



Office of the Auditor General

OAS - Mechanism for Follow-Up on the Implementation of the Inter-American Convention
against Corruption (MESICIC)



Establishment

- The Auditor General is independent and functions according to Article 136 of the Constitution of the Commonwealth of The Bahamas; which states:

*“136(1) There shall be an Auditor-General whose office shall be a public office
(2) The Auditor-General shall be appointed by the Governor-General, by instrument under the Public Seal, acting on the recommendation of the Public Service Commission made after the Commission has consulted the Prime Minister.”*



Mission Statement

- The mission of the Department of the Auditor-General is to protect the public's trust and promote Government accountability by conducting independent audits and examinations.



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Functions and scope

- Its functions are found in Article 136 of the Constitution:
- *“136 (3) The accounts of the Supreme Court, the House of Assembly, all departments and offices of the Government (excluding the Auditors General), the Public Service Commission, the Judicial and Legal Service Commission, the Police Service Commission and all Magistrates’ Courts shall, at least once a year, be audited and reported on by the Auditor-General who, with his subordinate staff, shall at all times be entitled to have access to all books, records, returns and reports relating to such accounts*
- *136 (4) The Auditor-General shall submit his reports made under paragraph (3) of this Article without undue delay to the Speaker (or, if the office of the Speaker is vacant or the Speaker is for any reason unable to perform the functions of his office, to the Deputy Speaker) who shall cause them to be laid before the House Establishment of office and functions of Auditor-General of Assembly without undue delay.”*



Functions and Scope cont'd

- The Auditor-General's office is required to monitor and/or audit all Government revenue and expenditure. The Department insures that all audited departments spend their funds as their respective budgets intended.
- Auditors visit the relevant departments, collect information, and produce reports in a timely manner. The reports are reviewed by the Public Accounts Committee, and further debated once tabled in the House of Assembly.
- Bodies may then be questioned by the Public Accounts Committee, a body comprising five (5) persons which include three (3) Opposition members and two (2) government members.
- Quasi-Governmental bodies have their audits done by the independent auditors. However, the Office of the Auditor-General can request information from them and ask questions, if deemed necessary.



Appointments

- The Auditor General's selection is based on consultation between the Prime Minister and the Leader of the Opposition; and on recommendation of the Public Service Commission and the Governor General's approval
- The posts of Senior Deputy Auditor General, Deputy Auditor General and all other staff appointments are made on recommendation by the Auditor General himself, and on the advice of the Public Service Commission. Their positions are not constitutional and simply fall under the umbrella of Public Service.
- Personnel hired as Public Servants are interviewed by the Auditor-General, and if determined useful, the Auditor-General will send requisite information to the Public Service indicating his desire to hire them. Further information is sent to the Ministry of Finance for financial clearance if new hires are not already slated in the budget of the Office.



Removal of the Auditor General

- Article 136 of the Constitution:
- *“(8) The Auditor-General may be removed from office only for the inability to discharge the functions thereof (whether arising from infirmity of mind or body or any other cause) or for misbehavior and shall not be so removed except in accordance with the provisions of paragraph (9) of the Article.*
- *(9) The Auditor- General shall be removed from office by the Governor-General if the question of his removal from office has been referred to a tribunal appointed under paragraph (10) of this Article and the tribunal has recommended to the Governor-General that he ought to be removed from office for inability as aforesaid or for misbehavior.”*



Removal from post cont' d

- (10) *If the Prime Minister represents to the Governor General that the question of removing the Auditor-General from office for inability as aforesaid or for misbehavior ought to be investigated, then-*
 - (a) *the Governor-General shall appoint a tribunal, which shall consist of a chairman and not less than two other members, selected by the Governor-General, acting in accordance with the advice of the Judicial and Legal Service Commission, from among persons who hold or have held or are eligible to hold high judicial office; and*
 - (b) *the tribunal shall inquire into the matter and report on the facts thereof to the Governor-General and recommend to the Governor-General whether the Auditor-General ought to be removed from office for inability as aforesaid or for misbehavior.*
 - (11) *If the question of removing the Auditor-general from office has been referred to a tribunal under paragraph (9) of this Article, the Governor-General, acting in accordance with the advice of the Public Service Commission, may suspend the Auditor General from performing the functions of this office and any such suspension may at any time be revoked by the Governor-General, and shall in any case cease to have effect if the tribunal recommends to the Governor-General that the Auditor-General should not be removed from office.*



Training

- The Auditor General receives upgrades by attending workshops put on by INTOSAI Development Initiative (IDI), workshops and seminar sponsored by Bahamas Institute of Chartered Accountants (BICA) and Master Classes held by Caribbean Supreme Audit Institutions (CAROSAI).
- Training for public audit personnel is provided by both the local chapter of CAROSAI (Caribbean Supreme Audit Institutions) and INTOSAI (International Supreme Audit Institutions).
- The Auditor General is a member the Governing Board of a INTOSAI a representative of the Auditor General's of the Caribbean .
- It should be noted that, the Office of the Auditor General has never received a cut in its training budget.



Policy and Procedures

- The Office of the Auditor-General has documented procedures for performing tasks and follows the INTOSAI Auditing Standards, Government Auditing Standards, Guidelines and Procedures established by The Bahamas Government (Financial Regulations 1975 and Financial Administration and Audit Act 2010) and International Financial Reporting Standards (“IFRS”).
- The documented procedures and standards include methods, practices, formulas, steps and field work guides.
- The General Public is provided with the annual report once it is tabled in the House of Assembly. The Office of the Auditor General is currently working on a website to display and publish any information that can be made available for the public. A copy of the annual report is also given to the Treasurer of the Commonwealth of The Bahamas.



Funding

- A budget is sent to the Ministry of Finance, and money is distributed to the Office of the Auditor-General at the beginning of every budgeted period.
- The Office of the Auditor-General maintains its own account.
- A monthly report is produced and sent to a Finance Officer (assigned to deal with the Office of the Auditor-General) at the Ministry of Finance. It is an expenditure report only, as the Office of the Auditor-General does not produce income.



Internal Accountability Mechanisms

- The Office of the Auditor-General uses an Annual Confidential Report (“ACR”), which is an assessment designed by Public Service to record the conduct and productivity of all staff.
- There is a specific section in the ACR for employees only, to be used to voice their concerns, complaints, and allegations; and for their supervisors to do the same.



External Accountability Mechanisms

- Accountability mechanisms include the production of reports at the end of an audit as well as a time frame for producing said reports. Further, there is also a requirement to properly document and account for the time spent on all audits.
- The Office of the Auditor General is currently working on a Memorandum of Understanding between the its and the Internal Audit Department of Ministry of Finance outlining an agreement for their operations .
- After being tabled in the House of Assembly, the public may access the Annual Report of the Office of the Auditor-General.



Anti-corruption Mechanisms

- The Office of the Auditor-General cannot *prevent* corrupt activity; but it may be able to *detect* corrupt acts. The Auditors design their programmes to assist them in exposing certain information and such findings may expose misappropriation of Government funds. The programmes are not fool-proof; however, they can reduce risk of corruption.
- In the event that fraudulent activity is discovered, the Office will send a report to the Financial Secretary and the Permanent Secretary of the particular Ministry or Department; along with recommendations that the matter be forwarded to the Royal Bahamas Police Force or the Office of The Attorney-General.
- The Office of the Auditor-General ensures transparency and accountability through proper reporting and proper documentation.



Difficulties

- The Office of the Auditor-General needs more staff to carry out its functions more effectively.
- Ministry of Finance both approves the budget for the Office of the Auditor-General; and is audited by the Office of the Auditor-General.



Future Recommendations

- In order to alleviate the issue of Ministry of Finance both approving our budget, and being audited by our Office; we propose sending our budget to Independent Accounts Committee or the Public Accounts Committee to be discussed and forwarded to Cabinet for approval. This can eliminate the necessity of approval from the Ministry of Finance.
- To increase the number of professional staff by ten (10) over the next three (3) years.
- Institutional Capacity Building: implement a professional and technical development programme aimed at ensuring that all staff is sufficiently competent to realise the strategic objectives of the Department.
- Implement a formal written development policy.
- Conduct internal quality assurance/ peer review to ensure standards are adopted and maintained.
- Continue to develop and fully implement the IDEA Data Analysis Software auditing tool; and provide relevant training for staff in this area.

