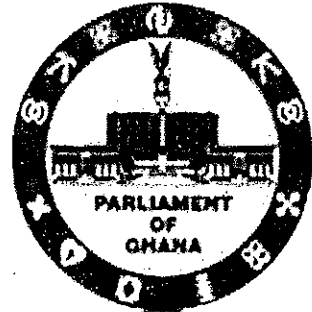


IN THE SECOND SESSION OF THE EIGHTH PARLIAMENT OF THE
FOURTH REPUBLIC OF GHANA



REPORT OF THE

**AD-HOC COMMITTEE TO
RECOMMEND FOR
APPOINTMENT BY
PARLIAMENT AN AUDITOR TO
AUDIT AND REPORT ON THE
ACCOUNTS OF THE OFFICE OF
THE AUDITOR-GENERAL**

JULY 2022

PARLIAMENT OF GHANA LIBRARY

1.0 INTRODUCTION

The ***Ad Hoc*** Committee to recommend for appointment by Parliament an Auditor to audit and report on the accounts of the Office of the Auditor-General was constituted by the House on 26th January 2022 pursuant to article 103 (1) of the 1992 Constitution and Order 191 of the Standing Orders of the House.

The Committee comprises the underlisted:

- (i) **Hon. James Klutse Avedzi** – Deputy Minority Leader and Chairman of the Committee
- (ii) **Hon. Dr. Festus Awuah Kwofie** – Member
- (iii) **Hon. Dr. Stephen Amoah** – Member
- (iv) **Hon. Sampson T. Chiragia** – Member

Pursuant to Order 198(1) of the Standing Orders of the House, **Mr. Louis Yiadom Boakye** was appointed as Clerk to the Committee.

2.0 BACKGROUND

The importance of appointing an independent auditor to audit the accounts of the Office of the Auditor-General was first provided for under article 135(15) of the 1969 Constitution. This provision was reproduced in article 151 (15) of the Third Republican Constitution (1979) and in article 187(15) of the current 1992 Fourth Republican Constitution.

On 11th December, 2003, the Fourth Republican Parliament for the first time approved the appointment of an auditor to audit the accounts of the Office of the Auditor-General as mandated under article 187(15) of the 1992 Constitution. The auditors who were appointed upon the said approval, Messrs. Opoku, Andoh and Company, were mandated to audit the accounts

- a. Baker Tilly Andah + Andah.
- b. Asamoah Bonsu & Co.

The Committee conducted a review of the Technical Proposals received from the applicants and found that both applicants possessed the relevant technical competence to undertake the assignment.

3.0 REFERENCE MATERIALS

In conducting its deliberations, the Committee referred to and/or was guided by the following:

- (i) The 1992 Constitution of the Republic of Ghana
- (ii) Standing Orders of the Parliament of Ghana
- (iii) Audit Service Act, 2000 (Act 584)
- (iv) Public Financial Management Act, 2016 (Act 921)
- (v) Financial Administration Regulations, 2004 (L.I. 1802)
- (vi) Incorporated Private Partnerships Act, 1962 (Act 152)
- (vii) Public Procurement Act 2003 (Act 663)

4.0 SCOPE OF THE AUDIT

The Committee determined that the functions and responsibilities of the successful auditor (applicant) shall include but not limited to the following:

- (a) To examine in detail whether the Office of the Auditor-General has kept proper books of account and whether the financial statements are in agreement with the books

6.0 PROPOSALS RECEIVED

The applicants submitted both technical and financial proposals in response to the publications made by the Committee.

6.1 Technical Proposals

The Committee studied the technical proposals of the firms relating to the following

- (a) Partners available for the assignment
- (b) Qualifications and experiences of partners to be assigned to the audit exercise
- (c) The number, qualifications and experiences of audit managers, audit seniors and audit staff to be assigned
- (d) The audit plan, incorporating the audit approach and methodology to execute the assignment
- (e) The firms' previous audit assignments and principal clientele

Upon careful study of the Technical Proposals submitted by the firms, the Committee agreed that both firms had the *technical* competence and capability to undertake the assignment.

The Committee therefore proceeded to examine the Financial Proposals submitted by the applicants.

PARLIAMENT OF GHANA

6.2.3 Proposals subject to Negotiations

The Financial Proposals submitted by applicants were expressed to be subject to the modifications resulting from contract negotiations.

6.2.4. Review of Financial Proposals

The Committee reviewed the proposals received from the applicants and settled on Baker Tilly Andah + Andah as the preferred applicant.

The Committee invited the firm Baker Tilly Andah + Andah and discussed with them the possibility of reviewing their financial proposals downwards.

At the said meeting, the Committee perused the detailed breakdown of the basis of the Professional Charge of GH¢90,000.00 per annum.

The managing Partner of the Firm explained to the Committee that the stipulated fee was only based on the estimated personnel cost for undertaking the assignment.

He specified the Staff to be placed on the assignment as follows:

- Engagement Partner
- Engagement Quality Reviewer
- Audit Manager
- Audit Senior
- Audit Assistants

6.2.5 Reimbursables

Even though the original proposal assumed that the books of the Office of the Auditor General would generally be in a good order and hence the audit will be carried out "from the Office of the Auditor General" at the Headquarters of the Audit Service, the Committee was of the opinion that the auditors should visit at least five (5) regional offices of the Audit Service in order to ascertain at first hand transactions, books, records, accounts and assets of the various regions of the Audit Service.

This expanded scope of work necessarily entail transportation, boarding and lodging and other reimbursables.

7.0 THE SELECTION OF Baker Tilly Andah + Andah

The firm **Baker Tilly Andah + Andah** is a full-service accounting and advisory firm that offers industry specialized services in assurance, tax and advisory.

The firm prides itself as being a strategic partner and solution generator. They work with their clients to understand the issues facing the clients in their particular context, jointly develop solutions and implement them successfully to the satisfaction of all stakeholders.

Baker Tilly Andah + Andah is registered and licensed by the Institute of Chartered Accountants, Ghana (ICAG), the body charged with the regulation of the Accountancy Profession in Ghana. The firm is ranked as "Category A Firm" by the ICAG.

It offers in-house experience of high order in the fields of Accounting, Auditing, Project Evaluation, Financial and management Consultancy Services and Tax Management to private businesses and Government organizations in diverse sectors of the economy.

Baker Tilly Andah + Andah is an independent member firm of Baker Tilly International.

Baker Tilly International and its member firms are members of the Forum of Firms. The objective of the Forum of Firms is to promote consistent and high-quality standards of financial and auditing practices worldwide.

7.1 Partners

The firm has a team of four (4) partners who are all members of the Institute of Chartered Accountants Ghana (ICAG).

Mr. Kwaku Brebu Andah is the Managing Partner. He is a fellow of the Association of Chartered Certified Accountants, ACCA (UK) and a Member of the Ghana Association of Restructuring and Insolvency Advisors (GARIA).

8.0 RECOMMENDATIONS

The Committee recommends that ***Baker Tilly Andah + Andah*** be appointed to undertake the audit and report on the accounts of the Office of the Auditor-General.

The Committee further recommends that official records, information and explanations needed to undertake the exercise be made readily available by the Office of the Auditor General to enable an expeditious execution of the assignment.

The Auditor-General is requested to ensure that there would be no frustrating factors that will disrupt the programme of work of the auditors.

8.1 Fees

The Committee recommends to the House to approve the charge of ***Three Hundred and Fifty-Eight Thousand, Five Hundred Ghana Cedis (GH¢358,500)*** for the audit of and report on the accounts for the 2018, 2019, 2020 and 2021 financial years as negotiated and agreed with ***Baker Tilly Andah + Andah***.

8.2 Time Frame

The Committee recommends that the auditor should be mandated to audit the Accounts of the Office of the Auditor General relating to the period **1st January 2018 to 31st December 2021**. This will constitute **four (4) annual audits**.

9.0 CONCLUSION

The Committee, after careful consideration and in view of the foregoing, recommends ***Baker Tilly Andah + Andah*** to the House for appointment as **Auditor to audit the Accounts of the Office of the Auditor General**