IMO STATE OF NIGERIA

2016, LAW NO. 17

Long Title

A Law to provide for the establishment of the Audit Service Commission, Offices of the Auditor-General for the State and Auditor-General for Local Governments, and other related matters.

Enactment

BE IT ENACTED by the House of Assembly of Imo State of Nigeria as follows -

PART I

PRELIMINARY

Citation

1. This Law may be cited as the Imo State Audit Law, 2016.

Interpretation

2. In this law, unless the context otherwise requires –
"Accountant-General" means the Accountant-General of Imo State;

"Accounting Officer" means the Permanent Secretary in charge of a Ministry or the Head of an Extra-Ministerial Department;

"Attorney-General" means the Attorney-General and Commissioner for Justice, Imo State;

"Auditor General for Local Governments" means the Auditor General for Local Governments in Imo State as provided under Section 40 of this Law;

"Commission" means the Imo State Audit Service Commission established under section 3 of this Law;

"Commissioner" means the Commissioner or any person charged with the responsibility of finance in Imo State;

"Compliance Audit" means an attestation, engagement that either examines, reviews, or entails performing agreed-upon procedures on a subject matter or an assertion about a subject matter and reporting on the results. The Compliance Audit, as appropriate, may address Agency management representations, assertions, and supporting evidence with respect to –

(a) whether the audited establishment has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law;

(b) whether the audited establishment has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use;

(c) in the case of a State Government establishment or a Local Government establishment, whether the audited agency has generally complied with applicable laws and regulations, including the State Uniform Accounting System (SUAS), and the International Public Sector Accounting Standard (IPSAS) in its financial and fiscal operations;

(d) in the case of a State Government establishment, whether the records, books and accounts of the audited agency accurately reflects its financial and fiscal operations;

(e) in the case of a Local Government establishment, whether the records, books and accounts of the audited agency fairly and accurately reflects its financial and fiscal operations relating to the obligation, receipt, expenditure and use of public funds of the State to the extent that such operations must be reviewed to complete post audit determinations under paragraphs (a) and (b) of this Section;

(f) in the case of a State Government or Local Government establishment, whether the audited agency is maintaining effective internal controls over revenues, obligations, expenditures, assets and liabilities;

(g) whether collection of State and Local Government revenues and receipts by the audited establishments are in accordance with applicable Laws and Regulations and whether the accounting and record keeping of such revenues and receipts are done fairly, accurately and in accordance with law;

(h) in the case of a State Government or Local Government establishment, whether money or negotiable securities or similar assets handled by the audited agency on behalf of the State Government or Local Government or held in trust by the audited agency have been properly and legally administered and whether the accounting and record keeping relating thereto are done properly, accurately and in accordance with the Law; and

(i) whether financial programs and statistical reports of the audited agency contain useful data and are fairly presented.

Compliance Audits are to be performed in accordance with attestation standards issued by recognized professional bodies and international regulatory authorities.

"Employees of the Commission" include all staff of State Audit Office, Local Governments Audit Office and the Commission;

"Executive Council" means the Imo State Executive Council;

"External Auditors" mean independent auditors appointed to audit Financial Statements of Ministries, Departments and Agencies of Imo State Government as well as the financial statements of the Local Government Councils and Local Government Agencies;

"Financial Audit" means a post audit primarily concerned with providing reasonable assurance about whether Financial Statements are presented fairly in all material respects and in conformity with International Public Sector Accounting Standards (IPSAS). Other objectives of financial audits, which provide for different levels of assurance and entail various scopes of work, may include, as appropriate –

(a) providing special reports for specified elements, accounts, or items of a statement;

(b) reviewing interim financial information;

(c) issuing letters for underwriters and certain other requesting parties;

(d) reporting on the processing of transactions by service organizations; and

(e) auditing in compliance with regulations relating to Federal award expenditure and other Governmental Financial assistance in conjunction with or as a byproduct of a financial statement audit.

Financial Audits are to be performed in accordance with generally accepted auditing standards issued by International and Domestic Regulatory Bodies such as the Institute of Chartered Accountants of Nigeria and the Association of National Accountants of Nigeria.

"Financial year" means the financial year of Imo State Government;

"Governor" means the Governor of Imo State of Nigeria;

"House of Assembly" means the Imo State House of Assembly;

"Local Government Agencies" mean School Districts, Units of Local Governments and their Offices, Boards, Commissions and the Local Courts which obligate, receive or use public funds of Local Governments;

"Local Governments Audit Office" means the Office of the Auditor-General for Local Governments;

"Officer" means the holder of an office in the Public Service of the State;

"PAC" means the Public Accounts Committee of Imo State House of Assembly;

"Performance Audit" means an objective and systematic examination of evidence in order to provide an independent assessment of the performance and management of a programme against objective criteria. Performance audits provide information to improve programme operations and facilitate decision-making by parties with responsibility to oversee or initiate corrective action and improve public accountability. Performance audits include management audits, which are also called economy and efficiency audits and programme audits. A programme audit addresses the effectiveness of a program and typically measures the extent to which a programme is achieving its goals and objectives.

An economy and efficiency audit determines whether an Agency is acquiring, protecting, and using its resources in the most productive manner to achieve program objectives. Program audits and economy and efficiency audits may include an assessment of :-

(a) the extent to which legislative, regularity, or organizational goals and objectives are being achieved;

(b) the relative ability of alternative approaches to yield better programme performance or eliminate factors that inhibit programme effectiveness;

(c) the relative cost and benefits or cost effectiveness of programme performance;

(d) whether a program produced intended results or product effects that were not intended by the, program's objective;

(e) the extent to which programmes duplicate, overlap, or conflict with other related programmes;

(f) whether the audited entity is following sound procurement practices;

(g) the validity and liability of performance measures with regard to programme effectiveness and results or economy and efficiency; and

(h) the reliability, validity or relevance of financial information related to the performance of a programme.

Performance Audits may also encompass objectives related to internal control and compliance with legal or other requirements. Performance audits are to be performed in accordance with Generally Accepted Government Auditing Standards (GAGAS) which is current at the time it commenced;

"Post Audit" or "Audit" means a post facto examination of books, documents, records, and other evidence relating to the obligation, receipt, expenditure or use of public funds of the State and Local Government Councils including Governmental operations relating to such obligation, receipt, expenditure, or use. A post audit is a financial audit, a compliance audit or other attestation engagement, or a performance audit or some combination of any of the audits defined above;

"Public money" means and includes the public revenue of the State and Local Government and any other money held in trust for any period of time by any officer alone or jointly with other persons;

"Revenue" includes the State and Local Government Councils share from the Federation Account, internally generated money and any other grants and loans or receipts;

"State" means Imo State of Nigeria;

"State Agencies" mean all Offices, Boards, Commissions and Agencies created by the Constitution or Domestic Edicts, whether in the Executive, Legislative or Judicial branches, Departments, Boards, Commissions, Agencies, Institutions, Authorities, Universities, Bodies Politic and Corporate of the State; and Administrative Units or Corporate Outgrowths of the State Government which are created by or pursuant to Statute, other than Units of Local

Government and their Offices, School Districts and Boards of election; all Administrative Units and Corporate Outgrowths of the above and as may be created by Executive Order of the Governor;

"State Auditor-General" means the Auditor-General for Imo State as provided for in section 125(1) of the 1999 Constitution of the Federal Republic of Nigeria (as amended);

"State Audit Office" means Office of the State Auditor-General;

"Statutory Body" means any authority established by Law.

PART II

ESTABLISHMENT OF THE AUDIT SERVICE COMMISSION

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3(1) There is established, a Commission to be known as the Imo State Audit Service Commission (referred to in this Law as "the Commission")

(2) The Commission shall be a body corporate with perpetual succession and a common seal and shall have power to sue and be sued in its own name.

(3) The Commission may hold, acquire, lease or own moveable and immoveable property.

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4(1) The Commission shall comprise –

(a) a Chairman who shall be a professional accountant with cognate audit experience;

(b) three persons representing the three geo-political zones of Imo State, out of which, at least, one shall be an Accountant with professional qualification from a recognized Accountancy Body;

(c) the Auditor-General for the State;
(d) the Auditor-General for Local Governments; and
(e) the Secretary.

(2) The Chairman and members shall be appointed by the Governor and their appointments shall be subject to confirmation by the House of Assembly.

Qualification for membership

5.(1) No person shall be qualified for appointment as a member of the Commission if –

(a) he is of questionable integrity;
(b) within the preceding ten (10) years he has been removed as a member of any of the Bodies established by section 197 of the 1999 constitution of the Federal Republic of Nigeria (as amended) or as the holder of any other office on the ground of misconduct; or
(c) he has been convicted of a criminal offence by a court of competent jurisdiction or tribunal.

Establishment of the Audit Service Commission

(2) Any person employed in the Public Service of the Federation or State shall not be disqualified for appointment as a Chairman or member of the Commission:

Provided that, where such a person has been duly appointed, he shall on his appointment be deemed to have resigned or retired from his former office as from the date of his appointment.

Composition of the Commission.

Tenure of Office of the Members of the Commission

6. A member including the Chairman of the Commission shall hold office for a period of four (4) years from the date of his appointment subject to the confirmation of the House of Assembly and may be re-appointed for one more term only, subject to further confirmation by the House of Assembly.

Cessation of office of members of t commission.

7. The Chairman or any of the members shall cease to hold office in the event of any of the following –

(a) if he is removed by the Governor acting on an address supported by a two third majority of members of the House of Assembly praying that he be so removed for inability to discharge the functions of his office (whether arising from infirmity of mind or body) or for misconduct; or

(b) if he resigns his membership of the Commission in writing by a letter addressed to the Governor; or

(c) in case of permanent incapacity or death; or

(d) if he has been convicted of an offence which involves moral ineptitude; or

(e) if he has been involved in any act that may be considered inimical to the interest of the office or the State; or

(f) if he becomes bankrupt or makes a compromise with his creditors.

Filling of Vacancies

8. Any time there is a vacancy in the membership of the Commission, the Governor shall within 30 days fill the vacancy subject to the confirmation of the House of Assembly.

Remuneration of Members

9. The Chairman and members other than the ex-officio members of the Commission shall be paid such salaries and allowances as may be applicable to other Commissions in the State.

Secretary to the Commission

10.(1) There shall be appointed by the Commission, a Secretary who shall be –

(a) a senior officer not below the rank of a Director in the State Civil Service; or its equivalent and who on appointment shall enjoy all the rights and privileges of a Permanent Secretary in the State Civil Service; and

(b) the Accounting Officer of the Commission.

(2) The Secretary shall hold Office on such terms and conditions as may be applicable in the State Civil Service.

(3) Subject to the general direction of the Commission, the Secretary shall be responsible for the day to day administration of the Commission and for the keeping of books and proper records of proceedings of the Commission.

(4) The Secretary shall perform all other duties affecting the Commission as may be assigned to him by the Chairman.

Functions of the Commission

11. The Commission shall –
(a) implement the ethics and code of conduct for Auditors.
(b) advice the Governor on the needs and welfare of members of staff of the State Audit Office, the Local Governments Audit Office and the Commission;
(c) advice the State Government on guidelines and policy issues relating to audit matters; and
(d) implement Government policies on audit reforms and matters.

Powers of Commission to make appointments

12(1) The Commission shall appoint persons to hold office in the State Audit office, the Local Governments Audit Office and such other Offices as may constitute the Departments and Units of the Commission.

(2) The power of the Commission to appoint under subsection (1) of this Section shall include power to –
(a) promote, transfer and confirm appointments of persons appointed or employed by the Commission;
(b) dismiss and exercise disciplinary control over such persons holding or acting in such offices; and

(c) perform such other duties and functions as are necessary or expedient for the discharge of its functions under this Law.

(3) Nothing in this Law shall preclude the creation of more Departments/Units by the Commission as the need arises and in accordance with the relevant Sections of this Law and make appointments into them.

(4) If the Commission thinks it expedient that any vacancy in the Commission, the State Audit office or the Local Government Audit Office should be filled by a person holding office in any Service of the State, it shall notify the appropriate Service Commission to that effect and the Commission may, by arrangement with the Service Commission concerned cause such vacancy to be filled by way of transfer or secondment.

(5) Where a member of staff of any Service Commission is transferred or seconded under Subsection (4) of this Section, he shall be notified of the terms and conditions of the transfer or secondment. In the case of a transfer, it shall be without prejudice to any pension rights which, despite the transfer would still accrue to him.

(6) A person seconded pursuant to subsection (4) of this Section may elect, subject to the approval of the Commission, to be transferred to the Audit Service Commission in which case any previous service in the service concerned shall count as service for the purposes of pensions subsequently payable by the Commission.

(7) Any member of staff of the Commission, the State Audit office or the Local Governments Audit Office may elect to transfer or be seconded to any other Public Service of the State and such right of transfer shall not operate to the disadvantage of the officer concerned.

(8) In exercising its power to make appointments or discipline persons under this Law, the Commission shall not be subject to the direction or control of any authority or persons.

Staff of the Commission.

13. The Commission shall appoint such persons as may be necessary to enable it carry out its functions under the provisions of this Law.

Appointment of Staff of the State Auditor-General and the Auditor-General for Local Governments by the Commission

14(1) Once a request is made by the State Auditor-General or the Auditor General for Local Governments stating the caliber of staff required for the efficient performance of the functions of their respective offices, the Commission shall recruit such staff for the offices after getting approval from the Governor or cause to be posted, transferred or seconded from other Government establishments, such staff as may be necessary to fill the vacancies in the State Audit Office or Local Government Audit Office.

(2) All appointments of staff to positions on Grade Levels 1-6 or its equivalent shall be carried out by the Management of the Commission, State Audit Office and the Local Governments Audit Office as the case may be.

(3) All appointments of staff to positions on Grade Levels 7-10 or its equivalent in the Commission, State Audit Office or Local Governments Audit Office shall be carried out by the Commission.

(4) Appointments of staff to positions on Grade Level 12 and above or its equivalent shall be widely advertised. Written examinations and interviews shall be conducted to ensure the engagement of competent and qualified candidates by the Commission.

Promotion of Staff of the State Audit office and the Local Governments Audit office by the Commission.

15.(1) The State Auditor-General and the Auditor-General for Local Governments shall recommend to the Commission for promotion, staff of their offices who are due and qualified for such promotion.

(2) Any staff so recommended by the State Auditor-General or the Auditor-General for Local Governments who has met all the conditions for promotion as may be prescribed from time to time by the Commission, shall not be denied promotion.

(3) All promotions shall be subject to existing vacancies.

Conditions of Service and other Staff Matters

16.(1) The Commission shall –

(a) determine the terms and conditions of service of officers and employees of the State and Local Government Audit offices and the Commission with the exception of that of the State Auditor-General.

(b) handle all other staff matters of the State Audit office, the Local Governments Audit Office and the Commission, including matters relating to pensions, retirement, staff benefits and other matters relating to conditions of service.

(2) The salaries and allowances of the staff of the State Audit office, the Local Governments Audit Office and the Commission shall be a direct charge upon the Consolidated Revenue Fund of the State Government.

Conditions Service of Employees.

17. The terms and conditions of service (including salaries, allowances, benefits and pensions) of the employees of the Commission shall be as applicable in other Commissions in the state.

Staff Regulations

18. The Commission may make Regulations relating to the conditions of service of the employees of the Commission and without prejudice to the generality of the foregoing, such Regulations may provide for –

(a) the appointment, promotion and disciplinary control (including dismissal) of employees of the Commission; and

(b) appeals by such employees against dismissal or such other disciplinary measures and until such Regulations are made, any instrument relating to the conditions of service of officers in the Civil Service of the State shall be applicable, with such modifications as may be necessary, to the staff under the Commission.

Pensions

19.(1) Notwithstanding the provisions of any Pensions Law in force in the State, service in the Commission shall be service in the Public Service for the purpose of that Law and accordingly, officers of the Commission shall in respect of their service in the Commission, be entitled to such Pensions, Gratuities and other retirement benefits as are prescribed under the State Pensions Reform Law.

(2) The period of service of any person in the Commission shall be joined to and deemed to be continuous with the period served by that person previously or subsequently in any other pensionable service.

(3) For the purpose of the application of the provisions of the Pensions Reform Law, any power exercisable under the provisions of that Law by a Commission or other authority of the State (not being the power to make Regulations) are vested in and shall be exercisable by the Commission.

(4) Nothing in the foregoing provisions of this section shall prevent the appointment of a person to any office under

the Commission on terms which preclude the grant of a pension or gratuity in respect of service in the Commission.

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20. The Commission may co-opt person(s) who are not members of the Commission for any meeting of the Commission or its Committee and such co-opted person(s) may take part in the deliberations of the Commission or any of its Committees but shall not be entitled to vote or be counted as part of the quorum of the meeting.

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21(1) The meetings of the Commission shall be convened by the Chairman or by a simple majority of members.

(2) At any meeting of the Commission, the Chairman shall preside and in his absence, the other members may elect one person from among themselves to preside.

(3) The quorum for any meeting of the Commission shall be a third of all the members.

(4) Any matter which comes before the Commission for decision shall be decided by the vote of a simple majority of the members present, and in the event of equality of votes, the Chairman presiding shall have a casting vote.

(5) The validity of any meeting shall not be affected by reason of the existence of any vacancy in the Commission or any defect in the appointment of a member.

(6) The Secretary of the Commission shall not vote at any meeting of the Commission.

Commission to regulate its Proceedings

22. The Commission shall have power to regulate its proceedings and may make standing orders for that purpose.

Protection of Members.

23. No member of the Commission shall be liable for any act done in the course of exercising a legal duty or function imposed on him by the Commission.

Reports, statements to be privileged

24(1) Any report, statement, communication, recording of any meeting or proceedings of the Commission made in the due exercise of its functions or which any member of the Commission may make in the course of performing his official duties shall be regarded as privileged.

(2) Subject to sub-section (1) of this section, a report, statement, communication, record of proceedings of any meeting of the Commission shall be released on the order of a court of a competent jurisdiction or by a resolution of the Imo State House of Assembly.

Funds of the Commission.

25.(1) There shall be established, a Fund for the Commission and provision for the fund shall be made in the annual budget of the State.

(2) There shall be paid and credited to the Fund established under subsection (1) of this section –

(a) the take off grant for the Commission;
(b) any sum appropriated to the Commission by the Imo State House of Assembly in each financial year;
(c) all monies realized for the purposes of the Commission by way of gifts, grants-in-aid; and
(d) proceeds from all other assets that may from time to time accrue to the Commission.

(3) The Commission shall defray all expenditure incurred by it from the Fund referred to in subsection (1) of this section including –

(a) the cost of Administration;
the cost of payment of salaries, fees or other remunerations and allowances, pensions and gratuities payable to members and employees of the Commission; and

(b) anything done in furtherance to any of its functions under this Law.

PART III

ESTABLISHMENT, APPOINTMENT, FUNCTIONS AND POWERS OF THE AUDITOR-GENERAL FOR IMO STATE

Auditor-General for Imo State (Section. 125 of the Constitution)

26. Pursuant to Section 125(1) of the 1999 Constitution of the Federal Republic of Nigeria (as amended), there shall be an Auditor-General for Imo State (hereinafter referred to as "the State Auditor-General")

Establishment of the office of the State Auditor-General

27.(1) There is established, an office to be known as the Office of the Auditor-General for Imo State (hereinafter referred to as "the State Audit Office")

(2) The State Audit Office shall be headed by the State Auditor-General.

Appointment of the State Auditor-General

28.(1) The State Auditor-General shall be appointed by the Governor on the recommendation of Imo State Civil Service Commission, subject to confirmation by the House of Assembly.

(2) The State Auditor-General shall be: -

(a) a senior management staff of the State Audit Office not below the rank of a Director with not less than 15 years cognate experience;

(b) a professional accountant with qualifications from a recognized Accountancy Body;

(c) experienced in Public Sector Finance;

(d) highly proficient in the use of Computer Audit Software;

(e) 45 years of age or above and where in public service, with not less than six (6) months to retire; and

(f) a person of proven integrity and good conduct.

Additional procedures for appointment of the State Auditor-General

29. In the absence of any suitable candidate as stated in section 28(2) above, the following additional procedures shall apply –

(a) the vacancy for the position of the State Auditor-General shall be advertised in at least two (2) National daily newspapers and one (1) Local daily Newspaper;

(b) all applicants for the position shall be subjected to the same interview and/or written test to be conducted by the Civil Service Commission;

(c) the Civil Service Commission shall then recommend the three persons that performed best in the interview and/or written test to the Governor;

(d) the Governor shall appoint one of the three persons recommended by the Civil Service Commission as the State Auditor-General subject to the confirmation of the Imo State House of Assembly.

Appointment of Acting State Auditor-General

30(1) The power to appoint any person to act as the Auditor-General for Imo State shall vest in the Governor of the State.

(2) Except with the sanction of a resolution of the House of Assembly, no person shall act in the office of the State Auditor-General for a period exceeding six months.

Removal from office and cessation of office

31(1) A person holding the position of the State Auditor-General shall be removed from office by the Governor of the State acting on an address supported by two-third majority of the House of Assembly 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 be removed from office before such retiring age as may be prescribed by Law (in this case 60 years) save in accordance with the provisions of this section.

(3) The State Auditor-General shall cease to hold office if –

(a) he resigns his appointment or voluntarily retires from the service of the State;
(b) he is permanently incapacitated and unable to carry on with his functions effectively based on a report by a legally constituted Medical Board or dies while in office;
(c) he becomes bankrupt or makes a compromise with his creditors; or
(d) he is convicted of an offence or crime under the laws of Nigeria or any other country.

Oath of Offi

32. Before assuming office, the State Auditor-General shall take an oath administered by the Chief Judge of State, as specified in the first Schedule to this Law.

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33.(1) The State Auditor-General shall be paid such salaries and allowances as may be prescribed by the Governor based on the recommendations of the Audit Service Commission, but not lower than the amount determined by the Revenue Mobilization, Allocation and Fiscal Commission.

(2) The remuneration of the State Auditor-General shall be a first line charge on the Consolidated Revenue Fund of the State.

(3) The salaries and allowances payable to the State Auditor General and his conditions of service shall not be altered to his disadvantage after his appointment.

Functions of the State Auditor-General

34.(1) The State Auditor-General shall audit the Public Accounts of the State and shall submit his reports to the House of Assembly and for that purpose, the State Auditor-General or any person authorized in that behalf shall have access to all books, records, returns and other documents relating to the Public Accounts of the State.

(2) The State Auditor-General shall ensure that –

(a) the Public Accounts of the State and all other authorities referred to in this Law are kept in such form as he may approve ;

(b) all reasonable precautions have been taken to safeguard the collection and custody of public monies or other monies subject to his audit and that the laws, directions and instructions relating thereto have been duly observed and obeyed;

(c) all monies appropriated or otherwise disbursed have been expended on and applied for the purpose for which the grants made by the State Executive Council and the Imo State House of Assembly were intended, and that the expenditure conforms to the authority which governs it;

(d) adequate Audit Regulations exist for accounting and financial operations in the State and that they are duly observed;

(e) monies have been expended with efficiency, effectiveness and due regard to the economy;

(f) satisfactory procedures have been established to measure and report the effectiveness of programmes and where such procedures could appropriately and reasonably be implemented;

(g) the attention of the appropriate authorities have been drawn to any irregularity observed during the examination of the accounts as soon as facts of such irregularities have been established and confirmed;

(h) as a result of the audit conducted by his office, all queries and observations are addressed to the Accountant-General, the Accounting Officer or any other appropriate person in an establishment and shall call for such accounts, vouchers, statements, documents and explanations as he deems fit; and

(i) where necessary, he shall, make surcharges and specify to the appropriate Heads of Departments' or Institutions, the amount due from any person upon whom he had made such a surcharge and the reason for the surcharge and shall report the circumstances of the case to the Accounting Officer of the affected Department or Institution.

(3) The State Auditor-General shall, in exercising his functions under the provisions of this Law, express his opinion as to whether the financial statement/accounts represent the financial information in accordance with applicable statutory provisions, laid down stated accounting policies of Government, International Public Sector Accounting Standards (IPSAS), and whether they are essentially consistent with those of the preceding year.

(4) The State Auditor-General or any person authorized by him to conduct periodic checks on a Statutory Corporation

shall, in addition to the audit report, draw attention to the following –

(a) the profitability, liquidity, stability and solvency of the Parastatals, Corporations and Educational Institutions and also the performance of the shares of the Corporation in the capital market, where applicable;
(b) any delay in the payment of the Government's portion of any dividend into the Consolidated Revenue Fund;
(c) any fraud or loss and if so, their underlying causes and person(s) responsible for such fraud or losses;
(d) any internal control weaknesses which were identified;
(e) the general corporate performance of Statutory Bodies indicating achievement against set targets and objectives; and
(f) whether the finances of such bodies have been conducted with due regard to economy, efficiency and effectiveness having regard to the resources utilized.

(5) The State Auditor-General shall evaluate the adequacy of the State's enterprise risk management strategies and policies and make recommendations for their improvement.

(6) The State Auditor-General in the exercise of his responsibility, shall publish the Annual Statutory Report of the State Government electronically and manually.

(7) The State Auditor-General shall in conjunction with the Audit Service Commission and subject to the approval of the Governor –

(a) fix the remuneration and other fringe benefits of the staff of the State Audit office;

(b) recruit new staff and/or cause to be posted, transferred or seconded from other Government Establishments, such personnel as may be required to carry out the functions of the State Audit Office.

(8) The State Auditor-General shall subject to the approval of the Governor, have the liberty to enter into agreements with third parties on any matter that has direct impact on the activities of his office.

35.(1) In addition to the functions enumerated above, the State Auditor-General shall prepare an audit plan and associated budget for the approval of the House of Assembly not later than three months before the end of the year preceding the year to which the budget applies.

(2) The State Auditor-general shall audit all financial statements and annual accounts of the State.

(3) The State Auditor-General shall, within ninety days of the receipt of the Accountant-General's financial statement and annual accounts of the State, submit his report to the Imo State House of Assembly.

(4) The State Auditor-General or any person authorized by him in that behalf shall have unrestricted access to all the books, records, returns, and other documents both electronic and manual, relating to the accounts referred to in subsection (2) of this section whether kept electronically or otherwise.

(5) If at any time it appears to the State Auditor-General that any irregularities have 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 Government property, or in the accounting of same, he shall immediately bring the matter to the notice of the Governor or the Accounting Officer of the affected Ministry or Agency and to any other officer he may deem fit.

(6) The State Auditor-General may –

(a) seek the advice or opinion of the Attorney-General of the State in writing on any question or issue arising from the provisions of this Law in respect of all matters and issues, that may be necessary for the due performance and exercise of the duties and powers vested in him, and the Attorney-General shall give his opinion within fourteen (14) days of receiving such request;

(b) deploy through the Chief Executive in any Government Ministry, Department, or Agency (MDA), any person employed in his office (referred to in this Law as the "officer") to enable such an officer carry out his duties effectively for a given period: Such Government Ministry, Department or Agency shall provide the necessary office accommodation and other facilities for the officer so stationed;

(7) For the purpose of discharging the functions of his office, the State Auditor-General shall, subject to the provisions of this Law, do anything necessary and enter into any transactions:
PROVIDED they are lawful, that will enhance the proper performance of these functions; these shall include -

(a) establishing and implementing comprehensive human resource management systems and policies for managing staff and instituting staff development programs;

(b) developing and maintaining such systems, whether by computer or other means, for the collection, storage, analysis and retrieval of relevant information and promulgating procedures for conducting audit work;

(c) engaging the services of professionals to serve on contract basis for limited engagements, including those required as part of agreements with international organizations, but all audit opinions shall remain those of the State Auditor-General; and

(d) constituting or establishing Standing or Ad-hoc Committees to facilitate the discharge of the functions of the State Audit Office.

(8) Nothing in subsection (2) of this section shall be construed as authorizing the State Auditor-General to audit the accounts of or appoint auditors for State Government Statutory Corporations, Commissions, Authorities, Agencies, including all persons and bodies established by Law, but the State Auditor-General shall –

(a) provide such bodies with-
  (i) a list of auditors qualified to be appointed by them as external auditors and from which the bodies shall appoint their external auditors;

  (ii) a guideline of fees to be paid to the external auditors; and

(b) comments on their annual accounts and auditor's report thereon.

(9) The State Auditor-General shall if he deems it necessary-
(a) require a public officer to give explanation or information which the Auditor-General may require in order to enable him discharge his duties; and

(b) without the payment of any fees, cause a search to be made and extracts to be taken or copies made from any book, document or record in any public office.

(10) The State Auditor-General in the performance of his functions under this Law or any other Law shall have power to disallow any item of expenditure which is contrary to Law, and surcharge –

(a) the amount of any expenditure disallowed upon the person responsible for incurring or authorizing the expenditure;

(b) any sum which has not been duly brought into account upon the person by whom the sum ought to have been brought into account;

(c) the amount of any loss or deficiency upon any person by whose negligence or misconduct the loss or deficiency has been incurred.

(11) A person aggrieved by a disallowance or surcharge made by the State Auditor-General may appeal to the High Court of Imo State.

Autonomy and Independence of the State Audit Office

36. The State Audit Office shall be an independent and autonomous institution and shall not be subject to the direction or control of any other authority or person in the performance of its functions under this Law.

Structure of the State Audit Office

37. The State Audit Office shall consist of the following Departments -

(a) the Ministerial Audit and Extra-Ministerial Audit Department;

(b) the Treasury Audit Department;

(c) the Special Duties Department;
(d) the Projects Audit Department;
(e) the Parastatals Audit Department;
(f) the Administration and Finance Department; and
(g) any other Department as may be created by the State Auditor-General

PART IV

FUNDS OF THE STATE AUDIT OFFICE

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38.(1) There shall be established, a Fund for the State Audit Office and provision for the Fund shall be made in the annual budget of the State.

(2) There shall be paid and credited to the Fund established under sub-section(1) of this section –

(a) any sum appropriated to the State Audit Office by the House of Assembly in each financial year;

(b) all monies realized for the purpose of the office by way of gifts and grants-in-aid; and

(c) proceeds from all assets of the office that may accrue to the office from time to time

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39.(1) The State Auditor-General shall defray costs from the established Fund, all the amount payable, being sums representing –
(a) the running cost of the State Audit Office;
(b) cost of acquisition, rent or upkeep of premises; and

(c) any other payment incidental to the performance of his functions under this law.

(2) The State Auditor-General shall manage the Fund of the State Audit Office in conformity with the approved budget and expenses to be paid from the Fund shall include –

(a) salaries and allowances of staff of the State Audit Office;
(b) cost of training and professional development; and
(c) any capital development project or special expenditure.

PART V

ESTABLISHMENT, APPOINTMENT, FUNCTIONS, POWERS ETC OF THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

Auditor-General for Local Governments

40.(1) There shall be an Auditor-General for Local Governments in Imo State

Establishment of the office of the Auditor-General for Local Government

(2) There is established an office to be known as the Office of the Auditor-General for Local Governments in Imo State (hereinafter in this law referred to as "Local Governments Audit Office.)

(3) The Local Governments Audit office shall be headed by the Auditor-General for Local Governments

Appointment of the Auditor-General for Local Governments

41.(1) The Auditor-General for Local Governments shall be appointed by the Governor on recommendation of the Audit Service Commission, subject to the confirmation of the House of Assembly.

(2) The Auditor-General for Local Governments shall be: -
(a) a senior management staff of the Local Governments Audit Office not below the rank of Director and with not less than 15 years cognate experience;

(b) a professional accountant with qualifications from a recognized Accountancy Body;
(c) experienced in Public Sector Finance;
(d) highly proficient in the use of computer audit software;
(e) 45 years of age or above and where in public service, with not less than six (6) months to retire; and
(f) a person of proven integrity and good conduct.

Additional Procedures For appointment of Auditor-General for Local Governments

42(1) In the absence of a suitable candidate as stated in sub-section (2) of section 41, the following additional procedures shall apply:-
(a) vacancy for the position of Auditor-General for Local Governments shall be declared and this shall be advertised in at least two (2) National daily newspapers and one (1) Local daily newspaper;
(b) all applicants shall be subjected to the same interview and/or written test to be conducted by the Audit Service Commission .
(c) the Audit Service Commission shall then recommend the three persons that performed best in the interview and/or written test to the Governor;
(d) the Governor shall appoint one of the three persons recommended to him by the Audit Service Commission as the Auditor-General for Local Government subject to the confirmation of the House of Assembly.

Vacancy in the Office of the Auditor General for Local Governments

43.(1) In event of the absence or incapacitation of the Auditor-General for Local Governments or where the office of the Auditor-General for Local Governments is vacant, the most senior Director shall act in the capacity of Auditor-General for Local Governments for a period not exceeding six (6) months pending the appointment of the substantive Auditor-General for Local Governments.

(2) The Governor shall, on the recommendation of the Audit Service Commission, appoint a person to the vacant

position after which the acting Auditor-General for Local Governments shall vacate the office.

(3) A Person appointed in line with subsection (1) of this section shall posses the qualifications spelt out in Section 41(2) of this Law.

(4) Except with the sanction of a resolution of the House of Assembly, no person shall act in the Office of the Auditor-General for Local Governments for a period exceeding six months.

Tenure of Office Of the Auditor General For Local. Governments and cessation of office

44.(1)As in the case of the State Auditor-General, the Auditor-General for Local Governments shall not be removed from office before such retiring age as prescribed by Law; that is until attainment of retiring age of sixty (60) years, except where he is removed from office acting on an address supported by a two third majority of members of the House of Assembly 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 misconduct.

(2) In addition to the provisions of subsection (1) of this Section, the Auditor-General for Local Governments shall cease to hold office if –

(a) he resigns his appointment or voluntarily retires from the service of the State;
(b) he is permanently incapacitated and unable to carry on with his functions effectively based on a report by a legally constituted Medical Board or dies while in office;
(c) he becomes bankrupt or makes a compromise with his creditors; or
(d) he is convicted of an offence or crime under the Laws of Nigeria or any other country.

Oath of Office

45. Before assuming office, the Auditor-General for Local Governments shall take an oath administered by the Chief

Judge of State, as provided in the First Schedule to this Law.

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46.(1) The Auditor-General for Local Governments shall be paid such salary, allowances and pension as may be prescribed by the State Government based on the recommendations of the Audit service Commission but not lower than the amount determined by the Revenue mobilization, Allocation and Fiscal Commission.

(2) The remuneration of the Auditor-General for Local Governments shall be a first line charge on the Consolidated Revenue Fund of the State.

(3) The salaries 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.

Power
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47.(1) The Auditor-General for Local Governments shall audit the Public Accounts of every Local Government, Local Government Pensions Board, Local Government Education Board and Authorities, Local Government Training Funds and all Funds and offices of the Local Government every quarter and shall submit his report to the Imo State House of Assembly for review. Notwithstanding the provisions of this section, the Auditor-General for Local Governments may carry out the auditing of a Council whenever there is an audit alarm.

(2) For the purpose of carrying out the above duties, the Auditor-General for Local Governments or any person authorized by him in that behalf shall have access to all books, records, returns and other documents relating to the accounts of the Local Government Agency or Council concerned.

(3) The Public Accounts Committee of the House of Assembly shall have powers to carry out quarterly investigations into Local Government Accounts through the office of the Auditor-General for Local Governments and review the reports submitted by the Auditor-General for Local Governments.

Functions of the Auditor General for Local Governments.

48.(1) The Auditor-General for Local Governments shall ensure that –

(a) the Public Accounts of the Local Government Councils and Local Government Agencies and other persons or authorities referred to in this law shall be kept in such form as the Auditor-General for Local Governments may approve;

(b) all reasonable precautions have been taken to safeguard the collection and custody of public monies or other monies subject to his audit and that the laws, directions and instructions relating thereto have been duly observed and obeyed.

(c) all monies appropriated or otherwise disbursed have been expended on and applied for the purpose for which the grants made by the Finance and General Purposes Committee of every Local Government and the Local Government Councils were intended, and that the expenditure conforms to the authority which governs it;

(d) adequate Audit Regulations exist for accounting and financial operations of Local Government Councils and Local Government Agencies and that they are duly observed;

(e) monies have been expended with efficiency, effectiveness and due regard to the economy;

(f) satisfactory procedures have been established to measure and report the effectiveness of programmes and where such procedures could appropriately and reasonably be implemented;

(g) the attention of the appropriate authorities have been drawn to any irregularity observed during the examination of the records and books of accounts as soon as facts of such irregularities have been established and confirmed;

(h) as a result of the audit conducted by him, all queries and observations are addressed to the authorities of the Local Government Councils, the Local Government Agencies or any other appropriate person or officer that may call for such accounts, vouchers, statements, documents and explanations as he deems fit; and

(i) he makes surcharges and specifies to the appropriate Heads of Departments or Institutions, where he deems it fit, the amount due from any person upon whom he had made surcharge and the reason for the surcharge and shall report the circumstances of the case to the Accounting officer of a Local Government Agency and Chairman of the, Local Government Council.

(2) The Auditor-General for Local Governments shall, in exercising his functions under the provisions of this Law express his opinion as to whether the financial statement/accounts represent the financial information in accordance with applicable statutory provisions, accounting policies, International Public Sector Accounting Standards (IPSAS) and whether they are essentially consistent with those of the preceding year.

(3) The Auditor-General for Local Governments or any person authorized by him to conduct periodic checks on Statutory Local Government Agencies shall in addition to the audit report, draw attention to the following –

(a) the profitability, liquidity, stability and solvency of the Local Government Agencies;.

(b) any delay in the remittance of the internally generated revenue or dividends into the Statutory

Revenue Fund of the Councils or Local Government Agencies;

(c) any fraud or loss and if so, their underlying causes and person (s) responsible for such fraud or losses;

(d) any internal control weaknesses which were identified;

(e) the general corporate performance of the Local Government Agencies and Councils indicating achievements against set targets and objectives; and

(f) whether the finances of the Local Government Agencies or Councils have been managed with due regard to the economy, efficiency and effectiveness, having regard to the resources utilized.

(4) The Auditor-General for Local Governments in exercise of his responsibility shall, publish the Annual Statutory Reports of the Local Government Councils and Local Government Agencies electronically and manually. (Soft and hard copies).

(5) The Auditor-General for Local Governments shall in conjunction with the Audit Service Commission and subject to the approval of the Governor -

(a) fix the remuneration and other fringe benefits for the staff of the Local Government Audit office;

(b) recruit new staff and/or cause to be posted, transferred or seconded from other Government Establishments, such personnel as may be required to carry out the functions of the State Audit Office.

Autonomy and independence of the Auditor-General for Local Governments

49. The Local Governments Audit Office shall be an autonomous and independent institution and the Auditor-General for Local Governments shall not be subject to the direction and control of any other authority or person in the performance of his functions under this Law.

Structure of the Local Government Audit Office

50. The Local Governments Audit Office shall consist of the following Departments –
  (a) the Administration and General Services Department;
  (b) the Finance and Accounts Department;
  (c) the Local Government Councils Accounts Department;
  (d) the Project Monitoring and Evaluation Department;
  (e) the Local Government Education Authorities Accounts;
  (f) the Community Government Councils Account Department;
  (g) the Procurement and Due process Department; and
  (h) the Local Government Agencies Accounts Department

and any other Department as may be created by the Auditor-General for Local Governments.

PART VI
FUNDS OF THE LOCAL GOVERNMENT AUDIT OFFICE

Funds of the Local Governments Audit office

51.(1) There shall be established, a Fund for the Local Governments Audit office and provision for the Fund shall be made in the annual budget of the State.

(2) There shall be paid and credited to the Fund established under sub-section (1) of this section –
  (a) any sum appropriated to the Local Governments Audit office by the House of Assembly in each financial year;
  (b) all monies realized for the office by way of gifts and grants-in-aid; and
  (c) proceeds from all assets of the Local Governments Audit office that may from time to time accrue to the office.

Application of Funds.

52. The Auditor-General for Local Governments shall defray costs from the established Fund, all the amount payable being sums representing –
  (a) the running cost of the Local Governments' Audit Office;

(b) cost of acquisition, rent or upkeep of premises; and

(c) any other payment incidental to the performance of his functions under the Law.

Auditing of Accounts of Local Government

53. The Auditor-General for Local Governments shall manage the Fund of the Local Governments Audit Office in conformity with the approved budget and expenses to be paid from the Fund shall include –

(a) salaries and allowances of staff of the Local Government Audit Office;
(b) cost of training and professional development project; and
(c) any capital development project or special expenditure.

PART VII
CONDUCTING AUDITS ETC

Duties of an Auditor appointed under this Law

54. It shall be the duty of any Auditor appointed in accordance with the provisions of this Law at every audit conducted by him to –

(a) disallow any item of account which is contrary to any Law or to the Financial Memoranda or is unsupported by proper records or accounts or which he considers unreasonable;
(b) surcharge the amount of any expenditure disallowed upon the person responsible for incurring or authorizing the expenditure;
(c) surcharge any sum which has not been duly brought into account on the person by whom that sum ought to have been brought into account;
(d) surcharge the amount of any loss or deficiency on any person by whose negligence or misconduct, the loss or deficiency has been incurred;
(e) certify the amount due from any person whom he has made a surcharge; and

by the International Organization of Supreme Audit Institutions (INTOSAI), African Organization of Supreme Audit Institutions, (AFROSAI) and the International Auditing and Assurance Standards Board (IA&ASB);

(d) the Accounting Standards and Code of Ethics published by the International Federation of Accountants (IFAC);

(e) International Public Sector Accounting Standards (IPSAS) and the International Financial Reporting Standards (IFRS); and

(f) other recognized or required standards issued or accepted as current best practices by funding or donor organizations.

Access to People, Documents and Property

58.(1) The State Auditor-General and the Auditor-General for Local Governments and their staff shall have unrestricted access to such people, documents, computers and other information systems and assets as the State Auditor-General and the Auditor-General for Local Governments shall consider necessary for the proper performance of their functions.

(2) The State Auditor-General and the Auditor-General for Local Governments shall obtain such information as they may consider necessary in the performance of their functions from any person who is not a member of staff or public office holder.

To do this, the State Auditor General or the Auditor General for Local Governments as the case may be shall inform the person in writing about the nature of the information required and why it is needed.

Annual Accounts of the State to be presented by the Accountant-General

59.(1) Within a period of six months after the end of each fiscal year, the Accountant-General of the State shall present to the State Auditor-General, accounts showing the fiscal position of the State as at the last day of the preceding year.

(2) Such accounts shall include –

(a) Statement No.1 - Responsibility for Financial Statement;
(b) Statement No.2 - Cash Flow Statement;
(c) Statement No.3 - Statement of Assets and Liabilities;
(d) Statement No. 4 - Statement of Consolidated Revenue Fund;
(e) Statement No.5 - Statement of Capital Development Fund;
(f) Statement No.6 - Statement of Recurrent Revenue and Expenditure
(g) Statement No. 7 - Donations and Grants;
(h) Statement No.8. - Statement of Contractual Liabilities;
(i) Statement No. 9 - Statement of Investments;
(j) Statement No.10 - Statement of External and Internal Loans;

(3) The accounts shall also include the following –
(a) the Statement of Compliance with Approved Accounting Standards;
(b) the Statement of Accounting Policies applied;
(c) the supporting information for items presented on the face of the Financial Statements; and
(d) all the supporting statements

Annual Accounts/ Financial Statements of Local Government Councils

60.(1) Within a period of six (6) months after the end of each fiscal year, the Treasurer of a Local Government Council shall present to the Auditor-General for Local Governments, accounts showing the financial position of the Local Government Council as at the last day of the preceding year.

(2) Such Financial Statements shall include –

- (a) Statement No.1 - Responsibility for Financial Statement;
- (b) Statement No.2- Cash Flow Statement;
- (c) Statement No.3 – Statement of Capital Development;
- (d) Statement No.4 - Statement of Assets and Liabilities;
- (e) Statement No.5 - Statement of Revenue and Expenditure.
- (f) Statement No.6 - Notes to the Financial Statement; and
- (g) other Statements that may be required by auditing or accounting standards, practice or statues.

(3) The accounts shall also include the following –

- (a) the Statement of Compliance with Approved Accounting Standards;
- (b) the Statement of Accounting Policies applied;
- (c) the supporting information for items presented on the face of the Financial Statements; and
- (d) all the supporting Statements.

Audit Query

61. Without prejudice to the provisions of this Law, any person who fails or refuses to reply to an audit query or observation within the period specified in the audit query or a reasonable time thereafter, shall have his emoluments and allowances withheld for so long as he fails to reply and/or shall be liable to disciplinary action under the State Civil Service and Public Service Rules.

Submission of Annual Accounts

62.(1) The State Auditor-General shall within ninety (90) days of the receipt of the Accountant-General's financial statements and reports on the annual accounts of the State, submit his report to the Imo State House of Assembly and the Imo State House of Assembly shall cause the reports to be considered by Public Accounts

Committee of the House of Assembly (referred to in this Law as "the PAC").

(2)The Auditor-General for Local Governments shall within ninety (90) days of receipt of reports of the Local Governments' Treasurers on the financial position of the Local Governments, submit his report to the Imo State House of Assembly, and the Imo State House of Assembly shall cause the reports to be considered by the Public Accounts Committee of the House of Assembly (hereinafter referred to as "the PAC").

(3)The State Auditor-General's report and that of the Auditor-General for Local Governments shall be published and made available to the public after deliberation by the Imo State House of Assembly; this shall be made available to the public on demand and after payment of a minimal fee.

63.(1) The Public Accounts Committee of the Imo State House of Assembly shall –

(a) consider the reports from the State Auditor-General and the Auditor-General for Local Governments and this process may include questioning accounting officers of relevant establishments or questioning any affected or queried officer based on explanations from the State Auditor-General or the Auditor-General for Local Governments as the case may be and official responses from any of the relevant establishments;

(b) make recommendations on the basis of the review and monitor their implementation;

(c) have power to summon the accounting officers, public officials and any member of the public for questioning about the findings of the State Auditor-General and that of the Auditor-General for Local Governments;

(d) hold its hearing in public but may choose to hold all or part of its hearing in private sessions;

(e) prepare a report to be presented to the House of Assembly, which may include comments and recommendations at the end of its review of the reports of the State Auditor-General and those of the Auditor General for Local Governments. Such reports as prepared by the PAC shall be sent to both the State Auditor-General and the Auditor-General for Local Governments as the case may be and to all organizations reported on. This report shall be made available to the public on demand and on payment of a minimal fee.

Establishment of Audit Committees

64.(1) The Accounting Officers in –

(a) any of the Ministries, Departments and Agencies of the State Government; and

(b) the Local Government Councils and Local Government Agencies shall establish Audit Committees in their various establishments.

(2) The Audit Committee so established shall –

(a) in the case of the Ministries, Departments and Agencies of the State Government, implement all recommendations contained in the reports of the State Auditor-General for the concerned establishments and prepare annually, a report showing the status of the implementation of the said reports.

(b) in the case of the Local Government Councils and Agencies, implement all recommendations contained in the reports of the Auditor-General for Local Governments for the concerned establishments and prepare annually, a report showing the status of the implementation of the said reports.

(4) The reports prepared pursuant to subsections 2(a) and 2(b) of this section shall contain a statement showing the remedial action taken or being taken to avoid or minimize the occurrence of the undesirable features in the accounts and operations of any of the establishments so listed and their time frame within which the remedial action will be completed if any.

(5) Copies of the reports shall be forwarded to the –
   (a) State Auditor-General for the reports concerning the Ministries, Departments and Agencies of the State; and
   (b) Auditor-General for Local Governments for reports concerning the Local Government Councils and Local Government Agencies.

Annual Estimates from the State Auditor General

65.(1) The State Auditor-General shall prepare and submit to the Imo State House of Assembly at least 90 days before the beginning of each year the following documents –

(a) a draft annual plan that –
   (i) describes the State Auditor-General's proposed work programme for the incoming year;
   (ii) includes the interim report for the current financial year;
(b) the estimates of revenues and expenditure for inclusion in the State budget; and
(c) the operational and administrative expenses of the State Audit Office including salaries, allowances, gratuities and pensions payable to staff.

(2) The State Auditor-General, after considering the comments of the Imo State House of Assembly through the Public Accounts Committee of the House of Assembly that considered the draft plan, may amend the plan as necessary and submit to the Ministry of

Economic Planning and Budget for inclusion in the State Budget for appropriation by the Imo State House of Assembly.

(3) Any sum appropriated to the State Audit Office by the Imo State House of Assembly in each financial year shall be charged upon the Consolidated Revenue Fund of the State and paid as a first line charge in equal installment every month of the year.

Annual Estimates from the Auditor General for Local Governments

66.(1) The Auditor-General for Local Governments shall prepare and submit to the Imo State House of Assembly: -

(a) a draft plan that includes –
  (i) the Auditor-General for Local Governments proposed work programme for the incoming year;
  (ii) an interim report for the current financial year.

(b) the annual estimates of revenues and expenditure for inclusion in the State Budget; and

(c) the annual operational and administrative expenses of the Local Governments Audit Office including salaries, allowances, gratuities and pensions payable to staff.

(2) The Auditor-General for Local Governments after considering the comments of the Imo State House of Assembly through the Public Accounts Committee that considered the draft plan, may amend the plan as necessary and submit to the Ministry of Economic Planning and Budget for inclusion in the State Budget for appropriation by the Imo State House of Assembly

(3) Any sum appropriated to the Local Government Audit Office by the Imo State House of Assembly in each financial year shall be charged upon the Consolidated

Revenue Fund of the State and paid as first line charge in equal installment every month of the year.

Improper Retention of Public Funds

67.(1) Where, during the course of an audit, the State Auditor-General or the Auditor General for Local Governments becomes aware of an improper retention or misappropriation of public funds, public money or any other activity that may constitute an offence under any Criminal Law in Imo State or any other existing Law, the State Auditor-General or the Auditor-General for Local Governments shall immediately report the improper retention or misappropriation of public money or other activity to the prosecuting authority or any other authority charged with that function by the State.

(2) In addition to the report referred to in sub-section (1) of this section, the State Auditor-General and the Auditor-General for Local Governments shall in their annual reports to the House of Assembly attach lists containing the general description of those incidents referred to in the said sub-section (1) of this section and the dates when those incidents were reported.

(3) The provisions of sub-section (1) of this section shall apply to staff of the State Audit Office and the Local Governments Audit Office and any Auditor appointed pursuant to the provisions of this Law.

Performance Audits by the State Auditor General

68. The State Auditor-General shall, for the purpose of establishing the efficiency and effectiveness of the operations of any Government Ministry, Department and Agency (hereinafter referred to as MDAs) or institution in respect of which appropriation, or other accounts are required to be prepared under any Law of the Imo State House of Assembly or the Constitution of the Federal Republic of Nigeria, 1999, (as amended) inquire into, examine, investigate or undertake performance audits and report as he considers necessary on –

(a) the expenditure of public moneys and the use of public resources by MDAs and all public institutions;

(b) the conduct of, and performance of their functions by: -
  (i) accounting officers;
  (ii) heads of MDAs; and
  (iii) heads of other Public Institutions

(c) the extent to which a public entity including Ministries, Statutory Corporations, Parastatals, Commissions, Authorities, Agencies, Persons and Bodies established by a Law of the Imo State House of Assembly, are carrying out their activities economically, efficiently and effectively;

(d) any act of omission of a public entity to determine whether waste has resulted or may have resulted or may result;

(e) any act showing or appearing to show a lack of probity or financial prudence by a public entity or any of its members, office holders and employees; and

(f) any other activity undertaken by the MDAs and all Public Institutions referred to in this section.

Performance Audit by Auditor General for Local Governments

The Auditor-General for Local Governments shall, for the purpose of establishing the efficiency and effectiveness of the operations of any Local Government Council or Local Government Agency or Institution in respect of which appropriation, or other accounts are required to be prepared nder any Law of the Imo State House of Assembly or the 1999 Constitution of the Federal Republic of Nigeria (as mended), inquire into, examine, investigate or undertake erformance audits and report as he considers necessary n: -

(a) the expenditure of public moneys and the use of public resources by Local Government Councils, Agencies and all public institutions under the Local Government.

(b) the conduct of, and performance of their functions by -
  (i) accounting Officers;
  (ii) heads of Local Government Councils and

Agencies; and

(iii) heads of public Institutions under the Local Governments;

(c) the extent to which a public entity including Local Government Councils, and its Agencies, Parastatals, Commissions, Authorities, Persons and Bodies established by a Law of the State Assembly, are carrying out their activities economically, effectively and efficiently;

Statutory Audit of MDAs and Local Government Agencies

70. The State Auditor-General and the Auditor-General for Local Governments shall each provide a list of qualified auditors who are duly registered with the State Audit Office and the Local Governments Audit Office as the case may be, to the management of the Ministries, Departments and Agencies of the State Government and the Management of the Local Government Councils and Agencies respectively, out of which one shall be chosen by the management of the above stated establishments for a defined period not exceeding three (3) years.

(2) The audit firm so chosen shall carry out its mandate in accordance with professional standards acceptable to the State Audit Office and the Local Governments Audit Office.

(3) The audit firm –

(a) appointed by a Ministry, Department or Agency of the State Government shall submit its report to the State Auditor-General for evaluation and subsequent delivery to the Imo State House of Assembly;

(b) appointed by a Local Government Council or any Local Government Agency shall submit its report to the Auditor-General for Local Governments for evaluation and subsequent delivery to the Imo State House of Assembly.

4) The Speaker of the Imo State House of Assembly shall table the reports from the State Auditor- General and the Auditor-General for Local Governments before the House of Assembly within a reasonable time after consideration by the Public Accounts Committee of the House of Assembly.

PART VIII

OFFENCES AND PENALTIES

Offences and Penalties

71(1)It shall be an offence for any person, without justification or excuse to –

(a) obstruct, intimidate, harass, hinder the State Auditor-General or the Auditor-General for Local Governments or any person authorized by them in the exercise of their duties and powers under this Law;

(b) refuse or fail to comply with any lawful request of the State Auditor-General or the Auditor General for Local Governments or their representatives;

(c) fail to produce for inspection to the State Auditor-General or the Auditor-General for Local Governments or their representatives or otherwise refuse the State Auditor-General or the Auditor-General for Local Governments or their representatives access to any book, record, return, payment voucher, revenue receipt or other documents relating or relevant to any account to be audited by the State Auditor-General or the Auditor-General for Local Governments or their representatives when so requested

(d) fail to keep proper books of account or proper records leading to any loss of public funds;

(e) make a statement or give information to the State Auditor-General or Auditor General for Local Governments or their representatives which is false or misleading; and

(f) suppress any information required by the State Auditor-General or the Auditor-General for Local Governments in the performance of their functions under this Law or any other enactment.

(2) Any person who commits an offence under the provisions of this Law shall on conviction be liable –

(a) in the case of an individual, to a fine of not less than ₦250,000.00 or to a term of imprisonment not exceeding 2 years or to both such fine and term of imprisonment;

(b) in the case of body corporate or firm, to a fine of not less than ₦500,000.00

(3) Where a body corporate or firm is found guilty by a court of competent jurisdiction of an offence under this section, every director of the company or firm shall be liable to a fine of not less than ₦250,000.00 or to a term of imprisonment not exceeding 2 years or both unless he proves that the offence upon which the conviction was based was committed without his knowledge, consent or connivance.

Sanctions on Staff of the State Auditor General and Auditor General for Local Governments

72.(1) Any member of staff of the State Audit Office or Local Governments Audit Office who –

(a) demands or takes any bribe, gratification, compensation or reward during the performance of his duty; or

(b) fails to report to the State Auditor-General or Auditor-General for Local Governments as the case may be, any abuse or irregularity coming to his notice in the course of performing his duties in relation to any account audited; or

(c) makes any report to the State Auditor-General or Auditor-General for Local Governments as the case may be, which he knows to be false or which he has no reason to believe to be true;

commits an offence under this Law and shall be liable on conviction to a fine of not less than N200, 000.00 or imprisonment for two (2) years or to both such fine and term of imprisonment.

(2) Accounting Officers of MDAs of the State Government and Local Government Councils and Agencies of the Local Governments shall be held responsible for full recovery of losses discovered from erring officers.

(3) Where an Accounting Officer fails to make necessary recovery and it is proved that he failed to make reasonable effort to recover the said loss, he shall be guilty of an offence and shall be liable to a penalty of two hundred thousand naira only ₦200,000.00 plus the amount of loss involved.

PART IX

MISCELLANEOUS PROVISIONS

Regulation of Audit Contracts.

73.(1) All private audit firms and consultants taking up audit contracts and consultancy jobs relating to audit work shall be registered with the State Audit Office and the Local Governments Audit Office as the case may be and their engagement letters shall be issued by the State Auditor-General and the Auditor General for Local Governments, respectively.

(2) Contracts on audit work shall include but shall not be limited to –

(a) revenue audits and consultancy work including tax audit;

(b) Government bank accounts audit and bank reconciliation;

(c) audit of State Government and Local Government Offices including special investigations;

(d) personnel audit including payment at sight;

(e) pension audit including verification;

(f) contracts in respect of estate/building valuation or valuation of some specialized State and Local Government assets; and

(g) assessment and evaluation of effective Government information systems

(3) Copies of the reports of such contracts shall be submitted to the organizations involved through the State Auditor-General and the Auditor General for Local Governments as the case may be.

Special Assignments

74.(1) The State Auditor-General and Auditor General for Local Governments may undertake special assignments, where in their opinion, such special assignments do not interfere with their primary responsibilities under this Law and whenever the Governor or the Imo State House of Assembly by resolution so requires, inquire into and report on –

(a) a matter relating to the financial affairs of the State or Local Governments or to public property; or

(b) a person or organization that has received financial aid from the State Government or Local Government or in respect of which financial aid from the State Government or Local Government is sought.

(2) Where the State Auditor-General or the Auditor General for Local Governments makes a report in accordance with sub-section (1) of this section, they shall report to the Governor and the House of Assembly.

Confidentiality

75. The State Auditor-General and the Auditor-General for Local Governments and any person employed in their respective offices, appointed or engaged to assist either the State Auditor-General or the Auditor-General for Local Governments for a limited period of time or in respect of a particular matter shall keep confidential, all matters that come to their knowledge in the course of their employment or duties under this Law and shall not communicate those matters to another person, except as may be required in connection with the discharge of his responsibilities.

Immunity

76. The State Auditor-General, the Auditor-General for Local Governments, employees of their respective Offices and persons acting on the directives of the State Auditor-General or Auditor General for Local Governments are not personally liable for any act or omission done or omitted to be done in good faith in the exercise of the functions of the Office –

(a) in the performance of any duty or in the exercise of any power vested or conferred upon them under this Law; or
(b) in giving evidence or an explanation or producing any document before a Committee of the State House of Assembly in connection with any of their reports.

Oath of Secrecy

77 Before assuming office, staff of the State Audit Office and Local Governments Audit Office shall swear an Oath of Secrecy to be administered by the State Auditor-General and Auditor General for Local Governments, respectively, as provided in the Second Schedule to this Law.

Additional Power to make Regulations.

78 The State Auditor-General and the Auditor-General for Local Governments shall subject to the approval of the Commission make Regulations for carrying into effect the provisions of this Law and for the due administration of its provisions and may in particular make Regulations which shall include but not be limited to prescribing fees to be paid by any Statutory Body for the audit of its accounts..

Rules

79.(1) The State Auditor-General and the Auditor-General for Local Governments may make Rules for governing the operations of their offices as may be necessary or advisable in the execution of their duties, except as it relates to issues where this Law requires or authorizes the adoption of Regulations, Rules of the State Auditor-General and Auditor-General for Local Governments shall not be inconsistent with the provisions of this Law.

(2) Such Rules may be made, amended, or repealed by the State Auditor-General or the Auditor-General for Local Governments. The State Auditor General and Auditor General for Local Governments shall file a copy of any proposed Rule with the Commission, at least 30 days before its final adoption. After a Rule has been adopted, the State Auditor-General and the Auditor General for Local Governments shall immediately send a copy of the Rule to the Commission through the Secretary of the Commission.

(b) In addition to Rules required by other provisions of this Law, the State Auditor-General and the Auditor-General for Local Governments shall make Rules establishing –

(i) guidelines for the supervision and conduct of post audits, including allocation of supervisory responsibilities, procedures for examining and copying books, records, and documents, persons, procedures for questioning, procedures for taking depositions, and maintenance of records and working papers relating to post audits;

(ii) qualifications required for special assistant auditors, their appointments and contracts;

(iii) guidelines for the use by employees and by authorized special assistant auditors of their authority to take depositions and administer oaths; and

(iv) procedures for employees and auditors to secure the approval of subpoenas which may be desired by persons responsible for an audit.

Transitional provision with regards to staff of the State and Local Government Audit offices

80. Subject to the provisions of this Law, officers serving in the State Audit office and Local Governments Audit Office shall, at the commencement of this Law be deemed to have been appointed in accordance with Section 13 of this Law.

Repeal and Savings

81.(1) The Audit Law Cap 13, Laws of Eastern Nigeria 1963, the Audit Law (Amendment) Edict No.9 of 1978 and the Audit Law (Amendent) Edict No.2 of 1985 are hereby repealed.

(2) The Repeal of the above listed Laws and Edicts shall not affect any documents made or anything done or purported to have been done under the enactments so repealed.

(3) Nothing contained in this Law shall affect the validity or enforceability of any agreement, deed, order, regulation or act done pursuant to the enactments so repealed.

FIRST SCHEDULE

(SECTION 9)

OATH OF OFFICE OF AUDITOR-GENERAL FOR THE STATE/AND AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

I.. having been appointed the Auditor-General, do solemnly swear /affirm in the name of the Almighty God that I will be faithful and bear true allegiance to the Federal Republic of Nigeria; that as the Auditor-General for the State/Auditor-General for Local Governments, I will discharge my duties to the best of my ability, faithfully and in accordance with the Constitution of the Federal Republic of Nigeria and the State Audit Law; that I will not allow my personal interest to influence my official conduct or my official decisions; that I will abide by the code of conduct contained in the fifth schedule to the Constitution of the Federal Republic of Nigeria; that in all circumstances, I will do right to all manner of people, according to law, without fear or favor, affection or ill-will; that I will not directly or indirectly communicate or reveal to any unauthorized person, any matter which shall be brought under my consideration or shall become known to me as the Auditor-General for the State/Auditor-General for Local Governments, except as may be required for the due discharge of my duties as the Auditor General for the State/Auditor-General for Local Governments; that I will devote myself to the service of Imo State and Nigeria.

So help me God.

SECOND SCHEDULE

(SECTION 35)

OATH OF OFFICE OF MEMBERS OF STAFF OF THE STATE AUDIT OFFICE/THE LOCAL GOVERNMENT AUDIT OFFICE

I, ... do solemnly swear/affirm in the name of the Almighty God that I will be faithful and bear true allegiance to Imo State and the Federal Republic of Nigeria; and that I will discharge my duties and perform my functions honestly to the best of my ability and faithfully in accordance with the Constitution of the Federal Republic of Nigeria and the State Audit Law; that as officer/employee in the State Audit Office/Local Government Audit Office, I will not directly or indirectly reveal to any unauthorized person, any matter, document, communication or information that comes to my knowledge in the discharge of my duties.

So help me God.

THIRD SCHEDULE

OATH OF A WITNESS/OFFICER ON INVITATION BY THE STATE AUDITOR-GENERAL/THE AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

I, ...do solemnly swear/affirm before the Auditor-General/this Honourable House of Assembly; that the evidence I shall give on this examination, shall be the truth, the whole truth, and nothing but the truth.

So help me God.

ıted impression has been carefully compared by me with the Bill which has been
by the House of Assembly and found by me to be a true and correct printed copy
id Bill.

BARR. CHRISTOPHER O. DURU
Clerk of the House of Assembly
Imo State of Nigeria

ed to by me this......8TH...... day of ......MARCH......, 2016

OWELLE ANAYO ROCHAS OKOROCHA, OON
Governor
Imo State of Nigeria

thheld by me this ....day of ...., 2016

OWELLE ANAYO ROCHAS OKOROCHA, OON
Governor
Imo State of Nigeria

in by the Imo House of Assembly by two-thirds majority this ....
..........................., 2016.

RT. HON. IHIM IHEANACHO CELESTINE
Speaker
Imo State House of Assembly