

**A LAW TO PROVIDE FOR THE
ESTABLISHMENT OF AN
INDEPENDENT OFFICE OF THE
AUDITOR GENERAL AND PROVIDE
FOR THE AUDIT OF PUBLIC
ACCOUNTS AND FOR PURPOSES
ANCILLARY THERETO**

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ONDO STATE PUBLIC AUDIT LAW, 2021

A LAW TO PROVIDE FOR THE ESTABLISHMENT OF AN INDEPENDENT OFFICE OF THE AUDITOR GENERAL AND PROVIDE FOR THE AUDIT OF PUBLIC ACCOUNTS AND FOR PURPOSES ANCILLARY THERETO

Commencement ()

Enactment Be it enacted by the Ondo State House of Assembly as follows:

PART I PRELIMINARY

Citation 1. This Law may be cited as the "Public Audit Law of Ondo State 2021".

Interpretation 2. In this Law unless the context otherwise provides:
"accountant-general" means the Accountant-General of Ondo State;

"accounting entry" means a posting of transactions in the accounting records either to increase or decrease an asset or expense account whilst simultaneously effecting a corresponding decrease or increase to a liability or income account;

"accounting officer" means the Permanent Secretary of a Ministry or Head of Extra-Ministerial Office or any other arm of government who is in full control of, and is responsible for human, material and financial resources which are critical inputs in the management of an organization and the achievement of service delivery objectives;

"accounts officers" means any Head of department, imprest holder, collectors of revenue or other officer of the State whose duties involve fiduciary responsibility for public funds or assets of Ondo State;

"audit" means an independent examination of accounting records, financial statements and supporting documents for the purpose of expressing an informed opinion concerning their propriety, fairness, completeness, consistency and conformity with generally accepted accounting standards and relevant legislation;

"audit fees" means a payment for the services of a professional auditor;

"audit query" means audit reports asking questions or expressing doubts about the genuineness, validity or accuracy of

transactions carried out by an auditee;

"audit standards" means a set of systematic guidelines used by Auditors when conducting audits on organizations' finances, ensuring the accuracy, consistency and verifiability of Auditors' actions and reporting that result from such audit actions;

"auditee" means an accounting officer, officer or organization whose account is being audited by an Auditor;

"auditor" means an officer in the office of the State/Local Government Auditor-General who is in charge of an audit function;

"auditor-general" means Office of the Auditor-General of Ondo State as an institution or the individual appointed to such office or the individual duly delegated to act in such capacity as contemplated in terms of section 125 (1) of the 1999 Constitution of the Federal Republic of Nigeria;

"auditors-general" means the State Auditor-General and the Auditor- General for Local Governments;

"auditor-general for local government" means the office of the Auditor- General for Local Government in Ondo State as an institution or the individual appointed to such office or an individual duly delegated to act in such capacity;

"authorised auditor" means auditor given delegated power or permission to conduct an audit on behalf of the Auditor General;

"chairman" means the chairmen of the Local Governments;

"commission" means the Ondo State Civil Service Commission;

"committee" means the Audit Staff Management Committee;

"company" means a company established under the Companies and Allied Matters Act 1999 including Banks;

"constitution" means the Constitution of the Federal Republic of Nigeria 1999;

"conference of federal and state auditor-general" means the body comprising the Auditors General of the Federation and of the 36 States of Nigeria;

"engagement letter" means a written agreement to perform professional audit/accounting services by Audit Firms in

exchange for compensation;

"executive council" means State Executive Council of Ondo State;

"financial statement" (or financial report) means a formal report on the financial position and financial performance and the extent to which the accounting officer and subordinates have successfully fulfilled their fiduciary obligations toward the accounting entity over which they have ownership control, as required by Law;

"financial year" means the financial year of the Government or, in the case of a limited liability company, the accounting period as adopted by the company resolution;

"gender" means that reference to any one gender includes reference to the other gender;

"government" means the Government of Ondo State;

"house of assembly" means the Ondo State House of Assembly;

"local government" means the Local Governments of Ondo State;

"officer" means the holder of any position in the Public Service Sector of a State;

"oversight mechanism" means the bodies, units and processes used to review institutional performance in the state to enhance their effectiveness, integrity and productivity;

"private audit firm" means a firm licenced by any of the recognized professional accounting and auditing certification bodies to perform an examination of an organization's accounting records in terms of predetermined audit standards or other related engagements (private or public) on any accounting entity of a Country/State in which they are licenced to operate in terms of their charter of professional certification;

"professional accountant" means a qualified accountant who is a full member of any of the professional accounting bodies recognized as such within the Federal Republic of Nigeria;

"public moneys" include:

- (a) the public revenue of Ondo State; and
- (b) any other money held in trust for any period, however short by any officer alone or jointly with other person(s);

"public sector" means the governments and all publicly controlled

or publicly funded agencies, enterprises and other entities that deliver public programs, goods and services;

"revenue" means Ondo State or Local Government share from the Federation Account, internally generated revenue and any other grants and loans;

"statutory body" means any authority established under the Act of Federation or Law of a State;

"storekeeper" means any officer having in his charge stores, articles or items that are public property;

"supreme audit institution" means National or State institution that is designated and organised in terms of the Law to direct the activities and exercise the authority of the highest public auditing function of the Federal Republic or an autonomous State;

"the governor" means the Governor of Ondo State;

"the state" means Ondo State of Nigeria;

"treasurer" means Head of Finance and Supply of Local Governments.

PART II

ESTABLISHMENT, APPOINTMENT, DUTIES, POWERS AND IMMUNITY OF THE AUDITOR- GENERAL

Establishment, Appointment, Duties, Powers and Immunity of the Auditor-General.

3. (1) Subject to the provision of section 125(1) of the Constitution, there shall be established the Office of the Auditor-General for Ondo State which shall be independent and permanent.

(2) There shall be established the Office of Auditor-General for Local Government in Ondo State which shall be independent and permanent.

(3) The offices as referred to in 3(1) and 3(2) of this Law shall be independently and separately headed by an Auditor General (in this Law referred to as the Auditor-General).

Appointment of Auditors – General

4. (1) The respective Auditors-General for Ondo State and Local Government shall be appointed by the Governor of the State on the recommendation of the Ondo State Civil Service Commission subject to confirmation by the House

of Assembly of Ondo State.

(2) The power to appoint a deputized officer to act for an interim period in the Office of the Auditor-General for Ondo State or the Office of the Auditor General for Local Government shall be vested in the Governor.

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

(4) On assumption of duty, the Auditor-General shall take an oath or affirmation, administered by the Governor pledging to perform honestly and impartially the duties of his office, abide by Laws of the State, and uphold the Constitution of the Federal Republic of Nigeria.

Qualifications for
appointment as
Auditor – General

5. (1) A person shall not be appointed Auditor-General unless the person:

(a) is a professionally qualified accountant who is able to demonstrate and provide independent testament to a minimum of fifteen (15) years cognate experience in auditing and/or accounting fields.

(b) has not been convicted of any offence involving dishonesty by a Law court or found guilty of any professional misconduct involving dishonesty by any professional body established by Law in Nigeria; and

(c) is of proven professional ability and expertise.

(2) Where the post of the Auditor-General is vacant, the vacancy shall be filled by the most qualified person with cognate experience in the Public Service of the Federation, who must be an indigene of Ondo State.

(3) Notwithstanding any provisions of this section, where more than one person is qualified for appointment as the Auditor-General, the procedure for appointing the Auditor-General shall be transparent and competitive.

Remuneration and
other conditions of
service

6. (1) The Auditor-General shall be paid such salary and emoluments as prescribed by the House of Assembly. The total remuneration shall not be less than the amount as will have been determined by the Revenue Mobilisation Allocation and Fiscal Commission.

(2) The conditions of service as they relate to salary and any

other allowances payable, annual leave or any leave of absence warranted by extenuating circumstances, any gratuities payable upon retirement, and the earliest age for retirement with full pension and benefits shall be established and contractually agreed to prior to the Auditor General taking the oath of affirmation. The benefits accruing from the contractual agreement as referred to herein shall remain in force unaltered other than for periodic cost of living adjustments or additional benefits awarded by the Revenue Mobilisation Allocation and Fiscal Commission during the tenure of the Auditor General.

- (3) The Auditor-General shall, upon reaching the age of retirement as guaranteed by the Constitution of the Federal Republic of Nigeria and this Law, be entitled to pension for life at a rate equivalent to the annual salary inclusive of all allowances of the incumbent Auditor-General.
- (4) Any pension granted to the retiring Auditor-General by virtue of section 6(3) above shall be charged upon the Consolidated Revenue Fund of the State.
- (5) In addition to the normal allowances currently awarded by the Revenue Mobilisation Allocation and Fiscal Commission to other cadres of the Public Service that are equal in rank or post level as that assigned to the Auditors-General of a State, the following additional allowances shall accrue to the Office of the Ondo State Auditor-General and the Office of the Auditor-General Local Government of Ondo State and shall apply to the incumbent Auditor-General as well as all officers of the auditing cadre:
 - (a) 50% of basic salary as professional allowance
 - (b) Wardrobe allowance equal to 50% of basic salary shall be applicable to all staff of the Auditors-General.

Immunity and
independence
S. 125(6)
CFRN, 1999

7. (1) In the exercise of his function under this Law, the Auditor-General for Ondo State, and any other staff member or authorised auditor shall be exempted from legal action or prosecution before a court of Law for carrying out a duty or exercising a power in terms of this Law, in so far as the execution of such duty or the exercising of such power emanates from a formally approved audit engagement and was carried out in good faith. The aforesaid immunity shall apply to the entire tenure of active service.
- (2) The Auditors-General shall in terms of this Law be afforded full and unencumbered independence in the execution of duties or the exercise of powers which shall be equal in

extent to that afforded the Auditor-General in terms of section 125(6) of the Constitution and the Auditor General shall not be subject to the direction or control of any other authority or person.

(3) Pursuant to subsection 7(2) above, the Auditor-General shall be free from direction and interference from the House of Assembly and the Executive Council in the:

- (a) selection of audit issues
- (b) planning, programming, conduct, reporting and follow-up of audits; and
- (c) organization and management of his office.

(4) The Auditors-General shall not be involved or seen to be involved, in any manner, whatsoever, in the management of any auditable entity.

(5) Notwithstanding the provision of subsection 7(3), the Auditors-General shall be free to exercise full discretion, in the discharge of his responsibilities, to cooperate with government or public entities that strive to improve the use and management of public fund.

Powers of the Auditor-General to access information and documents

8. (1) Insofar as the execution of such duty or the exercise of such power emanates from the performance of his duties under this Law the Auditors- General shall have the power:

(a) To call upon any public officer at all reasonable times for any explanation and information which the Auditor-General may require in order to enable him to discharge his duties;

(b) The Auditor-General and his staff shall have unrestricted access to such people, documents, computers and other information systems and assets as he considers necessary for the proper performance of his functions and to do this the Auditor-General shall:

- i. advise the person in writing of the nature of the information and why it is needed.
- ii. state that the information is required under this Law.
- iii. reimburse the person for any reasonable costs associated with producing such information on condition that the person shall not use such information for any other purpose.

Administering of
evidence under
oath

- (2) The Auditor General shall have the power to execute upon the subject of an examination an oath or affirmation, which oath or affirmation the Auditor-General is hereby empowered to administer and which shall be binding upon the subject where such examination is relevant to the receipt or expenditure of money, or the receipt or issue of any stores that may form part of the audit mandate of the Auditor General in the performance of his duties and exercise of his powers. The Auditor-General will have the power in the course of fulfilling his duties and functions to:
- (a) require a person to give evidence on oath or affirmation either orally or in writing; and
 - (b) for the purpose of examining a person, any person under oath who knowingly or deliberately provides the Auditor-General with information that is known to be false or which he has reason to believe may not be true commits an offence under section 52(1)(c) hereunder.

Access to banking
information

- (3) For the purpose of performing his functions and duties or exercising his power the Auditor-General may under this Law:
- (a) examine or audit the account of any person held at any bank if the Auditor-General has reason to believe that the money held in such an account are public funds which had been fraudulently or wrongfully paid into such account.
 - (b) as a pre-requisite to exercising this authority the Auditor-General shall enter into a non-disclosure agreement with the holder of the account and afford such holder absolute assurance that any information disclosed for purposes of examination or audit as described in section 8(3)(a) above shall not be used for any other purpose other than as legally intended under this Law, and shall not proceed with any such examination or audit without first obtaining a warrant of the Court authorizing such examination.
 - (c) Upon being presented with such warrant as is described in section 8 (3)(b) above, the bank officer shall, upon presentation with a warrant, be required to produce all relevant records for the account in question, in any form whatsoever, that is in the bank's custody or control.
 - (d) The Auditor-General shall, in terms of this Law, have the right to make paper copies of any records

obtained in terms of section 8(3)(c) and shall have all such copies notarised by a court appointed notary, the cost of which shall be defrayed by the Auditor-General. The officer of the bank shall append a suitable endorsement in indelible ink that at a minimum shall identify the bank from which such records were obtained and the date on which such records were obtained. The officer of the bank shall in his own hand and in ink, initial each page of any records so provided.

(4) For the purpose of performing his functions and duties or exercising his power the Auditor-General may under this Law:

(a) authorize any officer of any other Government in Nigeria to conduct on his behalf any inquiry, examination or audit, and such officer shall report thereon to the Auditor-General provided that any such authority shall be subject to the concurrence of the Head of the Department in which the officer concerned is employed, or in the case of an officer of another Government of Nigeria, to the consent of the Head of the Government;

(b) engage the services of such consultants and professional experts as he may consider necessary for the efficient discharge of his duties and services;

(c) the consultants and experts as described in section 8(4)(b) shall be engaged strictly on such terms and conditions as the Auditor-General may determine;

(d) may engage the services of professionals on a contract basis for limited engagements, including those required as part of agreements with international organisations. However, all audit opinions expressed shall remain exclusively those of the Auditor-General;

(e) all private audit firms and consultants applying for consultancy assignments relating to audit work must be pre-registered with the Office of the Auditor-General. Such contracts on audit work may include but shall not be limited to:

- i. Revenue audit and consultancy work including tax audit
- ii. Government bank accounts audit
- iii. Staff audit including payment at sight

- iv. Pension audit including verification of "I am alive certificate"
- v. Contracts in respect of estate/building valuation, or valuation of some specialized government assets.
- vi. Assessment and evaluation of effective government electronic information systems.

Power to disallow expenditure and raise a surcharge

(5) The Auditor-General shall have the power under this Law to disallow any item of expenditure which he considers contrary to Law and to direct the Accounting Officer of the relevant auditee to conduct a disciplinary hearing and to impose a surcharge on those persons found guilty of unlawful expenditure, which surcharge shall be:

- (a) equal to the amount of any expenditure so disallowed upon the person responsible for incurring or authorizing the expenditure; or
- (b) equal to any such sum as has not been duly brought into account upon the person by whom the sum ought to have been brought into account; or
- (c) the amount of any loss or shortfall upon any person who, upon examination, has been found negligent or guilty of misconduct resultant to which a loss or shortfall had been incurred.

Power to conduct search

(6) The Auditor-General shall have the power under this Law to:

- (a) at any time access any government facility, examine the records of an auditee and have extracts taken from any books of account, accounting entries recorded electronically and any other form of accounts maintained that relate to money or stores and as such may have relevance to the subject of an audit without paying any fee;
- (b) at any time execute a search, without the need for a warrant of the court, on any state owned property, person present on such property or vehicle located on such property in order to locate and appropriate any such records, accounts or general information of relevance to the audit;
- (c) under the authority of the warrant of a court enter and conduct a search of any private property, premises, vehicle or person if there is reasonable suspicion that a document, account, written or electronic record, general information, or asset

which the Auditor-General needs to inspect for reasons of relevance to the audit is hidden or kept on such property, premises, person or in a vehicle located on such property or premises;

- (d) appropriate and retain any such document written or electronic record, general information, or asset for purposes of completing the audit;
- (e) request the support of relevant Law enforcement agencies in the execution of the warrant of the court where considered necessary;
- (f) the persons conducting the search shall identify themselves to the person in charge of the premises, property or vehicle and shall hand over a copy of the warrant of the court to the person in charge or affix a copy of the warrant to the premises, property or vehicle in a prominent place;
- (g) any such entry and search of property shall be conducted with due regard for decency, order and constitutional rights of the affected person.

Officers to be stationed

(7) The Auditor-General shall station in any Government Ministry, Department, Schools, Authorities, Commissions and Agencies, any persons employed in his office to enable him more effectively carry out his duties, and such auditee establishment shall provide the necessary office accommodation and other facilities required for any such officers so stationed to execute their duties effectively, efficiently and comprehensively.

Delegation of power

9. (1) The Auditor-General shall have the power to delegate any of his powers or duties to any member of staff, any authorised auditor as well as the members, officers and employees of any of the institutions of government as is described in section 8(4)(a) above, which powers and duties have relevance to an examination of records, inventories and assets of an auditee responsible for public moneys, securities, stores or other property of the Government;
- (2) The Auditor General shall delegate such powers and duties which may include but not be limited to those defined in section 8(4) above in writing in whatsoever form the Auditor-General may deem suitable.
- (3) The Auditor General shall specifically stipulate where the delegation of powers include the authority to sub-delegate

any powers and duties.

(4) The authority afforded the Auditor-General under this Law shall not divest the Auditor-General of the responsibility concerning the exercise of the delegated power or the delegated duty.

Cessation of
office S. 126 (1)
CFRN, 1999

10.(1) The Auditors-General shall not be removed from office without valid reason before reaching the mandatory age of sixty (60) in accordance with the security afforded to this position under the provision of section 127 of the Constitution and extant Laws or any other period that the periodic amendments thereto may stipulate.

(a) An Auditor-General may be removed from office at any time during his tenure for any of the reasons stipulated below:

- i. By the Governor acting on a decision supported by not less than a two-thirds majority of the House of Assembly praying the removal of the incumbent Auditor-General on grounds of inability to discharge the functions of his Office (whether arising from infirmity of mind or body) or has been found guilty of misconduct for which the compulsory sanction is immediate termination: PROVIDED that the Auditor-General shall have been given at least twenty-one (21) days' notice in writing prior to being called upon to defend himself on the floor of the House.
- ii. Resignation for reasons of physical incapacity, illness or reasons of a personal nature that the Governor agrees to entertain. Where the Auditor-General tenders his resignation for reasons unrelated to section 10(1)(a)(ii) the Auditor-General shall be required to serve a notice for a period of ninety (90) days, which the Governor may reduce or waive in full, dependent upon individual circumstances.

In the event of the unexpected and untimely death of an incumbent Auditor-General, the Governor shall appoint an Acting Auditor-General without undue delay.

Vacancy

11.(1) In the temporary absence or incapacitation of the incumbent Auditor-General or where the Office of the Auditor-General has become permanently vacant the Governor may, on the recommendation of the State Civil Service Commission, appoint a person to perform the duties of the Auditor-General in an acting capacity.

(2) Where a person is appointed in terms of subsection 11(1) above it shall be compulsory for such appointee to comply with all the qualification requirements as are stipulated under section 5 of this Law.

(3) No person shall be permitted to act in the position of Auditor- General for a period exceeding six (6) months without an extension in the period of service being approved by a resolution of the House of Assembly.

Duties and
functions of the
State Auditor-
General

12.(1) The Auditor-General shall perform the duties as stipulated under section 125 (1-6) of the Constitution.

(a) Pursuant to this, the Auditor-General shall audit and report on –

- i. The accounts, financial statements and financial managements of Ministries, Departments, Agencies, State funded public schools/health institutions, the Legislative and Judicial arms of the State Government.
- ii. The Consolidated Financial Statements, as submitted by the Accountant-General.
- iii. The accounts, financial statements and financial management of all State Government counter-part funded or donor funded projects.
- iv. All procurement of goods and services in so far as they are funded by State Public Funds.
- v. Performance of all State funded programmes/projects
- vi. Pension, gratuities and superannuation schemes to the extent of the States' contribution to such schemes.
- vii. Special investigations and forensic matters.
- viii. Classified expenditure
- ix. Subsidy Schemes
- x. Disaster related aid
- xi. Environmental impact of Government projects and other related activities.
- xii. Other emerging audit(s).
- xiii. Such audits as may prove necessary to safeguard Government assets.

(b) The duties of the Auditor-General shall further include:

- i. The provision of a list of registered and pre-assessed audit firms for the auditing of the accounts, financial statements and financial management of State Government Statutory Corporations, Commissions, Authorities, Educational Institutions, Government business

entities, as well as any and all entities and bodies established by a Law of the State House of Assembly.

- ii. It shall be mandatory for the fees quoted and hours budgeted per audit engagement by Audit Firms engaged according to section 12(1)(b)(i) of this Law to be evaluated for reasonableness by the Office of the Auditor-General.
 - iii. Copies of the reports of the Audit engagements in section 10 (2)(a) shall be submitted to the Auditor-General for his review and comments by the Auditee.
 - iv. The Auditor-General shall have the power to conduct periodic audits and field-reviews of all entities and institutions mentioned in section 12(1)(b)(i) above.
- (c) The duties of the Auditor-General as are contained in section 12 (1) of this Law, shall not prevent him from accommodating specific requests for audit or investigation by the House of Assembly or the Executive, as he may do so, if in his judgment such requests do not affect or undermine the performance of his statutory duties.
- (d) The Auditor-General shall further be obligated to satisfy himself that:
- i. All reasonable precautions have been taken to safeguard the collection of public moneys and that legislation, directions and instructions pertaining thereto have been duly observed and obeyed.
 - ii. All moneys appropriated or otherwise disbursed have been expended and applied to facilitate the purpose for which the funds allocated by the Executive Council of the State were intended, and that any expenditure incurred was duly approved by an officer with the authority to grant such approval in accordance with the requirements that governs the approval of such expenditure.
 - iii. Adequate financial regulations exist for the direction and control of accounting and financial

operations in the State and that the regulations are duly observed.

- iv. Expenditure is incurred with due regard for economy, efficiency and effectiveness.
- v. Satisfactory procedures have been established to measure the performance and report on the effectiveness of programmes as measured against predetermined objectives.
- vi. The implementation of all policies of the State government and all public entities under the State, where public resources are being expended on implementation, and the Auditor-General shall satisfy himself that economy, efficiency and effectiveness are achieved during implementation of the policies.

Duties and
functions of the
Auditor- General
for Local
Government

(2)(i) The Auditor-General for Local Governments shall be responsible for the audit of the public accounts for Local Governments inclusive of all satellite offices, agencies, authorities, etc. responsible for the receipt of Local Government funds as well as such offices or Agencies from where local Government funds are expended.

(ii) The Auditor-General for Local Governments shall submit the reports of such audits to the House of Assembly of the State.

(iii) The Auditor General for Local Governments or any such person duly authorised to perform an audit of Local Governments and any associated offices or agencies shall be afforded unencumbered access to the records, books of account, returns and any other documents relating to those accounts as they are relevant to the performance of such audits.

(iv) The Auditor-General shall ensure that:

a) all reasonable precautions have been taken to safeguard the collection of public monies and that the Laws, regulations, directives and instructions relating to the collection and safeguarding of such public monies have been duly observed and obeyed;

b) all monies appropriated or otherwise disbursed have been expended on and applied for facilitating the intended purposes for which the funds were allocated by the Executive Council of Local Governments and that any expenditure incurred is duly approved by an officer with the

authority to grant such approval in accordance with the requirements that governs the approval of such expenditure

- c) adequate financial regulations exist for the direction and control of Accounting and Financial operations in the Local Governments and that the regulations are duly observed;
- d) expenditure is incurred with due regard for economy, efficiency, effectiveness and the Financial Regulations that direct the approval and authorisation of such expenditure;
- e) satisfactory procedures have been established to measure the performance of and report on the effectiveness of programmes;
- f) any irregularities discovered during the execution of an audit of the accounts of a local Government were reported to the relevant authority as soon as the facts pertaining to the nature and scale of such irregularities had been established and confirmed;
- g) all queries and observations raised as a result of the audit performed are addressed through formal interaction with the Accounting Officer or any other appropriate person as designated by the Accounting Officer to facilitate access to such accounts, vouchers, statements and documents as may be required for purposes of providing a substantively verifiable explanation to the auditor.
- h) where the Auditor-General deems it appropriate, an amount be determined and a surcharge raised against any such person as is found responsible for a loss of public monies or State assets and a formal request be made, inclusive of reasons for imposing such surcharge, to the appropriate Head of the Department or Institution who shall then in terms of this Law be responsible for the collection or deduction of the surcharge from the officer concerned and the Auditor-General shall report the circumstances of the case to the Accounting Officer of the affected department or institution.
- i) The implementation of all policies of local

governments and all public entities under the local governments, where public resources are being expended on implementation to satisfy himself that economy, efficiency and effectiveness are achieved during implementation of the policies.

(v) Auditor-General shall in exercising his functions under the provisions of this Law express his opinion as to whether the financial statement/accounts of the auditee represent the financial information in accordance with applicable statutory provisions, stated accounting policies of government, generally accepted accounting principles and standards, and are essentially consistent with those of the preceding years.

(vi) The Auditor-General or any person authorised by delegation of the Auditor-General to conduct periodic examination of the accounts and records of a Local Government shall, in addition to the audit report as required in terms of section 12 (2)(b) draw attention to the following;

(vii) Any occurrence of fraud or loss, the underlying causes and the identity of the person(s) implicated in the perpetration of such fraud or the incurrence of such losses;

(viii) Any internal control weaknesses identified and the institutional performance as expressed in terms of actual targets achieved as measured against pre-determined objectives.

(ix) Whether the finances, assets and resources of the Local Government institution, office or agency have been utilised with due regard to economy, efficiency and effectiveness.

(a) The Auditor-General shall evaluate the adequacy and implementation of all Local Governments' strategies and policies and make recommendations for their improvement.

(b) The Auditor-General or any person(s) authorised by delegation of the Auditor-General to do so, shall from time to time inspect all Local Government projects in progress for purposes of ensuring compliance to specifications as stipulated in the Bills of Quantity (B.O.Q) specific to individual projects and where irregularities in compliance are discovered as a result of such inspections, the appropriate authorities shall be alerted and monitoring measures implemented by the Auditor-General to ensure that the required processes for

effecting rectification are implemented in accordance with pre-determined standards before final payment is made.

- (c) The Auditor-General shall, as part of his normal duties and functions, be responsible for the timely publication of the annual statutory report of Local Governments and such annual statutory report shall be published both electronically and manually.

Obligation of the Auditors- General to report irregularities or losses

13.(1) The primary responsibility for detection and prevention of irregularities and fraud is at all times that of the management of auditee organisations and the preparer of the financial statements.

(2) If, at any time, it appears to the Auditor-General that any irregularity has occurred in the receipts, custody or expenditure of public moneys or in the receipt, custody, issue, sale, transfer or delivery of any securities, stores or other Government property, or in the accounting of the same, the Auditor General shall be obligated in terms of this Law to bring any such matter to the simultaneous attention of the Governor and the Accounting Officer of the affected Ministry/Agency/Institution/Entity and any other Authority that the Auditor-General is legislatively required to report such matters to and any other Officer that the Auditor-General may deem fit as soon as the fact of such irregularities have been established and confirmed.

(3) The Auditor-General shall discharge the obligation incurred under section 13 (2) of this Law as follows:

- i. Where the Auditor-General should, through an examination of accounts, discover potential irregularities the Auditor-General shall make such observations known to the Accountant-General and request from the Accountant General, the Accounting Officer or any other person such accounts, vouchers, statements, documents and records pertaining to such apparent irregularities and request from aforesaid office bearer and officers to provide under oath any such explanations as the Auditor-General may think necessary in order to satisfy the professional requirements for due diligence.
- ii. The Accountant-General or Treasurer shall, within thirty (30) days, respond formally and in writing to the observations, enquiries and request for explanations received from the Auditor General,

whereas an Accounting Officer or any other officer so requested shall within twenty one (21) days furnish the Accountant General or Treasurer with all such accounts, vouchers, statement, documents and records as may be pertinent to the response formulated by the Accountant General or Treasurer for submission to Auditor-General.

- iii. Subject to any other provision of this Law every person who fails or refuses to respond to an observation or enquiry as described under section 13 (2)(i) and fails to respond within the appropriate period as specified in section 13 (2)(ii) shall, if the Auditor-General so directs, have his emolument and allowance withheld for so long as such person fails to formally respond in writing.
- iv. Any person aggrieved by the withholding of an emolument or allowance in terms section 13 (2)(iii) of this Law may appeal to the Public Accounts Committee within sixty (60) days from date of such directive being issued by the Auditor General for redress and, thereafter, be afforded a further avenue of appeal with the High Court provided that such appeal is lodged to the High Court not later than fourteen (14) days after the decision of the Public Accounts Committee to uphold the directive of the Auditor-General is made public.
- v. Where the Auditor-General has established and confirmed culpability for a loss the Auditor-General may deem it to impose a surcharge on the person or persons responsible and may specify to the appropriate head of department or institution the amount due from any person upon whom the Auditor-General has imposed surcharge and shall state the reason for imposing such surcharge and report the results of the examination of relevant accounts, operational processes and circumstances that caused the surcharge to be imposed to the Accounting Officer of the affected department or institution.
- vi. Every sum so specified by the Auditor-General as a surcharge shall become due for payment by the person on whom such surcharge is imposed, within sixty (60) days after the date on which such surcharge was formally imposed.

- vii. Any person aggrieved by the decision of the Auditor General to impose a surcharge in accordance with section 13(2)(v) shall have opportunity to appeal for redress in accordance with the directives of section 13 (2)(iv) of this Law.
- viii. Any such sum as may become payable under section 14 of this Law and which remains outstanding beyond the prescribed period of sixty (60) days shall become recoverable by the relevant accounting officer who may, where necessary, initiate civil proceedings and whereupon judgement is obtained in a court of competent jurisdiction shall consider any such sum payable recoverable as civil debt. Where such sum owed as a civil debt is recoverable from a person in receipt of a remuneration from the State Government or any Government institution such remuneration shall be attached either in full or incrementally to the extent of the sum Lawfully due.
- ix. Where an Accounting Officer is compelled in terms of section 13(2)(viii) of this Law to initiate civil proceedings for the recovery of a surcharge raised by the Auditor-General, a certificate signed by the Auditor-General stipulating the amount payable and describing the circumstances that compelled the raising of such surcharge shall be considered prima facie evidence of the facts certified.
- x. The Auditor-General may, at any time, revoke any surcharge imposed in terms of section 14 of this Law.

Submission of accounts and annual financial statements

14.(1) Within a period of six months after the 31st of December in each year (or any lesser period as may be determined by the State Public Finance Legislation or other applicable Laws) the Accountant-General of the State shall present to the Auditor-General accounts a financial statements as required under the constitution and other relevant legislation when read in conjunction with approved public sector accounting standards for the State.

(2) Statements to be submitted to the State Auditor-General shall include:

- (a) Statement of Financial Position
- (b) Statement of Financial Performance
- (c) Statement of Cash Flow

- (d) Statement of Comparison between Budget and actual
- (e) Statement of changes in Net assets/ equity
- (f) Note to the Financial Statements.

Notes to the Financial Statements shall be presented in the following order or as stipulated by the relevant accounting standards: -

- i. Statement of compliance with approved accounting standards
- ii. Statement of accounting policies applied
- iii. Supporting information for items presented on the face of the financial statement.

(3) Statements to be submitted to the Auditor General Local Governments shall include:

- (a) Statement No. 1: Statement of Financial Responsibility
- (b) Statement No. 2: Statement of Accounting Policies
- (c) Statement No. 3: Cash Flow Statement
- (d) Statement No. 4: Statement of Assets and Liabilities Income
- (e) Statement No. 5: Statement of Income and Expenditure
- (f) Statement No. 6: Notes to the Accounts

(4) Within five months (or any lesser period as may be determined by the State Public Finance Legislation) after the close of each financial year Accounting Officers shall prepare and submit to the Auditor-General IPSAS accrual based stand-alone financial statement.

Failure to submit the required accounts and annual financial statements to the Auditors-General

15.(1) Where the Accountant-General or Treasurer should fail to submit such consolidated accounts and annual financial statements as are required in terms of section 14 (1) to the Auditor- General by the close of business on the last day of the period stipulated, the Accountant-General shall be compelled under this Law to submit to the House of Assembly, in writing, the reasons for such delay and stipulate an alternate later date whereby the requisite consolidated accounts and annual financial statement shall be submitted to the State Auditor-General for audit purposes.

(2) The later date for the submission of consolidated accounts and annual financial statements to the Auditor-General, as described in section 15 (1) above, shall not exceed the last day for initial submission by a period of more than thirty

(30) calendar days.

(3) Where the Accountant-General or Treasurer fails to submit the consolidated accounts and annual financial statements within the extension period as described in section 15 (1) and (2) the Auditor-General shall issue a special report on the delay.

The report of the
Auditors-General

16.(1) The Auditor-General shall express in his annual report:
(a) An opinion on the representative truth and fairness of the public accounts submitted to the Auditors-General.

(b) Such significant findings and recommendations as considered relevant and necessary for the attention of the legislature:

(c) Significant findings and recommendations shall at a minimum include:

- i. Any act or omission by any officer relating to the probity, regularity or value for money with which public money is managed.
- ii. Any deficiencies which have been identified in the internal control system of any public body.
- iii. Details of essential records that have not been maintained or produced for auditing purposes.
- iv. The economy, efficiency and effectiveness of implementation of government policies, where public resources are being expended on implementation; including inadequacies in the policies, processes and procedures applied to safeguard and control assets, or to ensure effective supervision and control over the assessment, collection and proper allocation of revenue and to ensure that expenditure is appropriately authorized and incurred in strict accordance with the intended allocation.
- v. Assurance that all monies have been expended with due regard to economy, efficiency and effectiveness.

(2) The Auditor-General shall within ninety (90) days of receipt of the Accountant-General's Financial Statement and Annual accounts of the State, submit an audit report to the House of Assembly and the House shall cause the report to be considered by a Committee

of the House responsible for Public Accounts.

- (3) The Auditor-General shall submit, at least once in a year, an annual activity report to the House of Assembly and the House shall cause the report to be considered by a Committee of the House responsible for Public Accounts.
- (4) The Auditor-General shall have an internal follow-up system including post audit meetings with the audited entity to ensure that the 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.
- (5) The Auditor-General shall submit, at least once in a year follow-up report to the House of Assembly and the House of Assembly shall cause the report to be considered by a Committee of the House responsible for Public Accounts.
- (6) The Auditor-General shall after submission to the House of Assembly, provide copies of the reports of their audit work to the Governor or the governing board, or council of an audited entity, or those responsible for governance on any matter incidental to his powers and duties under this Law; for review and follow-up on specific recommendations for corrective action.
- (7) The Auditor-General may at any time, if it appears to be a matter of public interest, issue a special report to the Governor, the State House of Assembly and those responsible for governance at each affected audited entity, on any matter incidental to his powers and duties under this Law.
- (8) The Auditor-General shall, determine, except where specific reporting requirements are prescribed by the Law, the timing of the audit report, which include the follow-up report and activities report; but must be within reasonable time that will allow such reports to be considered and remedial action taken in the best interest of the government and the general public.
- (9) The annual audit report of the Auditor-General shall be considered a public document and as such shall be made accessible to members of the public. Members of

the public may obtain a copy of the annual audit report at a nominal cost, which cost shall be used solely to defray the incidental expense of producing such copy. The annual audit report shall only be made available to the general public subsequent to its submission to the State House of Assembly.

- (10) The Auditor-General shall have discretionary powers to disseminate and publish, after submission of the annual statutory audit reports of the State government including the follow-up reports, and the activity report of his Office, to the House of Assembly; and to determine whether the communication mediums to be employed for making the annual audit report available to the general public shall include access in electronic format on the internet.

Organisational
structure – Office
of the Auditor-
General

17.(1) The autonomy and independence of the Office of the Auditor-General is herewith ensured by the legislated amendment to the formal ranking designations assigned to staff deployed in the audit cadre within the Office of the Auditor-General:

- (a) Chief Director shall henceforth be referred to as **Deputy Auditor- General** (Level 17);
- (b) Director shall henceforth be referred to as Chief **State Auditor** (Level 16);
- (c) Deputy-Director shall henceforth be referred to as **Assistant Chief State Auditor;**
- (d) Assistant-Director shall henceforth be referred to as **Senior State Auditor;**
- (e) Auditors with five (5) or more years of post-qualification in service experience shall henceforth be referred to as a State **Auditor;**
- (f) Newly qualified auditors with less than five (5) years of post- qualification experience shall henceforth be referred to as an **Assistant State Auditor;**
- (g) Trainees who have not yet qualified as professional auditors shall be engaged by the Office of the Auditor General under the formal terms and conditions of a training contract and shall henceforth be referred to as an **Audit Clerk.**

(2) The Department shall be organisationally structured as

follows:

- (a) **Support Services** shall assume responsibility for accounting and staff functions, i.e. finance and in year budget monitoring, maintaining accounting records, preparing annual financial statements, human resource planning, allocation and deployment of auditors, other employees and logistics. The aforementioned function shall be accountable to the Chief State Auditor in the Office of the Auditor-General, and shall resort under direct leadership of the Assistant Chief State Auditor – Support Services.
 - (b) **Corporate Support** shall assume responsibility for the functions as listed below and shall resort under direct leadership the Chief State Auditor in the Office of the Auditor-General.
- (3) **Support Services**, shall be accountable to the Chief State Auditor in the Office of the Auditor-General, and shall resort under direct leadership of the Assistant Chief State Auditor – Support Services.
- (a) **Public Accounts Committee (PAC) Support**, shall be accountable to the Chief State Auditor in the Office of the Auditor-General, and shall resort under direct leadership of the Assistant Chief State Auditor – PAC Support.
 - (b) **Quality Control**, shall be the responsibility of two Senior State Auditors who shall each be accountable to a Deputy Auditor-General Auditor for evaluating, measuring and reporting on consistent compliance with International Standards of Supreme Audit Institutions (ISSAI) standards by all audit staff assigned to that specific Deputy Auditor-General. Said function shall resort under direct leadership of the State Auditor-General.
 - (c) **Research and Innovation**, shall be the responsibility of two Senior State Auditors who shall jointly be accountable for ongoing liaison with stakeholders in quality control, training and development, tertiary institutions, private audit firms, audit staff and International Organizations of Supreme Audit Institutions (**INTOSAI**) or any Federal or State affiliation thereof, to ensure that audit staff at all levels remain aware of audit practice innovations, publication of additional audit standards or amendments to existing audit

standards that impact on the audit of public entities in general or a specific class of public entity. Said function shall resort under direct leadership of the Chief State Auditor.

- (d) **Training and Skills Development**, shall be the responsibility of two Senior State Auditors who shall jointly be accountable for ongoing training interventions in the Office of the Auditor-General.
 - (e) **Mentorship** inclusive of coaching and change management facilitation shall be the responsibility of one Senior State Auditor.
 - (f) **Media Liaison** and stakeholder communication shall be the responsibility of an Assistant Chief State Auditor.
 - (g) The adoption and implementation of ISSAI standards and ensuring that the management and staff of the Office of the Auditor-General remain abreast of changes and additions to the standards shall be the responsibility of one Senior State Auditor.
- (4) The Specialist Audit Division shall include the branches:
- (a) **Forensic Audit**, shall have management responsibility assigned to a Chief State Auditor and no member of the audit staff assigned to perform forensic field audit work shall be permitted to hold a position lower than that of Senior State Auditor.
 - (b) **Computer Audit**, shall have management responsibility assigned to an Assistant Chief State Auditor and shall be staffed as determined by the Auditor-General.
 - (c) **Performance Audit**, shall have management responsibility assigned to an Assistant Chief State Auditor and no member of the audit staff assigned to perform performance audit field work shall be permitted to hold a position lower than that of Senior State Auditor.
- (5) The Auditor-General shall have the power to alter the organisational structure and functional resourcing of the Office of the Auditor-General as described in this Law for strategic or operational reasons as and when required may adjust the units under the department as he deems fit.

Audit standards

18. The Auditor-General shall determine which auditing standards should be applied and shall establish audit programmes and a code of ethics specific to the audits performed by the Office of the Auditors-General.

(1) The auditing standards shall include:

(a) Public sector auditing standard issued by Conference of Federal and States Auditors-General.

(b) Accounting standard issued by the Financial Reporting Council (International Public Sector Accounting Standards - IPSAS)

(c) The auditing standards and code of ethics published by the International Organisation of Supreme Audit Institutions (INTOSAI) and the International Auditing and Assurance Standards Boards of the International Federation of Accountants (IFAC) and other recognized or required standards issued or accepted by funding or donor organisations which may be used in conducting audits as appropriate.

PART III MATTERS CONCERNING STAFF

Appointment of staff

19.(1) The Audit Staff Management Committee is herewith assigned the duty of recruiting the staff required for resourcing of the Offices of the Auditors-General. The responsibility for requesting the recruitment of staff and for determining the caliber of staff required to ensure the efficient performance and functioning of the Offices of the Auditors-General shall reside with the incumbent Auditors-General who shall further be responsible for aligning cost associated with such recruitment of staff with the funds allocated for remuneration in terms of the vote.

(2) Recruitment of staff at the request of the Auditors-General shall be concluded within the shortest possible time without compromising the caliber of staff so selected and ultimately appointed.

(3) The Audit Staff Management Committee is herewith assigned responsibility for the selection and appointment of all staff, officers and other employees required as human capital resources in the Offices of the Auditors-General or the Committee other than the Auditor-General.

- (4) The Audit Staff Management Committee may engage in consultation with the Ondo State Civil Service Commission, such consultation shall however not under any circumstances absolve the Committee from responsibility for taking the final decision on the approval and appointment of all staff of the Office of the Auditors-General and Audit Staff Management Committee.
- (5) The Committee shall be responsible for ensuring that all vacancies are widely advertised, that all applicants shortlisted are in possession of the required minimum qualifications, that such qualifications are duly verified with the relevant accreditation body, and that the required skills and competence levels are confirmed by means of any combination of the following (i.e. interviews, examinations, case study based simulations of the work environment) so as to ensure that persons recruited to positions required by the Auditor-General and the Committee are consummately suitable for the appointment.

Promotion of staff of the Auditor-General Office

- 20.(1) When a member of staff, as appointed by the Committee, becomes eligible for promotion on the basis of time served and having met all additional qualification criteria the Auditor-General shall recommend to the Committee such member of staff for promotion.
- (2) It shall be the responsibility of the Committee to ensure that, once a staff member is recommended for promotion by the Auditor-General, such promotion is effected without undue delay.

Conditions of service – Staff other than the Auditors-General

21. The Committee shall:
 - (1) Determine the terms and conditions of service for officers and employees engaged in all offices of the Auditors-General.
 - (2) Shall be responsible for all administrative matters pertaining to staff deployed in the Auditor-General's office and the Committee where such matters of administration shall include, but not be limited to, discipline, benefits, pension, gratuity and issue of gratuity upon retirement and any other conditions of service related matter.
 - (3) Any member of staff engaged in the service of the Committee shall be required to take an oath of secrecy/confidentiality as a pre-requisite for appointment to such a highly sensitive position.
 - (4) Staff appointed to the office of the Auditor-General by the

Committee shall, in addition to the provision of this Law, be privy to all rights and privileges as contained in the public service rules of the State and shall retire at the mandatory retirement age of 60 years or, upon accumulating 35 years of service in government, or any other period that the Constitution of the Federal Republic of Nigeria as read in conjunction with the Pensions Act and any periodic amendments thereto may stipulate.

Discipline of staff
of the offices of
the Auditors-
General

22. Whereas it is the duty of the Committee, in terms of section 21(2) to implement disciplinary procedures against the staff of the Auditor- General's office, it shall be the sole responsibility of the Auditor-General to request the commencement of such disciplinary processes and to articulate the circumstances and nature of breaches in discipline that shall necessitate the commencement of such a disciplinary process.

Funding of the
Offices of the
Auditors-General

23.(1) The State and Local Government Auditors-General shall prepare and submit their estimates of revenue and expenditures to the Treasury Board for inclusion in the appropriation Bill and thereafter present the details to the House of Assembly for scrutiny.

(2) The sum appropriated for the Office of the Auditor-General by the House of Assembly of the State for each financial year shall be charged on the Consolidated Revenue Fund of the State Government and paid as a first line charge in twelve instalments for each month of that financial year which shall reflect actual revenue inflow to the State Government.

(3) In addition to section 23 (1) and (2), the Office of the Auditor-General for the State shall, among other things, engage the services of other professionals in order to effectively carry out value for money audit for capital projects, and the funding of which shall be met by the remittance of zero point five percent (0.5%) of all payments made in respect of projects executed by the State to the Office.

(4) In addition to section 23 (1) and (2) the Local Governments shall contribute one percent (1%) of total revenue collected by such Local Governments to the State as a compulsory contribution to the Ondo State Local Governments Audit Levy Fund. Fifty percent (50%) of such contributions to the Ondo State Local Governments Audit Levy Fund shall be remitted to the Office of the Auditor-General for Local Governments. The funds so

remitted shall be applied to co-fund logistical and audit service delivery cost.

- (5) The Auditor-General shall discharge his fiduciary duty in terms of the funds appropriated to the Office of the Auditor-General by the House of Assembly of the State in accordance with the requirements of relevant legislation and the prescripts of existent Financial Regulations.

Expenses to be paid from this subvention shall include, but not be limited to:

- (a) Cost of training and professional development activities
- (b) Monies for travelling, transportation and subsistence required by staff engaged in conducting the official business of the Auditor- General away from their home office;
- (c) The administrative expenses of the Office of the Auditor-General;
- (d) Any capital development project or special expenditure

Independent
auditors for the
respective offices
of the Auditors-
General

- 24.(1) The accounts of the Offices of the Auditors-General shall, in each financial year, be audited and reported on by an auditor appointed by the State House of Assembly.
- (2) Pursuant to subsection (1) above the House of Assembly shall select and appoint for a period not in excess of three (3) years an audit firm from the list of approved independent audit firms compiled by the Auditors-General.
- (3) No one audit firm may be appointed beyond one term.
- (4) Subject to subsection (1) above, a firm is qualified for appointment as Independent Auditor to the offices of the Auditors General if such firm has not been a consultant to either of the offices of the Auditor General for at least a period of three years prior to such appointment.
- (5) Notwithstanding anything to the contrary in any Law in force, the Office of the Auditors-General shall, within three months after the end of its financial year, prepare and submit to the Auditor Appointed under subsection (1) financial statement of the office of the Auditor-General.
- (6) The Auditor appointed under subsection (1) shall have access to all books of accounts, vouchers and other records of the Office of the Auditors-general and is entitled to any

information and explanation required in relation to such records.

PART IV
AUDIT STAFF MANAGEMENT COMMITTEE

Establishment of
Audit Staff
Management
Committee

25. There is herewith established the Ondo State Audit Staff Management Committee (hereinafter referred to in this Law as "Committee")

Composition of
the Committee

26. (1) The Committee shall comprise of the following members:

(a) The Auditor-General of Ondo State who shall be the Chairperson.

(b) The Auditor-General for Local Governments in the State.

(c) The Solicitor-General and Permanent Secretary Ministry of Justice or his representative who shall not be less than a GL16 Legal Officer.

(d) The Permanent Secretary of Establishment in the Office of the Head of Service or his representative who shall not be less than a GL15 officer in the public service.

(e) The Permanent Secretary of State Civil Service Commission or his representative who shall not be less than a GL 15 officer in the public service.

(f) The Permanent Secretary of the Service Matters Department, Office of the Head of Service or his representatives who shall not be less than a GL15 officer in the public service.

(g) A Secretary who shall not be below the rank of a Director in the State/Local Government Audit Service.

(2) The Secretary shall be responsible to the Chairperson for the day to day running of the Audit Staff Management Committee.

Remuneration
and allowances

27. The Chairperson and ordinary members of the Committee shall be paid such allowances as may be applicable to other Committee in the State.

Secretary to the
Committee

28.(1) There shall be appointed by the Committee, a Secretary who shall be a Senior Officer not below the rank of a Director in the State/Local Government Audit Service.

(2) Subject to the general direction of the Committee and with reporting responsibility to the Chairperson, the Secretary shall be responsible for the day to day administration of the Committee and for maintaining proper records of proceedings and resolutions of the Committee.

(3) The Secretary shall perform all other duties affecting the Committee as may be assigned to him by the Chairperson.

Powers and
functions of the
Committee

29.(1) The Committee shall have power without prejudice to the powers vested in the Governor to:

(a) appoint suitable persons to fill vacant positions in the State/Local Government Audit Service except the Auditors-General, the Office of the Auditors-General and the Committee;

(b) confirm the selection and appointment of persons recruited by the Committee;

(c) subject any person that is employed in terms of sections 35(1)(a) of this Law to disciplinary processes and impose any such sanctions, including that of dismissal, which is permissible in terms of the Civil Service Rules as read in conjunction with any other relevant Law;

(d) promote persons appointed to offices in the State/Local Government Audit service as provided under this section, which is permissible in terms of the Civil Service Rules as read in conjunction with any other relevant Law;

(e) approve the retirement of officers employed in terms of sections 35(1) and 35(2)(c) above as permissible in terms of the Civil Service Rules as read in conjunction with any other relevant Law; and

(f) perform such other duties and functions as are necessary or expedient for the purpose of

discharging its functions under this Law

- (2) No clause as promulgated under this Law shall preclude the creation of additional Departments/Units by the Office of the Auditor- General as the need may arise and the Committee shall, in accordance with section 35 (1) above, ensure that all recruitment and appointment processes are stringently adhered to in the staffing of any such additional Departments or Units.
- (3) Where the Committee considers it expedient to fill any vacancy arising by a person holding office within any other branch of Service within the State, the Committee shall advise the relevant Service Commission of such developments and may, through consensual agreement with the Service Commission concerned, have such vacancy filled by means of secondment or transfer.
- (4) Where any vacancy is filled by means of a secondment from another Service Commission in terms of section 35(4) above the seconded member of staff shall be notified of the terms and conditions of such secondment and it is herewith determined that any such secondment shall be without prejudice to any pension accumulated prior to such secondment and that all pension amounts so accumulated shall accrue in full and in accumulation with all subsequent benefits to the seconded member of staff on retirement.
- (5) Should a seconded member of staff pursuant to section 35(4) above elect, subject to the approval of the Committee, to be permanently transferred to the Service Commission of the Office of the Auditor- General or the staff of the Committee then all such years of service and all such pension benefits that may have accrued prior to the date of transfer shall cumulatively count towards eligibility for promotion, eligibility for retirement and the scale on which such pension payable by the Office of the Auditor-General shall be calculated.
- (6) Equally so, any member of staff employed in the Office of the Auditor-General or the service of the Committee may elect to transfer or be seconded to any other Service Commission of the State and any such transfer or secondment shall not in any form or way impact adversely on the accumulated years of service or benefits accrued prior to the date of transfer or secondment.

of the Committee to join a particular meeting or series of meetings of the Committee for such co-opted person to participate in the deliberations of the Committee and advise the Committee on resolutions under consideration by the Committee. Such co-opted person shall however not be entitled to vote or be counted as part of the quorum of said congregation of the Committee.

Meetings and
quorum

31.(1) The Committee shall meet ordinarily for the transaction of business at such a time and place as determined by the Committee at least once in a quarter.

(2) The written request for the convening of a special meeting by the chairperson or a written request by a majority of members to the Secretary shall constitute adequate grounds for the convening of such a special meeting by the chairperson of the Committee.

(3) The chairperson shall preside over the proceedings at all duly constituted meetings of the Committee.

(4) Motions shall be carried by a simple majority of one vote where all the members present shall each have one, and should the initial vote result in a tie the chairperson shall have the casting vote.

(5) The minimum number of members required to constitute a quorum shall be any four members, which may include the Auditor-General and the appointed officers or representatives from the State Civil Service or a representative who shall have full voting rights, as is permitted in terms of section 27 above.

(6) Where the Committee deems it necessary to co-opt any person to attend a meeting of the Committee such person shall participate in all relevant deliberations but shall not vote on any motion put to the vote by the Chairperson.

(7) Where any of the ordinary members of the Committee fails to attend three consecutive meetings of the Committee without a valid reason for such absences, such member shall automatically forfeit his position as a member of the Committee with immediate effect.

(8) Subject to the provisions of this section, the Committee shall determine the procedure for conducting its meeting.

Proceedings of
the Committee

32.The Committee shall have the power to regulate its own proceedings and to issue standing instructions for the purpose

of enforcing such regulatory processes.

Protection of
members of the
Committee

33. Members of the Committee are herewith afforded immunity from criminal prosecution and civil litigation against their person insofar as such prosecution or litigation may emanate from the exercise of the powers afforded the Committee or such member is performing the duties and functions assigned the Committee, insofar as such actions are in direct compliance to a motion carried by a majority vote of members or a casting vote in the event of a tie, and such action is not knowingly and willfully criminal, nor conducted in an individual capacity with intent to mislead or defraud.

Privilege of access
to Committee
information

34.(1) All records of any report, statement, communication, meeting or proceeding pertaining to the Committee exercising its powers and performing its duties, regardless as to whether such action is that of an individual or the Committee as collective, it is herewith determined that such records shall be privileged and confidential.

(2) Notwithstanding section 40(1) above, the Committee shall be obligated to surrender, in full and without undue delay, all records of any report, statement, communication, meeting or proceeding of the Committee if so ordered by a court of Law of appropriate jurisdiction, or by Resolution of the House of Assembly.

Staff of the
Committee

35. The Committee shall appoint such persons as may be necessary to enable the Committee to execute the functions assigned in terms of this Law.

Conditions of
service of
employees

36. The terms and conditions of service (including remuneration, allowances, benefits and pensions) of the employees of the Committee shall be equivalent in all respects to those of other Committees in the State.

Staff regulations

37. The Committee shall have the power to formulate and enforce regulations which shall determine the conditions of service of employees in the service of the Committee where such regulations shall, without prejudice to generality, provide for:
(1) The appointment, promotion and disciplinary control (including dismissal) of an employee.

(2) An appeal process which shall afford any employee dismissed in terms of section 43(1) above, recourse against such dismissal, and where the executive body administering such recourse shall be independent and free of all bias or prejudice in its consideration of each individual appeal submitted.

- (3) Adequate transitory measures upon which an employee can prevail while the regulations are under formulation, on condition that such transitory measures shall at least be equal in the measure of recourse afforded to an employee as that which such employee shall have available in terms of the Civil Service Rules.
- (4) The Committee shall have the power to amend or modify the content of any regulations and directives prevailing in terms of the Civil Service Rules on condition that any such amendment or modification shall not in any manner whatsoever deny, impede or obstruct the basic rights afforded to an employee in terms of the Constitution or that is afforded an employee in terms of any prevailing Law which governs the conditions of service as they apply to employees of the State.

Pensions

- 38.(1) Notwithstanding the provisions of the Pensions Reform Law 2011, it is herewith determined that service in the employ of the Committee shall be equal in all material aspects to service by an employee engaged in any other Service Commission within the Public Service and accordingly, officers and staff in the employ of the Committee shall be entitled to such benefits as pension, gratuities and any further retirement benefits as are prescribed under the State Pensions Reforms.
- (2) Where an employee of the State is seconded or transferred to the Committee from a position within another Service Commission the period of service with such other Service Commission shall be joined to and deemed to be continuous with the period of service spent in the employ of the Committee and vice versa. Any pension benefits that shall accrue to such an employee upon retirement shall therefore be calculated as benefits that have accrued over continuous and uninterrupted period of service.
- (3) All powers, other than the power to formulate and enforce regulations, as are ascribed to a Commissioner or other authority of the State to apply the provisions of the Pensions Reform Law, shall be exclusively vested in the Committee and it is herewith prohibited for such powers to be exercised by any other person or authority.
- (4) Nothing in the provisions of this section shall prevent the appointment, on a temporary contract basis, of a person to any staff position in the Office of the Committee on terms which preclude the grant of a pension or gratuity in respect of Service in the Office of the Committee.

Funding for the
Committee

- 39.(1) There shall be established a fund for the Committee and the funds so appropriated shall be provided for in the annual budget of the State.
- (2) There shall be paid and credited to the fund established under section 45(1) above.
- (a) Any sum appropriated to the Committee by the State House of Assembly in each financial year;
- (b) All monies raised for the purpose of the Committee by way of gifts, donations, grants-in-aid;
- (c) Take-off grant;
- (3) Proceeds from all other assets that may from time to time accrue to the Committee.
- (4) The Committee shall defray all expenditures incurred by it from the fund referred to in section 45(1) and shall include:
- (a) The cost of administration;
- (b) The payment of salaries, fees or other remunerations or allowances and pensions and gratuities payable to members and employees of the Committee;
- (c) Anything done in furtherance of any of its functions under this Law.

Declaration of
interest on
matters before
the Committee

- 40.(1) Where a member of the Committee becomes aware that the matters scheduled for deliberation by the Committee include items that may represent a conflict of interest in any form whatsoever such member shall disclose to the chairperson, either verbally or in writing, the nature of such conflict of interest and it shall be compulsory for such member to be excused from all proceedings pertinent to such conflict of interest.
- (2) Where a member fails to disclose such conflict of interest to the chairperson prior to the commencement of formal proceedings of the Committee, and subsequently proceeds to participate in the deliberations and voting processes such conduct shall be considered an irreparable breach of ethics unbecoming to an officer occupying a position of Public trust and such member shall have his membership revoked with immediate effect and may face criminal

prosecution.

Appointment of
sub-committees

- 41.(1) The Committee may appoint sub-committees consisting of its members and non- members to execute any of its functions.
- (2) The Chairperson of a sub-committee as established by the Committee shall be appointed from the membership of the Committee.
- (3) A sub-committee established by the Committee may, at the discretion and consensus of the sub-committee, co-opt any person/persons that shall enable the sub-committee to fulfil its duties, provided that this does not constitute a violation of the terms of reference under which the Committee established such sub-committee.

Engagement of
consultants

- 42.(1) The Committee may engage the services of such consultants and experts as it may consider desirable for the efficient discharge of its duties and services.
- (2) The consultants and experts shall be engaged on such terms and conditions as the Committee may determine.
- (3) Nothing in this section or any other provision of this Law shall be construed as empowering the Committee to interfere in the operations of the Auditor- General's Office or to engage any consultant or any other person to initiate any form of interference in the operations of the Auditor- General's Office.

Submission of
statement of
accounts and
annual report

- 43.The Secretary, as the Accounting Officer of the Committee, shall prepare the statement of accounts and a report on the performance of the Committee for the financial year ended 31 December of every year and submit such accounts and report to the Auditor appointed by the State House of Assembly in terms of section 50 below, not later than three months after the end of each financial year.

Independent
auditors for the
Committee

- 44.(1) The Public Accounts Committee of the State House of Assembly shall appoint an independent Auditor to audit the accounts of the Committee for each financial year.
- (2) The independent Auditor appointed by the Public Accounts Committee, in terms of section 17 and in section 50(1) above, shall submit the audit report on the accounts of the Committee to the State House of Assembly not later than three months after commencement of the engagement.

- (3) The Auditor appointed by the Public Accounts Committee shall have access to all books of accounts, vouchers and other records of the Committee and shall be entitled to any information and explanation required for successful and timely conclusion of the audit.

PART V
REVIEW OF AUDIT REPORTS BY PUBLIC ACCOUNTS
COMMITTEE

Review of audit
reports by Public
Accounts
Committee

- 45.(1) The Public Accounts Committee shall examine and scrutinize each report prepared by the Auditor-General and tabled before the House of Assembly. Such examination and scrutiny of reports submitted to the House of Assembly may include questioning the Accounting Officer from the relevant public body, requiring explanation and clarification from the Auditor-General and an official response from any Government Agency. The Public Accounts Committee shall, upon completion of such examination and scrutiny, make recommendations for redress or improvement to the relevant Accounting Officer and shall monitor the implementation of such recommendations. The actions of the Public Accounts Committee shall be governed by the standing orders issued by the State House of Assembly.
- (2) The Public Accounts Committee shall have the power to summon any Accounting Officer, public official or member of the public to appear before the Public Accounts Committee for questioning relating to the content and findings of the Auditor-General's report.
- (3) It shall be customary for the Public Accounts Committee to conduct its hearings in public. However, it shall be within the sole discretion and Power of the Public Accounts Committee to conduct any hearing, either in full or in part, as a private session.
- (4) The Public Accounts Committee shall, upon conclusion of the review of the reports submitted by the Auditor General, prepare and submit a report to the State House of Assembly.

PART V

MISCELLANEOUS

Offences and penalties

46.(1) A person who willfully or grossly negligently does any of the acts stipulated below: -

- (a) fails to produce for inspection to the Auditor-General or otherwise refuses the Auditor-General access to any book, record, returns, payment voucher, record of revenue or other document relating to or which has relevance to any account to be audited by the Auditor-General requested in writing to do so;
- (b) fails to maintain proper books of account or proper records in relation thereto as required by Law and where such failure results in a loss of public funds;
- (c) provides the Auditor-General with information that is known to be false;
- (d) destroys or suppresses any information required for the performance of any function assigned to the Auditor-General in this Law or any other Law;
- (e) obstructs or frustrates the Auditor-General in the performance of his functions under this Law or any other Law;
- (f) fails to comply with section 13 of this Law:

commits an offence and shall be liable upon conviction to a fine of not less than fifty thousand (N50,000.00) naira or a term of imprisonment not less than two (2) years, or to both fine and imprisonment.

(2) Where a member of staff employed in the office of the Auditor- General:

- i. requests or accepts a bribe or any form of compensation, reward or favour for the neglect or non-performance of any duty of the staff member;
- ii. fails to report to the Auditor-General any evidence or suspicion of abuse of funds, assets, irregularity, fraud or theft that he may become aware of in the course of executing his duties as an auditor;

commits an offence and shall be liable upon conviction to a fine of not less than fifty thousand (N50,000.00) Naira or a term of imprisonment of not less than two (2) years, or to both fine and imprisonment.

- (3) For purposes of section 52 of this Law where reference is made to "Auditor-General" such reference shall include any person acting under the direction of the Auditor-General or with the Auditor-General's delegated authority.
- (4) Where an offence is committed under section 52(1) of this Law:
 - (a) By a legal entity or trust other than Government Ministries, Agencies or Boards then every director, officer or trustee of that legal entity as the case may be, shall be deemed to have committed the offence;
 - (b) Where a body of persons are constituted as a partnership, every partner shall be deemed to have committed the offence unless it is proved that the offence was committed without his knowledge or that he exercised due diligence to prevent the commission of the offence;
 - (c) Where the body of persons is an un-incorporated association or collection of persons the office bearers and members of the committee in control of the affairs of the un-incorporated association or collection of persons shall have committed the offence.

General

- 47.(1) The Auditor-General shall by way of circulars publish rules and regulations for ensuring the effective discharge of his duties and functions as determined in this Law.
- (2) This Law shall stand amended if such motion to amend is put to vote and such motion is carried by not less than a two-thirds favourable majority in the House of Assembly.

Repeal of OD PAL of 2017

48. The Public Audit Law of Ondo State 2017 is hereby repealed.

Commencement

49. This Law shall be deemed to have come into effect on the day of 2021.

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

Rt. Hon. (Chief) Oleyelogun Bamidele David
Speaker, Ondo State House of Assembly

Adeyelu Michael Bode
Clerk of the House

GOVERNOR'S ASSENT

I hereby signify my assent to this Bill

GOVERNOR'S SEAL

Arakunrin Oluwarotimi O. Akeredolu, SAN
Governor of Ondo State of Nigeria



Dated this 29th day of June 2021

SMD.1/76/62

Service Matters Department,
Office of the Head of Service,
Governor's Office,
Akure.
29th June, 2021

CIRCULAR LETTER TO:

The Chief of Staff to Mr. Governor,
The Deputy Chief of Staff to Mr. Governor,
The Secretary to the State Government,
State Commissioners,
The Head of Service,
Chairmen of Commissions/Corporations, Commander of Amotekun Corps,
Permanent Secretaries/Tutors-General/Directors-General,
The Clerk, Ondo State House of Assembly,
The State Auditor-General,
The State Accountant-General,
The Auditor-General for Local Governments,
The Statistician-General,
General Managers/Heads of Non-Ministerial Departments,

THE IMPLEMENTATION OF OPERATIONAL AND FINANCIAL AUTONOMY FOR THE AUDITOR-GENERAL FOR STATE AND AUDITOR-GENERAL FOR LOCAL GOVERNMENTS IN LINE WITH THE PROVISIONS OF THE ONDO STATE PUBLIC AUDIT LAW 2021

This is to inform you that the State Government has amended the Ondo State Public Audit Law 2017, in order to grant operational and financial autonomy to the Offices of Auditors-General for the State and Local Governments in line with Section 125 of the Constitution of the Federal Republic of Nigeria 1999 (as amended); and Mr. Governor has graciously approved the implementation of the Law with immediate effect.

2. You are to note that by virtue of the operational and financial autonomy granted to the Offices of Auditors-General for State and Local Governments in the Ondo State Public Audit Law, they are now accorded full and unhindered independence in the execution of duties or the exercise of powers which shall be equal in extent to that granted the Auditors-General in terms of section 125(6) of the Constitution.

3. For the avoidance of doubt, the following key provisions of the law should be noted for further necessary action by the relevant Ministries, Departments and Agencies:

3.1 The Auditors-General shall not be subject to the direction or control of any other authority or person in the selection of audit issues, planning, programming, conduct, reporting and follow-up of audits; and organization and management of their offices in accordance with Section 7 Subsections (1) -(4) which provides for operational independence of the Auditors-General in line with S. 125(6) of the Constitution of the Federal Republic of Nigeria (CFRN), 1999.

3.2 Sections 25 to 44 and some other relevant sections which deal with matters concerning staff have now provided for the establishment and have vested powers of appointment, confirmation, promotion, discipline and retirement of members of staff of the Offices of the State and Local Government Auditors-General in the Audit Staff Management Committee. However, the provisions of Section 126 of the Constitution of the Federal Republic of Nigeria (CFRN), 1999 (as amended) regarding the appointment of the State Auditor-General remains in full effect;

3.3 Meanwhile, all staff of both establishments are to continue to comply with the Civil Service code, extent rules, regulations and pension arrangements, except where the Audit Law provides for new or

Planning and Budget; Finance, Local Government and Chieftaincy Affairs, the Office of the State Accountant-General, the Local Government authorities and other relevant Agencies. In effect, concerned authorities are to ensure that adequate resources are provided for the audit offices and that the sum appropriated for the Offices of the Auditors-General by the House of Assembly of the State for each financial year should be paid as a first line charge in twelve instalments for that financial year, in manner which shall reflect actual revenue inflow to the State Government. Furthermore, the remittance of the sum approved for projects audit in this Section of the Law for the State Auditor-General and the sums to be deducted from Local Governments Allocations for running the Office of the Auditor-General for Local Governments, should be made as and when due, accordingly;

4. The Auditors-General for State and Local Government as well as all persons and entities in the State and Local Governments engaged in the receipt or use of public funds and resources are hereby required to acquaint themselves with the Audit Law and to take all actions necessary to ensure full compliance with the provisions of the Law without any delay.

5. Any enquiries regarding this communication should be directed to this office or to the Offices of State and Local Government Auditors-General. A soft copy of the Audit Law is available on the following websites: <https://ondostate.gov.ng>, <https://oag.on.gov.ng>.

6. Accounting Officers are to note and give the content of this circular the publicity it deserves in their respective Ministries, Department and Agencies.


'Niran Adeyemo *msc*
Head of Service