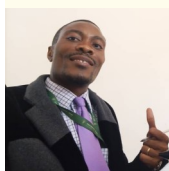




# Audit Service Bulletin

**Vision : To become a world class supreme audit institution, delivering professional, excellent and cost effective auditing services**

## Project Audit: Audit Procedures, verifiable project related records for effective audit and accurate reporting – Emmanuel Amegah/Assistant Director, Lawra District Office



I am with you this quarter with another interesting article but this time on project audit procedures and its related verifiable records. As we all know, project audit has become a very important component of our yearly financial audit of MMDAs, MDAs, Schools and Donor Projects such as SOCO project which requires vast knowledge on project management and related verifiable records that facilitate effective audit execution and reporting. However, for consistency in my presentation, I will use project audit of MMDAs as an example.

Mostly, when we go for Audit of District, Municipal and Metropolitan Assemblies (MMDAs), we come across various projects awarded from DACF, DACF-RFG, MP Fund and at times from IGF especially for bigger Assemblies while Special Donor Funds that require comprehensive project includes SOCO, Urban Development Grants, GPSNP etc.

Practically, project audit has to do with the auditor reviewing and inspecting complex and cumbersome contract and procurement related documents of each and every project awarded for the period and as such many team members show less interest in mastering that aspect of audit in our routine audit of Assemblies thereby leaving load of works on the team leader.

I therefore take this opportunity to outline audit procedures in project management audit to team members who wish to learn and appreciate project audit to enable them show interest

and take up responsibility which I believe could help in the long run to give relief and helping hands to the team leaders.

It is worth noting that, how efficient and effective an auditor performs project audit depend heavily on his understanding of project management, contract administration and procurement management.

### What are projects?

Projects in public procurement are temporary, structured initiatives undertaken by government entities to acquire infrastructure, goods, or services using public funds. These projects, ranging from school construction to digital transformations, involve specific planning, budgeting, and competitive tendering to ensure efficiency, transparency, and value for money.

For consistency purpose, I will be referring to works as a project in my presentation and I will limit myself to District and Municipal Assemblies for illustration of procurement thresholds. As such, those who are interested in knowing that of Metropolitan Assemblies and Regional Co-ordinating Councils should refer to the newly Amended Third and Firth Schedules of Act 663.

### What are works?

In public procurement, works refer to contracts involving the construction, renovation, demolition, repair, or refurbishment of buildings, structures, or infrastructure. These projects generally entail physical alterations to land or property and are distinguished from the procurement of goods (physical products) or services (intellectual or

non-technical labor). For instance, construction of schools, hospitals. Offices, houses for official accommodations, roads, bridges etc

Practically, project audit should be looked at from two perspectives. Procurement Perspective and Contract Perspective.

**Procurement perceptive:** Here the auditor has to assess the project and check if relevant and applicable provisions in the public procurement law have been complied with in award of the projects.

**Contract Perspective:** Here the auditor has to assess and confirm if specifications, terms and conditions provided for in the contract documents are met in the execution of the projects.

However, before the auditor starts with the procurement perspective of the project, there are preliminary assessments/checks he or she has to carry out and these are:

Check that the project is included in the Approved Annual Action Plan of the Assembly

Check that the project is budgeted for and included in the Approved Composite Budget or Programme Based Budget of the Assembly or Mid Year Supplementary Budget of the Assembly where applicable.

Check that the project's contract sum is within the budgetary provision made in the approved budget

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Take notes of any omission of the above steps and issue audit observations and report appropriately supported by sufficient project details.

### **Procurement Perspective**

Check that the project is actually included in the approved procurement plan of the Assembly

Check that appropriate procurement method was used to procure the project/works such as International Competitive Tendering, National Competitive Tendering, Price Quotation Methods. Take note that effective 2026 per the amended Fifth Schedule of Act 663, Procurement of works above GH¢54,000,000 requires the use of International Competitive Tendering Method and part of the requirements is that, the projects must be advertised in newspapers with wide international circulation and also on the website of PPA to invite and attract international bidders, whereas procurement of works with value between GH¢1,800,000 and GH¢54,000,000 requires these of National Competitive Tendering which requires that the Assembly advertise the project in two daily newspapers of national circulation and also on the PPA website to invite and attract local bidders across the country. Whereas works with value less than or equal to GH¢1,800,000 requires the use of Request for Price Quotations from at least three eligible local bidders.

Check that appropriate standard tender documents were used in each case of procurement methods used.

Check that procurement of works above the threshold value of GH¢500,000 were referred to the Entity Tender Committee for approval in compliance with newly amended Third Schedule of Act 663 by inspecting minutes of Entity Tender Committee for the period of award of the project.

Check that the composition of the Entity Tender Committee were appropriate and in accordance with the procurement law.

Check that none of the members of the Bid Evaluation Panel are members of the Entity Tender Committee.

Check that procurement above the threshold value of GH¢3,000,000 were referred to the Regional Tender Review Board for Concurrent

Approval.

Check that pre-qualification documents are mandatory for procurement of works above threshold value of GH¢124,000,000 and we must check compliance to this requirement.

Check and find out why the procurement were carried out manually without processing them through GHANEPs if the Assembly were duly enrolled on the GHANEPs platform and report on non-compliance accordingly.

### **Documentation Inspection Stage**

Check if comprehensive contract document and Bid/Tender Evaluation Reports were prepared for the project awarded.

Check the original bid submission form and confirm if all bidders who submitted their bids have duly signed

Check if the bidders or their representatives were present and signed a sheet at the bid opening date by inspecting the Original Attendance Sheet of the Bidders/Contractors or their representatives.

Check if letter of debriefing were written to unsuccessful bidders which communicate reasons why their bids were rejected or why they were unable to win the contract.

Check the award letter and confirm the contract sum, award date, the project execution duration, additional documentary requirements from the successful bidder. For instance, the award letter may indicate that, the contractor should submit Performance Security in a form Bank Guarantee 10% or Insurance Bond 30% of the Contract Sum. It is worth noting here most contractors prefer the Performance Bond from Insurance Company and so check for a copy of such performance bond document filed in the contract document or tender evaluation report document. Go further to check that the bond covered the exact 30% of the contract sum and also check the validity period of the performance bond which mostly cover duration of 6 months to 12 months and designed to cover the entire execution duration of the project. For instance, if the project is to be completed within 12 calendar months, check that the performance cover validity period is at least 12 months.

In some cases, Donor Funded Project such as SOCO Project, the donors demand that the performance bond should cover up to defective liability period that is 6 months after the project completion period and you as an auditor must check and confirm this. Note that, the contractor must submit the performance bond to the Assembly before he is allowed to sign

the contract agreement. A red flag here is that, if the performance bond validity period has expired and yet the project has not yet started by the contractor due to issues like land litigation, it is an audit issue and should be reported on accordingly.

Check for the acceptance letter of the successful bidder/contractor

Check if the corrected bid price was duly supported with concurrent approval from the bidder involved.

Check and inspect applicable Pre-qualification documents of bidders and assess their validity especially being strict to that of the bidder who won the contract. Eg. PPA Certificate, Business Registration Certificates, Tax Clearance Certificate, SSNIT Clearance Certificate, Ministry of Works and Housing Certificate, Labour Clearance Certificate, Water Drilling Licences applicable for Bore hole drilling projects etc

Check for Power of Attorney if a different person was nominated to transact business on behalf of the contracted company and such person is different from the managing Director.

Check for compliance, Tender Security requirement from the advertisement and check if the requirement were met. For instance the advertisement may state that the bidders should submit tender security equivalent to 2% of the bidder's price or a cash value equivalent to a sum of GH¢20,000 or GH¢10,000 which must be in form of banker's draft.

Check that the tender security in a form of cash presented is refunded back to the bidders both successful and unsuccessful ones after the contract is finally awarded to the successful bidders.

Check if from the project advertisement if tender documents were sold. If sold, check from the IGF account, Receipt/GCRs and ensure that the revenue from the sale of the tender documents were accounted for in the cash book and accordingly included in the revenue banked.

I feel you might be exhausted after reading these earlier stages of project audit and for that matter I will like to pause here and continue with the concluding and reporting stages in the next edition of this bulletin.

I strongly believe that beginners in project audit will find the above article very useful and will help build their confidence in taking up the responsibility of project audit in their next Assemblies' audits.

Thanks for your attention. Happy New Year to you all our readers.

## Developments on the Public Procurement landscape to note as Auditors - from the Procurement Unit

There is a saying that 'the only constant is change.' This implies that everything is subject to change. As a Christian, I would only exempt God as the Good Book says, 'Jesus is the same yesterday, today and forever' (Heb 13:8).

The Public Procurement Landscape Ghana is changing and as Auditors we need to adapt to that change to be able to do our audits very well. We bring to you two (2) main changes to look out for in the 2025 audits. These are: 1. Commitment Authorization and 2. GHANEPS

### Commitment Authorization

On 2nd of April 2025, the Procurement Act 2006 (Act 663) was amended. The Public Procurement (Amendment) Act, 2025 (Act 1139) came into existence. This act has changed the way procurement is being done in the public domain. The Amendment Act inserts 24A, 92A and 92B. This write up concentrates on the 24A. The 24A reads as follows

*"24A. (1) Despite the procurement method adopted by a procurement entity under this Act, a procurement entity shall not commence a procurement that comes under the Authority or the central tender review committee without a commitment authorisation issued by the Minister.*

*(2) The Board, a tender review committee or an entity tender committee shall not approve a procurement unless the application for approval includes a commitment authorization issued by the Minister."*

The subsection 1 enjoins Procurement Entities to seek commitment authorization before they commence any procurement,

irrespective of the method, that will end up with the PPA or the CTRC for approval.

We know that it is only single source and restricted tendering that go to PPA for approval. No other method goes to the PPA for approval. So as auditors, what we are to check here is whether the procurement entity got commitment authorization before the entity wrote to PPA for approval for single source or restricted tendering.

All other procurements that will go to Central tender Review Committee (CTRC) for approval, there should be a commitment authorization before the procurement starts. Request for Quotations (RFQ) will ordinarily not end up with CTRC for approval. National Competitive Tendering (NCT) may go to CTRC for approval depending on the amount involved, the type of procurement being done and the entity doing the procurement. For example, Let us say we are doing a procurement and the amount involved is GHS2,500,000.00 (This will be NCT irrespective of the type of procurement undertaking and the institution doing the procurement). If it is goods procurement we are undertaking as Audit Service, it will end up with CTRC (Threshold is GHS1,000,000.00). If it is works, as Audit Service, it will not go to CTRC for approval because our threshold for works to go to CTRC is GHS15,000,000.00. If it is a service (both technical and consultancy), it will go to CTRC (Threshold is GHS1,000,000.00). If we take a different institution, let us take a category C institution like University of Ghana, irrespective of the type of procurement it will all end up with CTRC for approval. This is because category C institutions have these thresholds; Goods → GHS 800,000.00; Works → GHS1,500,000.00 and Services → GHS800,000.00.

All International Competitive Tendering (ICT) will go to CTRC for approval irre-

spective of the institution and the type of procurement.

Here as auditors, we are to check if all procurement that ended up with CTRC for approval has commitment authorization before the procurement began. The beginning of Procurement is the date the advert was done or on GHANEPS, the notice of Goods or works or Service was published.

Subsection 2 makes it mandatory for the Board (PPA Board), Tender Review Committees (Both CTRC and the Regional Tender Review Committee) and Entity Tender Committees (ETC) to ensure that there is a commitment authorization before they approve an evaluation report for procurement process to continue. Here, even though a procurement entity does not need to get commitment authorization before commencing a procurement that will go to ETC for approval, it must have the commitment authorization before it presents the procurement to ETC for approval. And an ETC must not approve a procurement without an evidence of a commitment authorization. Some request for quotation may go to ETC depending on the procurement type and the institution involved. All NCTs will of necessity go to ETC. Those that are above ETC threshold will go further to the CTRC or RTRC for a concurrent approval. See the *First Schedule (Schedule 1A) and Second Schedule of the Public Procurement Act 2003 (Act 663) as amended for the categorization of Procurement Entities and approving thresholds.*

Auditors should check whether there were commitment authorizations before ETCs approved the procurements.

We will continue with GHANEPS in the next edition.

## Assistant Auditors-General attend workshop on enhancing Audit Reports

The Auditor-General, Mr. Johnson Akuamoah Asiedu, has emphasized the role of audit reports in promoting transparency, accountability, and national stability during a workshop for Assistant Auditors-General.

Opening the workshop, Mr. Akuamoah Asiedu recalled a recent emergency meeting with the Minister for Finance, where the Minister highlighted the profound influence of the Auditor-General's reports. "Whether Ghana's democracy succeeds, whether we have peace or strikes, depends on our report," he said.

He explained that the public and institutions treat the Auditor-General's reports as sacrosanct

and expect it to be as accurate and perfect as possible.

He noted that while different stakeholders use the report for various purposes, the Office must produce work that can withstand scrutiny and remain authoritative over time.

"We must ensure our reports are defensible, reliable, and credible, because from 2025, every report we produce could go to court following the establishment of the Commercial Court," he added.

President Mahama in October 2025 announced the creation of special courts to handle cases arising from audit findings. These courts will focus on enforcing surcharges and disallow

ances, as well as prosecuting other infractions identified in the Auditor-General's reports.

Mr. Akuamoah Asiedu noted that auditors sometimes report on trivialities alongside major financial mismanagement, which can dilute the impact of the report.

He also cautioned that assigning monetary values to administrative issues may mislead the public into thinking that all reported amounts represent stolen funds. "This undermines the credibility of our work and can affect public confidence," he said.

To address these challenges, he outlined a new approach:

**Financial Irregularities:** Focused on misappropriated funds and recoverable losses. This allows the public to see what has been lost and what must be recovered.

**Administrative Infractions:** Covers internal control weaknesses and administrative issues without assigning monetary values.

The Auditor-General explained that this structure will enhance clarity, strengthen accountability, and continuously improve the quality of reports.

The workshop focused on brainstorming to produce reports of the highest quality, accurate, defensible, easy to understand, and capable of standing the test of time.

### Pictures from the workshop



## Chronic kidney disease

### Background

Globally, kidney disease is projected to become the fifth leading cause of death by 2040. Despite how common it is, an estimated 98% of people in the early stages of chronic kidney disease are unaware they have the condition.

In Ghana as at March 2025, 13 out of 100 Ghanaians had some form of kidney disease which translated to about four million of the over 30 million Ghanaians living with kidney diseases.

The danger in Ghana is that people are getting kidney diseases at younger ages with the average age of people with kidney failures and on dialysis at about 46 years.

### Overview

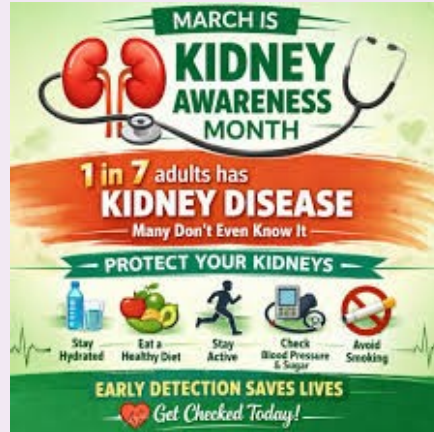
Chronic kidney disease happens when the kidneys are damaged for more than a few months. The kidneys clean the blood by removing waste and extra fluid, which leaves the body as urine. They help control blood pressure and balance salt and minerals. The kidneys also help the body make red blood cells and keep bones strong.

In the early stages of chronic kidney disease, you might not feel sick or have any symptoms. You might not know that you have kidney disease until the condition is advanced.

Healthcare professionals can find kidney disease through blood and urine tests. These tests look for high levels of waste in the blood or unusual things in the urine, such as protein or tiny amounts of blood. They also might use tests such as ultrasound or CT scans to look at the kidneys.

Treatment for chronic kidney disease aims to slow down damage to the kidneys. This often is done by managing the cause of the damage. But, even after a cause has been found and treated, kidney damage could still get worse. Chronic kidney disease can progress to end-stage kidney failure. This is fatal unless a person gets a kidney transplant or starts dialysis, a treatment that does the job of the kidneys.

The risk of developing chronic kidney disease increases for individuals who have diabetes, heart disease or high blood pressure, a family history of kidney disease, are over 50, or who regularly use over-the-counter medication over long periods.



### Symptoms

Chronic kidney disease symptoms tend to develop slowly over time.

Loss of kidney function can cause a buildup of fluid or waste in the body. It also can cause acids, potassium and phosphate to build up in the blood.

Symptoms of kidney disease often are vague. Most people with kidney disease have no symptoms until the very last stages of kidney disease. This is known as advanced kidney disease.

Early detection of kidney problems can prevent severe complications. Some common symptoms to watch out for include:

- Swelling in the feet, ankles, or face
- Frequent urination, especially at night
- Blood in urine
- Fatigue and weakness
- Loss of appetite
- High blood pressure

If you notice any of these symptoms, it is essential to seek medical advice immediately.

### When to see a doctor

If you have an ongoing health condition that raises your risk of kidney disease, your main healthcare professional may want to monitor the health of your kidneys. Having long-standing high blood pressure, diabetes or an autoimmune disease such as lupus can cause damage to the kidneys.

Regular checkups to monitor how well the kidneys are working may include blood tests and tests to check for protein in the urine. You may see your main healthcare professional every 6 to 12 months for these tests. If test results show possible kidney problems, you may be referred to a doctor who specializes in kidney diseases. This type of doctor is called a nephrologist.

### Tips to Maintain Kidney Health

Taking care of your kidneys does not require drastic changes. Simple lifestyle habits can help keep them healthy:

- \* Stay Hydrated – Drinking enough water helps the kidneys flush out toxins efficiently.
- \* Eat a Balanced Diet – Reduce salt intake and include kidney-friendly foods like fruits, vegetables, and whole grains.
- \* Control Blood Pressure and Blood Sugar Levels – High blood pressure and diabetes are major risk factors for kidney disease.
- \* Exercise Regularly – Physical activity helps maintain overall health, including kidney function.
- \* Avoid Overuse of Painkillers – Certain medications, like NSAIDs, can damage the kidneys if used excessively.
- \* Quit Smoking and Limit Alcohol – Smoking and excessive alcohol consumption can harm the kidneys.
- \* Get Regular Check-ups – Routine kidney function tests can detect issues early.

Sources:  
[mayoclinic.org](http://mayoclinic.org); [kidneyhealthinternational.org](http://kidneyhealthinternational.org);  
[waterford-news.ie](http://waterford-news.ie); [uganda.umchospitals.com](http://uganda.umchospitals.com);

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