



REPUBLIC OF GHANA



MEDIUM TERM EXPENDITURE FRAMEWORK (MTEF)

FOR 2018 - 2021

PROGRAMME BASED BUDGET ESTIMATES

FOR 2018



AUDIT SERVICE OF GHANA

For copies of the Audit Service MTEF PBB Estimates, please contact the Public Relations Office of the

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The 2018 Audit Service MTEF PBB Estimate is available on the internet at: www.mofep.gov.gh

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2.6.1 Budget by Chart of Account

6.1 - Programme, Sub-Programme and Natural Account Summary

Entity: 005 - Audit Service(AS)

Funding: All Source of Funding

Year: 2018 | **Currency:** Value

Version 1

	Budget	Indicative Year	Indicative Year
Programmes - Audit Service(AS)	278,809,664	278,819,664	278,831,664
00501 - Management and Administration	82,130,276	82,130,276	82,130,276
00501000 - Management and Administration	82,130,276	82,130,276	82,130,276
21 - Compensation of employees [GFS]	41,841,516	41,841,516	41,841,516
22 - Use of goods and services	16,890,360	16,890,360	16,890,360
27 - Social benefits [GFS]	1,000,000	1,000,000	1,000,000
31 - Non financial assets	22,398,400	22,398,400	22,398,400
00502 - Audit Operations	196,679,388	196,689,388	196,701,388
00502001 - Central Government Audits	29,153,017	29,153,017	29,153,017
21 - Compensation of employees [GFS]	27,668,617	27,668,617	27,668,617
22 - Use of goods and services	1,459,400	1,459,400	1,459,400
27 - Social benefits [GFS]	25,000	25,000	25,000
00502002- Local Government Audits	69,347,138	69,357,138	69,369,138
21 - Compensation of employees [GFS]	61,755,888	61,755,888	61,755,888
22 - Use of goods and services	7,391,250	7,401,250	7,413,250
27 - Social benefits [GFS]	200,000	200,000	200,000
00502003- Educational Institutions Audits	80,120,919	80,120,919	80,120,919
21 - Compensation of employees [GFS]	70,990,619	70,990,619	70,990,619
22 - Use of goods and services	8,910,300	8,910,300	8,910,300
27 - Social benefits [GFS]	220,000	220,000	220,000
00502004- Commercial Audits	8,935,130	8,935,130	8,935,130
21 - Compensation of employees [GFS]	7,727,530	7,727,530	7,727,530



2.6.1 Budget by Chart of Account

6.1 - Programme, Sub-Programme and Natural Account Summary

Entity: 005 - Audit Service(AS)
Funding: All Source of Funding
Year: 2018 | **Currency:** Value
Version 1

	Budget	Indicative Year	Indicative Year
22 - Use of goods and services	1,180,100	1,180,100	1,180,100
27 - Social benefits [GFS]	27,500	27,500	27,500
00502005- Special Audits	9,123,184	9,123,184	9,123,184
21 - Compensation of employees [GFS]	8,432,684	8,432,684	8,432,684
22 - Use of goods and services	641,000	641,000	641,000
27 - Social benefits [GFS]	49,500	49,500	49,500

PART A: STRATEGIC OVERVIEW OF THE AUDIT SERVICE

1. NATIONAL MEDIUM-TERM DEVELOPMENT POLICY OBJECTIVES

The Medium-Term National Development Policy Framework contains two (2) Policy Objectives that are relevant to the Audit Service

These are as follows:

- Boost revenue mobilization, eliminate tax abuses and improve efficiency; and
- Improve public expenditure management and budgetary control.

2. GOAL

To be a world-class Supreme Audit Institution, delivering professional, excellent and cost effective auditing services.

3. CORE FUNCTIONS

The core functions of the Audit Service are to:

- Ensure that the auditing activities of the Audit Service as spelt out in the Audit Service Act are carried out in accordance with best international practices; and
- Monitor the use and management of all public funds and report to Parliament. This covers Constitutional, Statutory and any other body or organization established by an Act of Parliament.

4. POLICY OUTCOME INDICATORS AND TARGETS

Outcome Indicator Description	Unit of Measurement	Baseline		Latest status		Target	
		Year	Value	Year	Value	Year	Value
Deliver full range of audits specified under the Auditor-General's mandate	Percentage coverage of audit entities	2015	70%	2016	70%	2021	80%
Implement the provision in the Constitution on Disallowance and Surcharge	Number of disallowance and surcharge certificates issued	2015	Nil	2016	Nil	2021	500

5. KEY ACHIEVEMENTS IN 2017

As at the time of submitting this budget, seven out of the eight audit reports for the financial year ended 31st December, 2016 had been completed and submitted to Parliament. These reports were derived from the execution of 2,790 out of the planned 3,478 audits. The details are in the table below:

PLANNED AND EXECUTED AUDITS FOR 2017

Audit Area	Planned Audits	Number of Audits Executed
Central Government Audits/MDAs	2,551	2,004
Metropolitan, Municipal and District Assemblies	216	216
Public Boards and Corporations/Tertiary Educational Institutions	120	70
Pre-Tertiary Educational Institutions	591	500
Total	3,478	2,790

The audits executed represent 80.2% of planned audits for 2017. The irregularities identified in the audit reports were attributable to the failure of management of the audited entities to put in place effective internal control measures and ensure compliance with;

- ✓ Cash management, procurement, payroll, contract, tax irregularities, non-payment of outstanding loans, among others, amounting to over GHC8.7 billion.
- ✓ Some of the audit impacts that cannot be quantified include the deterrence and improved internal controls.

Other Special Audits Executed in 2017

- **Payroll Validation Exercise:** In order to control the payroll cost of the Government, the Service has put in place a Payroll Validation System aimed at minimizing or eliminating the incidence of financial irregularities even before payments are made. The Service between the last quarter of 2016 and the first half of 2017, prevented the payment of unlawful/unearned claims totaling **GHC2,948,065**.
- **Validation of Outstanding Claims.** The Service was tasked to validate outstanding commitments totaling **GHC11,279,183,400** as at 31st December, 2016 to ascertain the true indebtedness of government to providers of various services to the government. In the

process, the Service saved the government from paying **GHC5,708,588,900** which could have been paid for no work done representing **50.6%** savings for the government.

Summary of Irregularities

1. Audit Reports	Irregularity Identified - GHC
Ministries, Departments and Agencies	2,165,542,375
Management and Utilization of District Assemblies Common Fund (DACF) and Other Funds	32,684,459
Public Boards and Corporations	718,085,208
Internally Generated Funds (District Assemblies)	72,860,678
Pre-University Educational Institutions	24,735,977
Sub-Total (Audit Reports)	3,013,908,697
2. Special Audits	
Payroll arrears validation exercise	2,948,065
Validation of outstanding commitments as at 31/12/2016	5,708,588,900
Sub-Total (Special Audit)	5,711,536,965
GRAND TOTAL (Audit reports and Special audits)	8,725,445,662

6. EXPENDITURE TRENDS FOR THE MEDIUM -TERM

As indicated earlier, the Audit Service goes through a cycle of inadequate funding which is aggravated by delays in the release of funds. The table below provides a summary of the medium-term expenditure in Ghana cedis:

YEAR	2015			2016			2017		
Item of Expenditure	Approved Budget	Cash Received	Variance	Approved Budget	Cash Received	Variance	Approved Budget	Cash Received	Variance
Compensation	105,483,176	105,717,677	-234,501	122,009,511	121,204,562	804,949	151,909,375	87,874,134	64,035,241
Goods& Service	14,784,434	11,580,712	3,203,722	12,496,057	9,646,555	2,849,502	19,117,329	13,768,506	5,348,823
CAPEX	5,260,000	-	5,260,000	6,106,188	1,826,396	4,279,792	9,415,000	-	9,415,000
Sub-Total (GOG)	125,527,610	117,298,389	8,229,221	140,611,756	132,677,513	7,934,243	180,441,704	101,642,640	78,799,064
Donor: (KFW) Goods& Service and CAPEX	-	-	-	-	-	-	6,065,676.00	-	6,065,676.00
Sub-Total (GOG+Donor)	125,527,610	117,298,389	8,229,221	140,611,756	132,677,513	7,934,243	186,507,380.00	101,642,640	84,864,740.00

Validation of salary arrears	-	-	-	-	647,000	-647,000	1,910,833	1,370,073	540,760
GRAND-TOTAL (GOG+Donor+Validation)	125,527,610	117,298,389	8,229,221	140,611,756	133,324,513	7,287,243	188,418,213	103,012,713	85,405,500

The main constraint for the Audit Service is the inadequacy of release of funds for goods and services especially the component needed to execute our planned audits. What makes it worse is the fact that no releases are made for our Capital Expenditures.

Since 2012, no commencement warrant has been issued by Ministry of Finance for on-going projects (except for 2017 where we are even not certain as to whether the amount could be utilized due to fundamental questions raised by the contractors on the revaluation of the contract sum due to lapse of time), thereby leaving most of these structures to develop structural defects. Some of our regional office buildings especially Cape Coast and Tema are on the verge of collapse putting the lives of staff working in those buildings are in great danger.



1.5. Appropriation Bill

Summary of Expenditure by Sub-Programme, Economic Item and Funding

Entity: 005 - Audit Service(AS)

Year: 2018 | Currency: Value

Version 1

	GoG			IGF			Funds / Others			Donors			Grand Total	
	Compensation of employees	Goods and Services	Capex	Total	Compensation of employees	Goods and Services	Capex	Total	Statutory	ABFA	Others	Goods and Services		Capex
00501 - Management and Administration	41,841,516	15,015,760	10,900,000	67,757,276								2,874,600	11,498,400	14,373,000
00501000 - Management and Administration	41,841,516	15,015,760	10,900,000	67,757,276								2,874,600	11,498,400	14,373,000
00502 - Audit Operations	176,575,338	20,104,050		196,679,388										196,679,388
00502001 - Central Government Audits	27,668,617	1,484,400		29,153,017										29,153,017
00502002 - Local Government Audits	61,755,888	7,591,250		69,347,138										69,347,138
00502003 - Educational Institutions Audits	70,990,619	9,130,300		80,120,919										80,120,919
00502004 - Commercial Audits	7,727,530	1,207,600		8,935,130										8,935,130
00502005 - Special Audits	8,432,684	690,500		9,123,184										9,123,184
Grand Total	218,416,854	35,119,810	10,900,000	264,436,664								2,874,600	11,498,400	14,373,000
														278,809,664

PART B: BUDGET PROGRAMME SUMMARY

PROGRAMME 1: MANAGEMENT AND ADMINISTRATION

1. Budget Programme Objectives

- To formulate policies with regards to planning, research, monitoring and evaluation, international relations and quality assurance.
- To provide requisite logistics, develop human resource policies and provide other support services to ensure optimal performance of staff.
- To attract, recruit, train and retain quality staff for the Audit Service.

2. Budget Programme Description

The Audit Service Board and Auditor-General's Secretariat, Human Resource, Training, Procurement and Estate, Transport and Security, Budget, Accounts, Internal Audit, Information Technology (IT) Technical, Integrated Personnel Payroll Data (IPPD), Planning, Research, Monitoring & Evaluation (PRME) and Public Relations (PR) are responsible for delivering the programme.

The programme is executed through the following operations:

- Adoption of new methodologies required for the effective and efficient performance of the functions of the Audit Service
- Overseeing the formulation of policies for the administration and management of the Service
- Overseeing the development of code of ethics for the Service, reviewing and implementing the organizational structure, establishing human resource ceilings, and remuneration, preparing and submitting audit reports to Parliament
- Carrying out risk assessment to develop annual operational plans, and introduce quality assurance plans in line with international standards in addition to establishing good relations with stakeholders and civil societies
- Establishment of monitoring systems to follow-up and report on the recommendations of the reports sent to Parliament and prepare the activity reports of the Service
- Provision of services such as budgeting, procurement and accounting for GoG and donor funds received
- Reporting on the financial operations in accordance with 1992 Constitution, Public Financial Management Act and the Audit Service Act

- Addressing the ICT needs in terms of training, installations and maintenance of IT equipment for Audit Service staff
- Developing HR policies, recruiting, training and retaining qualified and experience staff with accounting and auditing background and other specialized fields
- Provision of security, transport services and maintenance of office buildings & bungalows, logistics and efficient stores.

The Service collaborates with the Office of the President, Parliament, Attorney - General's Department and other stakeholders including Civil Society Organizations in carrying out its functions.

The main sources of funding are from GoG and Development Partners. Currently, 185 staff of all grades is responsible for executing this programme.

3. Budget Programme Results Statement

The table indicates the main outputs, its indicators and projections by which the Service measures the performance of this sub-programme. The past data indicates actual performance whilst the projections are the Service's estimate of future performance.

Main Outputs	Output Indicator	Past years		Projections			
		2016	2017	Budget Year 2018	Indicative Year 2019	Indicative Year 2020	Indicative Year 2021
Issuing audit reports	Number of reports issued	8	8	8	8	8	8
Implement the provision on Disallowance and Surcharge	Number of disallowance and surcharge certificates issued	-	-	1	500	500	500
Roll-out Training on the use of RAM & PFM Act	Follow-up reports issued	30 th Sept.	30 th Sept.	30 th Sept.	30 th Sept.	30 th Sept.	30 th Sept.
Sensitization of stakeholders on accountability including surcharge	Number of accountability and sensitization workshops organized	1	1	1	1	1	1
Quality assurance reviews	Number of quality assurance reports reviewed	1	1	1	1	1	1
Introduce and implement Entity Risk Management Framework	Risk profile documented	30 th Sept.	30 th Sept.	30 th Sept.	30 th Sept.	30 th Sept.	30 th Sept.

Main Outputs	Output Indicator	Past years		Projections			
		2016	2017	Budget Year 2018	Indicative Year 2019	Indicative Year 2020	Indicative Year 2021
Introduce quality assurance policies	Quality assurance manual reviewed	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31
Organization of internal and external peer reviews into the operations of the Service	Number of Peer review report issued	1	1	1	1	1	1
Review human resource policies and scheme of service	Human resource policy handbook reviewed	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31
Develop brochure on the independence of the Service for sensitization and educational exercise	Copies of brochure produced	200	500	500	500	500	500
Establish annual operation and work/activity plans	Revision of the corporate plan and report issued	Aug. 31	Aug. 31	Aug. 31	Aug. 31	Aug. 31	Aug. 31
Staff training and development	Number of staff trained in new auditing methodologies	1500	500	500	500	500	500
Enhancement of operations of the Audit Services	Delivery of reports by	June 30	June 30	June 30	June 30	June 30	June 30
Preparation of financial reports	Financial reports prepared by	March 31	March 31	March 31	March 31	March 31	March 31
Update of assets register	Assets register updated	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31
Development of procurement plan	Procurement plan developed	Jan. 31	Jan. 31	Jan. 31	Jan. 31	Jan. 31	Jan. 31
Recruitment/replacement of staff	Number of staff recruited/replaced	107	70	234	150	175	200

4. Budget Programme Operations and Projects

The table lists the main Operations and Projects to be undertaken by the sub- programme.

Operations	Projects
Conduct training in the use of Financial Audit Manual, ISSAI, IPSAS, Refresher courses and Mission Audit	Provision of computers to all field staff
Training in Oil and Gas Revenue Audit locally & abroad, IOM & IMO Audits	Provision of conducive working environment for staff to enhance their independence in the execution of the Auditor-General's mandate i.e. construction of offices & bungalows, Purchase of vehicles and audit tools.
Sensitization of Stakeholders Workshops, on NACAP Action plans	
Roll-out Training in the use of the Regularity Audit Manual	
Leadership, Management and in-house training	
Offering of specialized support services	
Participation in Supreme Audit Institution activities abroad (AFROSAI, INTOSAI)	
Organization of Budget workshops and measurement of non-financial performance	
Train staff in methodology for the audit of controls of the GIFMIS system	
Capacity building and sensitization on Disallowance & Surcharge	
Comprehensive audit of UN Peacekeeping account and Ghana's Properties Abroad	
Organization of Budget workshops and measurement of non-financial performance of MDAs & MMDAs	
Collation of NOTES to the Auditor-General's report and finalization of Draft report to Parliament	
Other Administrative Support	
Audit of 45 Ghana Missions Abroad	
Counterpart Funding for Donor funded Projects	
Board activities	
Establish annual operational plan and review of corporate plan	
Building the capacity of operational staff on the Public Financial Management (PFM) Law	
Roll-out of IDEA Analytics	
Internal and external peer review activities	



2.9. Budget by Chart of Account

9 - Sub-Programme and Natural Account

Entity: 005 - Audit Service(AS)

Funding: All Source of Funding

Year: FY18 | **Currency:** GH Cedi

Version 1

	Budget	Indicative Year	Indicative Year
00501000 - Management and Administration	82,130,276	82,130,276	82,130,276
00501000 - Management and Administration	82,130,276	82,130,276	82,130,276
21 - Compensation of employees [GFS]	41,841,516	41,841,516	41,841,516
211 - Wages and salaries [GFS]	41,841,516	41,841,516	41,841,516
Goods and Services	17,890,360	17,890,360	17,890,360
22 - Use of goods and services	16,890,360	16,890,360	16,890,360
27 - Social benefits [GFS]	1,000,000	1,000,000	1,000,000
31 - Non financial assets	22,398,400	22,398,400	22,398,400
3111 - Buildings and Structures	13,998,400	13,998,400	13,998,400
3112 - Machinery and equipment	7,200,000	7,200,000	7,200,000
3113 - Other fixed assets	1,200,000	1,200,000	1,200,000

BUDGET PROGRAMME SUMMARY

PROGRAMME 2: AUDIT OPERATIONS

1. Budget Program Objective

To audit all public accounts of Ghana and report to the Parliament of Ghana.

2. Budget Program Description

This programme is carried out through the auditing of the Consolidated Fund, Public Boards and Corporations, Pre-Tertiary Institutions, District Assemblies Special Funds, Bank of Ghana Foreign Exchange receipts and payments, Ghana Missions Abroad and other funds.

Four departments in the Audit Service carry out the above. These are Central Government Audit Department (CGAD), Commercial Audit Department (CAD), Pre-Tertiary Educational Institutions and District Assemblies (EIDA) and Performance & Special Audit Department (PSAD).

- The Central Government Audit Department (CGAD) – undertakes the financial audits of the Public Accounts of Ghana and the accounts of Ministries, Departments and Agencies (MDAs) of Central Government including Parliament and the Courts. The Department is also responsible for the audit of the Multi Donor Budget Support funds received by Government from Development Partners;
- Educational Institutions and District Assemblies (EIDA) – responsible for the audit of more than 600 pre-university educational institutions, 216 District Assemblies, 263 Traditional Councils as well as over 5,000 regional and district offices of MDAs;
- Commercial Audit Department (CAD) – conducts financial audits on non-commercial statutory boards and corporations including the universities and other tertiary institutions. The CAD also reviews audits carried out by private firms appointed by the Auditor-General to audit commercial and non-commercial public sector bodies and carries out, on a half-yearly basis, the audit of Foreign Exchange Receipts and Payments Statements of the Bank of Ghana; and
- Performance and Special Audit Department (PSAD) – responsible for performance, forensic, environmental and IT audits as well as Procurement and Special Funds audits.

This programme is made up of four sub-programmes:

- Central Government Audits; Local Government Educational and Institutions Audits;
- Commercial Audits; and Special Audits.



2.6.1 Budget by Chart of Account

6.1 - Programme, Sub-Programme and Natural Account Summary

Entity: 005 - Audit Service(AS)

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21 - Compensation of employees [GFS]	27,668,617	27,668,617	27,668,617
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22 - Use of goods and services	641,000	641,000	641,000
27 - Social benefits [GFS]	49,500	49,500	49,500

BUDGET SUB-PROGRAMME SUMMARY

PROGRAMME 2: AUDIT OPERATIONS

SUB-PROGRAMME SP 2.1: Central Government Audits

1. Budget Sub-Programme Objectives

- To ensure that funds have been expended for the purpose for which they were appropriated and expenditures have been made as authorized within the MDAs.
- To indicate whether essential records have been maintained and the rules and procedures applied were sufficient to safeguard and control public property.
- To determine whether all public monies paid into and from the consolidated fund have been fully accounted for and rules and procedures applicable are sufficient to secure an effective check on the assessment, collection and proper allocation of revenue.
- To ascertain whether funds have been allocated to missions abroad on timely basis and that those funds have been appropriated and expenditures properly authorized.
- To verify the extent to which government revenue generated from the various missions abroad have been accounted for and paid in full into the Special Account in London.
- To report on consolidated Fund, the Accounts of Foreign Missions, and Ministries, Departments and Agencies of Central Government and other statutory funds.
- To audit the transfer of funds to Government of Ghana through a verification study at the Bank of Ghana

2. Budget Sub-Programme Description

The Central Government Audit Department Covers 263 cost centers within the Ministries, Departments and Agencies of Central Government; and spans all the sectors of the annual Budget, being General Administration, Economic Services, Social Services, Infrastructure and Public Safety.

The Department draws up yearly programs of work to indicate the number of audits to be carried out. Also, audit programmes for specific audit areas are drawn and applied in the execution of these audits.

The risk and system based audit techniques are employed to ensure that:

- Transactions have been accurately recorded;

- Financial statements have been prepared in accordance with the Financial Administration Regulation, Financial Administration Act and other audit manuals;
- Financial and other statutory regulations for effective public sector financial management have been followed; and
- Audit Findings emanating from weaknesses in the operations of an entity are identified and recommendations made in the form of audit reports to the MDAs to remedy those weaknesses.

This ensures the Auditee fulfills its responsibility of maintaining accounting records and internal controls, preventing fraud and error, and safeguarding assets.

One hundred and Ninety-Two (192) staff of all grades is responsible for the execution of the Sub-program.

3. Budget Sub-Programme Results Statement

The table indicates the main outputs, its indicators and projections by which the Service measures the performance of this sub-programme. The past data indicates actual performance whilst the projections are the Service's estimate of future performance.

Main Outputs	Output Indicator	Past Years		Projections			Indicative Year 2021
		2016	2017	Budget Year 2018	Indicative Year 2019	Indicative Year 2020	
Delivery of Management Letters.	Management Letters issued to the MDAs in the Country	170	215	260	260	250	250
	Management Letters issued to the Ghana missions abroad.	45	45	45	45	45	45
Auditor-General's Draft Report	Submission of Draft report on the consolidated fund to A-G	May 31	May 31	May 31	May 31	May 31	May 31
	Submission of Draft report on the MDAs to A-G	May 31	May 31	May 31	May 31	May 31	May 31
	Submission of Draft report on multi Donor Budget Support (MDBS) funded audits to A-G	May 31	May 31	May 31	May 31	May 31	May 31

4. Budget Sub-Programme Operations and Projects

The table lists the main Operations and Projects to be undertaken by the sub-programme.

Operations	Projects
Comprehensive Audit on the Public expenditure of all MDAs	No projects
Develop appropriate audit plan to audit 45 Ghana Missions abroad	
Timely audit and report on the consolidated fund	
Comprehensive audit coverage of the health sector	
Increase regular audit coverage of all Justice Sector agencies	



2.9. Budget by Chart of Account

9 - Sub-Programme and Natural Account

Entity: 005 - Audit Service(AS)

Funding: All Source of Funding

Year: 2018 | **Currency:** Value

Version 1

	Budget	Indicative Year	Indicative Year
00502001 - Central Government Audits	29,153,017	29,153,017	29,153,017
00502001 - Central Government Audits	29,153,017	29,153,017	29,153,017
21 - Compensation of employees [GFS]	27,668,617	27,668,617	27,668,617
211 - Wages and salaries [GFS]	27,668,617	27,668,617	27,668,617
Goods and Services	1,484,400	1,484,400	1,484,400
22 - Use of goods and services	1,459,400	1,459,400	1,459,400
27 - Social benefits [GFS]	25,000	25,000	25,000

BUDGET SUB-PROGRAMME SUMMARY

PROGRAMME 2: AUDIT OPERATIONS

SUB-PROGRAMME SP 2.2: Local Government Audits

1. Budget Sub-Programme Objectives

- To collate draft reports into Auditor-General's report from the Regions and Districts in respect of District Assemblies, DACF, Ministries, Departments and Agencies, Pre-tertiary Educational Institutions and Traditional Councils.
- To review interim audit reports issued by Regional and District Audits and advise the relevant Auditees on significant issues in the report.

2. Budget Sub-Programme Description

Audit staff in all 10 Regions and 71 Districts, audit the Assemblies' financial statements which comprise IGF, DDF, Traditional Councils, DACF and other Statutory Funds. Recommendations are given with regards to the weaknesses in the operations of the Assemblies.

Management letters submitted by the Regions and Districts are reviewed and a draft consolidated report is submitted to the Auditor-General.

Source of funding is mainly from GoG but in few instances; some DPs assist the Service in carrying out this mandate.

Staff strength of 1,216 of all grades covering the 10 regions is responsible for the execution of this Sub-programmes.

3. Budget Sub-Programme Results Statement

The table indicates the main outputs, its indicators and projections by which the Service measures the performance of this sub-programme. The past data indicates actual performance whilst the projections are the Service's estimate of future performance.

Main Outputs	Output Indicator	Past Years		Projections			
		2016	2017	Budget Year 2018	Indicative Year 2019	Indicative Year 2020	Indicative Year 2021
Final review of the interim reports issued from Assemblies	Number of interim reports reviewed	162	216	216	216	216	216
Audit of MDA Agencies	Number of reports issued	1,700	1,800	2,800	2,800	2,850	2,850
Submission of management letters of Traditional Councils	Number of audits conducted and reports issued	5	5	128	128	70	70
Audit of Pre-tertiary Educational Institutions	Number of Management letters issued	450	485	600	600	600	600
Special Assignment Audit Reports	Issue of special assignment audit reports	63	62	45	45	70	70
Ashanti Region							
Audit of MMDAs	Number of Management letters issued	30	30	30	30	30	30
Audit of MDA Agencies	Number of Management letters issued	275	290	450	450	480	480
Audit of Traditional Councils	Number of Management letters issued	5	5	11	11	11	11
Audit of Pre-tertiary Educational Institutions	Number of Management letters issued	5	7	11	11	10	10
Northern Region							
Audit of MMDAs	Number of Management letters issued	26	26	26	26	26	26
Audit of MDA Agencies	Number of Management letters issued	250	255	350	350	360	360

Main Outputs	Output Indicator	Past Years		Projections			
		2016	2017	Budget Year 2018	Indicative Year 2019	Indicative Year 2020	Indicative Year 2021
Audit of Traditional Councils	Number of Management letters issued	5	5	6	6	6	6
Audit of Pre-tertiary Educational Institutions	Number of Management letters issued	15	17	25	25	28	28
Volta Region							
Audit of MMDAs	Number of Management letters issued	25	25	25	25	25	25
Audit of MDA Agencies	Number of Management letters issued	185	180	250	250	270	270
Audit of Traditional Councils	Number of Management letters issued	5	5	24	24	25	25
Audit of Pre-tertiary Educational Institutions	Number of Management letters issued	63	62	80	80	70	70
Upper East							
Audit of MMDAs	Number of Management letters issued	13	13	13	13	13	13
Audit of MDA Agencies	Number of Management letters issued	170	180	192	192	195	195
Audit of Traditional Councils	Number of Management letters issued	5	5	15	15	15	15
Audit of Pre-tertiary Educational Institutions	Number of Management letters issued	15	20	37	37	40	40
Brong-Ahafo							
Audit of MMDAs	Number of Management letters issued	27	27	27	27	27	27
Audit of MDA Agencies	Number of Management letters issued	275	280	360	360	375	375
Audit of Traditional Councils	Number of Management letters issued	5	5	15	15	15	15

Main Outputs	Output Indicator	Past Years		Projections			
		2016	2017	Budget Year 2018	Indicative Year 2019	Indicative Year 2020	Indicative Year 2021
Audit of Pre-tertiary Educational Institutions	Number of Management letters issued	45	47	53	53	55	55
Greater Accra							
Audit of MMDAs	Number of Management letters issued	16	16	16	16	16	16
Audit of MDA Agencies	Number of Management letters issued	146	150	170	170	190	190
Audit of Traditional Councils	Number of Management letters issued	5	5	6	6	6	6
Audit of Pre-tertiary Educational Institutions	Number of Management letters issued	33	37	43	43	45	45
Central							
Audit of MMDAs	Number of Management letters issued	20	20	20	20	20	20
Audit of MDA Agencies	Number of Management letters issued	198	200	260	260	265	265
Audit of Traditional Councils	Number of Management letters issued	5	5	15	15	15	15
Audit of Pre-tertiary Educational Institutions	Number of Management letters issued	63	62	75	75	70	70
Western							
Audit of MMDAs	Number of Management letters issued	22	22	22	22	22	22
Audit of MDA Agencies	Number of Management letters issued	175	196	250	250	255	255
Audit of Traditional Councils	Number of Management letters issued	5	5	10	10	10	10
Audit of Pre-tertiary Educational Institutions	Number of Management letters issued	63	62	69	69	75	75
Eastern							

Main Outputs	Output Indicator	Past Years		Projections			
		2016	2017	Budget Year 2018	Indicative Year 2019	Indicative Year 2020	Indicative Year 2021
Audit of MMDAs	Number of Management letters issued	26	26	26	26	26	26
Audit of MDA Agencies	Number of Management letters issued	200	210	250	250	260	260
Audit of Traditional Councils	Number of Management letters issued	5	5	12	12	12	12
Audit of Pre-tertiary Educational Institutions	Number of Management letters issued	63	62	107	107	110	110
Upper West							
Audit of MMDAs	Number of Management letters issued	11	11	11	11	11	11
Audit of MDA Agencies	Number of Management letters issued	120	145	190	190	200	200
Audit of Traditional Councils	Number of Management letters issued	5	5	9	9	9	9
Audit of Pre-tertiary Educational Institutions	Number of Management letters issued	20	22	25	25	27	27

4. Budget Sub-Programme Operations and Projects

The table lists the main Operations and Projects to be undertaken by the sub- programme.

Operations	Projects
Increase audit coverage of all the MMDAs, MDAs, Pre-tertiary Educational Institutions and Traditional Councils	No projects
Production and Submission of management letters in respect of the audit of MMDAs, MDA agencies, Pre-tertiary Educational Institutions and Traditional Councils	
Reviewing interim audit reports issued by District Auditors	
Validation of Financial Statements of the audited entities	



2.9. Budget by Chart of Account

9 - Sub-Programme and Natural Account

Entity: 005 - Audit Service(AS)

Funding: All Source of Funding

Year: FY18 | **Currency:** GH Cedi

Version 1

	Budget	Indicative Year	Indicative Year
00502002- Local Government Audits	69,347,138	69,357,138	69,369,138
00502002- Local Government Audits	69,347,138	69,357,138	69,369,138
21 - Compensation of employees [GFS]	61,755,888	61,755,888	61,755,888
211 - Wages and salaries [GFS]	61,755,888	61,755,888	61,755,888
Goods and Services	7,591,250	7,601,250	7,613,250
22 - Use of goods and services	7,391,250	7,401,250	7,413,250
27 - Social benefits [GFS]	200,000	200,000	200,000

BUDGET SUB-PROGRAMME SUMMARY

PROGRAMME2: AUDIT OPERATIONS

SUB-PROGRAMME SP 2.3: Educational Institutions Audits

1. Budget Sub-Programme Objectives

- To collate draft reports into A-G's report from the Regions and Districts in respect of Pre-Tertiary Educational Institutions.
- To review interim audit reports issued by Regional and District Auditors on PreTertiary Educational Institutions and advice the relevant Auditees on significant issues in the report.

2. Budget Sub-Programme Description

Audit staff in all 10 Regions and 71 Districts, audit the financial statements of all public Pre-Tertiary Educational Institutions and issue both management letters and Audit Opinions. Recommendations are given with regards to the weaknesses in the operations of these institutions. Management letters submitted by the Regions and Districts are reviewed and a draft consolidated report is submitted to the Auditor-General.

One major challenge is lack of adequate staff, logistics and funds for the audits. Additionally, funds from the GoG always delay. Source of funding is mainly from GoG but in few instances some DPs assist the Service in carrying out this mandate.

Audit staff in all 10 Regions and 71 Districts, audit the financial statements of all public Pre-Tertiary Educational Institutions and issue both management letters and Audit Opinions. Recommendations are given with regards to the weaknesses in the operations of these institutions. Management letters submitted by the Regions and Districts are reviewed and a draft consolidated report is submitted to the Auditor-General.

One major challenge is lack of adequate staff, logistics and funds for the audits. Additionally, funds from the GoG always delay. Source of funding is mainly from GoG but in few instances some DPs assist the Service in carrying out this mandate.

3. Budget Sub-Programme Results Statement

The table indicates the main outputs, its indicators and projections by which the Service measures the performance of this sub-programme. The past data indicates actual performance whilst the projections are the Service's estimate of future performance

Main Outputs	Output Indicator	Past Years		Budget Year 2018	Projections		
		2016	2017		Indicative Year 2019	Indicative Year 2020	Indicative Year 2021
Final review of the interim reports on Schools issued	Number of interim reports reviewed	470	478	600	603	603	603

4. Budget Sub-Programme Operations and Projects

The table lists the main Operations and Projects to be undertaken

Operations	Projects
Annual Audit of all Public pre-tertiary educational institutions	No projects
Validation of financial statement of the audited entities	



2.9. Budget by Chart of Account

9 - Sub-Programme and Natural Account

Entity: 005 - Audit Service(AS)

Funding: All Source of Funding

Year: FY18 | **Currency:** GH Cedi

Version 1

	Budget	Indicative Year	Indicative Year
00502003- Educational Institutions Audits	80,120,919	80,120,919	80,120,919
00502003- Educational Institutions Audits	80,120,919	80,120,919	80,120,919
21 - Compensation of employees [GFS]	70,990,619	70,990,619	70,990,619
211 - Wages and salaries [GFS]	70,990,619	70,990,619	70,990,619
Goods and Services	9,130,300	9,130,300	9,130,300
22 - Use of goods and services	8,910,300	8,910,300	8,910,300
27 - Social benefits [GFS]	220,000	220,000	220,000

BUDGET SUB-PROGRAMME SUMMARY

PROGRAMME 2: AUDIT OPERATIONS

SUB-PROGRAMME SP 2.4.: Commercial Audits

1. Budget Sub-Programme Objectives

- To audit State Owned Enterprises, Public Boards and Corporations, the Foreign Exchange Receipts and Payments of Bank of Ghana, Tertiary and other Statutory Institutions and issue draft reports to the Auditor-General.
- To review the reports of contracted audit firms and submit draft reports to the Auditor-General.

2. Budget Sub-Programme Description

The Direct and Review Units of the Commercial Audit Department conducts the following operations:

- Financial audits of 68 sub-vented organizations including Tertiary Institutions;
- The audit of Foreign Exchange Receipts and Payments of the Bank of Ghana;
- The audit of 17 unions of the Ghana Trade Union Congress (upon request);
- The audit of any other organization referred to the department by the Auditor General;
- Issue of management reports to the Auditees;
- The review of 122 audit reports submitted to the Auditor-General by contracted audit firms; and
- Issue of draft notes on management reports to the Auditor General.

Challenges faced are late submission of financial statements and response to audit observations by auditors, inadequate office equipment and office space and late submission of audited reports by contracted audit firms.

Fifty-Six (56) staffs are responsible for the delivery of the programme.

3. Budget Sub-Programme Results Statement

The table below indicates the main outputs, its indicators and projections by which the Service measures the performance of this sub-programme. The past data indicates actual performance whilst the projections are the Service's estimate of future performance

Main Outputs	Output Indicator	Past Years		Projections			
		2016	2017	Budget Year 2018	Indicative Year 2019	Indicative Year 2020	Indicative Year 2021
Draft management Reports Issued by Direct Audit	Number of draft report issued	70	70	89	80	89	89
Audited Financial statements Reviewed	Number of Statements Reviewed	50	50	50	50	50	50
Draft report for AG's Reports on Bank of Ghana forex receipts and payments	Issued by	May 31	May 31	May 31	May 31	May 31	May 31
Draft report for AG's Reports from Direct Audit	Issued by	May 31	May 31	May 31	May 31	May 31	May 31

4. Budget Sub-Programme Operations and Projects

The table lists the main Operations and Projects to be undertaken by the sub-programme.

Operations	Projects
Annual Audit of Public Boards, Corporations & other statutory Institutions	No Projects
Annual Audit of Tertiary educational Institutions	
Audit report on Bank of Ghana Receipt 30th June and 31st December	
Review of financial statements submitted by the audited entities	



2.9. Budget by Chart of Account

9 - Sub-Programme and Natural Account

Entity: 005 - Audit Service(AS)

Funding: All Source of Funding

Year: FY18 | **Currency:** GH Cedi

Version 1

	Budget	Indicative Year	Indicative Year
00502004- Commercial Audits	8,935,130	8,935,130	8,935,130
00502004- Commercial Audits	8,935,130	8,935,130	8,935,130
21 - Compensation of employees [GFS]	7,727,530	7,727,530	7,727,530
211 - Wages and salaries [GFS]	7,727,530	7,727,530	7,727,530
Goods and Services	1,207,600	1,207,600	1,207,600
22 - Use of goods and services	1,180,100	1,180,100	1,180,100
27 - Social benefits [GFS]	27,500	27,500	27,500

BUDGET SUB-PROGRAMME SUMMARY

PROGRAMME 2: AUDIT OPERATIONS

SUB-PROGRAMME SP 2.5: Special Audit

1. Budget Sub-Programme Objective

To ensure improved utilization of public resources

2. Budget Sub-Programme Description

The Special Audit Department conducts the operations of this sub-program. The special Audit Unit examines in terms of the economy, efficiency, and effectiveness the use of resources by public bodies by auditing high risk government operations as identified by the unit.

The Unit also audits to determine whether public resources have been used to ensure that planned impacts and outcomes of programme and activities have been achieved.

The I.T Audit Unit conducts systems Audit in order to highlight the problems that could affect the reliability of Accounting data and audit evidence. An audit in each of the Units takes an average of between 8 and 10 months to complete.

The Clients of the sub-programme are all government agencies and is fully funded by GoG with 63 staff of all grades responsible for the delivery of the sub-programme.

3. Budget Sub-Programme Results Statement

The table indicates the main outputs, its indicators and projections by which the Service measures the performance of this sub-programme. The past data indicates actual performance whilst the projections are the Service's estimate of future performance.

Main Outputs	Output Indicator	Past Years		Budget Year 2018	Projections		
		2016	2017		Indicative Year 2019	Indicative Year 2020	Indicative Year 2021
Performance audit reports issued.	Number of reports issued	3	6	6	6	6	6
I.T audit reports issued.	Number of reports issued	8	9	8	8	10	10

4. Budget Sub-Programme Operations and Projects

The table lists the main Operations and Projects to be undertaken by the sub-programme.

Operations	Projects
Conduct Value for Money Audits I.T. audit of selected MDAs systems to ensure effective control. Environmental, Oil and Gas and Infrastructure audits	No Projects



2.9. Budget by Chart of Account

9 - Sub-Programme and Natural Account

Entity: 005 - Audit Service(AS)

Funding: All Source of Funding

Year: FY18 | **Currency:** GH Cedi

Version 1

	Budget	Indicative Year	Indicative Year
00502005- Special Audits	9,123,184	9,123,184	9,123,184
00502005- Special Audits	9,123,184	9,123,184	9,123,184
21 - Compensation of employees [GFS]	8,432,684	8,432,684	8,432,684
211 - Wages and salaries [GFS]	8,432,684	8,432,684	8,432,684
Goods and Services	690,500	690,500	690,500
22 - Use of goods and services	641,000	641,000	641,000
27 - Social benefits [GFS]	49,500	49,500	49,500



1.6. Appropriation Bill

Summary of Expenditure by Cost Center, Economic Item and Funding

Entity: 005 - Audit Service(AS)
 Year: 2018 | Currency: Value
 Version 1

	GoG			IGF			Funds / Others			Donors			Grand Total
	Compensation of employees	Goods and Services	Capex	Compensation of employees	Goods and Services	Capex	Statutory	ABFA	Others	Goods and Services	Capex	Total	
005 - Audit Service(AS)	218,416,854	35,119,810	10,900,000	264,436,664						2,874,600	11,498,400	14,373,000	278,809,664
00501 - Finance and Administration	41,841,516	15,015,760	10,900,000	67,757,276						2,874,600	11,498,400	14,373,000	82,130,276
0050102 - Administration	41,841,516	15,015,760	10,900,000	67,757,276						2,874,600	11,498,400	14,373,000	82,130,276
0050102001 - Administration	41,841,516	15,015,760	10,900,000	67,757,276						2,874,600	11,498,400	14,373,000	82,130,276
00502 - Commercial Audit	7,727,530	1,207,600		8,935,130									8,935,130
0050202 - Direct Audit	7,727,530	1,207,600		8,935,130									8,935,130
0050202001 - Direct Audit	7,727,530	1,207,600		8,935,130									8,935,130
00503 - Central Govt - Audit Dept.	27,668,617	1,484,400		29,153,017									29,153,017
0050303 - Other MDAs	27,668,617	1,484,400		29,153,017									29,153,017
0050303001 - Other MDAs.	27,668,617	1,484,400		29,153,017									29,153,017
00504 - Regional, District Audits & EIDA	132,746,507	16,721,550		149,468,057									149,468,057
0050401 - EIDA Secretariat	3,869,595	325,000		4,194,595									4,194,595
0050401001 - EIDA Secretariat	3,869,595	325,000		4,194,595									4,194,595
0050402 - Regions	128,876,912	16,396,550		145,273,462									145,273,462
0050402001 - Accra	10,989,771	1,348,000		12,337,771									12,337,771
0050402002 - Volta	15,315,552	1,774,700		17,090,252									17,090,252
0050402003 - Eastern	14,547,997	1,658,200		16,206,197									16,206,197
0050402004 - Central	16,119,569	1,897,700		18,017,269									18,017,269
0050402005 - Western	12,468,538	1,832,150		14,300,688									14,300,688
0050402006 - Ashanti	22,031,101	1,787,500		23,818,601									23,818,601
0050402007 - Brong Ahafo	14,328,570	1,572,500		15,901,070									15,901,070
0050402008 - Northern	12,647,096	1,755,150		14,402,246									14,402,246
0050402009 - Upper East	6,076,922	1,510,100		7,587,022									7,587,022
0050402010 - Upper West	4,351,796	1,260,550		5,612,346									5,612,346
00505 - Performance & Special Audit	8,432,684	690,500		9,123,184									9,123,184
0050501 - Special Funds	8,432,684	690,500		9,123,184									9,123,184



1.6. Appropriation Bill

Summary of Expenditure by Cost Center, Economic Item and Funding

Entity: 005 - Audit Service(AS)
 Year: 2018 | Currency: Value
 Version 1

	GoG			IGF			Funds / Others			Donors			Grand Total
	Compensation of employees	Goods and Services	Capex	Compensation of employees	Goods and Services	Capex	Statutory	ABFA	Others	Goods and Services	Capex	Total	
0050501001 - Special Funds	8,432,684	690,500											9,123,184
													9,123,184