of Assembly in Oyo State has not commenced review of the 2023 report of the Auditor-General on the accounts of the Oyo State Government. Also, it is not evident if the PAC has reviewed pending audit reports.

The role of the Public Accounts Committee in ensuring timely 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**

There is no indication that civil society and media actors are involved in the audit process of Oyo State, especially because civic actors do not have electronic access to the 2023 report of the Auditor-General on the accounts of the Oyo State Government.

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.

