



REPUBLIC OF GHANA

MEDIUM TERM EXPENDITURE FRAMEWORK (MTEF)

FOR 2019-2022

AUDIT SERVICE OF GHANA

PROGRAMME BASED BUDGET ESTIMATES

For 2019



*On the Authority of His Excellency Nana Addo Dankwa Akufo-Addo,
President of the Republic of Ghana*



AUDIT SERVICE OF GHANA



To purchase copies of the Statement, please contact the Public Relations Office of the Ministry

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The GAS MTEF PBB Estimates for 2019 is also available on the internet at:

www.mofep.gov.gh



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1.5. Appropriation Bill

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

Entity: 005 - Audit Service(AS)
YTD: Year Total 2019 | Currency: GH Cedi
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	
00501 - Management and Administration	25,301,571	17,415,561	5,000,000	47,717,132						2,113,137	7,215,000	9,328,137	57,045,269
00501000 - Management and Administration	25,301,571	17,415,561	5,000,000	47,717,132						2,113,137	7,215,000	9,328,137	57,045,269
00502 - Audit Operations	241,698,429	17,704,249		259,402,678									259,402,678
00502001 - Central Government Audits	35,305,364	690,350		35,995,714									35,995,714
00502002 - Local Government Audits	95,631,268	7,876,874		103,508,142									103,508,142
00502003 - Educational Institutions Audits	88,287,469	7,876,875		96,164,344									96,164,344
00502004 - Commercial Audits	9,997,283	617,900		10,615,183									10,615,183
00502005 - Special Audits	12,477,045	642,250		13,119,295									13,119,295
Grand Total	267,000,000	35,119,510	5,000,000	307,119,810						2,113,137	7,215,000	9,328,137	316,447,947



PART A: STRATEGIC OVERVIEW OF THE AUDIT SERVICE

1. NATIONAL MEDIUM-TERM DEVELOPMENT POLICY OBJECTIVES

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

- Ensure improved fiscal performance and sustainability; and
- Promote the fight against corruption and economic crimes.

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.
- Ensure effective implementation of the Assets & Liabilities regime.

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	2013	70%	2017	87%	2019	87%
Implement the provision in the Constitution on Disallowance and Surcharge	Issuing of report on disallowance and surcharge.	2013	-	2017	-	2019	1



5. KEY ACHIEVEMENTS IN 2018

The audits for 2018 have been completed and all eight (8) audit reports for the financial year ended 31st December, 2017 have been submitted to Parliament. The reports were derived from the execution of 3,080 out of the planned 3,535 audits. The details are in the table below:

PLANNED AND EXECUTED AUDITS FOR 2018

Audit Area	Planned Audits	Number of Audits Executed
Central Government Audits/MDAs	2,589	2,239
Metropolitan, Municipal and District Assemblies	216	216
Public Boards and Corporations/Tertiary Educational Institutions	130	75
Pre-Tertiary Educational Institutions	600	550
Total	3,535	3,080

The audits executed represent 87.1% of planned audits for 2018. In addition to this, there are a number of special audits which are on-going. Currently, the Service has completed the nationwide payroll audit of eight (8) out of the ten (10) regions. A comprehensive report on the payroll audit would be issued when the remaining two regions which are on-going are completed.

The irregularities identified in the audit reports were attributed to the failure of management of the audited entities to put in place effective internal control measures.

Infractions identified include cash management, procurement, payroll, contract administration, tax collections, non-payment of outstanding loans, among others, amounting to over GHC13 billion. These notwithstanding, there have been some marginal improvements in internal controls.



The summary of irregularities is as follows:

Audit Reports	Irregularity Identified - GHC
Ministries, Departments and Agencies	892,396,375
Management and Utilization of District Assemblies Common Fund (DACF) and Other Funds	40,930,000
Public Boards and Corporations	12,002,880,339
Internally Generated Funds (District Assemblies)	12,223,560
Technical Universities and Polytechnics	57,691,350
Sub-Total (Audit Reports)	13,006,121,624
Special Audits	
Payroll validation	
Sub-Total (Special Audit)	
GRAND TOTAL (Audit reports and Special audits)	13,006,121,624

Note: there are a number of special audits including the payroll audits which are on-going. Eight out of the ten regions have been covered and a comprehensive report would be issued after the completion of the remaining two.

6. EXPENDITURE TRENDS FOR THE MEDIUM -TERM

Unlike the previous years, 2017 and 2018 financial years saw significant improvement in funding requirements. The expenditure trend for the 2016 to 2017 and September, 2018 fiscal years is as below:

YEAR	2016			2017			2018		
	Approved	Cash	Variance	Approved	Cash	Variance	Approved	Cash	Variance
		Received			Received			Received	
Compensation	122,009,511.00	121,204,562.00	804,949.00	151,909,375.00	149,734,067.00	2,175,308.00	218,416,854.00	113,099,150.00	105,317,704.00
Goods and Services	12,496,057.00	9,646,555.00	2,849,502.00	19,117,329.00	17,451,121.00	1,666,208.00	35,119,810.00	20,069,911.00	15,049,899.00
CAPEX	6,106,188.00	1,862,396.00	4,243,792.00	9,415,000.00	-	9,415,000.00	10,900,000.00	43,569.00	10,856,431.00
Sub-Total (GOG)	140,611,756.00	132,713,513.00	7,898,243.00	180,441,704.00	167,185,188.00	13,256,516.00	264,436,664.00	133,212,630.00	131,224,034.00
Donor (KFW)									
Goods and Services				1,213,135.00		1,213,135.00	2,874,600.00	646,125.00	2,228,475.00
CAPEX				4,852,541.00		4,852,541.00	11,498,400.00	-	11,498,400.00
Sub-Total (KFW)	-	-	-	6,065,676.00	-	6,065,676.00	14,373,000.00	646,125.00	13,726,875.00
Other Sources:									
Validation of salary arrears	647,000.00	647,000.00	-	2,143,463.00	2,143,463.00	-			
PFM							3,525,000.00	2,390,283.00	1,134,717.00
Sub-Total (Others)	647,000.00	647,000.00	-	2,143,463.00	2,143,463.00	-	3,525,000.00	2,390,283.00	1,134,717.00
Grand-Total (GOG+Donor+Others)	141,258,756.00	133,360,513.00	7,898,243.00	188,650,843.00	169,328,651.00	19,322,192.00	282,334,664.00	136,249,038.00	146,085,626.00



From year 2016 to 2017, the budget allocated to the Service from GoG sources increased marginally from **GH¢140.6m** to **GH¢180.4m** translating into a **28.33%** increment year-on-year.

Comparatively, there is an increase in nominal terms of **16.1%** between the budget allocation for 2018 from GoG sources of **GH¢264.4m**, and the indicative ceiling of **GH¢307.1m** allocated to the Service for 2019. Therefore, it is imperative that the Government revisit the Service's ceiling and increase it to meet their requirement of **GH¢387.5m** which would depict an increase of **39.1%** over the total allocation of **GH¢278.8m** from both GOG and Donor sources given in 2018 to enable the Service execute its mandate appropriately.!!!!!!!!!!!!!!!!!!!!!!

In terms of disbursements from GOG sources for the various economic classifications, total actual cash received was **GH¢132.7m** and **GH¢167.1m** for the 2016 and 2017 financial years respectively resulting in a **26.3%** increase. From January to September 2018, out of a total budget of **GH¢264.4m**, an amount of **GH¢133.2m** have been expended representing **50.3%**.

With regards to Compensation of Employees, there is an increase in expenditure for the period under review. Amounts of **GH¢121.2m** and **GH¢149.7m** have been disbursed out of approved budgets of **GH¢122m** and **GH¢151.9m** for the 2016 and 2017 financial years respectively. The Service has expended a total amount of **GH¢113m** for the period of January to September 2018 out of a total approved budget of **GH¢218.4m**.

Funding for our operational activities in the form of Goods and Services has received a remarkable improvement in the period under review. Year 2017 recorded an increase in expenditure of **GH¢17.5m** as compared to amount of **GH¢9.6m** expended in 2016. As at September, 2018 an amount of **GH¢20m** has so far been spent out of an approved budget of **GH¢35m**. The increasing in expenditure could be attributed to an increase in audit

Unfortunately, funding for Capital Expenditure is a big problem as funds are not released. An amount of **GH¢1.8m** was expended out of a provision of **GH¢6.1m** in 2016. The total allocation of **GH¢9.4m** for 2017 remained intact. Although, a total amount of **GH¢6.2m** has been released for various CAPEX activities out of an approved budget of **GH¢10.9m**, actual cash received is **GH¢43,569.74** as at September, 2018.

Indicative ceilings from all funding sources of **GH¢316,447,947.00**, **GH¢313,273,371**, **GH¢346,561,631** and **GH¢363,889,713** for the 2019, 2020, 2021, 2022 financial years respectively have been allocated for the Audit Service.



2.6 Budget by Chart of Account

6.0- Programme, Sub-Programme and Natural Account Summary

Entity: 005 - Audit Service(AS)

Funding: All Source of Funding

Year: 2019 | **Currency:** GH Cedi

Version 1

	2019	2020	2021	2022
Programmes - Audit Service(AS)	316,447,947	269,108,638	269,108,638	269,108,638
00501 - Management and Administration	57,045,269	57,045,269	57,045,269	57,045,269
00501000 - Management and Administration	57,045,269	57,045,269	57,045,269	57,045,269
21 - Compensation of employees [GFS]	25,301,571	25,301,571	25,301,571	25,301,571
22 - Use of goods and services	19,128,698	19,128,698	19,128,698	19,128,698
27 - Social benefits [GFS]	400,000	400,000	400,000	400,000
31 - Non financial assets	12,215,000	12,215,000	12,215,000	12,215,000
00502 - Audit Operations	259,402,678	212,063,369	212,063,369	212,063,369
00502001 - Central Government Audits	35,995,714	35,995,714	35,995,714	35,995,714
21 - Compensation of employees [GFS]	35,305,364	35,305,364	35,305,364	35,305,364
22 - Use of goods and services	651,150	651,150	651,150	651,150
27 - Social benefits [GFS]	39,200	39,200	39,200	39,200
00502002 - Local Government Audits	103,508,142	73,978,222	73,978,222	73,978,222
21 - Compensation of employees [GFS]	95,631,268	66,101,348	66,101,348	66,101,348
22 - Use of goods and services	7,737,574	7,737,574	7,737,574	7,737,574
27 - Social benefits [GFS]	139,300	139,300	139,300	139,300
00502003 - Educational Institutions Audits	96,164,344	78,354,955	78,354,955	78,354,955
21 - Compensation of employees [GFS]	88,287,469	70,478,080	70,478,080	70,478,080
22 - Use of goods and services	7,737,575	7,737,575	7,737,575	7,737,575
27 - Social benefits [GFS]	139,300	139,300	139,300	139,300
00502004 - Commercial Audits	10,615,183	10,615,183	10,615,183	10,615,183
21 - Compensation of employees [GFS]	9,997,283	9,997,283	9,997,283	9,997,283
22 - Use of goods and services	606,700	606,700	606,700	606,700



2.6 Budget by Chart of Account

6.0- Programme, Sub-Programme and Natural Account Summary

Entity: 005 - Audit Service(AS)

Funding: All Source of Funding

Year: 2019 | **Currency:** GH Cedi

Version 1

	2019	2020	2021	2022
27 - Social benefits [GFS]	11,200	11,200	11,200	11,200
00502005 - Special Audits	13,119,295	13,119,295	13,119,295	13,119,295
21 - Compensation of employees [GFS]	12,477,045	12,477,045	12,477,045	12,477,045
22 - Use of goods and services	629,450	629,450	629,450	629,450
27 - Social benefits [GFS]	12,800	12,800	12,800	12,800



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), Legal Department 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.

Addressing all legal matters of the Service as well as issues on Disallowance and Surcharge.

The Legal Department also administers the Assets Declaration regime.

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, 170 staff of all grades are 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			
		2017	2018	Budget Year 2019	Indicative Year 2020	Indicative Year 2021	Indicative Year 2022
Issuing audit reports	Number of reports issued	8	8	8	8	8	8
Implement the provision on Disallowance and Surcharge	Issuing of report on disallowance and surcharge.	0	1	1	1	1	1
Roll-out Training on the use of FAM & CAM	Follow-up reports issued by	30 th Sept.	30 th Sept.	30 th Sept.	30 th Sept.	30 th Sept.	30 th Sept.
Sensitization of stakeholders on accountability including NACAP	Number of accountability and sensitization workshops organized	1	1	1	1	1	1
Quality assurance reviews	Number of quality assurance reports issued	1	1	1	1	1	1



Main Outputs	Output Indicator	Past years		Projections			
		2017	2018	Budget Year 2019	Indicative Year 2020	Indicative Year 2021	Indicative Year 2022
Organization of Budget workshop and sensitization on non-financial performance information audits for all institution	Budget Estimate produced by	30 th Sept	30 th Sept.	30 th Sept.	30 th Sept.	30 th Sept.	30 th Sept.
Introduce quality assurance policies	Quality assurance manual reviewed by	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 by	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 by	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 by	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31
Development of procurement plan	Procurement plan developed by	Jan. 31	Jan. 31	Jan. 31	Jan. 31	Jan. 31	Jan. 31
Recruitment/replacement of staff	Number of staff recruited/replaced	107	234	200	150	175	200



Main Outputs	Output Indicator	Past years		Projections			
		2017	2018	Budget Year 2019	Indicative Year 2020	Indicative Year 2021	Indicative Year 2022
Participation in Supreme Audit Institutions activities	Delivery of report on AFROSAI-E and INTOSAI by	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31
Comprehensive audit of Ghana Missions abroad and Peacekeeping accounts	Delivery of reports by	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31
Conduct special audits on revenue generation and fiscal management (Large and Medium) taxes	Delivery of reports by	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31
Management Letters issued to the Ghana missions abroad.	Number of management letters issued	45	45	52	52	52	52

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 accountability and NACAP Action plans	
Roll-out Training in the use of the Financial/Compliance Audit Manuals	
Leadership, Management and in-house training	
Offering of specialized support services	



Operations	Projects
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 52 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	
Develop appropriate audit plan to audit 45 Ghana Missions abroad	



2.6 Budget by Chart of Account

6.0- Programme, Sub-Programme and Natural Account Summary

Entity: 005 - Audit Service(AS)

Funding: All Source of Funding

Year: 2019 | **Currency:** GH Cedi

Version 1

	2019	2020	2021	2022
00501 - Management and Administration	57,045,269	57,045,269	57,045,269	57,045,269
00501000 - Management and Administration	57,045,269	57,045,269	57,045,269	57,045,269
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22 - Use of goods and services	19,128,698	19,128,698	19,128,698	19,128,698
27 - Social benefits [GFS]	400,000	400,000	400,000	400,000
31 - Non financial assets	12,215,000	12,215,000	12,215,000	12,215,000



BUDGET PROGRAMME SUMMARY

PROGRAMME 2: AUDIT OPERATIONS

1. Budget Programme Objective

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

2. Budget Programme 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.

Five departments at the Audit Service carry out the above. These are Central Government Audit Department (CGAD), Commercial Audit Department (CAD), Pre-Tertiary Educational Institutions, District Assemblies (EIDA), 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 Audit Department – responsible for the audit of more than 600 pre-university educational institutions as well as over 5,000 regional and district offices of MDAs;
- District Assemblies Audit Department - responsible for the audit of 216 District Assemblies and 263 Traditional Councils;
- 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 Budget by Chart of Account

6.0- Programme, Sub-Programme and Natural Account Summary

Entity: 005 - Audit Service(AS)

Funding: All Source of Funding

Year: 2019 | **Currency:** GH Cedi

Version 1

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21 - Compensation of employees [GFS]	9,997,283	9,997,283	9,997,283	9,997,283
22 - Use of goods and services	606,700	606,700	606,700	606,700
27 - Social benefits [GFS]	11,200	11,200	11,200	11,200
00502005 - Special Audits	13,119,295	13,119,295	13,119,295	13,119,295
21 - Compensation of employees [GFS]	12,477,045	12,477,045	12,477,045	12,477,045
22 - Use of goods and services	629,450	629,450	629,450	629,450
27 - Social benefits [GFS]	12,800	12,800	12,800	12,800



BUDGET SUB-PROGRAMME SUMMARY

PROGRAMME 2: AUDIT OPERATIONS

SUB-PROGRAMME 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 eighty-nine (189) 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			
		2017	2018	Budget Year 2019	Indicative Year 2020	Indicative Year 2021	Indicative Year 2022
Delivery of Management Letters.	Management Letters issued to the MDAs in the Country	215	215	268	268	270	270
Auditor-General's Draft Report	Submission of Draft report on the consolidated fund to A-G by	May 31	May 31	May 31	May 31	May 31	May 31
	Submission of Draft report on the MDAs to A-G by	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 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
Comprehensive Audit on the Public expenditure of all MDAs	No projects
Timely audit and report on the consolidated fund	
Comprehensive audit coverage of the health sector	
Increase regular audit coverage of all Justice Sector agencies	



2.8. Budget by Chart of Account

8 - Sub-Programme and Natural Account

Entity: 005 - Audit Service(AS)

Funding: All Source of Funding

Year: 2019 | **Currency:** GH Cedi

Version 1

	2019	2020	2021	2022
00502001 - Central Government Audits	35,995,714	35,995,714	35,995,714	35,995,714
21 - Compensation of employees [GFS]	35,305,364	35,305,364	35,305,364	35,305,364
22 - Use of goods and services	651,150	651,150	651,150	651,150
27 - Social benefits [GFS]	39,200	39,200	39,200	39,200



BUDGET SUB-PROGRAMME SUMMARY

PROGRAMME 2: AUDIT OPERATIONS

SUB-PROGRAMME 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, MDA's, 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 62 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 1,403 of all grades covering the 10 regions is responsible for the execution of the 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			
		2017	2018	Budget Year 2019	Indicative Year 2020	Indicative Year 2021	Indicative Year 2022
Final review of the interim reports issued from Assemblies	Number of interim reports reviewed	216	216	216	216	216	216
Audit of MDA Agencies	Number of reports issued	1,800	2,800	2,800	2,800	2,850	2,850
Submission of management letters of Traditional Councils	Number of audits conducted and reports issued	5	50	60	60	70	70
Audit of Pre-tertiary Educational Institutions	Number of Management letters issued	485	600	600	600	600	600
Special Assignment Audit Reports	Issue of special assignment audit reports	62	45	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



Main Outputs	Output Indicator	Past Years		Projections			
		2017	2018	Budget Year 2019	Indicative Year 2020	Indicative Year 2021	Indicative Year 2022
Audit of MDA Agencies	Number of Management letters issued	250	255	350	350	360	360
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 Region							
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 Region							



Main Outputs	Output Indicator	Past Years		Projections			
		2017	2018	Budget Year 2019	Indicative Year 2020	Indicative Year 2021	Indicative Year 2022
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
Audit of Pre-tertiary Educational Institutions	Number of Management letters issued	45	47	53	53	55	55
Greater Accra Region							
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 Region							
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 Region							



Main Outputs	Output Indicator	Past Years		Projections			
		2017	2018	Budget Year 2019	Indicative Year 2020	Indicative Year 2021	Indicative Year 2022
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 Region							
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 Region							
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	



2.8. Budget by Chart of Account

8 - Sub-Programme and Natural Account

Entity: 005 - Audit Service(AS)

Funding: All Source of Funding

Year: 2019 | **Currency:** GH Cedi

Version 1

	2019	2020	2021	2022
00502002 - Local Government Audits	103,508,142	73,978,222	73,978,222	73,978,222
21 - Compensation of employees [GFS]	95,631,268	66,101,348	66,101,348	66,101,348
22 - Use of goods and services	7,737,574	7,737,574	7,737,574	7,737,574
27 - Social benefits [GFS]	139,300	139,300	139,300	139,300



BUDGET SUB-PROGRAMME SUMMARY

PROGRAMME 2: AUDIT OPERATIONS

SUB-PROGRAMME 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 Pre-Tertiary Educational Institutions and advise the relevant Auditees on significant issues in the report.

2. Budget Sub-Programme Description

Audit staff in all 10 Regions and 62 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		Projections			
		2017	2018	Budget Year 2019	Indicative Year 2020	Indicative Year 2021	Indicative Year 2022
Final review and consolidation of the interim reports on Schools, MDAs and MMDAs audited	Number of interim reports reviewed	2,000	2,000	2,800	2,800	2,850	2,850

4. Budget Sub-Programme Operations and Projects

The table lists the main Operations and Projects to be undertaken

Operations	Projects
Consolidation of draft reports on Schools, MDAs, Traditional Councils and MMDAs.	No projects
Validation of financial statement of the audited entities	
Issuing draft reports to the Auditor-General	



2.8. Budget by Chart of Account

8 - Sub-Programme and Natural Account

Entity: 005 - Audit Service(AS)

Funding: All Source of Funding

Year: 2019 | **Currency:** GH Cedi

Version 1

	2019	2020	2021	2022
00502003 - Educational Institutions Audits	96,164,344	78,354,955	78,354,955	78,354,955
21 - Compensation of employees [GFS]	88,287,469	70,478,080	70,478,080	70,478,080
22 - Use of goods and services	7,737,575	7,737,575	7,737,575	7,737,575
27 - Social benefits [GFS]	139,300	139,300	139,300	139,300



BUDGET SUB-PROGRAMME SUMMARY

PROGRAMME 2: AUDIT OPERATIONS

SUB-PROGRAMME 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			
		2017	2018	Budget Year 2019	Indicative Year 2020	Indicative Year 2021	Indicative Year 2022
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	Draft report Issued by	May 31	May 31	May 31	May 31	May 31	May 31
Draft report for AG's Reports from Direct Audit	Draft report 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	



2.8. Budget by Chart of Account

8 - Sub-Programme and Natural Account

Entity: 005 - Audit Service(AS)

Funding: All Source of Funding

Year: 2019 | **Currency:** GH Cedi

Version 1

	2019	2020	2021	2022
00502004 - Commercial Audits	10,615,183	10,615,183	10,615,183	10,615,183
21 - Compensation of employees [GFS]	9,997,283	9,997,283	9,997,283	9,997,283
22 - Use of goods and services	606,700	606,700	606,700	606,700
27 - Social benefits [GFS]	11,200	11,200	11,200	11,200



BUDGET SUB-PROGRAMME SUMMARY

PROGRAMME 2: AUDIT OPERATIONS

SUB-PROGRAMME 2.5: Special Audits

1. Budget Sub-Programme Objective

To ensure improved utilization of public resources

2. Budget Sub-Programme Description

The Performance Audit Department conducts the operations of this sub-program. The Performance 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		Projections			
		2017	2018	Budget Year 2019	Indicative Year 2020	Indicative Year 2021	Indicative Year 2022
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	No Projects
I.T. audit of selected MDAs systems to ensure effective control. Environmental, Oil and Gas and Infrastructure audits	



2.8. Budget by Chart of Account

8 - Sub-Programme and Natural Account

Entity: 005 - Audit Service(AS)

Funding: All Source of Funding

Year: 2019 | **Currency:** GH Cedi

Version 1

	2019	2020	2021	2022
00502005 - Special Audits	13,119,295	13,119,295	13,119,295	13,119,295
21 - Compensation of employees [GFS]	12,477,045	12,477,045	12,477,045	12,477,045
22 - Use of goods and services	629,450	629,450	629,450	629,450
27 - Social benefits [GFS]	12,800	12,800	12,800	12,800





1.6. Appropriation Bill

Summary of Expenditure by Cost Center, Economic Item and Funding

Entity: 005 - Audit Service(AS)
 Year: 2019 | Currency: GH Cedi
 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	Total	
005 - Audit Service(AS)	267,000,000	35,119,810	5,000,000	307,119,810								2,113,137	7,215,000	9,328,137	316,447,947
00501 - Finance and Administration	25,301,571	17,415,561	5,000,000	47,717,132								2,113,137	7,215,000	9,328,137	57,045,269
0050101 - Auditor Generals Secretariat	25,301,571	17,415,561	5,000,000	47,717,132								2,113,137	7,215,000	9,328,137	57,045,269
0050101001 - Auditor Generals Secretariat	25,301,571	17,415,561	5,000,000	47,717,132								2,113,137	7,215,000	9,328,137	57,045,269
00502 - Commercial Audit	9,997,283	617,900		10,615,183											10,615,183
0050201 - Review Audit		308,950		308,950											308,950
0050201001 - Review Audit		308,950		308,950											308,950
0050202 - Direct Audit	9,997,283	308,950		10,306,233											10,306,233
0050202001 - Direct Audit	9,997,283	308,950		10,306,233											10,306,233
00503 - Central Govt - Audit Dept.	35,305,364	690,350		35,995,714											35,995,714
0050303 - Other MDAs	35,305,364	690,350		35,995,714											35,995,714
0050303001 - Other MDAs.	35,305,364	690,350		35,995,714											35,995,714
00504 - Regional, District Audits & EIDA	183,918,737	15,753,749		199,672,486											199,672,486
0050401 - EIDA Secretariat	4,895,212	425,000		5,320,212											5,320,212
0050401001 - EIDA Secretariat	4,895,212	425,000		5,320,212											5,320,212
0050402 - Regions	179,023,525	15,328,749		194,352,274											194,352,274
0050402001 - Accra	13,972,955	1,071,950		15,044,905											15,044,905
0050402002 - Volta	21,012,573	1,587,200		22,599,773											22,599,773
0050402003 - Eastern	18,612,389	1,734,140		20,346,529											20,346,529
0050402004 - Central	24,316,513	1,509,199		25,825,712											25,825,712
0050402005 - Western	15,429,413	1,749,900		17,179,313											17,179,313
0050402006 - Ashanti	28,305,781	1,941,520		30,247,301											30,247,301
0050402007 - Brong Ahafo	21,270,641	1,604,690		22,875,331											22,875,331
0050402008 - Northern	22,087,997	1,957,200		24,045,197											24,045,197
0050402009 - Upper East	9,218,732	1,159,650		10,378,382											10,378,382
0050402010 - Upper West	4,796,531	1,013,300		5,809,831											5,809,831



1.6. Appropriation Bill

Summary of Expenditure by Cost Center, Economic Item and Funding

Entity: 005 - Audit Service(AS)
Year: 2019 | Currency: GH Cedi
Version 1

	GoG			IGF			Funds / Others			Donors			
	Compensation of employees	Goods and Services	Capex	Total	Compensation of employees	Goods and Services	Capex	Total	Statutory	ABFA	Others	Goods and Services	Capex
	12,477,045	642,250		13,119,295									
	12,477,045	321,150		12,798,195									
	12,477,045	321,150		12,798,195									
		321,100		321,100									
		321,100		321,100									





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