

ACT 584
AUDIT SERVICE ACT, 2000

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ACT 584
AUDIT SERVICE ACT, 20001(1)

AN ACT to revise the Audit Service Decree, 1972 (N.R.C.D. 49) by incorporating in it the relevant provisions of articles 187, 188 and 189 of the Constitution; to incorporate, with amendments, specific provisions in the Financial Administration Decree, 1979 (S.M.C.D. 221) regarding the method of operation of the Auditor-General and to provide for related matters.

The Audit Service and the Audit Service Board

1. The Audit Service continued in existence

(1) The Audit Service in existence immediately before the commencement of this Act is hereby continued in existence subject to this Act.

(2) The Audit Service shall continue to form a part of the Public Services.

2. Members of the Audit Service

The members of the Service are,

- (a) the Auditor-General, and
- (b) the other persons employed in the Service.

3. The governing body of the Service

(1) The governing body of the Service is the Audit Service Board consisting of

- (a) the chairman and four other members appointed by the President, in accordance with article 70 of the Constitution,
- (b) the Auditor-General, and
- (c) the Head of the Civil Service or the representative of the Head.²⁽²⁾

(2) A member of the Audit Service Board, other than the Auditor-General or the Head of the Civil

Service or the representative of the Head of the Civil Service, may be removed from office by the President, acting in accordance with the advice of the Council of State for inability to perform the functions of office arising from infirmity of mind or body or for any other sufficient cause.

4. Functions of the Board

(1) The Board shall

- (a) determine the structure and technical expertise required for the efficient performance of the functions of the Service,
- (b) ensure that the auditing activities of the Audit Service as spelt out in this Act are carried out in accordance with best international practices,
- (c) appoint officers and any other employees of the Service other than the Auditor-General, and
- (d) determine the terms and conditions of service of officers and the other employees of the Service other than the Auditor-General.

(2) In pursuance of subsection (1), the Board shall hold consultation with the Public Services Commission, but final decision on a matter is subject to the approval of the Board.

(3) The Board may delegate to the Auditor-General or an officer of the Service or a committee of the Board, the appointment of a category of staff of the Service as determined by the Board.

5. Tenure of office of members

(1) A member of the Board, other than the Auditor-General and the Head of Civil Service, shall hold office for a period not exceeding three years and is eligible for re-appointment, but a member shall not be appointed for more than three terms in succession.

(2) An existing member of the Board, other than an ex officio member, ceases to hold office on the reconstitution of the Board.

(3) Where a member of the Board resigns, dies, is removed from office or is for a sufficient reason unable to act as a member of the Board, the chairman shall notify the President of the vacancy and the President shall in accordance with article 70 of the Constitution, appoint another person to hold the office for the unexpired portion of the member's term of office.

(4) A member of the Board may at any time resign from office in writing addressed to the President through the chairman of the Board.

(5) A member of the Board who is absent from three consecutive meetings of the Board without sufficient cause ceases to be a member of the Board.

6. Meetings of the Board

(1) The Board shall meet at least once in two months for the transaction of business at the time and at the place determined by the Board.

(2) A special meeting of the Board shall be called on the written request of the chairman or by a majority of the members of the Board addressed to the secretary to the Board.

(3) The chairman shall preside at the meetings of the Board and in the absence of the chairman a member of the Board elected by the members present from among their number shall preside.

(4) A question for decision shall be determined by a simple majority of the members present and

voting and where there is equality of votes the person presiding shall have a casting vote.

(5) The quorum at a meeting of the Board is four including the Auditor-General or in the absence of the Auditor-General, the person acting on behalf of the Auditor-General.

(6) The validity of the proceedings of the Board shall not be affected by a vacancy in its membership or by a defect in the appointment or qualification of a member.

(7) The Board may co-opt a person to attend a Board meeting but that person shall not vote on a matter for decision by the Board.

(8) A member of the Board who has an interest in a contract, an application or any other transaction for consideration by the Board shall disclose verbally or in writing the nature of the interest and is disqualified from participating in a deliberation of the Board in respect of the contract, application or that other transaction.

(9) A member who contravenes subsection (8) shall be removed from the Board.

(10) Subject to this section, the Board shall determine the procedure for its meetings.

7. Appointment of committees

(1) The Board may appoint committees consisting of members of the Board or of members and non-members to exercise any of its functions.

(2) The chairman of a committee of the Board shall be a member of the Board.

(3) A committee of the Board may co-opt a person it may determine to attend its meetings.

(4) A committee of the Board shall determine the procedure for its meetings.

8. Engagement of consultants and experts

(1) The Board may engage the services of consultants and any other experts it considers necessary for the efficient performance of the functions of the Service.

(2) The consultants and experts shall be engaged on the terms and conditions determined by the Board.

9. Allowances for members of the Board

The members of the Board shall be paid the allowances determined by the President.

Appointment, Functions and Mode of Operation of the Auditor-General

10. Appointment of the Auditor-General

(1) The Auditor-General shall be appointed by the President in accordance with article 70 of the Constitution.

(2) The office of Auditor-General is a public office.

(3) A person appointed as the Auditor-General shall, before commencing the duties of the office, take and subscribe the Oath of the Auditor-General set out in the Second Schedule to the Constitution.

(4) The Auditor-General shall retire after attaining the age of sixty years but may be engaged for a limited period of not more than two years at a time but not exceeding five years in all and on any other

terms and conditions that the President, acting in consultation with the Council of State, shall determine.

(5) The salary and allowances payable, and the facilities and privileges available to the Auditor-General shall be determined in accordance with article 71 of the Constitution.

(6) The salary and allowances payable to the Auditor-General shall be a charge on the Consolidated Fund.

(7) The salary and allowances payable to the Auditor-General, the rights in respect of leave of absence, retiring award or retiring age shall not be varied to the disadvantage of, and during tenure of office of, the Auditor-General.

(8) The provisions of article 146 of the Constitution relating to the removal of a Justice of the Superior Court of Judicature from office shall apply to the Auditor-General.

(9) The Auditor-General may at any time resign from office in writing addressed to the President.

11. Audit of public accounts generally

(1) In accordance with article 187 of the Constitution, the public accounts of the Republic and of all public offices, including the courts, the central and local government, administrations of the Universities and public institutions of like nature, of a public corporation or any other body or organisation established by an Act of Parliament, shall be audited and reported on by the Auditor-General.

(2) For the purposes of subsection (1), the Auditor-General or a person authorised or appointed for the purpose by the Auditor-General shall have access to the books, records, returns and any other documents including documents in computerised and electronic form relating to or relevant to those accounts.

(3) The public accounts of the Republic and of all persons and institutions referred to in subsection (1) including computerised financial and accounting systems and electronic transactions shall be kept in the form approved by the Auditor-General and are subject to review by the Auditor-General.

(4) An internal auditor of an organisation or body to which subsection (1) applies shall submit a copy of each report issued as a result of internal audit work carried out to the Auditor-General.

(5) The financial and accounting systems in respect of the accounts provided under subsection (1) are subject to the prior approval of the Auditor-General and a change in any of these systems shall be notified to the Auditor-General and are subject to prior approval before implementation.

(6) A head of a public institution or any other body subject to auditing by the Auditor-General who fails to comply with subsection (5) is liable to be surcharged with the cost of the loss occasioned by defective or deficient internal controls of auditing.

12. Audit of foreign exchange transactions

(1) The Bank of Ghana shall, not later than three months after the end of

(a) the first six months of its financial year, and

(b) its financial year,

submit to the Auditor-General for audit, a statement of its foreign exchange receipts and payments or transfers in and outside the Republic.

(2) The Auditor-General shall, not later than three months after the submission of the statement referred to in section (1), submit a report to Parliament on the statement.

13. Examination of accounts

The Auditor-General shall examine, in the manner that the Auditor-General thinks necessary, the public and other government accounts and shall ascertain whether

- (a) the accounts have been properly kept;
- (b) all public moneys 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 the revenue;
- (c) moneys have been expended for the purposes for which they were appropriated and the expenditures have been made as authorised;
- (d) essential records are maintained and the rules and procedures applied are sufficient to safeguard and control public property; and
- (e) programmes and activities have been undertaken with due regard to economy, efficiency and effectiveness in relation to the resources utilised and results achieved.

14. Auditing of statutory corporation

(1) In respect of the accounts of a statutory corporation, a state enterprise or a public commercial institution operating under its own enactment, the Auditor-General shall, on the examination of the accounts of that body or institution, express an opinion as to whether the accounts present fairly financial information in accordance with the applicable statutory provisions, stated accounting policies of the Government and is in accordance with generally accepted accounting standards and essentially consistent with that of the preceding year.

(2) The Auditor-General, in respect of the accounts of a statutory corporation, shall in addition to the audit report draw attention to

- (a) the profitability, liquidity, stability and solvency of the corporation and also the performance of the shares of the corporation on the capital markets, where relevant,
- (b) whether there was delay in the payment of the Government's portion of a declared dividend into the Consolidated Fund,
- (c) the significant cases of fraud or losses and the underlying causes,
- (d) an internal control weakness noted, and
- (e) the general corporate performance indicating
 - (i) achievement against set targets and objectives, and
 - (ii) whether the finances of the body have been conducted with due regard to economy, efficiency and effectiveness having regard to the resources utilised.

15. Examination of Controller and Accountant-General's report on public accounts

The Auditor-General shall, on receipt of the annual statements of public accounts required, under sections 40 and 41 of the Financial Administration Act, 2003 (Act 654) to be made by the Controller and Accountant-General, examine the statement and certify whether the statements present fairly, financial information on the accounts in accordance with accounting policies of the Government and consistent with statements of the preceding year in accordance with best international practices, and may state the

appropriate and necessary reservation or comment.

16. Submission of special audit report to Parliament

The Auditor-General may in addition to the audit of public accounts, carry out in the public interest any necessary special audits or reviews and shall submit reports on the audits or review so undertaken to Parliament.

17. Disallowance and surcharge by Auditor-General

(1) The Auditor-General shall specify to the appropriate head of department or institution the amount due from a person on whom a surcharge or disallowance has been made and the reasons for the surcharge or disallowance.

(2) A sum of money specified by the Auditor-General to be due from a person shall be paid by that person to the department or institution within sixty days after it has been so specified.

(3) A person aggrieved by a disallowance or surcharge made by the Auditor-General may appeal to the High Court not later than the expiration of sixty days prescribed in subsection (2).

(4) In accordance with article 187 (10), the Rules of Court Committee may, by constitutional instrument, make Rules of Court for the purposes of subsection (3) of this section.

(5) A sum of money which is lawfully due under this section is recoverable, on civil proceedings taken by the head of department in a Court as a civil debt and where the person surcharged is in receipt of remuneration from the Government or an institution, the remuneration shall be attached to the extent of the sum lawfully due.

(6) In proceedings for the recovery of that sum a certificate signed by the Auditor-General is prima facie evidence of the facts certified.

(7) The Auditor-General may with the prior approval of Parliament revoke a surcharge made under this section.

18. Independence of the Auditor-General

(1) In accordance with clause (7) of article 187 of the Constitution, in the performance of functions under this Act or any other law the Auditor-General

(a) is not subject to the direction or control of any other person or authority;

(b) may disallow an item of expenditure which is contrary to law and surcharge

(i) the amount of an expenditure disallowed on the person responsible for incurring or authorising the expenditure;

(ii) a sum of money which has not been duly brought into account, on the person by whom the sum ought to have been brought into account; or

(iii) the amount of a loss or deficiency, on a person by whose negligence or misconduct the loss or deficiency has been incurred.

(2) Paragraph (a) of subsection (1) shall not preclude the President, acting in accordance with the advice of the Council of State, from requesting the Auditor-General in the public interest, to audit, at any particular time, the accounts of a body or an organisation referred to in section 11 (1).

19. Adherence to international practices

The Auditor-General shall in the auditing of accounts, adhere to methods that are consistent with emerging practices in governmental auditing such as environmental and forensic audits adopted by the International Organisation of Supreme Audit Institutions and any other internationally recognised bodies.

20. Auditor-General's report to Parliament

(1) The Auditor-General shall, within six months after the end of the immediately preceding financial year to which each of the accounts relates, submit a report to Parliament and shall, in the report, draw attention to any irregularities in the accounts audited and to any other matter which ought to be brought to the notice of Parliament.

(2) Without limiting the scope of subsection (1), the Auditor-General shall draw attention to any case in which the Auditor-General has observed that,

- (a) an officer or employee of the Government has wilfully or negligently omitted to collect or receive any public money due to the Government;
- (b) any public money was not duly accounted for and paid into the Consolidated Fund or any other designated public account;
- (c) an appropriation was exceeded or was applied for a purpose or in a manner not authorised by law;
- (d) an expenditure was not authorised or properly vouched for or certified;
- (e) there has been a deficiency through fraud, default or mistake of any person;
- (f) applicable internal control and management measures are inefficient or ineffective;
- (g) the use or custody of property, money, stamps, securities, equipment, stores, trust money, trust property or any other assets has occurred in a manner detrimental to the Republic;
- (h) resources have not been used with due regard to economy, efficiency and effectiveness in relation to the results attained; and
- (i) in the public interest, the matter should be brought to the notice of Parliament.

21. Debate by Parliament of the Auditor-General's reports

Parliament shall debate reports of the Auditor-General on the public accounts, the statement of foreign exchange receipts and payments of the Bank of Ghana and any other special audits and shall appoint where necessary, in the public interest, committees to deal with the matters arising from the report.

22. Audit of accounts by Auditor-General or as requested by Parliament

The Auditor-General may whenever Parliament so requests and may, of the Auditor-General's own motion, inquire into and report on a matter relating to

- (a) the financial affairs of the Government or public property, or
- (b) a person or an organisation in receipt of financial aid from the Government or in respect of whom financial aid from the Government is sought.

23. Publication of reports

(1) The Auditor-General shall publish the reports on the public accounts and the statement of foreign exchange receipts and payments of the Bank of Ghana as soon as the reports have been presented to the Speaker to be laid before Parliament.

(2) The Auditor-General shall submit copies of the published reports to

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

24. Auditing of the office of the Auditor-General

The accounts of the office of the Auditor-General shall be audited annually and reported on by an auditor appointed by Parliament.

25. Submission of annual report on activities of the Service

The Board shall submit to the President and Parliament as soon as possible but in any event not later than eight months after the end of each financial year, a report on the activities of the Service during the year to which the report relates.

Financial and Miscellaneous Provisions

26. Expenses of the Service charged on the Consolidated Fund

In accordance with clause (14) of article 187 of the Constitution, the administrative expenses of the office of the Auditor-General including the salaries, allowances, gratuities and pensions payable to or in respect of persons serving in the Audit Service shall be a charge on the Consolidated Fund.

27. Annual estimates of the Service

(1) The Board shall at least two months before the end of the financial year submit to the President the estimates of the Service.

(2) The President shall at least one month before the end of the financial year cause the estimates to be laid before Parliament without revision but with the recommendations that the President may make on them.

28. Stationing of officers in organisations subject to audit

(1) The Auditor-General may require an organisation or a body subject to audit by the Auditor-General to make available while the audit is being carried on, suitable office accommodation for the proper conduct of the audit.

(2) The Auditor-General shall require every person employed in the Service who is to examine the accounts of an organisation under this Act, to comply with security arrangements applicable to, and to take the oath of secrecy required to be taken by persons employed in that organisation and that person

shall comply with the requirement.

(3) The Auditor-General shall station in Parliament House, permanent staff to enable Parliament to carry out effectively its duties in respect of reports submitted by the Auditor-General to Parliament.

29. Audit observations

(1) The Auditor-General shall, as a result of an audit, issue observations to the Controller and Accountant-General or the management of the audited organisation and the comments made by the management shall be returned to the Auditor-General within thirty days after the receipt of the observation.

(2) A person who fails or refuses to reply to the audit observations within the period specified in subsection (1) shall, if the Auditor-General so directs, have the emoluments and allowances of that person withheld for so long as that person fails to comply.

30. Audit report implementation committees

(1) An institution, a body or an organisation which is subject to auditing by the Auditor-General shall establish an audit report implementation committee, comprising members of

- (a) the governing board or council of that institution, body or organisation as established by law,
- (b) a ministerial committee for Ministries, Departments and Agencies of the Government, or
- (c) a special committee of the District Assembly.

(2) The audit report implementation committee shall ensure that the head of an institution, a body or an organisation to which subsection (1) applies

- (a) pursues the implementation of matters in all audit reports, the Auditor-General's reports endorsed by Parliament and the financial matters raised in the reports of internal monitoring units in the institution, body or organisation, and
- (b) annually prepares a statement showing the status of implementation of recommendations made in all audit reports as well as the Auditor-General's reports which have been accepted by Parliament and any other related directives of Parliament.

(3) The statement shall show remedial action taken or proposed to be taken to avoid or minimise the recurrence of undesirable features in the accounts and operations of the institution, body or organisation and the time frame for action to be completed.

(4) The statement referred to in subsection (3) shall be endorsed by the relevant Minister and forwarded to Parliament, the Office of the President and the Auditor-General within six months after parliamentary decisions on the Auditor-General's report.

(5) In the performance of its functions under this Act, an audit report implementation committee may co-opt a senior management person to serve on the committee.

31. Examination on oath

The Auditor-General may examine a person on oath on a matter pertaining to an account subject to audit.

32. Retirement of Audit Service staff

(1) Except where otherwise provided in this Act, a person employed by the Service

- (a) may voluntarily retire from the Service at any time after attaining the age of forty-five years; and
- (b) shall retire from the Service after attaining the age of sixty years.

(2) Despite subsection (1) a person employed by the Service who has attained the age of sixty years may be eligible for engagement immediately after retirement by the Board on the recommendation of the Auditor-General for a limited period of not more than two years at a time but not exceeding five years in all.

(3) A person who has retired from the Service shall be paid retirement benefits in accordance with the Constitution.

33. Offences

(1) A person who

- (a) fails to produce for inspection by the Auditor-General or otherwise fails to give the Auditor-General access to a book, record, return or any other document relating or relevant to an account to be audited by the Auditor-General, when so requested by the Auditor-General,
- (b) fails to keep proper books of account or proper records in relation to those books when so required by the provisions of an enactment,
- (c) gives to the Auditor-General information which that person knows is false or which that person does not have a reason to believe is true,
- (d) wilfully suppresses information required by the Auditor-General in the performance of a function under this Act or any other enactment,
- (e) obstructs the Auditor-General in the performance of a function under this Act or any other enactment,

commits an offence and is liable on summary conviction to a fine of not less than five hundred penalty units or to a term of imprisonment not exceeding two years or to both the fine and the imprisonment.

(2) For the purposes of subsection (1), “**Auditor-General**” includes an auditor acting under the direction of the Auditor-General.

(3) A member of the Audit Service who

- (a) demands or takes a bribe, gratuity, recompense or reward for the neglect or non-performance of a duty,
- (b) wilfully fails to report to the Auditor-General an abuse or irregularity that comes to notice in the course of performing a function in relation to any accounts audited by the member, or
- (c) makes a report to the Auditor-General which the member knows is false or does not have a reason to believe is true,

commits an offence and is liable on summary conviction to a fine of not less than five hundred penalty units or to a term of imprisonment not exceeding two years or to both the fine and the imprisonment.

34. Offences by bodies of persons

(1) Where an offence is committed under section 33 (1) by a body of persons,

(a) in the case of a body corporate, other than a partnership, every director and officer of that body corporate shall be deemed to have committed that offence, and

(b) in the case of a partnership every partner shall be deemed to have committed that offence.

(2) A person shall not be convicted of an offence under subsection (1) if it is proved that the offence was committed without the knowledge of, or that due diligence was exercised by, that person to prevent the commission of the offence.

35. Regulations

The Board shall, acting in consultation with the Public Services Commission, make Regulations, by constitutional instrument,

(a) for the effective and efficient administration of the Audit Service; and

(b) generally for carrying out the principles and purposes of this Act.

36. Interpretation

In this Act, unless the context otherwise requires,

“**Board**” means the governing body of the Service;

“**financial aid**” means grants, loans, guarantees and commodity aids;

“**Public Services**” means the Public Services referred to in article 190 of the Constitution;

“**Service**” means the Audit Service.

37. Consequential amendments

Repealed.3(3)

38. Repeals and saving

Spent.4(4)

Endnotes

1 (Popup - Footnote)

1. Assented to on 10th October, 2000, and notified in the Gazette on 20th October, 2000.

2 (Popup - Footnote)

2. See Revenue Agencies (Governing Board) Act, 1998 ([Act 558](#)).

3 (Popup - Footnote)

3. By virtue of the Financial Administration Act, 2003 ([Act 654](#)).

The provision reads,

‘The Financial Administration Act, 1979 is amended—

(a) by the substitution for paragraph (c) of subsection (4) of section 47, of the following:

‘(c) the libraries of the Ghana Institute of Management and Public Administration (GIMPA) and the Management Development and Productivity Institute (M.D.P.I.);’

(b) by the insertion after paragraph (c) of subsection (4) of the following:

‘(d) members of the Audit Service Board,’

4 (Popup - Footnote)

4. This section reads,

“(1) The Audit Service Decree, 1972 (N.R.C.D. 49) is repealed by this Act.

(2) Part V of the Financial Administration Decree, 1979 (S.M.C.D. 221) is hereby repealed.

(3) The Public Officers (Auditor-General) Instrument, 1962 (L.I. 204) is hereby revoked.

(4) Despite the repeal under subsection (1) an instrument made, directives given or appointments made under the repealed enactment and in force immediately before the date of the coming into force of this Act shall continue in force as if made or given under this Act.

(5) Subject to this Act, the Audit Service Board in existence immediately before the coming into force of this Act shall be the Board referred to in this Act.”