

Directive No 190/2026

PUBLIC PROPERTY AUDIT DIRECTIVE

WHEREAS, it has become necessary to strengthening audit system has great contribution that will enable government to obtain reliable information to lead and administer the economy of the city in appropriate manner;

WHEREAS, it is found necessary to lay down strengthened and modern audit operational system so as to appropriately implement economic policy in Addis Ababa City Government thereby fostering accountability, transparency and good governance in administrative, development and service delivery bodies under Addis Ababa City Government, thereby ensuring that their property administration complies with government law and directive;

NOW, THEREFORE, in accordance with Sub-Article (2) of Article 16 of the Addis Ababa City Government Executive Organs Establishment and to Specify the Power and Duties of the thereof Proclamation No. 84/2023, the Addis Ababa City Government Public Property Administration Authority has issued this Directive.

PART ONE

GENERAL PROVISIONS

1. Short Title

This Directive may be cited as “Public Property Audit Directive No 190/2026”.

2. Definitions

Unless the context requires otherwise, in this Directive:

1. **“Proclamation”** means the Addis Ababa City Government Executive Organs Establishment and to Specify the Power and Duties of the thereof Proclamation No. 84/2023;
2. **“Authority”** means Addis Ababa City Public Property Administration Authority;
3. **“Head of public Office”** means the Chief Executive of the Government Property Management Authority and the Head of the Sub-City Property Management Office.
4. **“Public Office”** means an executive organ fully or partly administered by budget of the City Government or a public enterprise;
5. **“Public Property”** means any property that is the asset of Addis Ababa City Government, except public money and land;
6. **“Fixed Property”** means any physical property with separate value to be determined by the Authority and functional value of above one year, including office furniture, heavy-duty

machineries, vehicles, ship, aero plane, building, sewerage line, bridge, irrigation, dam and the like;

7. **“Consumable”** means any public property other than fixed asset that can provide up to one year’s service starting from its period of use, and value of which is to be determined by the Authority;
8. **“Permanent file”** means a file containing key information that is relevant to a continuous audit and that does not change from year to year, has a historical or sequential nature, and is closely related to the audit, such as proclamations, regulations, guidelines, manuals, audit reports, and various orders directly related to the work of the code
9. **“Property Audit”** means assurance of execution of public building and property administration system in compliance with proclamations, regulations, directives and manuals in sectors;
10. **“Auditor”** means a professional that assures execution of public building and property administration system in compliance with proclamations, regulations, directives and manuals in sectors;
11. **“International Audit Standards”** means international audit procedures and standards in place, set and modified from time to time through Intitute of Internal Auditors Association (IIA);
12. **“Fiscal Year”** means a calendar year, starting *Hamle 1*, ending *Sene 30*;
13. **“Coordinator of Works”** means a body entrusted with responsibility to coordinate teams under Public Property Administration Offices of Sub-Cities;
14. **“Work Unit”** means auditing unit which is Property Audit and Inspection Directorate of the Authority and Property Audit and Inspection Team of Public Property Administration Office of Sub-City;
15. **“Property Audit Documents”** mean documents submitted by the audited body which are used for property audit work;
16. **“Audit Report”** means standard audit report prepared with reference to proclamation and directive after discussion on audit findings with audited body;
17. **“Follow up and Inspection”** means a process of verification to ascertain that corrections have been made by audited bodies on the basis of audit findings;
18. **“Audit Feedback”** means a reply submitted in writing on adjustments made or to be made by audited bodies on the basis of audit findings;
19. **“Audit Reply”** means a reply submitted in writing by audited body on adjustments to be made on the basis of audit findings;

20. “**Auditor Office**” means Property Audit and Inspection Directorate under central Public Property Administration Authority and Property Audit and Inspection Team under Property Administration Office of Sub-City;
21. “**Audited Office**” means a public body established under Addis Ababa City Government, fully or partially administered by budget of the City Government, and is subject to building and property performance audit of the Authority;
22. ‘**Centre**’ refers to the division of the Property Audit and Inspection Directorate under the State Property Management Authority.
23. “**Person**” means any natural or juridical person.
24. “**Gender reference**” In this directive, any expression in the masculine gender shall include the feminine gender.
25. Other words and phrases in this Directive shall have the meaning given to them by Proclamation No. 84/2023 Redefining the Powers and Duties of the Executive Bodies of the Addis Ababa City Administration.

3. **Scope of application**

This directive shall be applicable for all public bodies of Addis Ababa City Administration.

4. **Objective of Property Audit**

1. To ascertain that management and employees of building and property of audited bodies perform their responsibilities competently and that properties are utilized for the desired purpose and building and property laws and procedures are complied with, through audit;
2. To monitor and identify whether corrective actions have been taken by audited bodies on the basis of audit findings, and notify the same to pertinent body.

PART TWO

DUTIES AND RESPONSIBILITIES OF PROPERTY AUDIT

5. **Duties of Property Audit**

Duties of audit are to collect adequate, reliable and relevant information that will enable to reach accurate audit result; and it shall have the following particular duties:

1. Conduct survey on vulnerability to risks;
2. Identify audited institutions and prepare engagement plan;
3. Keep audited institutions notified in writing’
4. Conduct entry discussions;
5. Take over audit documents;
6. Conduct investigation;

7. Prepare report for the purpose of exit discussion;
8. Conduct exit discussions;
9. Prepare and disseminate audit report;
10. Carry out monitoring and inspection works.

6. Duties which should not be Conducted by Property Auditors

1. Shall not interfere in or replace responsibilities of management and employees, or issue no decision in this respect;
2. Shall not engage in any activities contrary with independence of property audit;
3. Shall not assume responsibility to formulate and lay-down building and property inspection systems of audited institutions.
4. They must not participate, directly or indirectly, in illegal activities that discredit the profession and harm the interests of the institution;

7. Responsibilities of Head of Public Office in respect of Property Audit

1. Organize free and independent property audit functional unit;
2. See to it that audited bodies take remedial actions on the basis of audit report, and submit the result;
3. To ascertain that appropriate actions are taken on audit reports which require immediate actions or provide appropriate recognition to problems which may be caused in the absence of action.

8. Duties and Responsibilities of Property Audit Work Office

1. Ensure alignment of prioritized activities with objectives of the public body thereby identifying risks or vulnerabilities to risks on the basis of survey; prepare summary of plans of the directorate and team together with manpower and budget requirements; submit the same for approval of head of the public body; prepare plan and program;
2. See to it that auditors fulfill knowledge, skills and other abilities necessary to perform identified audit assignments competently; plan training requirements, and submit the same for approval of head of the public body; monitor implementation of the same;
3. Conduct first audit meeting and audit work as per the approved audit plan; and conduct exit audit meeting with pertinent workers and heads of functional units and head of the public body;
4. Prepare complete report on the basis of audit results, conclusions and recommendations appropriate characteristics of report; and submit the same to head of the audited body;
5. Carry out unplanned and special audits on the basis of tips when instructed by the head of the public body;

6. Undertake monitoring works on remedial actions not taken on the basis of previously submitted property audit reports; and advise head of the public body to take appropriate remedial actions;
7. Undertake monitoring works on remedial actions not taken on the basis of property audit reports; and forward organized information to Monitoring and Inspection Team and professionals;
8. Submit periodic and annual property audit performance reports to head of the public body and coordinator.

9. Duties and responsibilities of Audited Office

1. Provide and submit documents necessary for audit work;
2. Shall have obligation to get audited any public body or person that received or withdrew building and property regulated by Authority under the Proclamation, when requested;
3. Assign a worker for audit investigation, arrange office and inputs;
4. Take appropriate remedial actions on the basis of audit findings and recommendations of audit reports sent by the Authority in a period not exceeding 10 working days; from the date of receiving the letter.
5. Where no remedial action is taken, notify the same in writing to the Authority stating the reasons in the time limit specified in sub-article (4) of this Article.

10. Accountability and Liability of Audit Office

1. Central Property Audit Director shall be answerable and accountable to General Manager of the Authority;
2. Property Audit Team of Sub-City shall be answerable and accountable to Head of Property Administration Office of Sub-City;
3. Central and sub-city levels, Property Audit Director and Property Audit Team shall property audit performance report and result of audit to Head of the public body, and keep sector managers of center and sub-city coordinator notified of the same by copy thereof;
4. In the event of defaults on property audit standards and professional and unethical practice of auditor during property audit process, they shall be held personally liable as well as jointly accountable with the superintendent;
5. The professional liability of the Property Audit Department and Property Auditors shall be determined in accordance with the provisions of Article (22) of this Guide.

11. Independence of Property Audit Professionals

1. Auditors participating in property audit work should be able to perform their duty independently, free from any professional limitations or pressure;
2. Head and Auditors of Property Audit shall have right to inspect and audit any evidence and information which they believe are relevant to their audit in the audited body; prepare

independent audit reports on the basis of audit findings and submit audit report to head of the audited body, the Authority and office of Sub-City;

3. Auditors shall have freedom to access and inspect any information and properties outside of audited bodies, which are relevant to property audit.

12. Responsibility to retain, Authorize and Preserve Property Audit Document

1. Audit result information collected by property auditors in the course of their audit should be segregated by head of audit unit in permanent files, and their confidentiality and safety should be maintained.
2. Anybody that wants to see audit information should obtain permission of head of the public body in advance.
3. Unless limited by law otherwise, Head of Property Audit may access audit information to judicial bodies who want to inspect or use information in audit reports when requested.
4. Permanent property audit documents should be kept in custody for at least 10 years.

13. Professional Protection of Property Auditors

It is prohibited to impose suspension, demotion, denial of salary increment and promotion, and involuntary transfer against head and auditors of property audit just to impede audit work on the basis of findings and audit reports in the course of their audit practice; such acts shall entail liability under the provisions of Article (22) of this Directive.

14. Scope and Time Limit of Audit

1. The audit of assets conducted by the Authority shall be conducted in accordance with international internal audit standards in a reliable and risk-based manner.
2. Subject to the provisions of sub-article (1) of this article, the audit methodology shall be determined by the type, risk and quantity of assets and shall be carried out in consultation with the management of the department as follows:
 - a) 100% detailed audit shall be conducted on high-value assets, special recommendations or high-risk areas;
 - b) 60% to 70% sample audit shall be conducted on medium-sized office property;
 - c) 40% to 50% sample audit shall be conducted on large-volume and low-value non-current assets.
3. The regular audit examination conducted by the Authority shall not go back more than 2 fiscal years.
4. Notwithstanding the provisions of sub-article (3) of this article; Where there is strong evidence of a criminal act or circumstances leading to the belief of wrongdoing, the audit may be conducted up to 10 years in advance.

PART THREE

PROFESSIONAL ETHICAL PRINCIPLES OF PROPERTY AUDIT

15. Principle

Without prejudice to ethical obligations in other laws, property auditors should uphold the following professional ethical principles.

1. The principles of professional ethics for property auditing should be considered in the planning of the audit, the performance of the audit, the reporting, the findings and all decisions regarding corrective action should be observed by the auditor.
2. Property auditors have a duty to maintain the highest standards of professional ethics and to comply with the following principles of professional ethics for property auditing when conducting property audits.

16. Credibility

Credibility of property auditors shall have great contribution to make balanced opinion and acceptability of their audit findings and recommendations based on professional service. Therefore, property auditors:

- 1) Should perform their duty with loyalty, due diligence and responsibility;
- 2) Should publicly disclose information in accordance with applicable laws/proclamations, regulations and directives governing their profession..
- 3) Should respect the objective of the institution and ethical code of conduct, and make their own contribution towards implementation of the objective.

17. Independence

Property auditors are expected to demonstrate high level professional independence and transparency in the process of collection of information, evaluation and disclosure of outcome. Therefore, property auditors:

1. Shall have responsibility to make accurate and balanced evaluation in the process of giving opinions on essential issues, without being motivated by own self-interest or pressured by others.
2. Should not participate in any activity that may undermine the value of their audit work, or create relation other persons who perpetrate such acts.
3. Should not accept any gift of value, which may undermine or harm their professional opinion.
4. Should accurately and completely disclose all information and fundamental facts known or obtained in the process of their independent audit.

18. Confidentiality

Property auditors shall have professional obligation to preserve confidentiality and safety of any information obtained in the course of their work. Therefore, property auditors:

1. Should keep confidentiality of information obtained in the course of this work unless otherwise authorized by head of the public body or Head of Property Unit otherwise, or required for legal purpose.
2. Should make utmost precaution in terms of keeping confidentiality and utilizing information obtained in the course of their work.
3. Should not use information of the public body obtained in the course of their work for personal gain or any activity contrary with law and ethical objectives of the public body.

19. Professional Competence

Property auditors should have appropriate knowledge, skill and experience that would enable to fulfill their audit work with competence. Therefore, property auditors:

1. Should apply knowledge, skill and work experience required by the profession in the course of their audit work.
2. Enabling conditions should be facilitated for them to participate in areas of activities which help enhance their knowledge, skill and experience.
3. Should deliver property audit service as per internal audit standards.
4. Should make efforts from time to time to improve their competence, effectiveness and service quality.

PART FOUR

PROPERTY AUDIT PLANNING AND REPORTING SCHEDULE

20. Property Audit Planning

- 1) Property audit shall prepare annual plan of the Authority and sub-city office on the basis of strategic plan and survey.
- 2) Annual audit plan shall be prepared every fiscal year, approved by Head of the Authority and head of sub-city office, and submitted to pertinent body until *June 30*.
- 3) Audit plan prepared by property audit functional units specified in sub-article 2 of this Article shall contain particulars of objectives and goals of the audit plan, main activities, implementation action plan, desired outcomes, and monitoring and evaluation tools.
- 4) Implementation action plan specified in sub-article (3) of this Article shall be prepared and submitted in table prepared by the Directorate.
- 5) Any adjustment required in the plan shall be made on quarterly basis and sent to the Authority.

21. Property Audit Reporting Schedule

- 1) Property audit report should be prepared in 7 working days after audit work and exit audit discussion, and sent to audited bodies and pertinent bodies.

- 2) Standard property audit report aligned with the plan should be prepared and submitted in accordance with audit report writing standards.
- 3) 1st quarter of summarized audit report according to the plan should be submitted until *October 30*, 2nd quarter until *January 30*, 3rd quarter until *April 30*, and 4th quarter until *July 15*.
- 4) Quarterly audit report prepared by Property Audit unit in accordance with the plan, which contains audit result, shall be signed by Head of Property Audit and submitted to Head of the public body, and notified to managers of center and sub city coordinator by copies thereof as per the schedule specified in sub-article (3) of this Article.

PART FIVE

MISCELLANEOUS PROVISIONS

22. Liability

The property audit manager and auditors who perform or cause to be performed an audit work in violation of the principles of professional ethics for property audit shall be liable under the relevant law.

23. Duty to cooperate

Any public body and public employee shall have duty to cooperate to provide necessary support to the Authority so as to implement its responsibilities and duties when requested.

24. Non-applicable Laws

Any directive or customary practice inconsistent with this directive shall not be applicable in respect of matters covered in this directive.

25. Amendment to the directive

This directive may be amended by the Authority when deemed necessary.

26. Effective date of the directive

This directive will come into effect from the date it is registered with the Ministry of Justice and uploaded to the Government Property Administration Authority website.

Addis Ababa

May, 2026.

Yesuf Ebrahim Shifaw

Government Property Administration Authority

General Manager