

**IN THE SECOND SESSION OF THE
FOURTH PARLIAMENT OF THE FOURTH
REPUBLIC OF GHANA**

**REPORT OF THE
PUBLIC ACCOUNTS COMMITTEE**

ON THE

**2005 ANNUAL REPORT
OF THE OFFICE OF THE
INTERNAL AUDIT AGENCY**

31ST OCTOBER 2006

INTRODUCTION

1. The Office of the Internal Audit Agency (IAA) was established on 4th August 2005 and its Annual Report for 2005 was laid before Parliament on 27th June 2006 pursuant to Section 23 of the Internal Audit Agency Act, 2003 (Act 658). The Report was accordingly referred to the Public Accounts Committee by Mr. Speaker for consideration and report

SCOPE OF THE ANNUAL REPORT

2. The Report provided details of the Agency's activities and audited financial statement for the year 2005. The Report also provided significant findings from the schedules of Internal Audit Units (IAUs) in the MDAs and MMDAs.

ACKNOWLEDGEMENT

3. The Committee held two sittings to deliberate on the Report. The Committee wishes to commend the Board & Management of I.A.A. for the timely submission of their Annual Report. The Committee further wishes to extend its appreciation to the Chairman of the Board & Management for their input during the Committee's deliberations.

REFERENCE

4. The Committee referred to the following documents during its deliberation:

- i. The 1992 constitution of Ghana
- ii. The Standing Orders of Parliament
- iii. The Internal Audit Agency Act 2003 (Act 658)

FUNCTIONS OF THE AGENCY (IAA)

5. i. According to Section 3(1) of the Internal Audit Act, 2003 (Act 658) the Agency is required to set standards and procedures for the conduct of internal audit activities in the MDAs and MMDAs.
- ii. Section 3(2) of the Act further requires the Internal Audit Agency to ensure that financial, managerial and operational information reported internally and externally is accurate, reliable and timely.
- iii. Section 3(3) also enjoins the Agency to promote economy, efficiency and effectiveness in the administration of Government's programmes and operations.

OBJECTIVES OF THE AGENCY

6. The following objectives were pursued by the Agency during the year under review:
- Organizational Set-up
 - Capacity Development
 - Professional Independence and Integrity
 - Development of Internal Audit Standards, Manuals, Procedures and Programmes.
 - Effective Reporting

ACTIVITIES IN 2005

7. Major activities undertaken in 2005 were mainly focused on the setting up of the Secretariat of the Agency, building capacity and assessment of the status of Internal Auditing in Ministries, Departments and other Agencies of Central

Government (MDAs) and Metropolitan, Municipal and District Assemblies (MMDAs). The specific activities are as follows:-

- i. Establishment of a Secretariat for the Agency including acquisition of office accommodation and the appointment of a Director-General,
- ii. Build working relationships with major stakeholders such as Controller and Accountant-General's Department, Audit Service, Office of the Head of Civil Service, Public Procurement Board and Institute of Internal Auditors.
- iii. Assess the skills and training needs of existing Audit Staff within MDAs and MMDAs.
- iv. Develop training programmes and manuals
- v. Train 720 staff of Internal Audit Units to adequately cater for their professional development in order to deliver timely and quality internal audit service.
- vi. Develop Internal Audit Regulations for the effective implementation of Act 658.

OBSERVATION

8. Your Committee observed that most MDAs & MMDAs have no established post for Internal Auditors. This is negatively affecting the recruitment and retention of high caliber staff for Internal Audit Units.

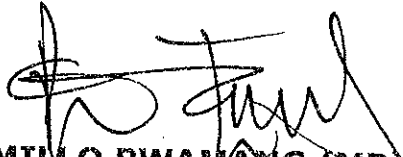
9. The Committee also observed that the financial statement of the Agency has been audited by the Auditor-General and the latter has issued clean opinion on the financial operations of the Agency.

CONCLUSION

10. Your Committee, after careful examination of the Annual Report of the Internal Audit Agency for 2005 and having satisfied itself that the proper books of records were maintained by the Agency during the year, accordingly recommends to the House for adoption, the 2005 Annual Report of the Internal Audit Agency.

11. Respectfully Submitted.


**SAMUEL SALLAS-MENSAH (HON)
CHAIRMAN, PUBLIC ACCOUNTS
COMMITTEE**


**CAMILLO PWANANG (MR)
CLERK, PUBLIC ACCOUNTS
COMMITTEE**