NAME OF COVERED ENTITY

20XX

|  |
| --- |
| A blue logo with white text  Description automatically generated |

A yellow eagle with a black star and green shield

Description automatically generatedA blue and white sign with white symbols

Description automatically generated

**AUDIT COMMITTEE’S REPORT**

Table of Contents

[**Statement by the Chairman of the Audit Committee** 4](#_Toc197064852)

[**1. Report Distribution** 4](#_Toc197064853)

[**2. Background and Overview** 4](#_Toc197064854)

[**2.1** **Establishment and Inauguration of the Audit Committee** 5](#_Toc197064855)

[**2.2 Reporting Responsibilities of the Head of Covered Entity** 5](#_Toc197064856)

[**2.3** **Roles and Responsibilities of the Audit Committee** 5](#_Toc197064857)

[**2.3.1 Mandatory Roles and Responsibilities** 6](#_Toc197064858)

[**2.3.2 Advisory Roles and Responsibilities** 6](#_Toc197064859)

[**2.4 Compliance and Ethics** 7](#_Toc197064860)

[**3. Composition of the Audit Committee** 7](#_Toc197064861)

[**4. Activities Carried out over the Period Under Review** 8](#_Toc197064862)

[**4.1 Audit Committee Meetings** 8](#_Toc197064863)

[**4.2 Issues Reviewed by Audit Committee** 8](#_Toc197064864)

[**4.2.1 Mandatory Roles** 9](#_Toc197064865)

[*4.2.1.1 Report on the Implementation of Internal Audit Recommendations* 9](#_Toc197064866)

[*4.2.1.2 Auditor-General’s Management Letter* 9](#_Toc197064867)

[*4.2.1.3 Report on the Implementation of Recommendations from Public Accounts Committee* 9](#_Toc197064868)

[*4.2.1.4 Report on Financial Matters Raised in an Internal Monitoring Unit (where applicable)* 9](#_Toc197064869)

[**4.2.2 Advisory Roles** 9](#_Toc197064870)

[*4.2.2.1 Risk Management* 9](#_Toc197064871)

[*4.2.2.2 Internal Control* 9](#_Toc197064872)

[*4.2.2.3 Compliance with laws, regulations and ethical standards* 9](#_Toc197064873)

[**4.2.2.4 Support to Internal Audit and other Monitoring Units as well as External Scrutiny** 9](#_Toc197064874)

[**4.2.3 Any Other Matters** 9](#_Toc197064875)

[**4.2.4 Statement Showing the Status of Implementation of Recommendations Made in All Audit Reports as well as Parliament’s Decision on the Auditor-General’s Reports** 9](#_Toc197064876)

[**5. Savings from pursuit of implementation of recommendations** 11](#_Toc197064877)

[**6. Challenges** 11](#_Toc197064878)

[**7. Recommendations** 11](#_Toc197064879)

[**8. Conclusion** 11](#_Toc197064880)

[**9. Acknowledgements** 11](#_Toc197064881)

[**10. Approvals** 12](#_Toc197064882)

[**11. Appendices** 13](#_Toc197064883)

[**Appendix 1: Status of Implementation of Recommendations Contained in the Internal Auditor’s Report** 13](#_Toc197064884)

[**Appendix 2: Status of Implementation of Recommendations Contained in Auditor-General’s / External Auditor’s Management Letter** 14](#_Toc197064885)

[**Appendix 3: Status of Implementation of Recommendations Contained in PAC** 15](#_Toc197064886)

[**Appendix 4 :Categorization of Audit Findings/Observations** 16](#_Toc197064887)

[**Appendix 5 : - Audit Recommendations Implementation Status** 17](#_Toc197064888)

**ANNUAL REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 20XX**

# **Statement by the Chairman of the Audit Committee**

The following areas should be included in the Chairman’s Statement.

1. Functionality of the AC
2. Summary of audit findings and recommendations, stating the numbers of findings and number of recommendations as well as the status of implementation of the recommendations contained in the Internal Audit reports and External Auditors’ Report/Management Letter. (Appendices 1&2)
3. The AC’s support to management to improve controls and comply with laws.
4. Achievements, including key policy recommendations of the Audit Committee to improve financial management, for example, savings made as a result of AC’s operations.
5. Results of Assessment of the Audit Committee conducted by the IAA.
6. Acknowledgement of Members Support.

# **1. Report Distribution**

This report is prepared in accordance with section 88(1) (b) of the Public Financial Management (PFM) Act, 2016 (Act 921); and is to be distributed in line with Section 88(2)(c) of the PFM Act, and paragraph 17 of the Guidelines for Effective Functioning of Audit Committee (Guidelines) issued by the Minister for Finance in 2023, to the following institutions and officers after endorsement by the [Title of Sector Minister]:

* The Office of the President
* Parliament
* The Minister for Finance
* The Director General, Internal Audit Agency
* The Auditor-General
* Principal Account Holder
* Sector Minister
* Governing Board/ Council (where applicable)

# **2. Background and Overview**

We are pleased to present the report of the Audit Committee (AC) of [Name of organisation] for the financial year ended 31st December 20XX.

The AC assists the Management and the Internal Audit Unit (IAU) of the [Name of organisation] in carrying out its responsibilities as they relate to the establishment of internal controls, risk management and governance, ensuring compliance with laws, regulations and ethical standards and the review of such controls and procedures.

This report is prepared pursuant to Section 88 (1b) of the PFM Act and covers the activities of the AC [Name of organisation] for the year January to December 20XX. The report gives the background, the formation, objectives and key activities carried out by the Committee. It also highlights the meetings and attendance, external and internal audit reports reviewed and status of implementation of audit recommendations.

# **2.1** **Establishment and Inauguration of the Audit Committee**

The Audit Committee of the (insert Name of Covered Entity) was established in accordance with Section 86(1) of the Public Financial Management Act 2016, (Act 921) and Regulations 223(1) of the Public Financial Management Regulations, 2019 (L.I.2378). the Committee was constituted in line with Section 87 of the Public Financial Management Act 2016, (Act 921) with membership drawn from the Internal Audit Agency, Instituted of Chartered Accountants, Ghana and [example, the Board].

Report on the following:

* Date of inauguration
* Who inaugurated it and administered the oaths of office and secrecy?
* Was the Head of Covered Entity present at the inauguration?
* Were the roles of the Audit Committee under the PFM Act and Guidelines (mandatory and advisory) explained?
* Advice given during the inauguration.

# **2.2 Reporting Responsibilities of the Head of Covered Entity**

Section 85 (1) of the Public Financial Management Act, 2016 (Act 921) requires that a Principal Spending Officer shall, on an annual basis, submit the following to the Minister and Auditor-General:

1. a report on the status of implementation of recommendations made by the Audit-General in respect of that covered entity; and
2. a report on the status of implementation of recommendations made by Parliament in respect of that covered entity.

Section 88 (1) (a) of the Public Financial Management Act, 2016 (Act 921) requires the Head of Covered Entity of [Name of organisation] to

1. pursue the implementation of recommendations contained in audit reports listed in item 2.3.1 below.
2. Prepare an annual statement showing the status of implementation of any recommendation contained in audit reports.

# **2.3** **Roles and Responsibilities of the Audit Committee**

The roles and responsibilities of the Audit Committee are provided under the Public Financial Management Act, 2016 (Act 921) and Guidelines for Effective Functioning of Audit Committees (2023) issued by the Minister for Finance.

These are categorized into:

* Mandatory Roles and Responsibilities
* Advisory Roles and Responsibilities

# **2.3.1 Mandatory Roles and Responsibilities**

Section 88 (1) (a) of the Public Financial Management Act, 2016 (Act 921) requires the Audit Committee to ensure that the (Insert Title of Head of Covered Entity) of Name of organisation] pursues the implementation of recommendations contained in

1. an Internal Audit Report.
2. Parliament’s decision on Audit-General’s Report
3. Audit General’s Management Letter; and
4. The report of an internal monitoring unit in the (insert Name of Covered Entity) particularly, in relation to financial matters raised.

Section 88 (1) (b) of the Act 921 also requires the Audit Committee to ensure that the (insert Title of Head of Covered Entity) prepares an annual statement showing the status of implementation of any recommendation contained in

1. an Internal Audit Report
2. Parliament’s decision on Auditor-General’s Report.
3. Auditor General’s Management Letter; and
4. The report on financial matters raised in an internal monitoring unit of the (insert Name of Covered Entity); and
5. Any other related directive of Parliament.

Section 88 (2) of Act 921 further requires that the report shall:

1. Indicate the remedial action taken or proposed to be taken to avoid or minimize the recurrence of an undesirable feature in the accounts and operations of the (insert Name of Covered Entity);
2. Indicate the period for the completion of the remedial; and
3. Be endorsed by the relevant sector Minister and forwarded to the Minister, Parliament, Office of the President and the Auditor-General within six months after end of each financial year.

The Audit Committee liaised with the IAA and ensured that the appointing authority complied with Regulation 220 of the Public Financial Management Regulations, 2019 (L.I.2378) in deciding on a request from management to transfer the Head of the Internal Audit Unit.

# **2.3.2 Advisory Roles and Responsibilities**

Paragraph 10.2 of the Guidelines for Effective Functioning of Audit Committees (2023) identified the following advisory roles and responsibilities of Audit Committees.

1. Providing advice on sound, transparent and reliable financial management practices,
2. Ensuring the risk management process is comprehensive and effective.
3. Helping achieve organization-wide strong and effective internal controls in the covered entity.
4. Reviewing corporate policies relating to compliance with laws and regulations, ethics, conflicts of interest, and investigations of misconduct and fraud.
5. Reviewing current and pending corporate governance related litigation or regulatory proceedings to which the covered entity is a party.
6. Ensuring the internal auditors’ access to the Audit Committee, encouraging communication beyond scheduled Committee meetings.
7. Reviewing internal audit work plans, internal audit charters, risk (including fiscal risk) assessment reports.
8. Ensuring the development, approval and update of the code of conduct. The Committee should also ensure that all employees receive the code of conduct, understand it, and obtain appropriate training regarding it.
9. Follow up on significant issues, investigations, and disciplinary actions.
10. Collaborating with the Internal Audit Agency to initiate investigation into matters involving fraud or misuse of public funds by the Principal Spending Officer.
11. Reviewing audit reports for assurance on efficiency, effectiveness and economy in the administration of programmes and operations of the covered entity.

# **2.4 Compliance and Ethics**

During the year under review, the Audit Committee ensured that (insert Name of Covered Entity) operated within the legal and ethical framework, adhering to applicable regulations and industry guidelines. The committee members reviewed compliance programmes that came to their attention to assess their effectiveness and identify any gaps or areas of improvement.

# **3. Composition of the Audit Committee**

For the period 1st January 20XX to 31st December 20XX and in line Section 87 of the PFM Act, 2016, the membership of the AC comprised the following 5 members, as shown below:

**Table 1: Composition of the Audit Committee**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| # | Name | Designation | Institution Represented | Number of Meetings Attended |
| 1 |  | Chairman |  |  |
| 2 |  | Member |  |  |
| 3 |  | Member |  |  |
| 4 |  | Member |  |  |
| 5 |  | Member |  |  |

**Table 2: Officers that Supported the work of the Audit Committee (Members in attendance/Co-opted Members).**

|  |  |  |
| --- | --- | --- |
| # | Name | Designation |
| 1 |  |  |
| 2 |  |  |
| 3 |  |  |
| 4 |  |  |

The Chairperson was elected from among the independent members in line with Section 87 (4) of the Act. The Secretary to the Committee was XXX (insert his/her title in the organisation). During the year and in accordance with paragraph 6 of the Guidelines for Effective Functioning of Audit Committee issued by the Minister for Finance (2023), the work of the AC was assisted by the following officers.

# **4. Activities Carried out over the Period Under Review**

During the period covered by this report (1st January 20xx to 31st December 20xx), the AC continued to operate under the roles and responsibilities as spelt out in the PFM Act, PFMR and AC Guidelines issued by the Minister for Finance.

## **4.1 Audit Committee Meetings**

During the year under review, and in line with paragraph 12 of the Guideline for Effective Functioning of Audit Committee, quarterly meetings were planned to review both internal and external audit reports of [Name of organisation] as well as any monitoring reports. The Audit Committee met xxx (indicate frequency) times in the year as follows:

**Table 3: Meetings of the Audit Committee**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **#** | **Meetings** | **Meeting Attendance** | | | | | | |
| Date | Chairman | Member | Member | Member | Member | Secretary |
|  | Name |  | xxxxxxx | xxxxxxx | xxxxxxx | xxxxxxx | xxxxxxx | xxxxxxx |
| 1 | 1st Meeting | xxxxxxx | Present | Present | Present | Present | Present | Present |
| 2 | 2nd Meeting |  |  |  |  |  |  |  |
| 3 | 3rd Meeting |  |  |  |  |  |  |  |
| 4 | 4th Meeting |  |  |  |  |  |  |  |
| 5 | Special Meeting |  |  |  |  |  |  |  |
| 6 | Special Meeting |  |  |  |  |  |  |  |
| 7 | Review |  |  |  |  |  |  |  |

# **4.2 Issues Reviewed by Audit Committee**

The meetings reviewed series of key issues emanating from the internal and external audit and other monitoring reports together with their associated remedial actions. It also considered and approved (e.g. policy documents or took decisions to ensure implementation of audit recommendations including): [list the documents or the recommendations]. These are summarized below:

# **4.2.1 Mandatory Roles**

## *4.2.1.1 Report on the Implementation of Internal Audit Recommendations*

[Provide a summary of each issue together with actions taken to implement the issue and status. The report could be provided under the following headings which falls under the mandate of the Audit Committee.]

(Provide narrative)

## *4.2.1.2 Auditor-General’s Management Letter*

(Provide narrative)

## *4.2.1.3 Report on the Implementation of Recommendations from Public Accounts Committee*

(Provide narrative)

## *4.2.1.4* *Report on Financial Matters Raised in an Internal Monitoring Unit (where applicable)*

(Provide narrative)

# **4.2.2 Advisory Roles**

Report on the Audit Committee’s advice to Management on the following:

## *4.2.2.1 Risk Management*

(Provide narrative)

## *4.2.2.2 Internal Control*

(Provide narrative)

## *4.2.2.3 Compliance with laws, regulations and ethical standards*

(Provide narrative)

## **4.2.2.4 Support to Internal Audit and other Monitoring Units as well as External Scrutiny**

(Provide narrative of Audit Committee’s efforts and activities in relation to providing support for the Internal Audit and other Monitoring Units of the the Covered Entity).

# **4.2.3 Any Other Matters**

(Provide narrative if any)

# **4.2.4 Statement Showing the Status of Implementation of Recommendations Made in All Audit Reports as well as Parliament’s Decision on the Auditor-General’s Reports**

The table below summarizes the total findings and recommendations made in all audit reports as well as Parliament’s Decision on the Auditor-General’s Reports.

**Table 4: Status of Implementation of Recommendations Made in All Audit Reports**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | | | | | | | | |
| Report Type | Quarter | Title(s) of Report | Number of Findings in Reports | Related Areas of Infractions | Number of Recommendations Made | Implementation of Recommendation | | | Remarks |
| Fully | Partially | Not |
| Internal Audit Report | Q1 |  |  | Eg. Procurement, Transport, etc. |  |  |  |  |  |
| Q2 |  |  |  |  |  |  |  |  |
| Q3 |  |  |  |  |  |  |  |  |
| Q4 |  |  |  |  |  |  |  |  |
| Auditor-General’s Management Letter |  |  |  |  |  |  |  |  |  |
| Auditor-General’s Report |  |  |  |  |  |  |  |  |  |
| PAC Report |  |  |  |  |  |  |  |  |  |
| Internal Monitoring Report |  |  |  |  |  |  |  |  |  |
| Recommendations from Previous Years | | | | |  |  |  |  |  |

[Provide a narrative on the above table]

The annual statements prepared by Head of Entity showing the status of implementation of audit recommendations is attached as appendices 1 to 3 to this report.

# **5. Savings from pursuit of implementation of recommendations**

[Provide a narrative on savings made by the AC of the covered entity from pursuing implementation of recommendations contained in the reports reviewed] [Comment on AC expenditure]

# **6. Challenges**

[Provide a narrative on challenges faced by the AC in pursuing its mandate]

# **7. Recommendations**

[Provide a narrative on recommendations to mitigate the challenges faced by the AC]

# **8. Conclusion**

(Provide narrative)

# **9. Acknowledgements**

(Provide narrative to include the Board/Commission/General Assembly etc, Management and Staff)

………………………………………………………… ………………………………………………………

NAME NAME

CHAIRMAN SECRETARY

# **10. Approvals**

|  |  |
| --- | --- |
| Name of Institution: | ……………………………………………………………… |
| Name of Head of Covered Entity: | ……………………………………………………………… |
| Designation of Head of Covered Entity: | ……………………………………………………………… |
| Signature: | ……………………………………………………………… |
| Date: | ……………………………………………………………… |

Endorsed by Sector Minister, Ministry of *[NAME OF MINISTRY]*

|  |  |
| --- | --- |
| Name of Minister: | ……………………………………………………………… |
| Designation: | ……………………………………………………………… |
| Signature: | ……………………………………………………………… |
| Date: | ……………………………………………………………… |

# **11. Appendices**

# **Appendix 1: Status of Implementation of Recommendations Contained in the Internal Auditor’s Report**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **NAME OF PUBLIC INSTITUTION: (e.g., MINISTRY OF XXX)**  **PERIOD: JANUARY 20XX TO DECEMBER 20XX** | | | | | | | | | | | | |
| **REPORT TYPE: Internal Recommendation NAME OF AUDIT: Procurement and Stores Management Audit**  **Date:** | | | | | | | | | | | | |
|  | | | | | **Management Commitment Established** | | | | **Remedial Action Taken** | | | |
| **Ref. No.** | **(a) Category of Audit finding**  **/observation** | **(b) Title/short description of the audit finding**  **/observation** | **(c) Amount (GH¢) (if applicable)** | **(d) Auditors Recommendation** | **(e) Category of audit Recommendation** | **(f)**  **Management action** | **(g) Timeline** | **(i) Responsible Officer (Designation of the person)** | **(J) Remedial Action Implemented (Evidence provided) and date** | **(k) Confirmation of evidence and date** | **(l) Amount recovered (GH¢) (where applicable)** | **Status of Implementation and Remarks (if any)** |
| *1* | *Procurement Irregularity* | *Composition of the Entity Tender Committee not consistent with law* | *GHS0.00* | *The ETC should be reconstituted in compliance with the law* | *Improvement of internal controls* | *Management will reconstitute the ETC to comply with PPA Act* | *Within 3 months (30th June 2021)* | *Head, Procurement Directorate* | *The ETC has per letter dated 1st July 2021 been reconstituted by Management* | *Evidence reviewed and confirmed by Internal Audit on 8th July 2021* | *GHS0.00* | *Fully implemented* |

*NB: To be used by public institutions for audit follow-up and to submit annual statement as required by Secs. 83(5)(e) and 88(1)(b) of Public Financial Management Act, 2016 (Act 921)*

# **Appendix 2: Status of Implementation of Recommendations Contained in Auditor-General’s / External Auditor’s Management Letter**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **NAME OF PUBLIC INSTITUTION: (e.g., MINISTRY OF XXX)**  **PERIOD: JANUARY 20XX TO DECEMBER 20XX** | | | | | | | | | | | | |
| **REPORT TYPE: External Audit Recommendation NAME OF AUDIT: Procurement and Stores Management Audit**  **Date:** | | | | | | | | | | | | |
|  | | | | | **Management Commitment Established** | | | | **Remedial Action Taken** | | | |
| **Ref. No.** | **(a) Category of Audit finding**  **/observation** | **(b) Title/short description of the audit finding**  **/observation** | **(c) Amount (GH¢) (if applicable)** | **(d) Auditors Recommendation** | **(e) Category of audit Recommendation** | **(f)**  **Management action** | **(g) Timeline** | **(i) Responsible Officer (Designation of the person)** | **(J) Remedial Action Implemented (Evidence provided) and date** | **(k) Confirmation of evidence and date** | **(l) Amount recovered (GH¢) (where applicable)** | **Status of Implementation and Remarks (if any)** |
| *1* | *Procurement Irregularity* | *Composition of the Entity Tender Committee not consistent with law* | *GHS0.00* | *The ETC should be reconstituted in compliance with the law* | *Improvement of internal controls* | *Management will reconstitute the ETC to comply with PPA Act* | *Within 3 months (30th June 2021)* | *Head, Procurement Directorate* | *The ETC has per letter dated 1st July 2021 been reconstituted by Management* | *Evidence reviewed and confirmed by Internal Audit on 8th July 2021* | *GHS0.00* | *Fully implemented* |

# **Appendix 3: Status of Implementation of Recommendations Contained in PAC**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **NAME OF PUBLIC INSTITUTION: (e.g., MINISTRY OF XXX)**  **PERIOD: JANUARY 20XX TO DECEMBER 20XX** | | | | | | | | | | | | |
| **REPORT TYPE: PAC Recommendation NAME OF AUDIT: Procurement and Stores Management Audit**  **Date:** | | | | | | | | | | | | |
|  | | | | | **Management Commitment Established** | | | | **Remedial Action Taken** | | | |
| **Ref. No.** | **(a) Category of Audit finding**  **/observation** | **(b) Title/short description of the audit finding**  **/observation** | **(c) Amount (GH¢) (if applicable)** | **(d) Auditors Recommendation** | **(e) Category of audit Recommendation** | **(f)**  **Management action** | **(g) Timeline** | **(i) Responsible Officer (Designation of the person)** | **(J) Remedial Action Implemented (Evidence provided) and date** | **(k) Confirmation of evidence and date** | **(l) Amount recovered (GH¢) (where applicable)** | **Status of Implementation and Remarks (if any)** |
| *1* | *Procurement Irregularity* | *Composition of the Entity Tender Committee not consistent with law* | *GHS0.00* | *The ETC should be reconstituted in compliance with the law* | *Improvement of internal controls* | *Management will reconstitute the ETC to comply with PPA Act* | *Within 3 months (30th June 2021)* | *Head, Procurement Directorate* | *The ETC has per letter dated 1st July 2021 been reconstituted by Management* | *Evidence reviewed and confirmed by Internal Audit on 8th July 2021* | *GHS0.00* | *Fully implemented* |

# **Appendix 4 :Categorization of Audit Findings/Observations**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | ***Audit findings/observations*** | | ***Recommendations*** | | | | | |
| ***Category of Audit finding/observation*** | ***Number*** | ***Amount (if applicable)*** | ***Number partially implemented*** | ***% of total*** | Number Fully implemented | ***% of total*** | ***Number not implemented*** | ***% of total*** |
| 1. Cash Irregularities | 34 | 85,800,457.00 | 22 | 65 | 8 | 24 | 4 | 11 |
| 2.Contract irregularities | 27 | 22,000,760.00 | 12 | 44.4 | 13 | 48.2 | 2 | 7.4 |
| 3.Inaccurate Financial Reporting |  |  |  |  |  |  |  |  |
| 4.Ineligible expenditure |  |  |  |  |  |  |  |  |
| 5.Internal control weakness |  |  |  |  |  |  |  |  |
| 6.Outstanding debtors/advances |  |  |  |  |  |  |  |  |
| 7.Outstanding Loan |  |  |  |  |  |  |  |  |
| 11.Payroll Irregularities |  |  |  |  |  |  |  |  |
| *12.Rent payment Irregularities* |  |  |  |  |  |  |  |  |

# **Appendix 5 : - Audit Recommendations Implementation Status**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Nation-wide – Audit Issues resolved*** | | | | | | | | |
|  | ***Audit Issues*** | | Resolution | | | | | |
| *Category of Recommendation* | *Number* | *Amount (if applicable)* | *Number Not resolved* | *Amount (if applicable)* | *Number Partially resolved* | *Amount (if applicable)* | Number Fully resolved | *Amount (if applicable)* |
| 1.Recovery of funds/assets | 34 | 100,000.00 | 22 | 50,000.00 | 8 | 20,000.00 | 4 | 30,000.00 |
| 2.Administrative process improvement | 27 | 20,000.00 | 12 | 12,000.00 | 13 | 5,000.00 | 2 | 3,000.00 |
| 3.Fine/penalty imposed on public officers |  |  |  |  |  |  |  |  |
| 4.Submission of audit evidence |  |  |  |  |  |  |  |  |
| 5.Improvement in disclosures and timeliness of financial reports |  |  |  |  |  |  |  |  |
| 6.Referral to the Anti-Corruption Bodies |  |  |  |  |  |  |  |  |
| 7.Improvement of internal controls |  |  |  |  |  |  |  |  |
| 8.Sanctions against procedural lapses |  |  |  |  |  |  |  |  |
| 9. Others |  |  |  |  |  |  |  |  |

***Please refer to the tables below for guidance***

***Table 5****:* ***Category of Audit Finding/Observation***

|  |  |
| --- | --- |
| ***Category of Audit***  ***Finding/Observation*** | ***Definition/Interpretation*** |
| a.Cash Irregularities | Cash irregularities refer to all cash management and treasury-related audit findings/observations identified in the audit report. The infractions under this category include un-acquitted payment vouchers (PVs), and payments made without appropriate and sufficient audit evidence among others. |
| b.Contract irregularities | This category involves infractions relating to contract management. This includes failure to enforce contract terms and undertaking unauthorized contracts among others. |
| c. Inaccurate Financial Reporting | This includes the preparation of financial reports not in line with the Public Financial Management Act, its regulations and IPSAS as adopted by the Controller and Accountant-General. It includes non-disclosure and improper reporting of material financial transactions, events, and balances among others. |
| d.Ineligible expenditure | An ineligible expenditure is an expenditure not in accordance with the public institution’s approved budget, work plan, programme of work, financing agreement or applicable laws and regulations governing the activities of that institution. |
| e. Internal control weakness | These infractions bother internal control not addressing the risk for which it was designed and ineffectiveness such as poor supervision, lack of segregation of duties, poor access controls, and lack of review and reconciliation of transactions among others. |
| f.Outstanding advances/receivables | This comprises unrecovered advances made by public institutions to their staff as well as overdue debts from other institutions. It also includes advances without bank guarantees given to contractors who have abandoned work, or advances with a bank guarantee for which the guarantee could not be enforced. |
| g.Outstanding Loans | This comprises audit findings/observations related to overdue loans procured by public institutions. The infractions under this category include overdue payments to suppliers among others. |
| h.Payroll Irregularities | This refers to irregularities in the payment of salaries or compensations to employees whether in active employment or retired. |
| i.Rent payment Irregularities | This refers to irregularities relating to the rental and management of properties in respect of the work of public institutions. It includes outstanding rent due from staff; non-deduction of rent from staff income among others. |
| j.Stores/Procurement irregularities | This refers to irregularities in the procurement and management of goods, works, services and stores. It includes sidestepping procurement procedures, use of inappropriate procurement methods, inappropriate custody of goods, and stores management irregularities among others. |
| k.Tax Irregularities | Tax irregularities refer to all tax-related audit findings/observations identified in the audit report. The infractions under this category include outstanding withholding taxes; failure to withhold taxes; failure to charge VAT on taxable supplies; application of wrong tax rates among others. |

***Table 6: Category of Audit Recommendation***

|  |  |
| --- | --- |
| Category of Audit  Recommendation | Definition/Interpretation |
| a.Administrative process  improvement | These are recommendations relating to the request for administrative action or advice for process improvement |
| b.Fine/penalty imposed on public officers | These are recommendations relating to the payment of money or imprisonment as a punishment for an offence. |
| c.Improvement of internal controls | These are recommendations relating to the correction or enhancement of existing internal controls such as segregation of duties, improvement in supervision and authorisation among others. |
| d.Improvement in disclosures  and timeliness of financial reports | These are recommendations relating to proper financial reporting in compliance with the Public Financial Management Act, 2016 (Act 921) and its regulations, IPSAS and other standards adopted by CAGD. |
| e.Recovery of funds/assets | These are recommendations relating to the request for a person to return an asset or money as a refund or retrieval |
| f.Referral to Anti-Corruption Bodies | These are recommendations relating to corruption and corruption-related offences referred to the appropriate bodies such as OSP, EOCO, CHRAJ, and NIB among others |
| g.Sanctions against procedural lapses | These are recommendations relating to the application of sanctions or punishment. |
| h.Submission of audit evidence | These are recommendations relating to the timely submission of requested documents and responses during an audit. |
| *i.Others* | These are recommendations not mentioned in any category above. |