



Ref: DG/OPS/NTCE/2023/01

10th January, 2023

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NOTICE NUMBER: IAA/01/01/2023

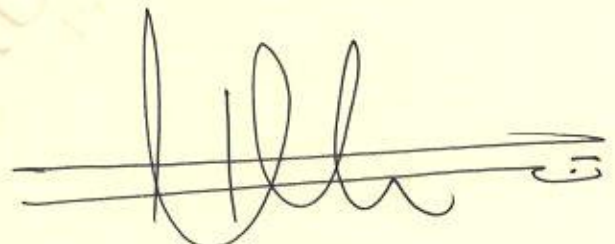
IMPLEMENTATION OF FISCAL CONSOLIDATION MEASURES IN THE 2023 BUDGET STATEMENT AND ECONOMIC POLICY OF GHANA.

Reference is made to Notice Number IAA/02/14/2022 dated 3rd October, 2022 issued by the Agency on "**Guidelines for Preparation and Submission of 2023 Risk-Based Internal Audit (RBIA) Plan**" (Copy attached for ease of reference).

2. The Notice provided directives to Heads of Internal Audit Units (IAUs) to include **specified mandatory thrust areas**, in addition to areas (defined by risk assessment) in their 2023 Risk-Based Internal Audit (RBIA) Work Plans.
3. Further to the above, the 2023 Budget Statement and Economic Policy of Government has provided additional fiscal consolidation measures to be observed by all public institutions. (Refer to pages 56-90 and Appendix 10 on page 314 of the Budget Statement.)
4. Public sector Internal Auditors, Audit Committees and Heads of Covered Entities are advised to take note and observe the following fiscal consolidation measures in implementing their 2023 Risk-based Internal Audit workplans:
 - i. Audit of **revenue mobilization and collection processes**, particularly payment of appropriate and all withholding taxes as and when due;
 - ii. Ensure all earmarked funds **use the GIFMIS platform** to process transactions;
 - iii. Ensure implementation of the **30% cut in the salaries of the President, Vice President, Ministers, Deputy Ministers, MMDCEs, and political office holders** including those in State-Owned Enterprises (SOEs);
 - iv. Ensure **that a cap is placed on salary adjustment of SOEs; this should be lower than the negotiated base pay increase on Single Spine Salary Structure for each year;**

- v. Internal Auditors and Audit Committees are particularly encouraged to improve assurance and advisory services to the Boards and Heads of Covered Entities in the following areas:
- a) **To reduce fuel allocations to Political Appointees, heads of MDAs, MMDAs and SOEs by 50%;**
 - b) Ban use of V8s or its equivalents except for cross-country travel;
 - c) All government vehicles should have **GV number plates effective January 2023;**
 - d) Only essential **official foreign travel across** should be allowed;
 - e) Board Members are not allowed to **embark on official foreign travels;**
 - f) Submission of 2023 travelling plans of your organisation to the Chief of Staff ahead of time for approval in January 2023;
 - g) All official meetings and workshops of your organisation should be held within **the official environment or government facilities;**
 - h) Government sponsored external training and Staff Development activities at the Office of the President, Ministries and SOEs are put on hold
 - i) Freeze on **tax waivers for foreign companies;**
 - j) Freeze on recruitment **into the civil and public service**, except in very critical cases;
 - k) No Ministry, Department and Agency including SOEs should use public funds to **purchase and distribute hampers in 2022;**
 - l) **Suspension of printing** of diaries, notepads, calendars, and other promotional merchandise;
 - m) Suspension of all **non-critical projects;**
 - n) Work to expunge **“ghost”** names from payroll through periodic payroll audits;
 - o) Compliance with the moratorium placed on bonus payment **for SOEs that posts losses;**
 - p) Transactions **are to be processed on** the GIFMIS in accordance with Section 25 (6) of Public Financial Management Act (PFMA);
 - q) Commitment to invest in a project should take **place only after expert assessment and justification for the investment project and efficiency** established in line with Section 33 (5) of the PFM Act;
 - r) Procurement requests must be backed by **budgetary allocations approved for that year;**

- s) No public official must sign any MoU or any agreement that commits the Government financially without the **prior approval or clearance from the Minister responsible for Finance**;
- t) Only items specified in the approved **Procurement Plans** of the Covered Entity posted on the Public Procurement Authority (PPA) website should be considered for procurement contracts;
- vi. *Internal Auditors are further advised to:*
- a) Conduct **treasury audit** and **recommend measures** for continuous internal controls improvement over the collection and disbursement of cash and other funds in accordance with the PFMA, 2016 and PFMR, 2019 (L.I.2378); and
- b) Conduct compliance review of all procurements to ensure compliance with the Public Procurement Act 2003, Act 663 (as amended).
4. Heads of Covered Entities, Internal Auditors and Audit Committee members are advised to ensure compliance with the above.
5. A progress report on the extent of compliance with the above measures shall be required in all Internal Audit reports submitted to the Agency in 2023 and also in the 2023 Annual Audit Committee report.
6. Whilst in anticipation of compliance please, accept the assurances of our highest consideration.



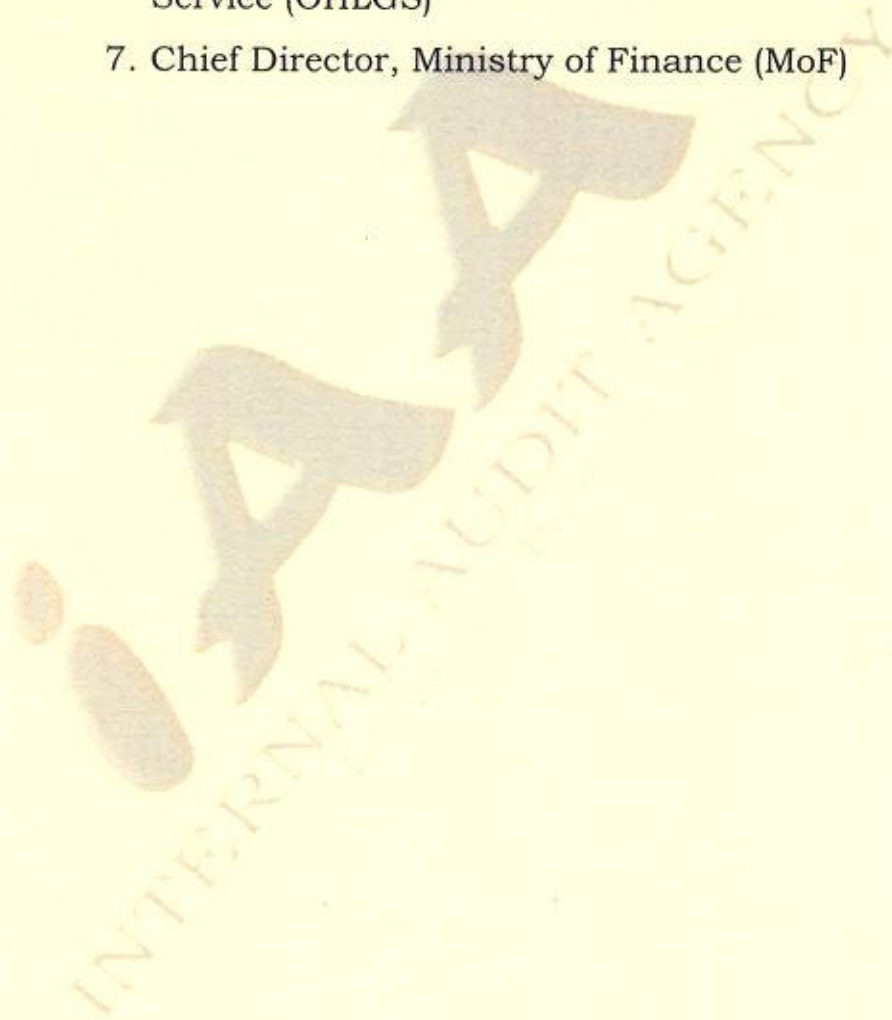
E. O. OSAE (PhD, FCA)
DIRECTOR-GENERAL

DISTRIBUTION

- 1. HEADS OF COVERED ENTITIES**
- 2. HEADS OF INTERNAL AUDIT UNITS**
- 3. CHAIRPERSONS AND MEMBERS OF AUDIT COMMITTEES**

Cc:

1. The Chief of Staff, Office of the President, Accra
2. The Minister for Finance
3. Chairman, Public Services Commission (PSC)
4. Director-General, State Interests and Governance Authority (SIGA)
5. Head, Office of the Head of Civil Service (OHCS)
6. Head, Office of the Head of Local Government Service (OHLGS)
7. Chief Director, Ministry of Finance (MoF)





Ref: DG/50/2022/58

3rd October, 2022

NOTICE NUMBER: IAA/02/14/2022

GUIDELINES FOR PREPARATION AND SUBMISSION OF 2023 RISK-BASED INTERNAL AUDIT (RBIA) PLAN

Reference is made to Regulation 219 (2) of the Public Financial Management Regulations, 2019 (L.I.2378) and Sections 3 (1) and 16 of the Internal Audit Agency Act, 2003 (Act 658) which mandate the Agency to prepare and publish the directives and guidelines for the implementation of its accepted standards and procedures for the conduct of internal audit in Public Institutions.

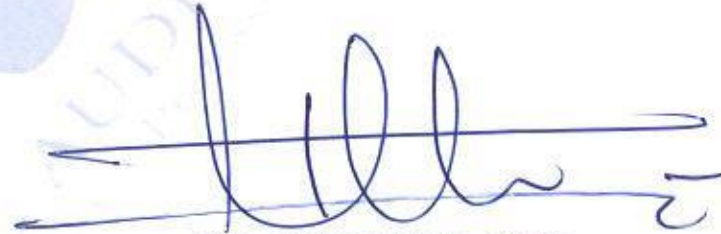
2. Section 83 (4) of the Public Financial Management Act, 2016 (Act 921) requires *the Internal Auditor of a Covered Entity to, in consultation with the Principal Spending Officer of that Covered Entity, prepare an annual audit work plan of the activities required to be performed by the Internal Auditor in a financial year which is determined by the risk assessment including the fiscal risk of that covered entity in accordance with guidelines issued by the Internal Audit Agency.*

3. In accordance with Section 83 (6b) of the Public Financial Management Act, 2016 (Act 921), the Internal Auditor of a Covered Entity shall, **within thirty (30) days after** the beginning of the financial year, submit a copy of the annual risk-based internal audit work plan to the **Director-General of the Internal Audit Agency.**

4. Pursuant to the above mandate, the Agency directs Heads of Internal Audit Units (IAUs) of Covered Entities to include the following mandatory thrust areas, in addition to areas (defined by risk assessment including fiscal risks) in their 2023 Risk-Based Internal Audit (RBIA) Work Plans.

- i. Monthly Auditing of the **ESPV Payroll and Human Resource Management Report.**
- ii. Follow-up on Implementation of Recommendations in the **2021 Auditor-General's report and Management Letters.**
- iii. Facilitating Development and Implementation of an Enterprise Risk Management (ERM) System.

- iv. Mainstreaming and Conducting Performance Audit of key operational areas of their organisation in accordance with the Establishment Law or Instrument.
 - v. Audit of Outstandings, Borrowings, Loans, Advances and Recoverable Indebtedness of their Covered Entity.
 - vi. Compliance with Expenditure Rationalisation and Revenue Enhancement Measures announced by Government.
 - vii. Auditing Assets and Property protection to ensure appropriate ownership, i.e. Titling and Documentation.
 - viii. Audit of Internally Generated, Projects and Donor Funds.
 - ix. Information systems Audit (where the capacity exists in the Internal Audit Unit)
 - x. Auditing Implementation of the Approved 2023 Budget of the respective Covered Entity according to Budget Guidelines.
5. Please be reminded that the approved **Annual Risk-Based Internal Audit Work Plan for 2023** of your Covered Entity should reach the Agency not later than **31st January, 2023**.
6. Whilst in anticipation of compliance please accept the assurances of our highest consideration.



E.O. OSAE (PhD, FCA)
DIRECTOR-GENERAL

DISTRIBUTION LIST

- 1. HEADS OF COVERED ENTITIES**
- 2. HEADS OF INTERNAL AUDIT UNITS**
- 3. CHAIRPERSONS, AUDIT COMMITTEES**

Cc: The Minister for Finance