

PART IV

POWERS OF DIRECTOR OF AUDIT

19. Access to information.
20. Evidence under oath.
21. Non-compellable persons

PART V

MISCELLANEOUS

22. Audit of the Audit Department.
23. Confidentiality of information received by Director of Audit.
24. Confidentiality of working papers of Director of Audit.
25. Tabling reports in House and referral to Public Accounts Committee.
26. Obstruction.



GRENADA

ACT NO. 26 OF 2007

I assent,

DANIEL CHARLES WILLIAMS

14th September, 2007.

Governor-General.

AN ACT to reform the law relating to the Office of the Director of Audit of Grenada and to provide for matters related or incidental thereto.

[21st September, 2007].

BE IT ENACTED by the Queen's Most Excellent Majesty, and with the advice and consent of the Senate and House of Representatives of Grenada, and by the authority of the same as follows:—

PART I

PRELIMINARY

1. This Act may be cited as the

Citation.

AUDIT ACT, 2007.

- (a) This Act shall come into force on such day as the Governor-General may appoint by notice in the *Gazette*.

Interpretation.

2.—(1) In this Act —

“Audit Department” means the Audit Department of Grenada;

“Director of Audit” means a public officer whose office is created and defined pursuant to section 82 of the Constitution;

“Government” means the Government of Grenada;

“government controlled corporation” means a corporation incorporated under the Companies Act that is controlled by the Government;

“Minister” means the Minister responsible for Finance;

“Public Accounts Committee” means the committee appointed pursuant to the relevant Standing Order of the House of Representatives;

“recipient of government money” means a corporation, association, organization:

(b) that has received, directly or indirectly, a grant, loan or advance from the Government;

(c) for whom the Government has guaranteed the performance of an obligation or provided indemnity,

but does not include a statutory body

“Speaker” means the Speaker of the House of Representatives appointed pursuant to section 34 of the Constitution;

“statutory body” has the meaning assigned to it in the Public Finance Management Act, 2007.

(2) In this Act, a corporation is controlled by the Government if—

(a) securities of the corporation to which are attached more than 50% of the votes that may be cast to elect directors of the corporation are held, other than by way of security only, by or for the benefit of the Government; and

(b) the votes attached to those securities are sufficient, if exercised to enable the government to elect a majority of the directors of the corporation.

Unless the context otherwise requires, the words or expressions defined in the Public Finance Management Act, 2007 shall have the same meaning in this Act.

The responsibilities and powers of the Director of Audit under this Act shall be in addition to those prescribed by any other law.

When a report is laid before the House of Representatives by the Minister or an appropriate Minister or transmitted to the Speaker by the Director of Audit or the auditor appointed pursuant to section 22, the report shall be accompanied by a sufficient number of copies for the members of the House of Representatives.

PART II

DIRECTOR OF AUDIT AND AUDIT DEPARTMENT

Appointment, vacation or removal from office of Director of Audit and appointment of acting Director of Audit.

3. Section 87 of the Constitution shall with respect apply to the appointment, vacation of office and removal from office of the Director of Audit and to the appointment of a person to act as Director of Audit if the office of Director of Audit becomes vacant or the Director of Audit is unable to exercise the functions of his or her office.

Salary, allowances and terms of service of Director of Audit.

4. Section 80 of the Constitution shall apply with respect to the salary, allowances and terms of service of the Director of Audit.

Responsibilities of Director of Audit.

5. The Director of Audit shall, in addition to the responsibilities imposed upon him or her pursuant to section 82 of the Constitution, perform the duties and functions imposed upon him or her pursuant to the provisions of this Act.

Director of Audit to be full-time responsibility.

6. The Director of Audit shall carry out his or her responsibilities on a full-time basis and shall not, while he or she holds that office, hold any other office of emolument.

Protection of independence of Director of Audit.

7. In the exercise of his or her responsibilities under this or any other Act, the Director of Audit shall not be required to undertake—

- (a) any responsibilities outside those pertaining to his or her office, if, in his or her opinion, such responsibilities are or may be incompatible with the responsibilities of the office of Director of Audit; and
- (b) any examination of accounts partaking in nature of a pre-audit and involving accounts

by him or her of responsibility that would preclude him or her from making an objective examination of any accounting transaction after those transactions have been duly recorded.

8. In the exercise of his or her responsibilities under this or any other Act, the Director of Audit shall follow the international audit standards issued by the International Organisation of Supreme Audit Institutions with such modifications or additions as are necessary to comply with this Act and to meet the circumstances of Grenada.

Director of Audit to follow international audit standards

9.—(1) The Director of Audit—

(a) may delegate to—

- (i) an employee of the Audit Department, or
- (ii) a professional auditor entitled by law to practice accounting in Grenada and engaged by the Director of Audit,

Delegation by Director of Audit and protection of persons acting under such delegation.

any responsibility or power that the Director of Audit has under this or any other Act, other than the responsibility to make a report to the Minister or to the appropriate Minister pursuant to section 18 that is to be laid before the House of Representatives;

(b) may, with the approval of the Minister, engage professional auditors and other persons to provide professional and other services; and

may with the approval of the Minister, and when the Minister is not the Minister responsible for the statutory body, after

consultation with the appropriate Minister, charge fees for his or her audit of a statutory body or government controlled corporation.

(2) For the purposes of paragraph (1)(c), "appropriate Minister", in relation to a statutory body or a government controlled corporation, means the Minister responsible for the statutory body or government controlled corporation.

(3) A delegate of the Director of Audit shall not in the exercise of his or her functions be subject to the direction or control of any person or authority.

PART III

RESPONSIBILITIES OF THE DIRECTOR OF AUDIT

General
responsibility to
examine
accounts of
Government.

10.—(1) The Director of Audit shall be the auditor of all of the accounts of the Government and as such shall make such examination and inquiries as he or she considers necessary to enable him or her to report as required pursuant to the provisions of the Constitution and this Act.

(2) In his or her examination and audit of the accounts of the Government, the Director of Audit may make such checks as he or she considers necessary to enable him or her to form an opinion as to whether a department of Government including a branch of a department, a Ministry or an authority has used its resources with economy, efficiency and effectiveness.

(3) Nothing in subsection (2) shall be interpreted to the Director of Audit to question the merits of the objectives of any department of Government.

11. The Director of Audit shall annually—

- (a) examine the financial and other statements included in the Public Accounts; and
- (b) express his or her opinion as to whether they present information—
 - (i) in accordance with stated accounting policies of the Government; and
 - (ii) on a basis consistent with that of the preceding year,

Responsibility
to examine
Public Accounts
annually.

together with any reservations he or she may have.

12.—(1) The Director of Audit shall submit to the Minister or her annual report on the Public Accounts, not later than the date specified in subsection (3).

Annual report to
the House of
Representatives.

(2) The annual report shall include the results of the examination by the Director of Audit, giving details of any reservation or opinion made in the report, and shall call attention to every case when—

- (a) he or she did not receive all the information, reports and explanations required;
- (b) collections and receipts of public money—
 - (i) have not been effected as required under the applicable Acts, regulations, orders, directives, financial instructions and other instruments,