



REPUBLIC OF GHANA

INTERNAL AUDIT AGENCY
(Office of Government Machinery)



Ref: DG/TA/NTCE/2024/04

17th September, 2024

NOTICE NUMBER: IAA/04/09/2024

RE-ISSUE OF NOTICE NUMBER IAA/02/01/2021

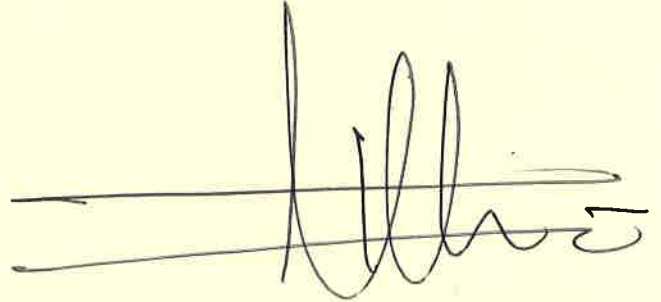
TRANSITION FROM PRE-AUDITING TO FULL RISK-BASED INTERNAL AUDITING IN THE PUBLIC SECTOR

Reference is made to our Notice Number IAA/02/01/2021 dated 28th January, 2021 on above.

2. In line with its oversight responsibility and mandate under Section 3 (3c) of the Internal Audit Agency Act, 2003 (Act 658), the Agency in 2021 directed Heads of Internal Audit Units (IAUs) to include “**Pre-auditing of all financial transactions**” in the thrust areas covered by their respective Workplans.
3. However, after over three (3) years of implementation, evidence shows substantial improvements in the control systems of Public Institutions.
4. In view of the above, the Agency directs IAUs to prioritize and optimize limited resources (including audit time) available to evaluate and support improvement in the risk management systems of Public Institutions.
5. The Agency is by this Notice directing that, henceforth, unless transactions are of high-risk nature (which may result in irregularities and loss of funds in the absence of pre-auditing), IAUs **may exempt such transactions from Pre-auditing**.
6. However, where pre-auditing is inevitable (due to the high-risk nature of the transaction), it should not limit the IAU’s ability to achieve 100% coverage of planned audit activities for the year.
7. Heads of IAUs are therefore, reminded to optimize the use of their limited Internal Audit resources towards achieving 100% coverage of planned audit activities.

8. For the avoidance of doubt, this directive **does not abolish pre-auditing in the Public Sector**, it rather gives flexibility in its application on a case-by-case basis as we transit to a full risk-based audit system.

9. Please accept the assurances of our highest consideration.



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

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Cc: The Minister for Finance