



ABIA STATE OF NIGERIA

THE ABIA STATE AUDIT LAW, 2021

LAW NO. 15 OF 2021



ABIA STATE OF NIGERIA
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GENERAL PROVISIONS

Long Title	A Law to Provide for the Appointment of the State Auditor-General and the Auditor-General for Local Governments and for other related matters.
Enactment	BE IT ENACTED by the House of Assembly of Abia State of Nigeria as follows:
Citation and Commencement	Part I: Preliminaries 1. This Law may be cited as the Abia State Audit Law, 2021 and shall come into force on the 28 th day of June 2021.
Interpretation	2. In this Law unless the context otherwise requires: “ Accountant-General ” means the Accountant-General of Abia State. “ Auditors-General ” means the State Auditor-General and the Auditor-General for Local Governments “ Auditor-General for Local Governments ” means the Auditor in-charge of auditing Local Government Accounts. “ Government ” means the Government of Abia State. “ Governor ” means the Governor of Abia State. “ Head of Service ” means the Head of Service of Abia State. “ High Court ” means the High Court of Abia State. “ House ” means Abia State House of Assembly of Abia State of Nigeria; “ Local Governments ” means the Local Government Councils of Abia State. “ Local Government Education Authority ” means the Local Government Education Authorities of Local Governments of Abia State. “ Local Government Health Authority ” means the Local Government Health Authorities of Local Governments of Abia State. “ State ” means Abia State of Nigeria. “ State Auditor General ” means the Auditor-General of Abia State.

Part II: Appointment of State Auditor-General

- Appointment of State Auditor-General 3. (1) An Auditor-General for the State shall be appointed by the Governor from the office of the Auditor-General on the recommendation of the State Civil Service Commission subject to confirmation by the House.
- (2) The recommendation of the Civil Service Commission in Subsection (1) of this Section shall recognize the career progression, seniority and competence of the candidate.
- (3) Whenever a vacancy occurs in the office of the Auditor General, the Governor may appoint a person in an acting capacity into the office of the State Auditor-General pending the appointment of a substantive Auditor-General.
- (4) Notwithstanding the provisions of subsection (3) above, nobody shall act in the capacity of the State Auditor-General for a period exceeding six (6) months except with the resolution of the House.
- Qualification 4. A person to be qualified as State Auditor-General shall:
- (a) be a qualified Accountant, registered with any of the professional accounting bodies recognized in Nigeria.
- (b) be selected through a transparent and open process, widely advertised.
- (c) have cognate experience in public sector Accounting, auditing, management sciences and other related areas.
- Salary/Allowances 5. (1) There shall be paid to the State Auditor-General, such salary as may from time to time be prescribed by Law.
- (2) In addition to the salary prescribed pursuant to sub-section (1) of this Section, the State Auditor-General shall be paid such consolidated allowance and such other allowances as may be applicable to the State.
- Removal from Office 6. (1) A person holding the office of State Auditor-General shall be removed from Office by the Governor acting on an address supported by two-thirds majority of the House praying that he be so removed for inability to discharge the functions of his office (whether arising from infirmity of mind or body or any other cause); or for misconduct.
- (2) The State Auditor-General shall not otherwise be removed from office before such retiring age as may be prescribed by Law or his conditions of service, save in accordance with the provisions of sub-section (1) of this Section.

Part III: Functions, Powers and Finances of the State Auditor-General

Functions

7. The State Auditor-General shall:
- (a) inquire into and audit the public accounts of the State and of all Offices and Courts of the State, including all persons entrusted with the collection and administration of public monies and assets and for that purpose, the State Auditor-General or any person authorized by him in that behalf shall have access to all books, returns and other documents relating to those accounts.
 - (b) audit the:
 - (i) use of public monies, resources, or assets by a recipient or beneficiary regardless of its legal nature;
 - (ii) collection of revenues owed to the State government or other public entities;
 - (iii) quality of financial management and reporting by the State Ministries, Departments and Agencies;
 - (iv) implementation of policies of Government by Ministries, Departments and Agencies (MDAs) and any Public entity funded by the Government; and
 - (v) economy, efficiency and effectiveness of State government or public entities' operations.
 - (c) satisfy himself that:
 - (i) all reasonable precautions have been taken to safeguard the collection of public monies and that the law or regulation thereto have been duly observed and all precautions relating thereto have been obeyed;
 - (ii) all monies appropriated or otherwise disbursed have been expended and applied for the purpose or purposes for which the appropriation made by the House were intended and the expenditure conforms with the authority which governs it;
 - (iii) value is received with due regard to economy, efficiency and cost effectiveness for all monies so disbursed from Government resources; and

- (iv) adequate financial laws and regulations exist for the guidance of public officers and that these financial laws and regulations have been duly observed.
- (d) assign any officer in his office or any other person to carry out any function under the authority of this Law or any other Law on his behalf, except the certifying of accounts and signing of reports as set out in this Law.
- (e) not be required to undertake any examination of accounts in the nature of pre-audit inspection or instruction which involves acceptance by him of responsibility which will preclude him from full criticism of any accounting transactions after such transactions have been duly recorded.
- (f) not be required to undertake any duties outside those pertaining to his office if he considers that such duties are incompatible with the responsibilities of his office.
- (g) not while holding this office hold any other office of profit.

Powers

8. (1) In the exercise of his duties and functions under this Law, the State Auditor General may, subject to Section 13 of this Law:
- (a) call upon any officer to furnish him forthwith with any explanation or information which he may require in order to enable him efficiently discharge his duties;
 - (b) authorize any officer, on his behalf to conduct any inquiry, examination or audit and such officers shall report thereupon to the State Auditor -General, PROVIDED that the prior consent of the Chief Executive of the Ministry or Office in which the officer is deployed has been obtained; and the consent shall not be unreasonably withheld;
 - (c) without payment of any fees, cause a search to be made in and extracts to be taken from any book, documents or record in any public office of the State;
 - (d) examine upon oath, declaration or affirmation (which oath, declaration or affirmation the State Auditor-General is hereby empowered to administer) on all persons whom he may think fit to examine respecting the receipt or expenditure of money or the receipt or issue of any stores or other public property of any kind whatsoever affected by the provisions of the Law, and respecting all other matters and things whatever necessary for the due performance and exercise of the duties and powers vested in him;

- (e) lay before the Attorney-General of the State a case in writing as to any question regarding the interpretation of any written law, or regulation concerning the powers of the State Auditor-General on the discharge of his duties, and the Attorney-General of the State shall give a written opinion on such a matter;
 - (f) investigate all matters relating to the receipt, disbursement and application of public funds and to make recommendations which are likely to enhance the economy or efficiency and effectiveness of public expenditure;
 - (g) have access to sites for purposes of auditing or monitoring contract performance;
 - (h) investigate and report on any other matter as may be referred to him by the Governor;
 - (i) disallow any item of expenditure that appears to him to be contrary to law;
 - (j) recommend to the State Attorney-General for prosecution, erring public office holders, if after three months of the end of the fiscal year involved, outstanding audit queries issued by the State Auditor-General against those public officers are not properly or reasonably addressed or to the satisfaction of the State Auditor-General.
- (2) Any person examined pursuant to paragraph (d) of sub-section (1) above who gives a false answer to any question put to him or her, or who makes any false statement on any matter, knowing that answer or statement to be false or not knowing or believing it to be true shall be deemed to be guilty of perjury and shall be liable to prosecution and, on conviction, shall be punished in accordance with extant Laws of the State.
- (3) In the performance of his functions under this Law, the State Auditor-General or any officer duly authorized by him shall have access to all books, records, vouchers, documents, cash, stamps, securities, stores or other Government property of any kind whatsoever in the possession of any public officer.

- (4) In the performance of his functions and duties under this Law, the State Auditor-General shall not be subject to the direction, control, or interference of any authority or person(s) or any institution(s) or any branch of government in:
 - (a) the selection of audit issues;
 - (b) planning, programming, conducting, reporting, and follow-up of the audits; or
 - (c) organization and management of his office.
- (5) It shall be the responsibility of the State Auditor-General to approve all audit plans and programs, and also the actual conduct of the Audit of State Ministries, Departments and Agencies and he or she shall also develop an internal follow-up system, which shall include post-audit meetings with the audited entities to ensure that the audited entities properly address the observations and recommendations as well as those made by the House of Assembly and to confirm that corrective and remedial actions are taken.
- (6) The State Auditor-General is also to submit follow-up reports on progress with the implementation of Audit and the recommendations to the House for consideration and action.
- (7) In reporting the result of the audit work, the State Auditor-General shall be free to:
 - (a) decide the content of the audit reports;
 - (b) make observations and recommendations in the audit reports taking into consideration, the views of the audited entity;
 - (c) decide the timing of the audit reports except where specific reporting requirements are prescribed by any law;
 - (d) publish and disseminate the reports, once they have been formally submitted to the House of Assembly or the Government.
- (8) In the discharge of his responsibilities under this Law, the Auditor-General shall:
 - (a) co-operate with government or public entities that strive to improve the use and management of public fund.
 - (b) act on specific requests for audit or investigation made by either the House or the Governor.
 - (c) have unfettered powers to audit the implementation of policies of government and public entities.

Audit Report and
Queries

9. (1) If at any time it appears to the State Auditor-General that any irregularity has occurred in the receipt, custody or expenditure of public monies or in the receipt, custody, issue, sale, transfer or delivery of any securities, stores or other property of the Government or in accounting for the same, he shall immediately bring the matter to the notice of the accounting officer of the Ministry or non-ministerial department(s) concerned.
- (2) The accounting officer of the Ministry or non-ministerial department(s) shall acknowledge the receipt of any such audit report or query mentioned in sub-section (1) above and give full replies to the satisfaction of the State Auditor-General within thirty days after receipt of such audit report or query.
- (3) The State Auditor-General shall:
- (a) at least once but not more than twice every year submit a summary of outstanding audit report and queries to the House which shall cause the appropriate disciplinary action to be taken against the officer responsible for the default.
 - (b) follow up specific recommendations for corrective action made pursuant to sub-section (2) above and give feedbacks to the House and any Ministry, Department or Agency involved.
 - (c) shall send copies of the outstanding audit reports, sent to the House under sub-section (3)(a) above, to the Accountant-General, the audited entity, the Head of Service, and the Governor, or as determined by him.
 - (d) shall also in a Public Audit Forum, attended by audited entities, present details of outstanding routine or special annual accounts, audit queries and follow-up report status of matters raised in previous audits.
- (4) Offences and sanctions for irregularities resulting in losses to Government due to fraud, negligence or incompetence of officers or Staff of the Office of the State Auditor-General are as contained in the Schedule to this Law.

State Annual
Financial
Statement

10. (1) Within a period of six months after the close of each financial year, the Accountant-General shall sign and present to the State Auditor-General, Annual Financial Statements showing fully the financial position of the Government on the last day of such financial year.
- (2) Notwithstanding the provisions of sub-section(1) above, the House may by direction to the Accountant-General extend the time to a further period, not exceeding three months, within which such accounts shall be presented and any direction so given shall be notified to the State Auditor-General.

Annual Audit
Certificate and
Report

- (3) The Statements referred to in sub-section (1) of this Section includes:
- (a) Statement of Financial Position (Statement 1);
 - (b) Statement of Financial Performance (Statement 2);
 - (c) Statement of Changes in Net Assets / Equity (Statement 3);
 - (d) Statement of Cash Flow (Statement 4);
 - (e) Statement of Comparison of Budget and Actual (Statement 5);
 - (f) Notes to the Accounts (Statement 6);
 - (g) Schedule of Notes to the Accounts; and such other Statements as the State Auditor-General may from time to time require.

- (4) The Statements mentioned in sub-section (3) above shall as much as it is practicable, be in line with the International Accounting Standard Manuals published by the Nigeria Federal Accounts Allocation Committee (FAAC).

11. (1) Within thirty days after receiving the Statements mentioned in Section 10(3) of this Law, or within such longer period as the House may direct, but not exceeding ninety days, the State Auditor-General shall send to the House, copies of the Annual Financial Statements signed and presented to him by the Accountant-General, together with an Annual Audit Certificate and Report upon his examination; and audit of all accounts relating to the public monies, stamps, securities, stores and other Government properties of any kind whatsoever.

- (2) The State Auditor-General may at any time, if it appears to him to be desirable, send a Special Report on any matter(s) incidental to his powers and duties under this Law to the House or to the Governor.
- (3) The Auditor-General shall submit an Annual Activity Report to the House and the Governor and the Report is to be made available to the Public.

- (4) In preparing its annual audit and reports, the State Auditor-General shall use appropriate work and audit standards and a Code of Ethics, in line with International Public-Sector Accounting Standards and Best Practices, such as those issued by the International Organization of Supreme Audit Institutions (INTOSAI); the International Federation of Accountants (IFAC); the International Public Sector Accounting Standards Board (IPSASB); the Financial Reporting Council of Nigeria (FRC); etc.

Accounts of
Statutory
Corporations, etc

12. (1) Notwithstanding the provisions of Section 7 of this Law, the State Auditor-General shall not audit the accounts of or appoint auditors for Government Statutory Corporations; Commissions; Authorities; or Agencies, including all persons or bodies established by Law, but the State Auditor-General may provide such bodies with a list of auditors qualified to be appointed by them as external auditors and a guideline on the level of fees to be paid to such external auditors.

Audited Accounts
of Statutory
Corporations, etc

- (2) The list of external auditors provided under sub-section (1) above shall be those auditors who apply to the Office of the State Auditor-General and pay an appropriate fee on the first registration and thereafter an annual renewal fee payable in the month of January of every year, which fees shall be determined by the State Auditor-General.
13. (1) Within three months after the close of each financial year (or such longer period not exceeding six months as the House may approve), the Chief Executive of every State Statutory Corporation, Commission, Authority, Agency, Company, including all persons or bodies established by Law, shall submit their audited accounts, and auditors' report thereon to the State Auditor-General.
- (2) Such audited accounts or statements referred to in sub-section (1) above shall include the following:
- (a) a statement of assets and liabilities (Balance Sheet);
 - (b) a statement of income and expenditure or a statement of summary of revenue and expenditure or a profit and loss account as the case may be;
 - (c) a comparative statement of estimated revenue /income with actual revenue / income;
 - (d) a comparative statement of estimated expenditure with actual expenditure;
 - (e) a fund-flow statement; and
 - (f) such other statements as the House may from time to time require as provided in the law which established the body audited.
- (3) The State Auditor-General shall comment on the annual accounts and the external auditors' reports thereon, and shall submit same together with his comments to the House and copies given to the Chief Executive/Board of Directors of the Statutory Corporation, Commission, or Company, as the case may be, and to the Ministry or Department that has responsibility for the general supervision of the statutory body. The House shall cause the audited accounts and reports / comments thereon, to be considered by the Public Accounts Committee of the House.
- (4) In exercise of his powers under this Section, the State Auditor-General may call upon any officer of a State Statutory Corporation to furnish him with any explanation or information which he may require in order to enable him discharge his duties.

- Power to sanction and Surcharge
14. (1) The State Auditor-General shall have power to sanction and surcharge any officer through the Ministry or Department or Agency, in respect of offences and sanctions specified in the First Schedule to this Law.
- (2) Any officer or person aggrieved by the action of the State Auditor-General under section (1) above, may petition the Public Accounts Committee of the House for redress.
- Establishment of Audit Alarm Committee
15. (1) There is hereby established, an Audit Alarm Committee, which shall be composed of the State Auditor-General as Chairman, the Accountant-General and one representative of the Governor.
- (2) The functions of the Committee shall be to:
- (a) prevent irregular payment before they are made if there is an audit alarm raised by the Internal Auditor of a Ministry, Department or Agency of government, or raised by any concerned citizen;
- (b) examine all cases of alarm brought before it in respect of prepayment audit queries raised by the Internal Auditor but overruled by the Chief Executive of the Ministry, Department or Agency.
- (c) notify the House and the Governor of audit alarms of significant importance and serious prepayment audit reports for which the accounting officer of the Ministry or non-ministerial department is liable or responsible.
- (3) Once a prepayment alarm has been raised, it shall be deemed an offence for any officer to process any further, any queried payment under the audit alarm system without an audit certificate issued by the State Auditor-General.
- Internal Audit Units
16. (1) The Accounting Officer of each Ministry or non-ministerial department or the Chief Executive of a State Corporation, Commission, or Agency, are to establish and maintain an Internal Audit Unit to provide a complete and continuous audit of the accounts and records of revenue, expenditure and all public property, stores and plants.
- (2) Notwithstanding the existence of an Internal Audit Unit in a Ministry or Corporation, the individual officers' responsibilities shall subsist and departmental checks will continue.
- (3) The Internal Auditor of each establishment shall be directly responsible to the accounting officer and shall submit to his / her accounting officer and the State Auditor-General a detailed audit programme and thereafter, he / she shall report monthly to the accounting officer as well as to the State Auditor-General on the true progress of the audit.

- (4) The Internal Auditor shall also issue Special Reports on any irregularities or apparent departure from earlier internal audit reports/ recommendations or the State Auditor-General's reports / recommendations.
- Audit Fees** 17. Without prejudice to the generality of the foregoing, the State Auditor General may, whenever he / she deems it necessary, charge, or cause to be charged, audit fees based on current rates for the auditing of the accounts of public Corporations and Statutory bodies in the State carried out by him / her.
- Finances** 18. (1) To enable the Office of the State Auditor-General have enough finances and funds to effectively perform its statutory duties and functions under this Law, zero point five percent (0.5%) of the State monthly allocation shall be released to the Office before any disbursement from the aforesaid monthly allocation to execute its annual approved budget for the twelve (12) months of the year.
- (2) Furthermore, the House shall ensure that the State Auditor-General's Office is properly and sufficiently funded through budgetary allocations and oversight functions, to enable the Office to perform its statutory functions effectively.
- (3) Where the resources provided for the State Auditor-General's Office is insufficient to allow him to fulfill his mandate, the State Auditor-General shall apply to the House for a supplement in its annual budget through the State Planning Commission.
- (4) All funds or finances made available to the State Auditor-General for the performance of his statutory responsibilities under this Law shall be controlled and applied exclusively by the State Auditor-General, without interference by any person or body of persons.
- Organization /Staff** 19. (1) The Office of the State Auditor-General shall have qualified and sufficient manpower or and material to execute its responsibilities and functions to this end, the Auditor-General shall in liaison with the State Civil Service Commission, cause to be posted or seconded, the staff needed to assist in carrying out the provisions of this Law.
- (2) The Auditor-General shall in liaison with the State Civil Service Commission and with the approval of the Governor, cause to be appointed such number of professional staff as may be needed in the execution of the functions under this Law.
- (3) The remuneration, terms and conditions of service of the staff shall be as is applicable in the State Civil Service.

- (4) The office of the State Auditor-General shall run six core departments, namely:
- (a) the Corporations Accounts Department;
 - (b) the Ministerial Accounts Department;
 - (c) the Schools Accounts Department;
 - (d) the Projects Monitoring and Evaluation Department;
 - (e) the Government Accounts Department;
 - (f) the General Service Department; and
 - (g) any other Department which, in the opinion of the State Auditor-General is essential for the due discharge of the functions of his office.

- (5) Without prejudice to Section 19(4) above, the State Auditor-General shall be at liberty to change the administrative structure of his office.

Independent Auditor

20. (1) In its powers of oversight over the use and management of public funds, the House, acting through its Public Accounts Committee shall have powers to engage the services of an external independent Auditor whose mandate shall be to independently audit the Office of the State Auditor-General. The Independent Auditor shall be selected from the list of registered external auditors kept by the office of the State Auditor-General.
- (2) The primary duty of the Independent Auditor shall be to audit the accounts, books and records maintained by the office of the State Auditor-General annually, and to submit a report of his audit to the Public Accounts Committee of the House.
- (3) The Independent Auditor shall audit the books, accounts and records of the office of the State Auditor-General for a period of four consecutive years whenever he is appointed for an independent audit exercise.

Part IV: Appointment of Auditor-General for Local Governments

Appointments of Auditor-General for Local Government

21. (1) An Auditor-General for Local Governments shall be appointed by the Governor from the Office of the Auditor-General for Local Government on the recommendation of the Civil Service Commission subject to confirmation by the House.
- (2) The recommendation of the Civil Service Commission in subsection (1) of this section shall recognize the career progression, seniority and competence of the candidate.

- (3) Whenever a vacancy occurs in the office of the Auditor-General for Local Government, the Governor shall appoint a person in an acting capacity into the office of the Auditor-General for Local Governments pending the appointment of a substantive Auditor-General for Local Government.
- (4) Notwithstanding the provisions of Subsection (3) above, nobody shall act in the capacity of the Auditor-General for a period exceeding six (6) months except with the resolution of the House.
- Qualification 22. A person to be appointed as Local Government Auditor-General shall:
- (a) be a qualified Accountant, registered with any of the professional accounting bodies recognized in Nigeria.
 - (b) be selected through a transparent and open process, widely advertised.
 - (c) have a cognate experience in public sector accounting, auditing, management sciences and other related areas.
- Salary/Allowances 23. (1) There shall be paid to the Auditor-General for Local Governments, such salary as may from time to time be prescribed by Law.
- (2) In addition to the salary prescribed pursuant to sub-section (1) of this Section, the Auditor-General for Local Governments shall be paid such consolidated allowance and such other allowances as may be applicable in the State.
- (3) The salary and allowances payable to the Auditor-General for Local Governments and his conditions of service shall not be altered to his disadvantage after his appointment.
- Removal from Office 24. (1) A person holding the office of Auditor-General for Local Governments shall be removed from Office by the Governor acting on an address supported by two-thirds majority of the House praying that he be so removed for inability to discharge the functions of his office (whether arising from infirmity of mind or body or any other cause); or for misconduct.
- (2) The Auditor-General for Local Governments shall not otherwise be removed from office before the expiration of the tenure, save in accordance with the provisions of sub-section (1) of this Section.

**Part V: Functions, Powers and Finances of the Auditor-General for
Local Governments**

Functions

25. The Auditor-General for Local Governments shall:
- (a) inquire into, audit and certify the public accounts of:
 - (i) Local Governments;
 - (ii) the Joint Accounts and Allocation Committee (JAAC);
 - (iii) The Abia State Universal Basic Education Board (Subject to the extent of its funding by Local Governments);
 - (iv) the Local Government Education Authorities;
 - (v) the Local Government Health Authorities;
 - (vi) the Local Government Pensions Board;
 - (vii) the One Percent (1%) Training Fund of the Local Government Service Commission; and
 - (viii) other Statutory Corporations or Agencies or any persons or bodies established by Law, where Local Government funds are traceable or used, including all persons entrusted with the collection and administration of public monies and assets of the Local Government system.
 - (b) For purposes of paragraph (a) above, have access to all books, returns and other documents relating to those accounts.
 - (c) also audit:
 - (i) the use of Local Government public monies, resources, or assets by a recipient or beneficiary regardless of its legal nature;
 - (ii) collection of revenues owed to the Local Governments;
 - (iii) the quality of financial management and reporting by the Local Governments;
 - (iv) the implementation of policies of Government by Ministries, Departments and Agencies and any Public entities funded by the Government; and
 - (v) the economy, efficiency and effectiveness of the Local Governments' operations.
 - (d) satisfy himself that:
 - (i) all reasonable precautions have been taken to safeguard the collection of Local Governments' public monies and that Bye-Laws or regulations thereto have been duly observed and that all precautions relating thereto have been obeyed;

- (ii) all monies appropriated or otherwise disbursed by the Local Governments have been expended and applied for the purpose or purposes for which it was intended and the expenditure conforms with the authority which governs it including Joint Accounts and Allocation Committee and the Local Governments' Finance and General Purposes Committee (F&GPC);
 - (iii) value is received with due regard to economy, efficiency and cost effectiveness for all money disbursed and in the use of Government resources; and
 - (iv) adequate Bye-Laws and/or regulations exist for the guidance of public officers of Local Governments and that these Bye-Laws and/or regulations have been duly observed.
- (e) assign any officer in his office or any other person to carry out any function under the authority of this Law or any other Law on his behalf, except the certifying of accounts as signing of reports as set out in this Law.
 - (f) not be required to undertake any examination of accounts in the nature of pre-audit inspection or instruction which involves acceptance by him of responsibility which will preclude him from full criticism of any accounting transactions after such transactions have been duly recorded.
 - (g) not be required to undertake any duties outside those pertaining to his office, if he considers that such duties are incompatible with the responsibilities of his office.
 - (h) not while holding his office hold any other office of profit.

Powers

26.

- (1) In the exercise of his duties under this Law, the Auditor-General for Local Governments may:
 - (a) call upon any Local Government officer or any other officer to furnish him forthwith with any explanation or information which he may require in order to enable him efficiently discharge his duties;
 - (b) authorize any officer, on his behalf to conduct any inquiry, examination or audit and such officers shall report thereupon to the Auditor-General for Local Governments **PROVIDED**, that the prior consent of the Chief Executive of the Office in which the officer is deployed has been obtained; the consent shall not be unreasonably withheld;

- (c) without payment of any fees, cause a search to be made in and extracts to be taken from any book, documents or record in any public office in the State;
- (d) examine upon oath, declaration or affirmation (which oath, declaration or affirmation the Auditor-General for Local Governments is hereby empowered to administer) on all persons whom he may think fit to examine respecting the receipt or expenditure of money or the receipt or issue of any stores or other public property of any kind whatsoever affected by the provisions of the Law, and respecting all other matters and things necessary for the due performance and exercise of the duties and powers vested in him;
- (e) lay before the Attorney-General of the State a case in writing as to any question regarding the interpretation of any written Law or Bye-law, or regulation concerning the powers of the Auditor-General for Local Governments on the discharge of his duties, and the Attorney-General of the State shall give a written opinion on such matter;
- (f) investigate all matters relating to the receipt, disbursement and application of public funds and to make recommendations which are likely to enhance the economy or efficiency and effectiveness of public expenditure by Local Governments;
- (g) have access to sites for purposes of auditing or monitoring contract performance;
- (h) investigate and report on any other matter as may be referred to him by the Governor;
- (i) disallow any item of expenditure that appears to him to be contrary to Law; and
- (j) recommend to the State Attorney-General for prosecution, erring public office holders, if after three months of the end of the fiscal year involved, outstanding audit queries issued by the Auditor-General for Local Governments against those public officers are not properly or reasonably addressed or to the satisfaction of the Auditor-General for Local Governments.

- (2) Any person examined pursuant to paragraph (d) of sub-section (1) above who gives a false answer to any question put to him, or who makes any false statement on any matter, knowing that answer or statement to be false or not knowing or believing it to be true shall be deemed to be guilty of perjury and shall be liable to prosecution and, on conviction, shall be punishable in accordance with extant Laws of the State.
- (3) In the performance of his functions under this Law, the Auditor-General for Local Governments or any officer duly authorized by him shall have access to all books, records, vouchers, documents, cash, stamps, securities, stores or other Government property of any kind whatsoever in the possession of any public officer.
- (4) In the performance of his functions and duties under this Law, the Auditor-General for Local Governments shall not be subject to the direction, control, or interference of any authority or persons, or any institution(s) or branches of government in:
 - (a) the selection of audit issues;
 - (b) planning, programming, conducting, reporting, and follow-up of the audits; or
 - (d) organization and management of his office.
- (5) It shall be the responsibility of the Auditor-General for Local Governments to approve all audit plans and programs, and also the actual conduct of the Audit of Local Governments and Local Government entities and he shall also develop an internal follow-up system, which shall include post-audit meetings with the audited entities, to ensure that the audited entities properly address the observations and recommendations made by the House and to confirm that corrective and remedial actions are taken.
- (6) The Auditor-General for Local Governments is also to submit follow-up reports on progress with the implementation of Audit and the House of Assembly recommendations to the House for consideration and action.
- (7) In reporting the result of the audit work, the Auditor-General for Local Governments shall be free to:
 - (a) decide the content of the audit reports;
 - (b) make observations and recommendations in the audit reports taking into consideration the views of the audited entity;

- (c) decide the timing of the audit reports except where specific reporting requirements are prescribed by any Law;
 - (d) publish and disseminate the reports, once they have been formally submitted to the House.
- (8) In the discharge of his responsibilities under this Law, the Auditor General for Local Governments:
- (a) shall cooperate with government or public entities that strive to improve the use and management of public fund;
 - (b) may accommodate specific requests for audit or investigation made by either the House or the Governor and
 - (c) shall have unfettered powers to audit the implementation of policies of Local Government and public entities.

Audit Report
and Queries

27. (1) If at any time it appears to the Auditor-General for Local Governments that any irregularity has occurred in the receipt, custody or expenditure of public monies or in the receipt, custody, issue, sale, transfer or delivery of any securities, stores or other property of the Local Governments or in accounting for the same, he shall immediately bring the matter to the notice of the accounting officer of the Local Government concerned.
- (2) The accounting officer of the Local Government concerned shall acknowledge the receipt of any such audit report or query mentioned in subsection (1) above and shall give full replies to the satisfaction of the Auditor-General for Local Governments within thirty days after receipt of such audit report or query.
- (3) The Auditor-General for Local Governments shall at least once but not more than twice every year submit a summary of outstanding audit report and queries to the House which shall cause the appropriate disciplinary action to be taken against the officer responsible for the default
- (4) The Auditor General for Local Governments shall follow up specific recommendations for corrective action made pursuant to subsection 27(2) above and give feedbacks to the House and any Ministry, Department or Agency involved.
- (5) The Auditor-General for Local Governments may also send copies of the outstanding audit reports sent to the House under sub-section (3) above, to the Ministry in charge of Local Government Affairs, the audited entity and the Governor.

- (6) The Auditor-General for Local Governments may, in a Public Audit Forum attended by the audited entities present details of outstanding routine or special annual accounts audit queries and follow-up report status of matters raised in previous audits.
- (7) Offences and sanctions for irregularities resulting in losses to Local Government due to fraud, or negligence or incompetence, of officers or Staff of the Office of the Auditor-General for Local Government are as contained in the First Schedule to this Law.

Local Governments
Annual Financial
Statement 28.

- (1) Within a period of six months after the close of each financial year, the Treasurers of Local Governments shall sign and present to the Auditor-General for Local Governments, Annual Financial Statements showing fully the financial position of the Local Governments on the last day of such financial year.
- (2) Notwithstanding the provisions of sub-section (1) above, the House may by direction to the Local Governments, extend the time to a further period not exceeding three months within which such accounts shall be presented, and any direction so given shall be notified to the Auditor-General for Local Governments.
- (3) The Statements referred to in sub-section (1) of this Section include:
 - (a) Statement of Financial Position (Statement 1);
 - (b) Statement of Financial Performance (Statement 2);
 - (c) Statement of Changes in Net Assets / Equity (Statement 3);
 - (d) Statement of Cash Flow (Statement 4);
 - (e) Statement of Comparison of Budget and Actual (Statement 5);
 - (f) Notes to the Accounts (Statement 6); and
 - (g) Schedule of Notes to the Accounts; and such other Statements as the Auditor General for Local Governments may from time to time require.
- (4) The Statements mentioned in sub-section (3) above shall as much as it is practicable, be in line with the International Accounting Standard Manuals published by the Nigeria Federal Accounts Allocation Committee (FAAC).

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| Annual Audit Certificate and Report | 29. | (1) | Within thirty days after receiving the Statements mentioned in Section 28 of this Law, or within such longer period as the House may direct, but not exceeding ninety days, the Auditor-General for Local Governments shall send to the House, copies of the Annual Financial Statements signed and presented to him by the Local Government Treasurers, together with an Annual Audit Certificate and Report upon his examination; and audit of all accounts relating to the public monies, stamps, securities, stores and other Local Government properties of any kind whatsoever. |
| | | (2) | The Auditor-General for Local Governments may at any time, if it appears to him to be desirable, send a Special Report on any matters incidental to his powers and duties under this Law to the House or to the Governor or to any other person or persons. |
| | | (3) | The Auditor-General shall submit an Annual Activity Report to the House of Assembly and the Governor and the Report is to be made available to the Public. |
| | | (4) | In preparing its annual audit and reports, the Auditor-General for Local Governments shall use appropriate work and audit standards and a Code of Ethics, in line with International Public-Sector Accounting Standards and Best Practices, such as those issued by the International Organization of Supreme Audit Institutions (INTOSAI); the International Federation of Accountants (IFAC); the International Public Sector Accounting Standards Board (IPSASB); the Financial Reporting Council of Nigeria (FRC) or others. |
| Power to sanction and Surcharge | 30. | (1) | The Auditor-General for Local Governments shall have power to sanction and surcharge any officer through the Ministry or Department or Agency in respect of offences and sanctions specified in the Schedule to this Law. |
| | | (2) | Any officer or person aggrieved by the action of the Auditor-General for Local Governments under sub-section (1) above, may petition the Public Accounts Committee of the House for redress. |
| Establishment of Audit Alarm Committee | 31. | (1) | There is hereby established, an Audit Alarm Committee, which shall be composed of the Auditor-General for Local Governments as Chairman, the Treasurers of Local Governments, the Account Heads of the Local Government Education Authorities (LGEAs); the Account Heads of the Local Government Health Authorities; and one representative of the Governor. |

- (2) The functions of the Committee shall be to:
- (a) prevent irregular payment before they are made, if there is an audit alarm raised by the Internal Auditor of a Local Government, or the Internal Auditor of a Local Government Education or Health Authority, or raised by any concerned citizen;
 - (b) examine all cases of alarm brought before it in respect of prepayment audit queries raised by the Internal Auditors but overruled by the Chief Executives of the Local Government; the Local Government Education Authority; or Local Government Health Authority.
 - (c) notify the House and the Governor of audit alarms of significant importance and serious prepayments audit reports for which the Accounting Officer of the Local Government; Local Government Education Authority; or Local Government Health Authority is liable or responsible.

(3) Once a prepayment alarm has been raised, it shall be deemed an offence for any officer to process any queried payment under the audit alarm system any further without an audit certificate issued by the Auditor-General for Local Governments.

Internal Audit
Units

32.

- (1) The Accounting Officer and Chief Executive of each Local Government; the Local Government Education Authority and the Local Government Health Authority are to establish and maintain an Internal Audit Unit to provide a complete and continuous audit of the accounts and records of revenue, expenditure and all public property, stores and plants.
- (2) Notwithstanding the existence of an Internal Audit Unit in a Local Government; Local Government Education Authority, or Local Government Health Authority, the individual officers' responsibilities shall subsist and departmental checks will continue.
- (3) The Internal Auditors of the Local Governments; the Local Government Education Authority and the Local Government Health Authority shall be directly responsible to the accounting officer and shall submit to his accounting officer and the Auditor-General for Local Governments, a detailed audit programme and thereafter, he shall report monthly to the accounting officer as well as to the Auditor-General for Local Governments on the true progress of the audit.

21.

- (4) The Internal Auditors mentioned in sub-section (3) above shall also issue Special Reports on any irregularities or apparent departure from earlier internal audit reports/ recommendations or the Auditor-General for Local Governments' reports/ recommendations.
- Audit Fees 33. Without prejudice to the generality of the foregoing, the Auditor-General for Local Governments may, whenever he deems it necessary, charge, or cause to be charged, audit fees based on current rates for the auditing of the accounts of public corporations and statutory bodies in the State, carried out by him.
- Finances 34. (1) To enable the Office of the Auditor General for Local Governments to have enough finances and funds to effectively perform its statutory duties and functions under this Law, Local Governments shall collectively contribute 0.1 % percent of their monthly revenue from the Federation Account, to the Office of the Auditor-General for Local Governments, which said amount shall be deducted at source by the Joint Accounts and Allocation Committee in the Ministry in charge of Local Government Affairs.
- (2) The House shall ensure that the Auditor-General for Local Governments' Office is properly and sufficiently funded through budgetary allocations and oversight functions, to enable the Office to perform its statutory functions effectively.
- (3) Where the resources provided for the Office of the Auditor-General for Local Governments are insufficient to allow the Auditor-General for Local Governments fulfill his mandate, he shall apply to the House for a supplement in its annual budget through the State Planning Commission.
- (4) All funds or finances made available to the Auditor-General for Local Governments for the performance of his statutory responsibilities under this Law shall be controlled and applied exclusively by the Auditor-General for Local Governments, without interference by any person or body of persons.
- Organization /Staff 35. (1) The Office of the Local Government Auditor-General shall have qualified and sufficient manpower or and material to execute its responsibilities and functions. To this end, the Local Government Auditor-General shall in liaison with the State Civil Service Commission, cause to be posted or seconded, the staff needed to assist in carrying out the provisions of this Law.

- (2) The Local Government Auditor-General shall in liaison with the State Civil Service Commission and the approval of the Governor, cause to be appointed such number of staff as may be needed in the execution of the functions under this Law.
- (3) The remuneration, terms and conditions of service of the staff shall be as is applicable in the State Civil Service..
- (4) The Office of the Auditor-General for Local Governments shall run seven core departments, namely:
 - (a) the Local Government Accounts Department;
 - (b) the Local Government Education Authority Accounts Department;
 - (c) the Local Government Health Authority Accounts Department;
 - (d) the Finance Department;
 - (e) the Administration Department;
 - (f) the Pensions Department; and
 - (g) the Information Communication Technology (ICT) Department; and
 - (i) any other Department which, in the opinion of the Local Government Auditor General is essential for the due discharge of the functions of his office.
- (5) Without prejudice to Section 35(4) of this Law, the Auditor General for Local Governments shall be at liberty to change the administrative structure of his office.

Independent
Auditor

- 36
- (1) In its powers of oversight over the use and management of public funds, the House, acting through its Public Accounts Committee shall have powers to engage the services of an external independent Auditor whose mandate shall be to independently audit the Office of the Auditor-General for Local Governments.
 - (2) The Independent Auditor shall be selected from the list of registered external auditors kept by the office of the Auditor-General for Local Governments.
 - (3) The primary duty of the Independent Auditor shall be to audit the accounts, books and records maintained by the office of the Auditor-General for Local Governments annually, and to submit a report of his audit to the Public Accounts Committee of the House.

- (4) The Independent Auditor shall audit the books, accounts and records of the office of the Auditor-General for Local Governments for a period of four consecutive years whenever he is appointed for an independent audit exercise.

Part VI: Miscellaneous

Full Discretion
of
Auditors-General

37. The Auditors-General shall have full discretion in the discharge of their responsibilities, to cooperate with government or public entities that strive to improve the use and management of public funds;

Interest in
Auditable Entity

38. The Auditors-General or their officers; staff; or agents shall not be involved in any manner whatsoever in the ownership, membership or management of any auditable entity in the State.

Auditors-General
Not liable for
Act of Omission

39. (1) In the performance of their duties under this Law, the Auditors-General or any person authorized by them to act on their behalf, shall not be personally liable for any act or omission done in good faith in the normal discharge of their duties.
- (2) Subject to the provisions of this Law, the provisions of the Public Officers' Protection Law shall apply in relation to any suit instituted against the Offices of the Auditors-General or their staff, officers or agents.
- (3) No suit commenced against the Offices of the Auditor-General or their staff or officers or agents for any act done pursuant to the execution of this Law or any other Law or any public duty or authority, or in respect of any alleged neglect or default in the execution of this Law or any other Law, duty or authority, shall lie or be instituted in any court of Law, unless it is commenced within three months after the act, neglect or default complained of.

Pre-Action
Notice

40. No suit shall be commenced against the Offices of the Auditors-General or staff or their agents before the expiration of a period of one month after written notice of intention to commence the suit shall have been served on the Offices of the Auditors-General by the intending plaintiff.

Repeal

41. (1) Subject to the provisions of Section 13 of the Interpretation Law, Cap. 105 Laws of Abia State of Nigeria 2005, the following enactments are hereby repealed:
- (a) The Audit Law Cap 13 Laws of Eastern Nigeria, insofar as it is applicable to Abia State;
 - (b) The Audit Law (Amendment) Law No. 21 of 1973;
 - (c) The Audit Law (Amendment) Law No. 6 of 1983;
 - (d) The Audit Law (Amendment) Law No. 2 of 1985;
 - (e) The Abia State Audit Law, 1997;
 - (f) The Abia State Audit Law, Cap. 4 Laws of Abia State of Nigeria 2005.

SCHEDULE I

SCHEDULE OF OFFENCES AND SANCTIONS

A. Irregularities resulting in losses to Government due to either fraudulent activities of the functionaries or due to their negligence or incompetence.

S/No.	Offence	Time Limit For reply of	Sanctions
1.	Inflation of Contract.	30 days	If the offence is committed by accounting officer, make a report to the Governor. If committed by any officer, appropriate surcharge shall be imposed and the officer removed from the schedule.
2.	Unauthorized variation of Contracts.	30 days	If the offence is committed by accounting officer, make a report to the Governor. If committed by any officer, appropriate surcharge shall be imposed and the officer removed from the schedule.
3.	Inflation of prices of procurements.	21 days	Impose appropriate surcharge.
4.	Payment for job not executed through payment of mobilization fee, or false certificate of completion.	30 days	(a) Recovery from beneficiary and blacklisting of the affected contractor. (b) Refer case to police for prosecution.
5.	Poor quality work (buildings, roads, etc.)	42 days	(a) Blacklist the Contractor. (b) Demote the official who certified the job.
6.	Irregular or wrong payments.	21 days	Recovery of the amount involved and removal of the officer from the schedule.
7.	Shortages or losses of stores by storekeeper.	14 days	Surcharge the affected officer and transfer to another schedule.
8.	Shortages or losses of cash by cashier.	7 days	Recovery of the amount involved and removal of the officer from the schedule.
9.	Assets paid for and not collected.	21 days	(a) Recover the amount involved. (b) Blacklist the Supplier. (c) Remove the officer from the schedule.
10.	Payment to "Ghost Workers"	7 days	Interdict the official and report the matter to the police.

11.	Overpayment of salaries and allowances to staff.	21 days	Recovery of the amount overpaid and warning to negligent officer.
12.	Failure to collect Government revenue.	21 days	Surcharge the affected officer and remove him from the schedule.
13.	Failure to account for Government revenue.	7 days	Recover the amount involved and report the officer involved to the police for prosecution.
14.	Non-payment for use of Government property.	30 days	Recover the amount.
15.	Premature scrapping of Government fixed assets and selling same at a ridiculously low price.	30 days	Demotion in rank of affected Officer.
16.	Poor cash management.	30 days	The affected Officer shall be formally warned and /or surcharged where loss occurs.

NB: For offences that are criminal in nature the affected officer shall be prosecuted accordingly.

B. Irregularities arising through poor or inefficient accounting and which may result in loss

S/No	Offence	Time Limit For reply of query	Sanctions
1.	Non-recovery of advance.	21 days	All losses should be recovered from or surcharged against the defaulting officer if he is a civil servant. Where no losses are involved the defaulting civil servant will be warned.
2.	Non-posting of ledger accounts.	21 days	All losses should be recovered from or surcharged against the defaulting officer if he is a civil servant. Where no losses are involved the defaulting civil servant will be warned.
3.	Cash in transit for too long (over three months).	21 days	All losses should be recovered from or surcharged against the defaulting officer if he is a civil servant. Where no losses are involved the defaulting civil servant will be warned.
4.	Failure to prepare bank reconciliation Statement.	14 days	All losses should be recovered from or surcharged against the defaulting officer if he is a civil servant. Where no losses are involved the defaulting civil servant will be warned and removed from the schedule.
5.	Non-rendering of Statement in support of A.I.E. granted	30 days	All losses should be recovered from or surcharged against the defaulting officer if he is a civil servant. Where no losses are involved the defaulting civil servant will be warned.
6.	Non-retiring of touring advances.	21 days	All losses should be recovered from or surcharged against the defaulting officer if he is a civil servant. Where no losses are involved the defaulting civil servant will be warned.
7.	Non- rendition of monthly or other periodic returns apart from annual accounts.	21 days	All losses should be recovered from or surcharged against the defaulting officer if he is a civil servant. Where no losses are involved the defaulting civil servant will be warned.
8.	Non-preparation of annual accounts / financial statements.	30 days	The officer responsible to be surcharged with fifty percent (50%) of his annual salary or with the cost of hiring external hands to prepare the Statements.

NB: For offences that are criminal in nature the affected officer shall be prosecuted accordingly.

FORM A

This printed impression has been carefully compared by me with the Bill which has been passed by the Abia State House of Assembly and found by me to be a true and correctly printed copy of the said Bill.

.....
SIR JOHNPEDRO NNAMDI IROKANSI Ph.D
Clerk of the House of Assembly
Abia State of Nigeria

DATED this day of 2021

FORM B

I ASSENT



.....
OKEZIE VICTOR IKPEAZU Ph.D
Governor
Abia State of Nigeria

DATED this day of 2021

FORM C

I WITHHOLD MY ASSENT



.....
OKEZIE VICTOR IKPEAZU Ph.D
Governor
Abia State of Nigeria

DATED this day of 2021

A.

FORM D

This Law to which the Governor has by a letter Reference No.dated the
..... day of, 2021 signified the Withholding of his Assent, has again been
passed by the Abia State House of Assembly by a two-third majority this day of
....., 2021.

.....
SIR JOHN PEDRO NNAMDI IROKANSI Ph.D
Clerk of the House of Assembly
Abia State of Nigeria

DATED at Umuahia this day of, 2021

FORM E

Assented to on the day of, 2021

OR

Passed by the Abia State House of Assembly by a two-third majority this day of
....., 2021

*This printed impression has been carefully compared by me with the Bill which has been
passed by the Abia State House of Assembly and found by me a true and correctly printed copy
of the Bill.*

.....
SIR JOHN PEDRO NNAMDI IROKANSI Ph.D
Clerk of the House of Assembly
Abia State of Nigeria

Dated day of, 2021

B.

FORM A

This printed impression has been carefully compared by me with the Bill which has been passed by the Abia State House of Assembly and found by me to be a true and correctly printed copy of the said Bill.

.....
SIR JOHNPEDRO NNAMDI IROKANSI Ph.D
Clerk of the House of Assembly
Abia State of Nigeria

DATED this day of 2021

FORM B

I ASSENT



.....
OKEZIE VICTOR IKPEAZU Ph.D
Governor
Abia State of Nigeria

DATED this 29th day of June 2021

C.