

## Audit Service Regulations, 2011

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**AUDIT SERVICE REGULATIONS, 2011**

IN the exercise of the powers conferred on the Audit Service Board acting in consultation with the Public Services Commission by article 189(3)(b) of the Constitution and section 35 of the Audit Service Act, 2000 (Act 584) these Regulations are made the 15th day of February, 2011.

*Application***Application**

1. (1) These Regulations apply to members of the Audit Service, and where appropriate, to individuals and institutions engaged by the Auditor-General for the purpose of discharging the duties of the Auditor-General under the Constitution and the Audit Service Act 2000 (Act 584).

(2) Members of the Service shall in matters related to audit operations and administration of the Service be subject only to the direction of the Board and shall not be regarded as holding an office in any Ministry, Department or Agency.

*Matters related to the Board and corporate goals of the Service***Vacancy in the membership and the position of chairperson of the Board**

2. (1) In the event of a vacancy in the position of chairperson of the Board, the Secretary to the Board shall within seven days communicate this to the President who shall appoint a chairperson in accordance with article 189 (1) of the Constitution.

(2) In the event of a vacancy in the position of a member of the Board, the chairperson shall within seven days communicate this to the President who shall appoint a member in accordance with article 189(1) of the Constitution.

**Notification of end of tenure**

3. The chairperson shall notify the President of the impending expiry of the tenure of office of a member of the Board six months before the end of the tenure of office.

**Meetings of the Board**

4. (1) The Board shall have at least six regular meetings each year, at two months interval, as provided under section 6(1) of the Act.

(2) The Board shall develop a calendar for its regular meetings for the year.

*AUDIT SERVICE REGULATIONS, 2011***Terms and scope of activities for committees**

5. The Board shall

- (a) determine the terms and scope of activities for its committees, and
- (b) establish a system to regularly monitor the performance of the committees

established under section 7 of the Act.

**Engagement of consultants and experts**

6. The Board shall ensure due compliance with the Public Procurement Act, 2003 (Act 663) when engaging consultants and experts to assist in the performance of functions conferred on it by the Constitution and the Act.

**Grounds for the removal of a board member**

7. Subject to the Constitution, a member of the Board other than the ex-officio member may be removed from the Board by the President acting in consultation with the Council of State on the following grounds:

- (a) a medical report showing the inability of the member to perform the functions and discharge the duties of the Board because of infirmity of mind or body;
- (b) proven charges against a member considered sufficient for the removal of the member, after applying due process of law and observance of the rules of natural justice; or
- (c) adverse findings from a commission of enquiry appointed by the President under article 278 of the Constitution.

**Corporate governance**

8. (1) The Board is responsible for the corporate governance of the Service and is ultimately accountable and responsible for the overall performance of the Service.

(2) The Board shall

- (a) develop a charter of its responsibilities to be disseminated to its stakeholders, and
- (b) carry out activities that promote and secure its constitutional role in
  - (i) public sector financial management, and
  - (ii) the accountability process of the country.

(3) The Board shall include in its activities continuing education on the relevance and necessity for a Service which is politically, administratively, financially and operationally independent.

*AUDIT SERVICE REGULATIONS, 2011***Internal control and risk management**

9. The Board shall ensure that

- (a) effective, efficient and transparent internal control and risk management systems are established within the Service, and
- (b) periodic assessment of the effectiveness of the internal controls and risk management systems is undertaken by the Service and the outcome reported to the Board.

**Policy formulation and administration of the Service**

10. (1) The Board shall formulate policies for the administration and management of the Service and cause communication channels to be established within the Service, to ensure timely and effective circulation of its policies at all levels of the Service.

(2) The Board shall cause the Service to develop and implement a five year corporate plan and shall, at the end of the period issue a new corporate plan for the next five years.

(3) The Board shall in the development of the corporate plan

- (a) have due regard to the requirements of the Constitution, the Act, and other relevant statutes and programmes of Government, public sector agencies and the expectation of stakeholders in financial management and accountability processes in the country, and

(b) seek inputs from management and other staff of the Service.

(4) The corporate plan shall be subjected to regular review to determine its relevance and modified as necessary for the following year.

**Review of corporate plan**

11. (1) The Board shall cause a performance review of the corporate plan to be undertaken at the end of each year and revise the corporate plan to reflect changes occasioned by new developments or an emerging trend consistent with the framework of the corporate plan.

(2) The Board shall cause organisational goals based on the corporate plan to be established and used

- (a) as a basis to assign responsibilities, duties and deliverables by officers and staff of the Service, and
- (b) to assess performance.

(3) The Board shall develop a system to coordinate, monitor and evaluate the effectiveness and efficiency of implementation of the corporate plan.

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- (4) In furtherance of sub-regulation (3), the Board shall cause
- (a) regular and periodic performance reports to be submitted in the course of the financial year by the Service,
  - (b) an independent review where necessary to be conducted to confirm or determine the continuing relevance and the realisation of the objectives in the corporate plan, and
  - (c) the independent review to be conducted by a person appointed by the Board in accordance with the Public Procurement Act, 2003 (Act 663).
- (5) To ensure that the performance of auditing activities by the Service is in accordance with internationally recognised standards and best practice, the Board may establish a link with individuals, institutions, organisations and associations in and outside the country on terms and conditions it considers appropriate for the promotion of the effective and efficient administration of the Service.

*Matters related to the Service***Structure and responsibilities of the Service**

12. (1) The organisational structure of departments and offices of the Service shall be determined by the Board and be subject to periodic review.

(2) The Board shall ensure that the scope of operations and activities of established departments and offices of the Service incorporates

- (a) the responsibilities conferred on the Auditor-General by the Constitution and the Act, and
- (b) administrative and support structures required for the effective and efficient performance of the functions and responsibilities of the Service.

**Performance monitoring and quality control**

13. (1) The Board shall adopt measures it considers necessary to ensure that

- (a) the Service, in the performance of the auditing functions specified in sub-regulations (1) and (2) of regulation 27, and
- (b) other persons or institutions appointed by the Auditor-General to perform audit functions

adhere to international auditing standards and best practice applicable to the various entities covered by these Regulations.

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(2) The Board shall establish a performance appraisal system in the Service which shall be used to

- (a) set out performance targets and goals,
- (b) continuously and annually monitor performance of individual staff,
- (c) identify training needs of appraisees' to address weaknesses and deficiencies,
- (d) award incremental credits,
- (e) assess staff for promotion,
- (f) institute disciplinary action, and
- (g) disengage staff who are unable to consistently meet performance targets set for them after they have received adequate and relevant training.

(3) The Board shall cause a quality control mechanism including peer review to be established within the Service and at the institutional level by external bodies to provide assurance on the effectiveness of existing quality control procedures in the Service.

(4) The Board shall take measures it considers appropriate to address and rectify deficiencies and omissions identified by the quality control mechanism.

**Recruitment and progression in the Service**

14. (1) The Board shall, in consultation with the Public Services Commission, be responsible for the appointment of officers and other employees in accordance with article 189 (2) of the Constitution.

(2) The Board shall develop a Scheme of Service for the Service which shall indicate the following:

- (a) recruitment and placement policies;
- (b) entry requirements into various grades of the Service;
- (c) the career path, development and progression in the Service; and
- (d) job descriptions for key positions in the Service.

(3) Vacancies in the Service shall be filled in accordance with the Scheme of Service either by promotion, transfer, recruitment or appointment, consistent with article 189(2) of the Constitution.

**Human Resource Development**

15. The Board shall promote the effective organisation and development of training programmes in the Service at all levels of operation to ensure that modern technologies, standards and best practices in management, accounting, auditing and information and communication technology are used in the Service.

*AUDIT SERVICE REGULATIONS, 2011***Report on appointments**

16. (1) The Auditor-General, a member or a committee of the Board shall submit a periodic report to the Board on the exercise of the powers delegated under article 189 (2) of the Constitution and section 4 (3) of the Act.

(2) The report shall be in a form determined by the Board.

**Qualification for posts in the Service**

17. (1) A person shall not be appointed to a position in the Service, unless that person possesses the requisite qualification and experience prescribed in the Scheme of Service.

(2) The Board shall take into consideration the Constitution, international conventions, protocols and treaties ratified by the Republic that seek to promote justice, fairness and human dignity especially on gender and matters of persons with disability when recruiting to fill a vacant position in the Service.

(3) A person shall not be appointed into the Service if that person has been convicted of an offence relating to fraud or dishonesty.

**Conditions of service**

18. (1) The Board acting in consultation with the Public Services Commission shall

- (a) establish posts below the position of Auditor-General in the Service,
- (b) determine the human resource competency and skills mix required by the Service to perform and support the range of auditing activities mandated under these regulations, and
- (c) determine and approve conditions of service of members of the Service other than the Auditor-General.

(2) The Board, in performing its functions shall among other things, take into consideration the oversight responsibilities and advisory roles that the Service is required to undertake in the public sector to ensure the recruitment and retention of trained and competent officers.

**Code of ethics**

19. The Board shall establish and publish a code of ethics for members of the Service.

**Public complaints**

20. The Board shall establish a public complaints unit to receive complaints from the public.



*AUDIT SERVICE REGULATIONS, 2011***Discipline in the Service**

21. The Board is responsible for discipline in the Service and shall for this purpose establish a system of discipline and related procedures to be maintained by the Service.

**Prudent use of resources**

22. Members of the Service shall ensure that

- (a) the system of financial management and internal controls established for the Service is maintained,
- (b) resources entrusted to them are economically, efficiently and effectively applied in a transparent manner towards the achievement of approved goals and objectives of the Service, and
- (c) assets of the Service are safeguarded against losses of any kind including abuse, fraud, willful or accidental wastage and destruction.

**Incentive for exceptional performance**

23. (1) The Boards shall set up an incentive system for the benefit of an officer of the Service whose personal efforts and initiatives lead to

- (a) cost savings by the Service and public sector agencies,
- (b) detection of waste, abuse, fraud and other irregularities and recovery of material financial loss involved in those acts,
- (c) significant improvements in the management and internal controls in audited public sector agencies and institutions, or
- (d) policy changes and initiatives which enhance the general state of auditing in the country.

(2) The Board shall set up an incentive scheme and introduce policies that recognise and reward achievement of targets and exceptional performance by individual members.

**Logistics and facilities**

24. (1) The Board shall endeavour to provide to members of the Service appropriate facilities and logistics required for optimal performance of their duties.

(2) The facilities and logistics include

- (a) office accommodation,
- (b) transportation,
- (c) office facilities, equipment, materials and furniture,
- (d) library and research facilities,

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- (e) a safe environment,
- (f) social and recreational facilities, and
- (g) relevant operational documents including auditing and accounting standards, audit programmes, manuals and guidelines.

**Retirement benefits**

25. (1) In accordance with article 187(14) of the Constitution,

- (a) members of the Service shall be pensionable officers, and
- (b) a member of the Service who before the commencement of these regulations was a member of the social security fund shall cease to be a member of that scheme.

(2) Members of the Service are entitled to pensions and gratuities as retiring awards, charged on the Consolidated Fund and paid from that Fund.

(3) A member of the Service who before the commencement of these Regulations was required to make contributions towards a pension or the social security fund under the Pensions and Social Security (Amendment) Decree 1975, (S.M.C.D.8) shall on the commencement of these Regulations cease to make that contribution.

(4) The final annual emoluments enjoyed by members of the Service other than the Auditor-General at the date of retirement of that member from the Service shall be the basis on which pensions and gratuities shall be calculated.

(5) The pensionable emoluments to be used for the calculation of pension and gratuities shall be the salary and other personal allowances approved by the Board and enjoyed by members of the Service at the time of retirement.

(6) Members of the Service who have met the qualifying service period and conditions for retirement from the Service shall be required to exercise the option for either reduced pension and gratuity or full pension before the date of retirement and once the option has been exercised, it shall be irrevocable.

**Calculation of pension**

26. (1) Full pension shall be paid at the rate of  $LSM \times FPE \times APC$

(2) For purposes of sub-regulation (1),

“LSM” means Length of Service in Months

“FPE” means Final Pensionable Emoluments, and

“APC” means Appropriate Pension Constant (which is currently 1/480).

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(3) Reduced pension shall be 75% of the final annual pensionable emoluments attached to the post of a retiring officer on the date of retirement.

(4) Gratuity shall be paid at the rate of 25% of full pension multiplied by twenty years, where twenty years is the number of years for which pension must be paid.

(5) The monthly pension payable to a retired member of the Service shall be subject to the same changes and increases as the emoluments attached to the grade of a serving member of the Service from which the member retired.

(6) Other pension benefits arising from abolition of post, injury, death, termination of appointment, marriage by female officer, premature retirements and retirement on medical grounds shall be calculated at the same rate as applicable to the public service generally.

**Functions of the Service**

27. (1) The Service shall carry out the external auditing of

- (a) the public accounts of Ghana including the Central Government and its Ministries, Departments and Agencies, the Courts and Parliament,
- (b) District Assemblies,
- (c) the Houses of Chiefs and Traditional Councils;
- (d) Universities and public institutions of like nature,
- (e) governing boards, appointed pursuant to article 190(3)(a) of the Constitution, bodies established with public funds including corporations, companies and other enterprises,
- (f) public offices established by the Constitution and other public offices as defined by article 295 of the Constitution,
- (g) an entity established with public funds by or under an Act of Parliament, and
- (h) half yearly Foreign Exchange Receipts and Payments Statements of the Bank of Ghana for the periods ending 30th June and 31st December each year

under the direction of the Auditor-General in accordance with articles 184 (3) and 187 (2) of the Constitution.

(2) The Board shall ensure that the range of external auditing activities to be carried out by the Service in accordance with these Regulations includes

- (a) compliance and regularity audit,

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- (b) financial audit,
- (c) performance or value for money audit,
- (d) forensic audit,
- (e) environmental audit,
- (f) computerised and electronic systems audit, and
- (g) emerging methodologies and concepts recognised by the International Organisation of Supreme Audit Institutions.

(3) The Auditor-General may in the discharge of duties under sub-regulation (1), engage or appoint an individual or institution to assist the Service to carry out the auditing responsibilities specified under these Regulations.

(4) The Board shall ensure that appointment made under sub-regulation (3) are in accordance with the Public Procurement Act, 2003 (Act 663).

(5) The Board may introduce measures it considers necessary to ensure that the reports of the Auditor-General on the audit of the public accounts and of other bodies and organisations specified by these Regulations are

- (a) in the case of paragraphs (a) to (g) of sub-regulation (1), completed and submitted to the Speaker to be laid before Parliament not later than six months after the end of the financial year to which the accounts relate, and
- (b) in case of sub-regulation (1) (g) submitted to the Speaker to be laid before Parliament within three months after the submission of the half-yearly statement of foreign exchange receipts and payments by the Bank of Ghana.

*Audits***Special audits**

28. (1) In accordance with the provisions of sections 22 and 36 of the Act, the Service shall, in addition to the audits specified under regulations 27(1) and (2), undertake special audits of the activities of any individual or organisation which seeks financial aid from Government and beneficiaries of financial aid, which includes loans, grants and credit facilities, commodity aids and guarantees.

(2) The special audit shall be conducted to determine among other things, whether

- (a) intended beneficiaries exist and their activities have been duly registered under the applicable laws and have met the

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obligations imposed on them by law, conventions and treaties including environmental issues,

- (b) the terms of underlying agreements for the loans, credit facilities, commodity aid and government guarantees are reasonable and are being complied with,
- (c) recoveries are being appropriately made from the beneficiaries concerned, and
- (d) intended benefits for the national economy are being derived.

(3) The Board shall cause procedures to be established for the review and co-ordination of special requests made for audit examination and verification by audited bodies, offices and organisations including the Office of the President and Parliament and, where necessary, secure additional resources before the Service undertakes the requested audits.

(4) Reports on special audits undertaken by the Service or on the basis of requests accepted by the Auditor-General shall be submitted to Parliament as soon as the reports have been completed.

(5) Subject to the provisions of section 23 of the Act, the Board shall cause to be created in the Service, appropriate mechanisms under which the reports of the Auditor-General shall be made accessible to the public, after the reports have been presented to the Speaker to be laid before Parliament.

**Register of persons and institutions**

29. (1) The Service shall maintain a register of individuals and institutions interested in assisting the Service to carry out audits on behalf of the Auditor-General.

(2) The register shall be updated regularly.

(3) The Service shall classify the individuals and institutions in the register by grade and size, and the category of audited organisations for which the individuals and institutions will be eligible to bid for auditing purposes.

(4) The register shall show the following profile of the individuals and institutions:

- (a) curriculum vitae of the key personnel;
- (b) location and address;
- (c) international affiliation, if any;
- (d) succession partners;
- (e) total operational staff;

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- (f) number of years of existence of the institution; and
- (g) list of organisations covered.

(5) The Service shall periodically conduct inspection of the premises, facilities and staffing levels indicated in the register for verification and validation purposes.

(6) The Service shall ensure that persons listed in bidding documents of an institution which wins an award to conduct an audit on behalf of the Auditor-General, participates in the planning, execution and reporting processes of auditing as shown in the bidding documents and evidence of the participation are provided on demand at any stage of the auditing process.

(7) Individuals and institutions may be appointed by the Auditor-General under the Public Procurement Act, 2003 (Act 663) to assist the Service to carry out its work for a minimum period of one year, which is renewable for a maximum period of five years, subject to satisfactory performance.

(8) Institutions or individuals appointed by the Auditor-General to carry out work on the Auditor-General's behalf shall be issued with terms of reference and guidelines for the conduct and reporting on audits assigned to them by the Auditor-General.

(9) The Board shall cause the Service to establish procedures to ensure that individuals or institutions appointed by the Auditor-General to carry out audits on behalf of the Auditor-General comply with the terms of reference and guidelines issued for the audit.

**Settlement of fees due to appointed persons**

30. (1) The Board shall ensure that issues arising from an evaluation of the performance of appointed individuals and institutions against the terms of reference and guidelines issued for the audit are satisfactorily resolved before fees due to the appointed persons or institutions are paid.

(2) The Board shall establish a system to ensure that appropriate quality control standards are developed and used in monitoring and evaluating audit work carried out by individuals and institutions appointed by the Auditor-General to carry out work on behalf of the Auditor-General.

(3) The Service may

- (a) demand, inspect and review working papers of persons appointed by the Auditor-General to carry out audits on the Auditor-General's behalf, and

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- (b) carry out a supplementary review and audit necessary to
- (i) enable the Auditor-General to form an opinion on whether the financial statements present a true and fair view of the audited accounts, and
  - (ii) ensure satisfactory reporting in accordance with section 14 of the Act.

**Selection for audit bids**

31. (1) The performance of individuals and institutions that have carried out an audit on behalf of the Auditor General shall be used as a basis to consider a subsequent appointment in a bidding process carried out under the Public Procurement Act, 2003 (Act 663).

(2) At least three months before the end of the final year of the maximum engagement period of five years specified under regulation 29(7), the bidding process in accordance with the Public Procurement Act, 2003 (Act 663) shall be activated to allow for timely appointment of an incoming institution or individual to undertake audits on behalf of the Auditor-General.

**Fee charging regime**

32. (1) The Board shall cause a fee-charging regime to be established in the Service for the audit of subvented agencies which are contracted out by the Auditor-General.

(2) The purpose of the fee charging regime is to review and assess audit fees proposed by individuals and institutions appointed by the Auditor-General to carry out audits on behalf of the Auditor-General.

**Excessive audit fees**

33. (1) Where in the opinion of the Auditor-General, proposed audit fees are in excess of what the Auditor-General considers reasonable under the fee-charging regime, the Auditor-General and the audited organisation shall enter into negotiation with the appointed individual or institution for a reduction in the proposed fees.

(2) The Service shall

- (a) monitor and maintain records of fees charged by an individual or an institution appointed by the Auditor-General to assist in the work of the Service, and
- (b) provide a table of expenses incurred in the annual report of the Auditor-General required to be laid before Parliament in accordance with article 187(5) of the Constitution.

*AUDIT SERVICE REGULATIONS, 2011***Audit observations and reporting**

34. (1) Audit observations shall be issued formally by a team leader at an audit location in the course of an audit undertaken by members of the Service.

(2) An audit team of the Service shall

- (a) take steps to fully discuss with the audited organisation, findings and recommendations arising from an audit undertaken with respect to the audited organisation, and
- (b) obtain written responses from the audited organisation for the observations made before leaving the audit location.

(3) An audit team shall complete its assignment within a time frame given by the Auditor-General for the completion of the audit assignment.

(4) An audit team shall indicate in their report, their client's inability to respond appropriately to their observations if their client fails to respond to observations made during their stay at the audit location.

(5) An audit team shall not overstay the time frame given for an audit assignment under the authority of the Auditor-General without the permission of the Auditor-General.

(6) Where an audit team overstays the period given under the authority of the Auditor-General without permission each member of the team shall be subjected to disciplinary action.

(7) The Auditor-General shall be informed of the observations raised through the established communication channels in the Service, where a response to an audit observation is not received within thirty days after the departure of an audit team from the audit location.

**Consequence of not responding to an audit observation**

35. The Auditor-General may in accordance with section 29 of the Act, direct that the emoluments and allowances of a person who fails to respond to an audit observation be withheld as long as that person fails to respond to the observation.

(2) Where a person fails to respond to an audit observation despite a reminder issued by the Auditor-General and after the emoluments and allowances of the person have been withheld, the failure to respond shall be regarded as an offence under section 33 (1) (d) of the Act.



*AUDIT SERVICE REGULATIONS, 2011***Record of officers who do not respond to audit observations**

36. The Board shall cause the Service to keep a record of officers of audited organisations who fail to respond to audit observations within the Act and where this failure persists, a report shall be made to Parliament in the Auditor-General's annual report.

**Issue of management letters**

37. (1) Branch and sectional heads shall within two weeks after completion of audit assignments, issue management letters containing findings, recommendations and conclusions of the audit assignment to the management of the audited organisation, copied to concerned officials and organisations.

(2) An officer responsible for issuing a management letter shall provide reasons to the immediate supervising head of the officer's department for each management letter, which is not issued within fourteen days after completion of audit assignments.

**Record of audit assignments**

38. Each department, branch and section of the Service shall keep a record of an audit assignment undertaken by an audit team and the report issued in relation to it.

**Record of audit observations and management letters**

39. Copies of audit observations and management letters issued by audit teams including other supporting working papers shall be kept by members of the Service in a manner determined by the Board and shall be made available upon demand for inspection, monitoring and performance appraisal.

**Accountability report to Parliament**

40. Subject to article 187(4) of the Constitution, accountability reports shall be produced by audited organisations, offices and institutions provided for by article 187(2) of the Constitution for examination by the Auditor-General in the following format:

- (a) introductory comments by management and governing body;
- (b) mission and organisation structure information, including
  - (i) the vision and mission statements,
  - (ii) functions and activities,
  - (iii) organisational structure, and

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- (iv) operating environment;
- (c) financial information, including
  - (i) financial highlights and condition, and
  - (ii) sources of financing, which includes revenues, appropriation, other receipts and loans;
- (d) performance information showing results and achievements against expectations and cost incurred, stating reasons for good or bad performance, constraints encountered and actions taken to address the constraints;
- (e) governance information, indicating key features of systems and controls, compliance with legal requirements, variance analysis between budgeted amount and expenditure incurred; and
- (f) forward looking information, showing current status of and possible future effect of currently known demands, risks, events, conditions, trend and possible actions which may be required to deal with this situation.

**Contents of the Auditor-General's annual report**

41. Subject to article 187(5) of the Constitution and sections 13, 14 (2) and 20(2) of the Act, the annual report of the Auditor-General on the audit of public accounts of the country and of public offices specified in article 187(2) of the Constitution shall include observations and comments on the accountability report of the audited entities.

**Audit Report Implementation Committees**

42. The Board shall establish a system in the Service for monitoring the existence and performance of Audit Report Implementation Committees as provided under section 30 of the Act and report the outcome to the President and Parliament in the annual report of the Board required under section 25 of the Act.

**Monitoring audit recommendations**

43. (1) The Board shall ensure that procedures are established in the Service for monitoring the implementation of findings and recommendations made in previous reports of the Auditor-General until the findings and recommendations have, in the opinion of the Auditor-General, been satisfactorily acted upon.

(2) The Auditor-General shall take appropriate action including surcharging losses disclosed in the reports against an official associated with the delay, where in the opinion of the Auditor-General, the

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implementation of the Auditor-General's recommendations are unduly delayed, resulting in the recurrence of losses and other irregularities in an audited account.

(3) The Board shall cause a system to be established in the Service for the prompt reporting to the Auditor-General of cases which inspecting teams consider as warranting the Auditor-General's action to disallow expenditure incurred or to raise a surcharge for irregularities noted under article 187(7)(b) of the Constitution from audits carried out.

*Finances of the Service*

**Expenses of the Service charged on the Consolidated Fund**

44. (1) The administrative expenses of the Service shall be paid by the Ministry of Finance and the Controller and Accountant-General to the Service directly on the dates they fall due.

(2) The administrative expenses of the Service shall be auditing expenses or costs other than development expenditure required for the delivery of auditing services mandated under articles 184 and 187 of the Constitution.

**Annual estimates of the Service**

45. (1) The Board is responsible for the review and approval of the annual estimates of the Service and shall for this purpose establish the format, procedures and a time frame for the preparation, consideration and approval of the estimates.

(2) The Board shall submit to the President, at least two months before the end of each financial year, the estimates of the Service approved by the Board for the following year indicating

(a) the administrative expenses of the Service charged on the Consolidated Fund under article 187 (14) of the Constitution and which are subject to article 179 (2) (b) of the Constitution; and

(b) the development expenses of the Service which are subject to article 179 (2) (a) of the Constitution and approval by Parliament.

(3) The Board at the time of submission of estimates to the President may forward a copy of the estimates to the Speaker of Parliament.

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(4) The President shall within the time frame stipulated by article 179 (1) of the Constitution cause the estimates of

(a) the administrative expenses of the Service, being expenditure charged on the Consolidated Fund to be forwarded directly to Parliament and laid in accordance with article 179 (2) (b) of the Constitution for the information of members of Parliament, and

(b) the development expenses to be laid before Parliament without any revision or amendment but with any recommendation that the President may make on the estimates for consideration and approval by Parliament under article 179 (2) (a) of the Constitution.

(5) The development expenditure of the Service when approved by Parliament shall be a charge on the Consolidated Fund.

(6) The Board shall, as soon as it comes to its notice that there has been a material variation of the estimates that may be used for the budgetary release to the Service, submit a report to Parliament showing the serious and adverse effects of the variation on the planned programmes of the Service as well as cases where the Auditor-General will be limited or incapacitated by lack of resources to perform a function specified in the Constitution and the Act.

**Supplementary expenditure of the Service**

46. Where it is found in respect of a financial year that the expenses of the Service are insufficient or that there is a need for a purpose for which provision has not been made in the estimated expenses of the Service, the Board shall, in the case of

(a) recurrent expenditure other than expenditure charged on the Consolidated Fund, approve the supplementary funds required and submit the approved expenditure to the President to be laid before Parliament, and

(b) development expenditure, provide justification for the supplementary funds required and submit the estimated development expenditure together with the justification to the President to be laid before Parliament for approval.

**Bank account of the Service**

47. (1) The Board shall cause a bank account to be opened and operated by the Service in the name of the Auditor-General within the Consolidated Fund at the Bank of Ghana.

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(2) The approved annual estimates of the Service shall be released to the Service through the Auditor-General's account at the Bank of Ghana on a request made by the Board to the Ministry of Finance and Economic Planning.

(3) The Board shall cause requests for transfer of funds into the bank account of the Service to be made on the basis of quarterly work plans of the Service.

(4) The Board shall cause to be lodged at the Ministry of Finance, the Controller and Accountant General and the Bank of Ghana at least one month in advance, a quarterly schedule of projected drawings from the Consolidated Fund for auditing costs.

(5) The Board reserves the right to review and vary the quarterly schedule as demanded by any changing or unforeseen situation but the changes shall remain within the annual estimates as approved or amended in accordance with these Regulations.

(6) Transfers into the bank account of the Service shall be made on quarterly requests made by or under the authority of the Board to the Minister of Finance and Economic Planning.

(7) A balance held by the Auditor-General in the bank account of the Service shall be included in the balances of the Consolidated Fund to determine the position of the Fund but be regarded as a blocked account in favour of the Service.

(8) The Board shall ensure that unspent or unencumbered balance in the bank account from previous requests held by the Auditor-General is taken into consideration in finalising subsequent requests in determining a request for the release of funds.

**Limitations on the Service**

48. (1) Where a variation by an executive agency of an approval given by the Board on the human, financial and logistical requirement of the Service limits the scope and timing of audit the effect of the variation shall be disclosed and published in the annual report of the

(a) Auditor-General on the public accounts and other public offices; and

(b) Board on the activities of the Service.

(2) A request by the Board for the release of the financial and logistical resources of the Service which have been determined and approved in accordance with the Constitution, the Act and Financial

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Administration Act 2003, Act 654 that have been unduly withheld or delayed without justifiable cause, shall be regarded as an obstruction in the performance of the functions of the Auditor-General as provided under section 33 (1) (e) of the Act.

(3) Prolonged existence of or late discovery of irregularities, losses and other deficiencies in the management of public resources arising from a failure or delay in the release of resources on their due date to the Service shall be reported by the Auditor-General to Parliament on a quarterly basis.

**Accounts and audit**

49. (1) Books of account shall be kept by the Service in a form approved by the Board and in accordance with generally accepted accounting principles relevant to the public sector.

(2) The accounts of the Service shall be prepared by the Auditor-General and submitted to the Board within three months after the end of each financial year.

(3) The Board shall on receipt of the accounts of the Service, submit the accounts to the auditor appointed by Parliament to audit the accounts on terms and conditions determined by Parliament.

(4) The Board shall

(a) ensure that findings and recommendations in the report of the external auditor of the Service are promptly acted on, and

(b) provide Parliament with action reports and implementation timetables within six months after the issue of the report.

(5) The Board may establish an Audit Committee under section 7 of the Act and may assign to the Committee the discharge of the following duties:

(a) review of internal and external audit reports and recommending corrective and remedial action to the Board;

(b) monitoring of compliance with the decisions of the Board on internal and external audit reports;

(c) review of the effectiveness of the internal audit section of the Service; and

(d) consideration of matters referred to it by the Board or management of the Service for advice.

*AUDIT SERVICE REGULATIONS, 2011***Corporate Performance Report by the Board**

50. (1) The Board shall not later than eight months after the end of the financial year, prepare and submit to the President and Parliament, a Corporate Performance Report on the Service.

(2) The percentage of total audit costs approved by the Board as against releases made in relation to the size of the annual budget of the Consolidated Fund and other public sector funds required to be audited by the Service, shall be disclosed in the Corporate Performance and Activity Report on the Service required under section 25 of the Act, in order to determine the reasonableness of the total resources requested by the Board for the audit of the public accounts against actual releases made by the Ministry responsible for Finance.

(3) Copies of the Corporate Performance Report submitted to the President and Parliament, may be distributed by the Board to

- (a) the Director of Public Records,
- (b) the public and University libraries in the country,
- (c) the libraries of the Ghana Institute of Management and Public Administration and the Management Development, and Productivity Institute,
- (d) members of the Board, and
- (e) any other institution approved by the Board.

*Miscellaneous***Tipping off**

51. (1) The Board shall establish or cause to be established in the Service, a system to encourage the general public to submit information on suspected cases of mismanagement, fraud, abuse, wastage, and other irregularities in public offices and institutions for follow-up by the Service.

(2) The Board shall set up a confidential reward scheme for individual members of the public who provide information leading to the successful recovery of funds arising from an audit undertaken into the reported cases.

**Interpretation**

52. Unless the context otherwise requires, in these Regulations

“Act” means the Audit Service Act 2000 (Act 584);

“Board” means the Audit Service Board established under section 3 of the Act;

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“Constitution” means the 1992 Constitution of the Republic of Ghana;

“District Assemblies” includes Metropolitan and Municipal Assemblies;

“members of the Service” means the members of the Audit Service as stated in section 2 of the Act;

“Minister” means the Minister responsible for Finance; and

“Speaker” means the Speaker of Parliament.

JOHN A. Y. KLINOGO

*Chairperson, Audit Service Board*

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