



# **ANNUAL PERFORMANCE REPORT 2018**





**Mrs. Lara Ellen Taylor-Pearce**  
**Auditor-General of Sierra Leone**

Bachelor's degree in Economics

Fellow - Association of Chartered Certified Accountants (UK-FCCA)

Fellow - Chartered Accountants of Sierra Leone (FCASL)

Audit experience spans both the private and the public sectors

Appointed as Auditor General in November 2011.

## ***To our stakeholders***

*“For the period under review, we ensured that our staff received the required training to enable them perform at the highest level, and met the information needs of our stakeholders. We demonstrated our capacity to deliver audits, ventured into new audit areas and recognised the acknowledgement of our work in improving the Public Financial Management System (PFM)”.*

**MESSAGE FROM THE AUDITOR-GENERAL⇒⇒⇒⇒⇒⇒⇒⇒⇒⇒⇒⇒⇒⇒⇒⇒**



## PERFORMANCE REORT 2018

### *SNAPSHOT*

#### INDEPENDENCE



*We received our quarterly subventions from Government on time*

#### PROFILE



*Our monthly hits on our website exceeded anticipation.*

*Public awareness of our role increased through our aggressive communications strategy*

#### QUALITY



*Seventy-four percent of our audits met their statutory timelines. Our Quality Assurance Committee reviewed selected audit files, provided satisfactory assurance regarding the implementation of quality controls in our audit process. Our audits were risk focused. Ninety-two percent and 85% of government expenditure and revenue areas were audited with concentration on high risk balances and classes of transactions. Technical/ specialised, forensic and extractive industries were done based on presidential requests*

## IMPACT

*We provided technical support to the Public Accounts Committee in Parliament. All previous years' recommendations were followed-up on, of which only 37% has been implemented*



## HUMAN RESOURCES



*Our welfare committee ensured that staff matters were addressed. Staff appraisals worked well and served as the basis for rewards and training*

## IT



*We maintained our internet bandwidth of 10mbs. We finalised the procurement process for the purchase of the Audit360 software.*

## WORKING ENVIRONMENT



*We strived to provide a working environment that is conducive for our staff with support from government*

## LEAD BY EXAMPLES



*We ensured that all reports produced are in line with statutory requirements. Our auditors expressed unqualified audit opinion on our financial statements*

## AUDIT SERVICE SIERRA LEONE TEAM



**Mrs. Lara Taylor-Pearce**  
**Auditor-General**



**Mr. Abdul Aziz**  
Deputy Auditor-General  
Ministries & Local Authorities



**Mr. Tamba Momoh**  
Deputy Auditor-General  
Specialised Audits



**Mrs. Adama Renner**  
Deputy Auditor-General  
Finance & Corporate Services



**Mr. Selvin Bell**  
Deputy Auditor-General  
Public Enterprises



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## **ACRONYMS**

**ACC** – Anti Corruption Commission

**ACCA** - Association of Chartered Certified Accountants

**AFROSAI-E** – African Organisation of Supreme Audit Institutions in English Speaking Africa

**AAG**- Assistant Auditor General

**AG** - Auditor-General

**ASB** – Audit Service Board

**ASSL**- Audit Service Sierra Leone

**CPME** - Central Planning, Monitoring and Evaluation

**DAG**- Deputy Auditor General

**FAM** - Financial Audit Manual

**FCASL** – Fellow of Certified Accountants in Sierra Leone

**FCCA** – Fellow of Chartered Certified Accountants

**GCP** - Global Call for Proposals

**ICT** - Information, Communication and Technology

**IDI** – INTOSAI Development Initiative

**IEC** - Information, Education and Communications

**INTOSAI** – International Organisation of Supreme Audit Institutions

**IRCBP**- Institutional Reform and Capacity Building Project

**ISSAI** – International Standards of Supreme Audit Institutions

**KPI**- Key Performance Indicators

**MDA**- Ministries, Department and Agencies

**M&LA**- Ministries and Local Authorities

**MoFED** - Ministry of Finance and Economic Development

**NASSIT** – National Social Security and Insurance Trust

**NSA** - Non-State Actors

**PAC**- Public Accounts Committee

**PAM**- Performance Audit Manual

**PFM** – Public Financial Management

**RAM** - Regularity Audit Manual

**SAI** - Supreme Audit Institution

**QA** - Quality Assurance

**QAR**- Quality Assurance Review

## MESSAGES

### MESSAGE FROM THE AUDITOR-GENERAL



I take this opportunity to share with our stakeholders, the “report card” of the Audit Service Sierra Leone (ASSL) for 2018.

Last year was full of mixed results, with both successes and challenges logged. Significant changes have occurred in the Public Financial Management (PFM) operations over the last few months.

After years of diligent reporting on the status of financial and performance management in the public sector, it was heart-warming to see prudent financial measures being taken to promote sanity in our challenged PFM system. We hope this trend continues.

Parliament also responded to this state by conducting public hearings on the Auditor-General’s report which had previously been delayed for over a year. We had instances of cases referred to the Anti-Corruption Commission (ACC) by the PAC.

Our staff continue to provide a holistic, integrated view of auditees’ performance by using both the regularity/financial audit and performance audit manuals. We conducted special assignments including a revenue audit involving three revenue streams with the support of consultants provided by the World Bank. The use of our audit tools has helped to provide improved evidence collection, greater depth of data analysis, interrogation and ultimately, the improved quality of our audits. The use of specialised audit skills derived from series of training received by our staff both locally and internationally, further enhanced our vast knowledge of the public sector and made it easier to identify the misuse or diversion of resources meant to support the country’s economic growth, and improve the lives of citizens.

In 2018, ASSL continued with its capacity drive by entering into a memorandum of understanding (MOU) with the Office of the Auditor-General of Norway. Under the terms of the MOU, technical support is being provided in IT audit, environmental audit and in audit of the extractive industries. The effect of these interventions is currently being felt as we engage in hands-on practical audits during the tenure of the MoU.

The Government of Sierra Leone through the Ministry of Finance requested for special audit assignments to be undertaken in several sectors. In order to ensure timely completion of these assignments given our limited staff capacity and hectic work schedule, we partnered with other Supreme Audit Institutions (SAIs) and outsourced to local and international private firms as best as

we could. The reports from these interventions have all been tabled in parliament in line with my constitutional mandate.

Timely and adequate financial support continues to be a challenge for the ASSL and that has limited the extent of our operations in successive years. In 2018, our requested operational budget was reduced by Le2,023,385,340.85 (7,834,885,340.85 - 5,811,500,000.00) which represented a decrease of approximately 26%.

Currently, our staff turnover is on the increase with the ASSL losing valuable staff that the Service has hugely invested in. Unfortunately, we foresee this trend to continue and it saddens me to report that there is very little we can do about this.

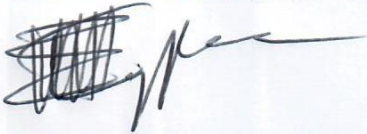
The ASSL has been making strides to actualise its strategic goals encapsulated in its 2016-2020 Strategic Plan by sourcing external support. Therefore, in 2017, the ASSL requested to be part of the 2nd tier of the Global Call for Proposals (GCP). The GCP is a mechanism seeking to match SAI capacity development proposals with donors and other providers of support.

An off-shoot of the GCP Tier 2 was the Accelerated Peer-Support Partnership (PAP-APP). ASSL, AFROSAI-E and IDI signed a cooperation agreement as a part of the PAP-APP Programme in 2018. With this agreement in place, we hope that key objectives within our strategic plan will be attained.

We continue to maintain strong affiliations with our regional partners as we were actively involved with INTOSAI, AFROSAI, AFROSAI-E and other affiliated working groups within these bodies.

At this point, we wish to appreciate your efforts and continue to solicit your support and cooperation, so that we all can jointly build a better Sierra Leone.

On this note, we hereby present to you our annual performance report for 2018.

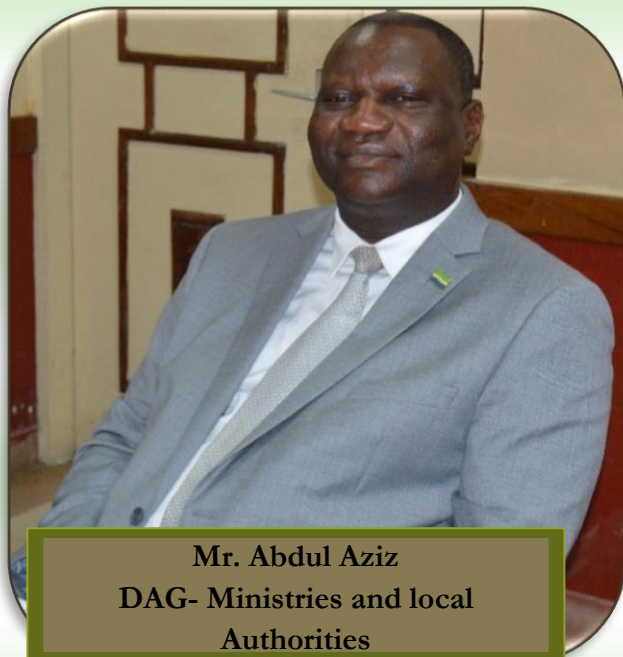


Lara Taylor-Pearce (Mrs.) FCCA, FCA (SL), GOOR  
Auditor General



## 1.2 Performance Synopsis from The Deputy Auditors-General

### 1.2.1 Deputy Auditor-General, Ministries & Local Authorities



**Mr. Abdul Aziz**  
**DAG- Ministries and local**  
**Authorities**

The Deputy Auditor-General, Ministries & Local Authorities (DAG, M&LA) is responsible for the audit of all ministries (except the Ministry of Finance which is under the purview of the Deputy Auditor-General, Public Enterprises), local councils in the country and the Extractives Industries. The main office is in Freetown with regional divisions in Bo, Kenema and Makeni.

The Western Area Unit of the M&LA coordinates fully with its counterpart units in the provinces in order to have a comprehensive look at all ministries and local authorities, by the division. This collaboration starts during the annual operational planning wherein the various units of the division meet as one to put together a plan for the entire

division. As a result, when an audit of a particular ministry is conducted, a single engagement letter is issued to the ministry's headquarters for the audit of not just the headquarters of that ministry, but also to include all its peripheral units in all regions of the country. Thorough collaboration between the various units of the M & LA Division has been one of its greatest assets which help to accomplish its tasks over the years, especially in 2018. This resulted in the issuance of a single report for each ministry or local authority audited. A total of 19 Local Councils were audited and reported upon.

A total of 10 regularity audits were done. The selection of the entities for the regularity audits was done purely based on our risk assessment of these entities, as we did not have the resources to conduct all audits in our portfolio during the period under review. All of our audits formed part of the 2017 annual report of the Auditor-General.

We have been working with the Norwegian Audit Office that has been helping us in the audit of the extractive industry; this led to the audit of mining royalties in 2018. AFROSAI-E in 2018 invited one of our staff to help them update the AFROSAI-E Extractive Industry Audit Guidelines.

In achieving the goals of our Strategic Plan 2016-2020, the following are worth noting:

- One of our staff attended the AFROSAI-E Training on Extractive Industries, in accordance with our Strategic Goal 2.1: Active participation in the activities of regional and international bodies.
- We could not exhaust our audit portfolio as a result of resource constraint (as explained earlier). We therefore had to select audits based on risk, coupled with better monitoring of audit input. This helped in achieving Strategic Goal 3.4: Improve the efficiency and effectiveness of our audits through increased focus on risk and better monitoring of audit inputs.
- The Division has been working in close collaboration with staff assigned to the Public Account Committee, thereby achieving Strategic Goal 4.1: Work with the Public Account Committee in order to continue develop and enhance our working relationship.
- Our division can boast of a friendly relationship among staff thereby becoming compliant with Strategic Goal 7.3: Ensure an open, friendly office atmosphere.

In general, 2018 has been a challenging but fruitful year, as we achieved a lot through the collaborative and relentless effort of members of the Division.

## 1.2.2 Deputy Auditor-General, Department and Specialised Audits



**Mr. Tamba Momoh**  
**DAG- Government Department & Specialised Audits**

The Deputy Auditor General, Specialised Audits (DAG, D&SA) is responsible for the audit of government department, agencies,

foreign/diplomatic missions and specialised audit areas like; performance audit, information technology audit, and forensic & environmental audits. This division also supports and manages the unit which works with the parliamentary Public Accounts Committee. My financial and compliance audit portfolio accounts for 13% of ASSL's clients. From the 54 financial audit clients that I manage, 20% of these prepare financial statements and 80% are compliance related audits. The performance audit division does not have an audit portfolio, since special audits topics are selected across ASSL's client base.

My yearly work plan like all other DAGs is prepared in line with the Strategic Plan 2016-2020. It ensures that strategic objectives are achieved. The ASSL's Strategic Plan 2016-2020 has eight strategic goals.

My contributions towards the achievement of these goals are detailed below:

### **GOAL 1: INDEPENDENCE - To maintain and enhance the independence of our office.**

*Objective 1.5: Work with government to withdraw from pre-audit of civil service pensions' payment-* Over the years, we deemed it was important for the ASSL to refrain from the verification of pension payments. Our engagement with government specifically the Ministry of Finance on this matter regarding the subject matter and their submission

was that our involvement in this process is to prevent government's loss wherein wrong computations could lead to large pay-outs to pensioners with little chance of recouping the entire sum. Therefore, with such submission, we continue to review such calculations. We further have requested that their staff be properly trained to prepare and maintain accurate records.

**GOAL 2: PROFILE - To raise our profile and increase understanding of the work we do.**

*Objective 2.2: To increase our regional and international auditees.* With regards this objective, we ensured that we continue to audit our international auditees, especially our embassies, consulates and foreign missions. For the period under review, we audited five of the 24 embassies and missions. This accounts for 21% of our international auditees. The reason for the low international audits conducted was due to the unavailability of funds. Therefore, as an institution, we concentrated our meagre resources on those areas we concluded from our risk analyses and profiling as potential high risk audits.

**GOAL 3: QUALITY - To produce timely and relevant audit reports of high quality.**

*3.1: To increase the relevance of audit reports by publishing them earlier.* Prior to the start of our audit year, we determined the quantum of audits we are able to complete based on available resources using our planning tool. The year 2018 was no exception. We planned to complete 21 audits, of which four were financial statements audits. Thirteen of these reports which represented 62% of our planned tasks were completed and issued to the client on time. *Indicator 3A “Percentage of financial audits completed within planned time”* which measures the performance of objective 3.1 pegs our yearly deliverable at 85 % of all financial audits conducted to be completed and issued on time

to our clients. From the five planned financial statements audits, four of these audits which represented 80% of financial audits conducted were issued to our clients on time. This objective was met. A 100% success rate would have been recorded had a client’s - “the Political Parties Registration Commission (PPRC)” - work had not been delayed due to their active engagement in the 2018 general elections.

*3.10: To conduct more special audits such as procurement audit, IT audit and environmental audit.*

The key indicator for this objective was “to deliver four performance audit reports in 2018”. We measured our performance against this indicator and we therefore report that the ASSL tabled four performance audit reports to parliament with our yearly objective met.

In terms of conducting audits in specialised audit areas, this will be addressed in GOAL 6.

**GOAL 4: IMPACT - To increase the impact of the reports we issue**

*4.1: To develop and enhance our working relationship with the Public Accounts Committee.* One major reason for the formation of the Public Accounts Committee Division at the ASSL was to ensure that we foster a harmonious working relationship with members of the Public Accounts Committee in Parliament. As such, we have ensured that when there is a newly constituted parliament, we provide



training for members of the PAC on the audit process and the operations of the ASSL. This is coupled with the fact that we provide support for them at each PAC hearings on the Auditor-General's report that has been tabled in Parliament. Prior to each PAC sitting, we explain the findings of the report, its implications and what we recommend.

Once a year, a joint meeting is held between the PAC and the ASSL to assess our collaboration, identifying what went well and what needs to be improved. This has ensured that proper deliberations occur and an appropriate action taken, therefore, creating the required impact.

*4.4: To develop strong relationships with other organisations with similar or overlapping objectives.* To ensure that actions are taken on our reports and to enhance the sharing of information for effective audits and impacts, a one-year memorandum of understanding (MOU) was renewed between the Audit Service Sierra Leone and the Anti-Corruption Commission (ACC) in November 2017. The Auditor-General requested that I serve as focal person for this arrangement. During this period, the ACC had used our report to make recoveries for the government and to conduct further investigations.

## **GOAL 6: IT - To make better use of information technology in the work we do**

*6.4: To increase the use of IT in documenting, reviewing and designing our audits.* The key indicator for this objective is indicator 6B “percentage of audits documented on a fully electronic basis”. We were unable to measure our performance based on this indicator. This was due to the fact that the ASSL had no audit software. Notwithstanding this, we had requested support from the World Bank through the Ministry of Finance since 2016 for the purchase of the Audit Management Information Systems software (AMIS). This was later approved and led us to acquire the Audit360 software with the training of staff and pilot audits to be conducted in 2019.

*6.6: To ensure that all staff have the required IT skills to perform efficiently.* The key indicator for this objective is indicator 6C “percentage of staff respondents who feel they have the required IT skills to perform their jobs efficiently”. All ASSL's technical staff in 2018 received basic and intermediate training in Microsoft packages (Word, Excel & PowerPoint) mostly as refresher. The objective of this was to identify staff with challenges and thereby provide special support afterwards. However, we recorded minimal challenge during this training.

Upon satisfactory completion of the Microsoft training, staff were identified for further IT audit training which was conducted by our Norwegian counterparts (Norwegian Audit Office) with whom we signed an MOU / support pact; and IT

audit was an area in which we agreed that they provide support for our auditors. A follow-up

training was provided in Uganda where three of our auditors received further training.

## OPERATIONAL PLAN REPORT

For 2018, five financial statements were submitted for audit, all of them were audited, with four meeting the statutory deadline. All four reports were included in the Auditor-General's report. From a total of 43 regularity audits in my portfolio, we audited 16 clients with nine audits incorporated into the 2017 Auditor-General's report.

## PERFORMANCE AUDIT

In October 2018, four performance audit reports were submitted to Parliament. Key findings for each report submitted are recorded as follows:

### 1. Management of Healthcare Waste at regional referral hospitals by the Ministry of Health and Sanitation:

- *No specific plan for healthcare waste activities leading to inadequate budgeting of healthcare waste management activities.*
- *Lack of mechanisms for waste tracking, leading to inefficient monitoring of waste.*

### 2. Management of Fertiliser Scheme by the Ministry of Agriculture, Forestry and Food Security:

- *There was over-pricing in the purchasing of fertilisers.*
- *Fertilisers were missing at the MAFFS stores at Kisumu.*

### 3. Management of School Facilities by the Ministry of Education, Science and Technology:

- *There was overcrowding in all 35 schools visited.*
- *From the 35 sampled schools, 10 were in a deplorable condition with no toilet facilities, window ceilings etc.*
- *Inadequate and inappropriate recreational facilities were observed in most of the schools visited and that the Ministry did not have any plans for the maintenance of such facilities.*

### 4. A report on Preparedness for Implementation of the Sustainable Development Goals (SDGs)

- *The Department of Central Planning, Monitoring and Evaluation (CPME), had not integrated the SDGs into its National Development Plan (NDP), which is the Agenda for Prosperity (2013 – 2018).*
- *The CPME unit at the MoFED did not inform the government agencies of their roles and responsibilities in the integration and implementation of the SDGs.*
- *No process has been designed to identify the stakeholders that are relevant for the successful implementation of the SDGs.*
- *The Sierra Leone Advance Adaptation Report on the SDGs was silent on the resources and capacities needed for the implementation, monitoring and reporting of the 2030 Agenda.*

## FINANCIAL AND COMPLIANCE AUDIT

- Revenue collected but not traced to the Consolidated Revenue Fund Account (CRFA): the sum of Le17,112,000 was transferred from the transit account operated at the Sierra Leone Commercial Bank (SLCB) for remittance into the CRFA at the Bank of Sierra Leone (BSL). The said amount was not however traced to the CRFA at the BSL. It was recommended that the Commissioner General (CG) of the National Revenue Authority (NRA) in collaboration with the SLCB provide evidence of payment of this amount into the CRFA; otherwise, the appropriate authorities would be advised.
- It was however observed that Le 3,226,624,000 generated as own-source revenue for various chargeable services offered by the Sierra Leone Police (SLP) was retained in contravention of the required regulation and without the written permission of the MoFED. Although there was evidence that the SLP had approached MoFED on this matter, the latter was yet to respond, and therefore, the SLP was still in breach of the above regulation for the past six years. It was recommended that the Inspector General of Police should seek approval of MoFED and other relevant authorities for the utilisation of those funds, otherwise the appropriate authorities would be advised accordingly.
- Inadequate beds and mattresses for inmates cells in both male and female correctional centres in Bo. As a result, some inmates were forced to sleep on the bare floor in some cells we visited. It was recommended that the Regional Commander (RC) in collaboration with the Director General in Freetown should ensure that additional beds and mattresses are supplied to the Bo male and female correctional centres.

## SPECIAL AUDIT REQUEST FROM GOVERNMENT

In 2018, the Ministry of Finance requested that a technical audit be conducted on four sectors, as follows:

- |                  |                              |
|------------------|------------------------------|
| 1. Civil Works   | 2. Telecommunications Sector |
| 3. Energy Sector | 4. Social Security           |

The primary objective of these technical audits is to support the Government of Sierra Leone's effort in its fight against corruption and for the judicious use of public resources. With the help of our donor partners, we requested the assistance of other SAIs as we did not have the capacity to conduct audits in certain areas like the telecommunications industry and the audit of investments. Full details of the report can be found at: [www.audit-service.gov.sl](http://www.audit-service.gov.sl).

## CONCLUSION

Overall, we performed well during the year, achieving a number of our key objectives as set out in our strategic plan. We made considerable strides in 2018 and we envisaged that by 2020, we would have achieved a greater number of objectives. We have already started reaping the benefits of some of the

major initiatives by automating our audit process, setting up an IT audit unit etc. This serves as encouragement to keep overcoming our challenges.

I would like to express my sincere and warm gratitude to the Auditor-General for her exemplary leadership in steering the ASSL towards the achievement of our strategic goals.

The exceptional effort of our leadership and employees on this journey is commendable and greatly appreciated.



### 1.2.3 Deputy Auditor-General, Finance & Corporate Services



for the general administration of the office. This gives her supervisory role over the Office and Facility Management, Finance, ICT, Training, Research & Development, Human Resources Management, Information Education & Communication and Editorial divisions. The DAG, F&CS also chairs the quality assurance and advisory performance audit committees.

It is evident that the goal of any organisation is reflected in its strategic plan. As such, the annual operational work plan of the Finance and Corporate Services division as well as all other divisions of the ASSL is primarily drawn from the 2016-2020 Strategic Plan.

**T**he Deputy Auditor General, Finance and Corporate Services (DAG, F&CS) is responsible

The achievements of the Finance and Corporate Services will therefore be reported with due consideration to the goals identified in the Strategic Plan 2016-2020.

#### **GOAL 1: INDEPENDENCE - To maintain and enhance the independence of our office.**

To attain this goal, we have ensured that our stakeholders, who include the public, donor partners, parliament and MDAs, are aware of the role, functions and independence of the ASSL. We have maintained a fully functioning website, which was recently revamped; we produce newsletters; organise radio discussion programmes in all the major local languages; organise school visitations in all districts;

engaging the non-state actors, and publish regular media statements.

We have enjoyed administrative independence to a large extent. However, financial independence continues to be a struggle. We shall continue to engage both the Ministry of Finance (MOF) and Parliament to facilitate adequate and timely funding of the office. A major constraint to our independence is the lack of a dedicated office building that can accommodate all our staff. Currently in Freetown, our staff are housed in several

locations, which make supervision of personnel very difficult.

**GOAL 2: PROFILE - To raise our profile and increase understanding of the work we do**

One of our objectives under GOAL 2 is to “*continue active participation in the activities of regional and international bodies*”. Currently, the Auditor-General serves as chairperson of AFROSAI-E and Vice Chairperson of INTOSAI Development Initiatives (IDI), as well as being a member of AFROSAI Governing Board and INTOSAI. Our staff continue to be actively involved with institutions like the IDI and are serving as members of the Extractives Industries Audit Working Group

As part of evaluating our public perception, we monitor and collect data such as daily, monthly and yearly hits on the ASSL website. For the period under review, we recorded 1,875. Due to financial constraints, we have not been able to gauge public respondents regarding our role through surveys this 2018; however, this is under consideration. It is also worth noting that the ASSL has established a clear media strategy regarding creating awareness on the work we do and the purpose of its establishment.

**GOAL 3: QUALITY - To produce timely and relevant audit reports of high quality**

We have ensured that annual quality assurance (QA) reviews are done and a consolidated report sent to the Auditor-General for her attention. In this report, we draw attention to non-adherence to work processes and deviations from professional standards.

The QA reviews are also extended to audits conducted by external firms on our behalf.

The outcome of our QA reviews serves as a basis for developing a training curriculum to address identified deficiencies, which helps in achieving objectives 3.2 and 3.3 respectively.

Our training and development policy guides the process for the identification of training needs and how trainings are administered. A key element of this document centres on supporting staff in attaining ACCA accreditation. We have created a scheme which caters for tuition, books, registration, subscription and examination fees for staff. In 2018, two of our staff completed the ACCA exams with several others passing various subjects as they make progress towards completion of the ACCA exams. This has increased the number of qualified chartered accountants in the organisation to 27.

**Goal 5: Human Resources - To develop and manage our human resources more effectively**

An establishment plan was developed in May 2016 but that did not take into account a full organisational review. Further work on the establishment and a possible review of the organisational structure is a work currently in progress.

A staff perception survey is done every three years. One was done in 2016 and another is currently ongoing. This objective is to give employees an opportunity to share their perception of the work environment and it provides a measurement and understanding of the employees' attitude, feedback, motivation and satisfaction. Employees feel valued as a result of such enquiries. Concerns raised in the survey were addressed as best as possible and this is reflected in the low staff turnover over the period from 6% in 2015 to 4% in 2018. During survey periods, issues are identified with staff during which human resource staff visit and make tours.

A succession plan was developed in 2015 and there has been no need of further review or update.

Whilst there have been limitations with regards adjusting remunerations due to central government constraints, the office has endeavoured to keep salary competitive. Senior management is also engaging the Ministry of Finance to ensure that salaries, especially for

professional staff, are consistent with what colleagues who performing similar roles in other MDAs get.

We have developed our staff welfare programmes such that financial and moral support to the families of deceased members of staff and to staff who are bereaved, have been formalised.

The drafting of a staff welfare programme is now an official assignment of the HR division. The exercise will commence in the last quarter of 2019. In 2018, the overall staff turnover was 4%, of which, 3% were voluntary. This is a significant drop from 2017's overall turnover of 11%.

The staff appraisal system is reviewed every three years, with the last was done in 2017. Additionally, the feedback from appraisals are analysed and summarised to determine eligibility for promotion, training and reward. There has been an improvement in the willingness of both supervisors and appraisees to provide fair and reasonable feedback.

**GOAL 6: IT - To make better use of IT in the work we do**

The main objectives that fall within the corporate section of operations are objectives 6.1 (*provide staff with a fast, reliable internet connectivity in all offices*) and 6.2 (*increase use of IT in internal and external communications*). The indicator measuring objective 6.1 *requires an average annual internet speed of 14 megabyte per second (mbs)*. The

recommendation from our ICT unit was for us to continue maintaining the previous year's target of 12 megabyte per second since the current speed was good for our operations as increasing the bandwidth attracts extra cost which can currently be avoided. In 2019, with the launch of the Audit Management Information Systems (AMIS) software, we have been advised to increase our internet speed to 24 megabytes per second which exceeds our 2019 target of 16mbps.

Currently, all our internal communications are done through our webmail with each staff having an active user account. Communications with external parties are partly IT-related, and the traditional paper based communication depends on the situation at hand, which is mostly beyond ASSL's control.

Our IT system was overhauled in 2017. Since then, our ICT infrastructure has been in a very good shape. Shared drives/folders have been created for all divisions which enhance accessibility to information. There are also onsite and offsite backup systems in place.

**GOAL 7: WORKING ENVIRONMENT -  
To enhance our working environment to  
maximise the efficiency of our work**

ASSL does not have a building of its own in Freetown and the provinces. Land has been secured in the provinces with the hope that the necessary funds will be made available for future development. In Freetown, construction

of our headquarters commenced several years ago but was stopped because of funding constraints. In the 2018 national budget, a provision of Le6 billion was made to commence construction work.

In terms of transportation, the situation in the office has become very critical as most of the vehicles are old and in constant need of repairs resulting in high costs of vehicle maintenance. Subsequently, this also contributes to delays for our staff in executing their yearly plans.

**GOAL 8: LEAD BY EXAMPLE - To  
improve our governance and control  
structures so as to set an example for others  
to follow**

Objective 8.3: *publish a combined financial (IPSAS) and performance report within the legislative timeframe.*

Over the years, we have ensured that ASSL's financial statements are submitted to Parliament as required by law, with the responsibility of appointing auditors solely resting with the Parliament of Sierra Leone. The auditor's opinion for 2018 is unqualified, with very little management issues to report on. A review of ASSL's activities was done in 2018 by the International Development Initiative (IDI) using the Performance Management Framework for Supreme Audit Institutions (SAI PMF) in 2018. A draft report has been issued to that effect.

We successfully concluded the SAI Capacity Building Project funded by the World Bank with a satisfactory outcome. The project and



the accompanying audit report were concluded on time and savings from the project was refunded to the World Bank.

We continue to make good progress on the PFMICP with audit reports being timely submitted and positive reviews.

## **CONCLUSION**

In summing up, our achievements this year has been satisfactory, considering the many challenges we face as an institution. Majority of the objectives that we have not been able to achieve have been solely as a result of factors outside our control.

On behalf of my corporate team, we express our gratitude to the Auditor-General for her exemplary leadership in steering the ASSL towards the achievement of our strategic goals.

The exceptional effort of our leadership and employees on this journey is commendable and greatly appreciated.

#### 1.2.4 Deputy Auditor-General, Public Enterprises



**Mr. Selvin Bell**  
**DAG- Public Enterprises**

The Public Enterprises Division is a unit within the Audit Service, responsible for the audit of parastatals, projects, subvented agencies and the public accounts of the country.

With our offices in Freetown, we collaborate strongly with our branch offices in the provinces, to ensure a holistic risk assessment is done for all parastatals; and thus based on resources and magnitude of risk identified, carry out audit of these institutions.

Our audits for the period under review were purely financial statements audits. Considering the legislation governing these parastatals, they are required to submit their financial statements

to us for audit within three months of the end of the preceding year. We would then engage the management of these parastatals for the audit of their financial statements.

Due to inadequate resources, especially limited staff, we were left with no option but to implore the use of section 21 of the Audit Service Act of 2014 which provides that the Auditor-General may engage the services of specially qualified individuals, accounting or other firms to provide audit services to public sector bodies. Fourteen of our audits were therefore outsourced to external firms.

Fifty-nine of our reports were part of the Auditor-General's report for 2017.

In achieving the goals of our Strategic Plan 2016-2020, it is important that the following are noted: We have continuously been improving on our risk based approach thereby increasing the efficiency and effectiveness of our audits through increased focus on risk and better monitoring of audit inputs. This is in consonance with Strategic Goal 3.4.

We have also been ensuring that, team leaders and supervisors thoroughly review work they assign to staff and outsourced audits in an attempt to achieve Strategic Goal 3.8, which provides that *all audit works are properly reviewed and that managers are responsible for work assigned.*

In achieving Strategic Goals 4.1, 4.2, and 4.3, the division has been working with the Public Accounts Committee of Parliament, in order to continue develop and enhance our working relationship. We ensure that we publicly report on progress made against recommendations in previous period. We strived to improve the recommendations made such that they are better prioritised, clear and achievable.

We have been increasing the use of IT in designing, reviewing and documenting our audit work in harmony with Strategic Goal 6.4.

It has been a tough but successful year with the resilient effort of all members of the division and close collaboration with other divisions.

## SECTION 2: WHO WE ARE

### 2.1 Brief Background

The Audit Service Sierra Leone (ASSL) is the Supreme Audit Institution of Sierra Leone. It was originally established as the Audit Department, by the Audit Act of 1962. It became the first audit institution to exist in the country. The nomenclature “Audit Department” was later changed to “The Auditor-General’s Department”.

In 1996, Sierra Leone began its transformation to a democratic state by establishing fully functional institutions to aid good governance and the rule of law. The ASSL then considered that, as it serves its purpose and helps these institutions achieve full potentials; whilst at the same time responding to changes in its external environment; it should perform a “position audit” to identify what needs to be changed. The outcome of this exercise led to the setting-up of the ASSL as a legal entity through an Act of Parliament in 1998, which led to the birth of what is now known as the “Audit Service Sierra Leone”.

This establishment was followed by the rebranding of the ASSL to become a modern day Supreme Audit Institution (SAI). It must be noted that, the Audit Service Act of 1998 has been repealed and replaced by the Audit Service Act of 2014.

Section 119, subsection 2 of the 1991 Constitution of Sierra Leone which serves as the basis for the enactment of the ASSL Act and the Office of the Auditor-General, states that: “The public accounts of Sierra Leone and all public

offices, including the courts, the accounts of the central and local government administrations, of the universities and public institutions of like nature, any statutory corporation, company, other body or organisation established by an Act of Parliament or statutory instrument or otherwise set up partly or wholly out of public funds, shall be audited and reported on by or on behalf of the Auditor-General, and for that purpose the Auditor-General shall have access to all books, records, returns and other documents relating or relevant to those accounts”.

The ASSL is headed by the Auditor-General (AG) of Sierra Leone and assisted by four deputies. The headquarters is situated on the 2nd Floor of Lotto Building, OAU Drive, Tower Hill, in Freetown. In addition to its various department and offices in Freetown, the ASSL has three regional offices in the three provincial headquarter cities of Bo, Kenema and Makeni.

Considering the fact that the mandate of the AG as prescribed by the 1991 Constitution is broad and covers all aspects of government, it should be noted that, the ASSL is unable to audit all institutions yearly as required. As a result, some audits are outsourced to private audit firms; with ASSL taking overall responsibility for their outcomes, and subsequently reports to Parliament.

### **Our Mission**

We seek to be a role model by proactively ensuring value-for-money from public funds through a highly competent and satisfied workforce of integrity.

### **Our Vision**

Our vision is to be a leading audit organisation promoting excellence and accountability in public institutions.

### **Our Core Values**

*Professionalism* – We carry out our work with respect, competence and in the interest of the public.

*Integrity* – We are straightforward and honest in all professional and business relationships, and deal fairly with those with whom we work.

*Impartiality* – We are unbiased and politically neutral.

*Objectivity* – We always ensure that we avoid any actual or perceived conflict of interest in the work we do.

*Independence* – As an organisation, we work independently from the Government.

## **Our Audit Mandate**

As the Supreme Audit Institution (SAI) for Sierra Leone, the Audit Service Sierra Leone promotes accountability and good governance.

The Auditor General is mandated to carry out audits on the economy, efficiency and effectiveness with which the audited government entities use their resources in carrying out their responsibilities. The Auditor General is the independent auditor reporting to Parliament.

Section 119 of the 1991 Constitution of Sierra Leone empowers the Auditor General to audit the public accounts of Sierra Leone and of all public offices including the courts, the central and local government administrations, the Universities and public institutions, together with statutory corporations, companies, bodies or organisations set up partly or wholly out of public funds



## **2.2 Who we report to**

There are several laws which guide the Audit Service Sierra Leone when it comes to who the ASSL is accountable to. Paragraph 119(1) of the 1991 Constitution of Sierra Leone states that: “There shall be an Auditor-General for Sierra Leone whose office shall be a public office, and who shall be appointed by the President after consultation with the Public Service Commission, and subject to the approval of Parliament”. Being a public office means that the Auditor-General (AG) is answerable to the people of Sierra Leone through their elected representatives in Parliament. This does not limit the AG in engaging the public to provide first-hand information and address concerns raised. The ASSL adopts several approaches in addressing information needs.

With this in mind, the ASSL ensures that it identifies its stakeholders and address their information needs.

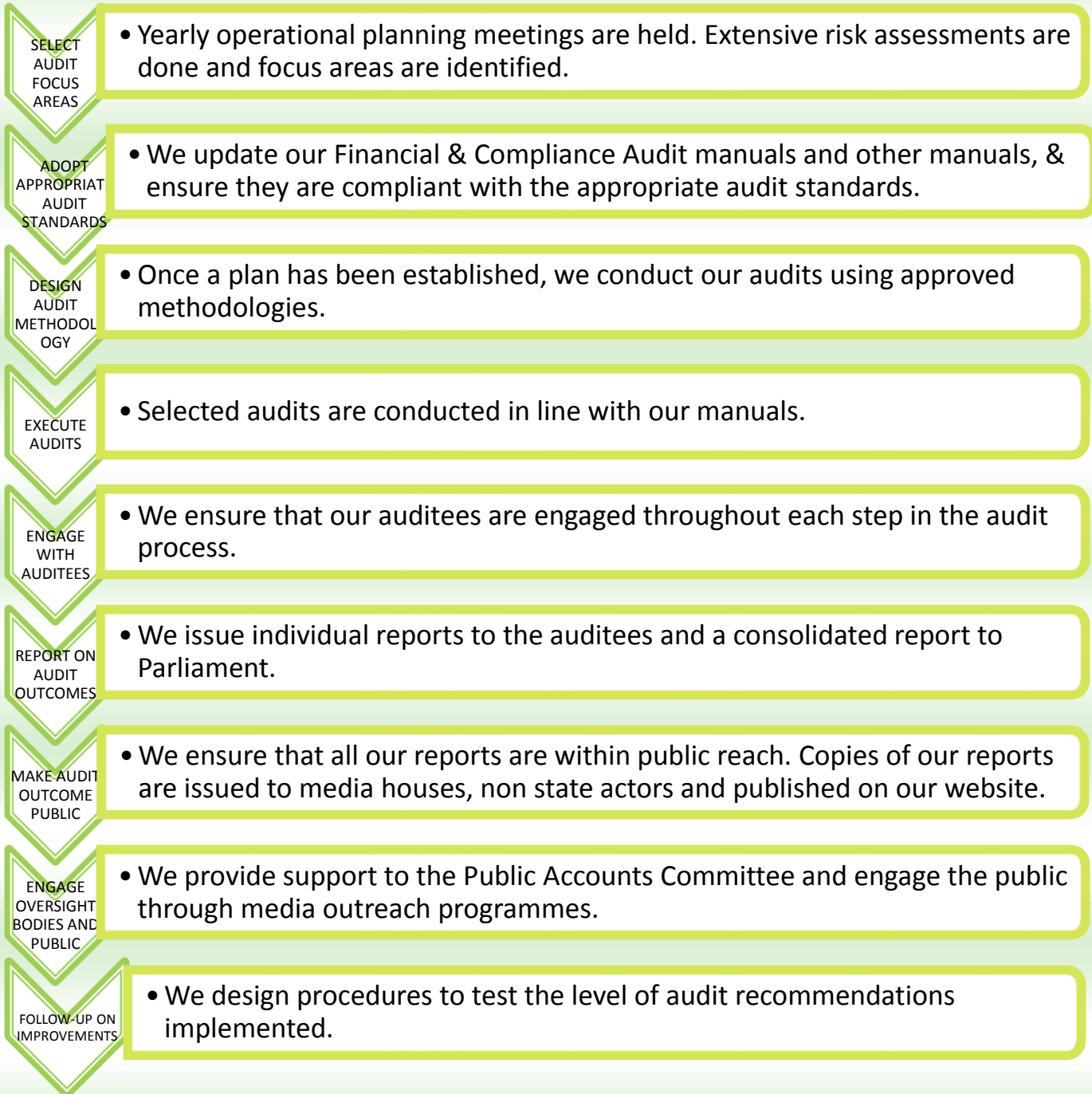
The AG provides information to Parliament on the state of affairs of the nation in line with paragraph 119(4) of the 1991 Constitution of Sierra Leone which states that: “The Auditor-General shall, within twelve months of the end of the year immediately preceding the financial year, submit his report to Parliament and shall in that report draw attention to any irregularities in the accounts audited and to any other matter which in his opinion ought to be brought to the notice of Parliament”.

The AG or her representatives also engages other stakeholders like school children, the general public, MDAs, civil societies, etc. This is done in line with the ASSL Strategic Plan 2016-2020 with specific objectives in mind for each engagement.

The engagement with school going children aims to achieve the objective of ensuring that children are aware of what we do, the state of the current PFM system, and to instill a sense of integrity and patriotism in them. This move aims to improve the future integrity situation in the country as a whole.

We regularly engage our stakeholders which comprise of MDAs and donor organisations to apprise them on progress made on our strategic plan.

## 2.3 Our Value Creation Process



## **SECTION 3: PERFORMANCE RESULT**

### **3.1 Introduction to Performance**

The ASSL is a performance driven organisation. Planning and resource allocation revolve around the careful design and selection of performance measures, which focus on outcomes and attainment of its goals. The ASSL uses performance-based tools and techniques to realise its commitment to delivering excellence in the business of government.

### **3.2 Our Performance Management Process**

The Performance Management Process is the ASSL's key yardstick for decision-making. The Performance Management Process is a comprehensive process for establishing our priorities, aligning resources to support priorities, developing quantifiable measures of success in meeting those priorities and ensuring accountability for results.

### **3.3 Performance Assessment Rating Tool**

The ASSL uses series of government papers in developing key goals from which our operational tasks are derived. This approach makes it possible to quantify our achievements. Examples of these government papers are:

1. Public Financial Management Reform Strategy, 2014-2017
2. The President's Agenda for Prosperity 2013-2018
3. The Sustainable Development Goals
4. The Anti-Corruption Strategy 2014-2018
5. The Performance Measurement Framework for Supreme Audit Institutions

The ASSL is a dynamic organisation committed to continued improvement. It would therefore continue to adapt its operational plan to incorporate shocks emanating from its environment with the aim of providing the best value for money service to our taxpayers. In rating our performance, the ASSL would use outcome from measures in its strategic plan to assess its institution's wider performance. Key Performance Indicators (KPIs) designed in its strategic plan would be used to measure the extent to which our mission has been met.

### 3.4 Report on Achievements Made on the Strategic Plan for 2018

STRATEGIC GOAL	OBJECTIVES	MEASURES	FY TARGET 2018	FY ACTUAL 2018	RESULT	COMMENTARY
<b>Independence:</b> To maintain and enhance the independence of our office	1.1 Increase awareness of stakeholders on the role, functions and independence of the ASSL through various mechanisms, including presentations, publications and our website.	1C – Average of dimension scores under SAI Performance Measurement Framework Indicator 6 (Independence of the SAI)	4.0	4.0	<b>Met</b>	Quarterly newsletters are produced. We post our activities especially our reports as and when they occur/available. The IEC Officer engages the media, CSOs and schools to increase awareness of the role of ASSL.
		2B - Percentage of public respondents aware of the role of the ASSL	Not Met	Survey not done	Not met	Funding was not available for this activity.
	1.2 Reduce the financial and operational constraints on our independence by working with government and other bodies.	1A – Average delay (number of days) in payment for quarterly Other Charges subventions.	30 days	30 days	Met	We shall continue to liaise with government and other bodies.
	1.3 Ensure stakeholders are fully aware of a clearly distinct ASSL “brand”.	Stakeholders’ satisfaction survey.	3.0	Survey not done.	Not Met	Unavailability of funds
	1.4 House the majority of staff in buildings owned by the ASSL	1B - Percentage of staff housed in buildings owned by the ASSL	75%	0%	Not Met	Financial constraint
	1.5 Work with government to withdraw from pre-audit of civil service pensions’ payment	-	Not Set		Not Measured	Target has not been set and therefore not measured.

STRATEGIC GOAL	OBJECTIVES	MEASURES	FY TARGET 2018	FY ACTUAL 2018	RESULT	COMMENTARY
<b>Profile:</b> To raise our profile and increase understanding of the work we do	2.1 Continue active participation in the activities of regional and international bodies.	No indicator determined	No baseline set	No baseline set	Not measured	The AG is the chairperson for AFROSAI-E and the Vice Chair of the INTOSAI Development Initiatives (IDI) Board. Staff of ASSL also acted as resource persons for international organisations. We were involved in the activities of regional and international bodies.
	2.3 Increase hits on the ASSL website	2A – Number of annual hits on the ASSL website	300	2400	Met	The hits on the website keep increasing especially when reports are uploaded.
	2.4 Increase public awareness of the role and functions of ASSL through a clear communications/media strategy	2C – Average of dimension scores under SAI Performance Measurement Framework of indicator 22 (communication with the media, citizens and civil society)	4.0	4.0	Met	The IEC division is using a clear communication strategy to engage stakeholder
	2.5 Improve our understanding of stakeholders' perceptions by conducting regular stakeholder surveys.	No indicator determined	No baseline set	No baseline set	Not met	Funding constraint, therefore this was not done.



STRATEGIC GOAL	OBJECTIVES	MEASURES	FY TARGET 2018	FY ACTUAL 2018	RESULT	COMMENTARY
<b>Quality:</b> To produce more timely, relevant audit reports of high quality	3.1 Increase the relevance of audit reports by publishing them earlier	3E – Submission date of AG’s Annual Report to Parliament	30th October 2018	December, 2018	Not met	The PFM Act 2016 requires ASSL to submit its annual report to parliament within twelve months of the end of the year immediately preceding the financial year. The statutory requirement was achieved. However, ASSL benchmark was not achieved.
	3.2 Continually improve our reports by implementing quality control and quality assurance processes.	3F – SAI PMF Average score for indicators: 11 (Financial Audit Procedures), 13 (Performance Audit Procedures); and 14 (Quality Control and Quality Assurance of Audit Processes)	3.0	3.0	Achieved	
	3.3 Increase compliance with professional standards and organisational effectiveness by delivering relevant training to all staff	3F – SAI PMF Average score for indicators: 11 (Financial Audit Procedures), 13 (Performance Audit Procedures); and 14 (Quality Control and Quality Assurance of Audit Processes)	3.0	3.0	Achieved	
	3.4 Increase the efficiency of our audits through increased focus on risk	3F – SAI PMF Average score for indicators: 11 (Financial Audit Procedures),	3.0	3.0	Achieved	Our audit manuals are risk focused with appropriate quality control embedded in its

STRATEGIC GOAL	OBJECTIVES	MEASURES	FY TARGET 2018	FY ACTUAL 2018	RESULT	COMMENTARY
	and better monitoring of audit inputs.	13 (Performance Audit Procedures); and 14 (Quality Control and Quality Assurance of Audit Processes)				process. Quality Assurance Committee conducts quality assurance reviews of high risk audits to identify deviations (if any) from laid down processes.
	3.5 Publish more performance audit reports of high quality	3D – Number of performance audits published	4	3	Not met	Resources constraint contributed in us not achieving the target, but already hopeful that we will do better in the coming year.
	3.6 Audit more expenditure made on behalf of Sierra Leoneans by international organisations.	3B - Percentage of CRF expenditure audited.	90%	92%	Achieved	
	3.8 Ensure that all audit works are properly reviewed and that managers are responsible for work assigned	3F – SAI PMF Average score for indicators: 11 (Financial Audit Procedures), 13 (Performance Audit Procedures); and 14 (Quality Control and Quality Assurance of Audit Processes)	3.0	3.0	Achieved	
	3.9 Increase audit coverage of money received and spent by public institutions	3C - Percentage of CRF revenue audited.	75%	85%	Achieved	
	3.10 Conduct more audit work in “special” audit areas such as procurement				Achieved	Benchmark was not set, however “technical” and Forensic audits and

STRATEGIC GOAL	OBJECTIVES	MEASURES	FY TARGET 2018	FY ACTUAL 2018	RESULT	COMMENTARY
	audit, IT audit and environmental audit.					extractive Industries audits were done.
<b>Impact:</b> To increase the impact of the reports we issue	4.1 Work with PAC to continue develop and enhance our working relationship	4B – PEFA Indicator 20 (effectiveness of internal controls for non-salary expenditure)	C+	C+	Achieved	
	4.2 Publicly report on progress made on all recommendations made in the previous year.	4C - Percentage of financial audit recommendations issued in the previous year that have been followed up and included in the AG's Annual Report	100%	100%	Achieved	
	4.3 Improve on the recommendations we make so that they are prioritised, clear and achievable	4D - Percentage of audit recommendations made by the ASSL that have been implemented by the AG's annual auditees.	35%	37%	Achieved	.
	4.4 Develop strong relationships with other organisations with similar or overlapping objectives	4A – PEFA indicator 26 (scope, nature and follow up of external audit)	B+	-	Achieved	ASSL signed an MOU with the Anti-Corruption Commission. The office also has a strong relationship with CSOs like Budget Advocacy Network.
<b>Human Resource:</b> To develop and manage our human resources more effectively	5.1 Conduct full organisational review and identify optimum structure and establishment considering emerging audit areas	5A – SAI PMF Average scores for indicators: 18–(Professional Development and Training); and 19 – (Leadership of Human Resources)	3.0	-	Not Achieved	Not measured
	5.3 Improve staff succession plan	5C – Percentage of annual voluntary staff resignation	3%	3%	Achieved	

STRATEGIC GOAL	OBJECTIVES	MEASURES	FY TARGET 2018	FY ACTUAL 2018	RESULT	COMMENTARY
	5.5 Evaluate and develop staff welfare programmes	5A – SAI PMF Average scores for indicators: 19 – (Leadership of Human Resources)	3.0	3.0	Achieved	
	5.6 Evaluate the staff appraisal system and ensure links with staff reward, promotion and annual training plans.	5A – SAI PMF Average scores for indicators: 19 – (Leadership of Human Resources)	3.0	3.0	Achieved	
<b>I.T:</b> To make better use of IT in the work we do	6.1 Provide staff with a fast, reliable internet connection in all offices	6A – Average monthly internet speed (mbps)	14MB	10MB	Not Achieved	There has been an upgrade in the internet speed especially with the introduction of the Audit 360 Software.
	6.4 Increase use of IT in documenting, reviewing and designing our audit work	6B - Percentage of audits documented on a fully electronic basis	10%	-	Not Achieved	The procurement of audit software (Audit360) is in progress as training has already commenced.
	6.5 Implement an electronic management information system	6B - Percentage of audits documented on a fully electronic basis	10%	Not Measured	Not Achieved	Training on the use of the audit software: Audit360 has been ongoing.
<b>Working Environment:</b> To enhance our working environment to maximise the efficiency of our work.	7.1 Build and occupy our own offices in Freetown, Bo, Kenema and MakenI	7B – SAI PMF indicator 16: (Support Services and Infrastructure)	3.0	-	Not Achieved	We have been unable to complete our building as a result of lack of finance.

STRATEGIC GOAL	OBJECTIVES	MEASURES	FY TARGET 2018	FY ACTUAL 2018	RESULT	COMMENTARY
Lead by Example: To improve our governance and control structures in order to set an example for others to follow	8.1 Implement an ASSL fraud control policy	8A –SAI PMF indicator 15:- Management and Internal Control	3.5	Not Measured	Not Measured	Not Measured
	8.2 Publish, as far as possible, all ASSL documents based on laws and international professional standards	8B – Unqualified audit opinion on ASSL financial statements	Unqualified	Unqualified	Achieved	
	8.3 Publish a combined financial (IPSAS compliant) and performance report within the legislative timeframe.	8B – Unqualified audit opinion on ASSL financial statements	Unqualified	Unqualified	Achieved	



### 3.5 Report on Divisions

#### Ministries & Local Authorities Division

The Ministries and Local Authorities Division usually referred to as M&LA is responsible for the audit of all ministries and local authorities in the entire country. As such, it has branches in the regional headquarter cities of Makeni, Bo and Kenema. The Makeni office is responsible for the audit of the northern region; the Bo office audits the southern region and the Kenema office is responsible for the audit of the eastern region. However, the headquarters of the division is located in Freetown, and it audits all ministries and local authorities in the Western Area.

##### 3.5.1 Ministries & Local Authorities – Western Area

The division is headed by a Principal Auditor as divisional head and it has 20 technical staff (from the rank of Senior Auditor to Junior Audit Assistant) and four support staff (Confidential Secretary, Administrative Assistant, Driver and Messenger). Its office is located on the 9th floor of Youyi Building, Brookfields, in Freetown.

#### Responsibilities

The Ministries and Local Authorities Division (M & LA), is responsible to audit ministries and two local councils in Freetown. This division also collaborates with the sister units in the South, North and Eastern regions.

The key responsibility of the unit is to audit ministries and local authorities in the Western Area as per the annual operational plan.

The achievements for the year are recorded as follows:

Audits Planned		Audits Completed		Reports in AG's Report		Percentage (%) Coverage
Statutory	Non Statutory	Statutory	Non Statutory	Statutory	Non Statutory	
5	25	5	20	5	17	
Total Audits 30		Total Audits 25		Total Audits 22		73

### Significant Achievement

As part of our ongoing developments in the extractives sector; the unit was again able to plan and complete an audit on the extractive industries and included as part of the 2017 Auditor-General's annual report.

Upon request from the Ministry of Finance, the unit was also involved in two important unplanned engagements- verification exercises of domestic arrears and the technical audit of four sectors namely: Social Security, Telecommunications, Energy and Civil Works.

### 3.5.2 Bo - Southern Regional Office

This division is headed by an Assistant Auditor-General and it has 10 technical staff (Senior Auditor and Auditors). At the start of the year, it had nine technical staff. Three staff were transferred to other divisions and four came in. It also has four support staff (Administrative Assistant, Driver, Messenger and Watchman). Its office is located at Stock Road in Bo.



Cross section of Staff of the Bo division

### Responsibilities

The key responsibility of the unit is to audit ministries and local authorities in the southern region and to support headquarters in undertaking audits as per the annual operational plan and to represent the Auditor-General in the southern region.

The achievements for the year are recorded as follows:

Audits Planned		Audits Completed		Reports in AG's Report		Percentage (%) Coverage
Statutory	Non Statutory	Statutory	Non Statutory	Statutory	Non Statutory	
7	40	34	6	27	6	70
Total Audits 47		Total Audits 40		Total Audits 33		

### Significant Achievement

The division successfully audited the backlog accounts of the Njala University for three financial years due to the fact that the University had not been submitting its financial statements for audit. This exercise brings the University's audited financial records at par with other parastatals.

### 3.5.3 Kenema - Eastern Regional Office

The Kenema division is headed by an Assistant Auditor-General and it has nine technical staff (from the rank of Principal Auditor to Auditors). It also has and four support staff (Administrative Assistant, Driver, Messenger and Watchman). Its office is located at 72 Hanga Road in Kenema.

### Responsibilities

The key responsibility of the unit is to audit ministries and local authorities in the eastern region and to support headquarters in undertaking audits as per the annual operational plan and to represent the Auditor-General in that region.

The achievements for the year are recorded as follows:

Audits Planned		Audits Completed		Reports in AG's Report		Percentage (%) Coverage
Statutory	Non Statutory	Statutory	Non Statutory	Statutory	Non Statutory	
7	35	7	35	7	15	52
Total Audits 42		Total Audits 42		Total Audits 22		

### 3.5.4 Makeni - Northern Regional Office

The division is headed by an Assistant Auditor-General and it has 11 technical staff (from the rank of Senior Auditor to Auditors). It also has four support staff (Administrative Assistant, Driver, Messenger and Watchman). Its office is located at Saint Lawrence Building, Azzolini Highway in Makeni.

### Responsibilities

The key responsibility of the unit is to audit ministries and local authorities in the northern region and to support headquarters in undertaking audits as per the annual operational plan and to represent the Auditor-General in the northern region.

The achievements for the year are recorded as follows:

Audits Planned		Audits Completed		Reports in AG's Report		Percentage (%) Coverage
Statutory	Non Statutory	Statutory	Non Statutory	Statutory	Non Statutory	
						79
Total Audits 66		Total Audits 52		Total Audits 52		

### Achievements

In 2018, three staff of the division were involved in the domestic arrears verification of ministries, department and agencies and the technical audit of selected sectors which brought in significant experience to the division and a display of the requisite knowledge, skills and attitude.

### 3.6 Specialised Audits Division

This division is headed by a Principal Auditor. It has 18 staff at different levels. Its office is located on the 9th floor of Youyi Building, Brookfields in Freetown.

### Responsibilities

The key responsibility of the unit is to undertake audits of all government departments according to the yearly operational plan; verify and compute pensions of retired government personnel.

The achievements for the year are recorded as follows:

Audits Planned		Audits Completed		Reports in AG's Report		Percentage (%) Coverage
Statutory	Non Statutory	Statutory	Non Statutory	Statutory	Non Statutory	
						67
Total Audits 21		Total Audits 19		Total Audits 14		

The hallmark achievement in 2018 was the audit of civil society organisations (CSOs). On a yearly basis, huge funding is received by both local and international nongovernmental organisations for and on behalf of the country. No formal assurance has been provided to government on their activities.

Therefore, the essence of this assignment was to create and instill a sense of accountability in the activities of CSOs.

### 3.7 Performance Audits Division

The division is headed by an Assistant Auditor-General and has 13 technical staff and one support staff. Its office is located at the basement of Lotto Building, Tower Hill in Freetown.

Performance audit carried out by the Supreme Audit Institutions (SAIs) is an independent, objective and reliable examination of whether government undertakings, programmes, systems, activities or organisations are achieving economy, efficiency and effectiveness in the employment of available resources and whether there is room for improvement.

Performance audit goes beyond the purely legal question of whether revenues collected or expenditure made is authorised by Parliament. It goes deeper and examines, against criteria derived from principles of economy, efficiency and effectiveness. How revenues are spent and whether value-for-money is achieved. Performance audit reports are generally published on the ASSL's website immediately after they are laid before Parliament. Reports are also sent to key stakeholders.

In October 2018, three performance audit reports were submitted to Parliament as follows:

- *Management of Healthcare Waste at regional referral hospitals by the Ministry of Health and Sanitation.*
- *Management of Fertiliser Scheme by the Ministry of Agriculture, Forestry and Food Security.*
- *Management of School Facilities by the Ministry of Education, Science and Technology.*

A report on the Preparedness for the Implementation of the Sustainable Development Goals (SDGs) was also approved by the Auditor-General for onward submission to Parliament.

### 3.8 Public Accounts Committee

The Public Accounts Committee (PAC) Division office is headed by a Principal Auditor and supported by two technical staff and two support staff. This office is situated in one of the office annexes in the Sierra Leone Parliament. The division was established to provide technical support to members of the PAC of the Sierra Leone Parliament.

#### Responsibilities

The principal objective is to provide support to the PAC - before, during and after public hearings - on the annual report of the Auditor-General.

#### Achievements



During the period under review, we:

- Coordinated the writing of the 2017 Auditor General's Annual Report;
- Facilitated the submission and tabling of the 2016 and 2017 annual reports of the Auditor-General in the well of Parliament;
- Gave technical support to members of the PAC during the public hearing both in the provinces and the Western Area on the 2016 annual report of the Auditor-General;
- Facilitated a workshop in order to enlighten members of the Sierra Leone Parliament on the mandate of the Auditor-General;

### **3.9 Public Enterprise Division**

The division is headed by a Principal Auditor. It has 15 technical staff at several levels. Its office is located on the 9th floor of Youyi Building, Brookfield's in Freetown.



#### **Responsibilities**

The key responsibility of the division is to undertake audits of all public enterprises, parastatals, commissions and projects that are wholly or partly funded by the Government of Sierra Leone, directly

or through international donors. The Auditor-General also outsources some audit of projects and public enterprises to private audit firms and conducts quality assurance reviews to ensure that they meet internationally accepted standards.

The achievements for the year are recorded as follows:

Audits Planned	Audits Completed			Reports in AG's Report		Percentage (%) Coverage
In-house	Outsourced	In-house	Outsourced	Statutory	Non Statutory	
38	14	25	14	25	14	75
Total Audits 52	Total Audits 39			Total Audits 39		

### 3.10 Examinations Branch

The division is headed by a Principal Auditor and it has six technical staff (at several levels) and two support staff (Administrative Assistant and Messenger). Its office is located on the 7th floor of Ministerial Building, George Street in Freetown.

#### Responsibilities

The Examinations Branch is responsible for the audit of the consolidated accounts and thereby ensure that all findings or observations emanating from units across ASSL are consolidated and brought to the attention of the Ministry of Finance, to be dealt with accordingly. It also ensures that an opinion is given on the financial statement prepared by the Government of Sierra Leone.

The achievements for the year are recorded as follows:

Audit	Target 2018	Actual 2018	
	Audit as per Plan	Completed Audits	Included in AG's Report
Ministry of Finance and Economic Development	1	1	100%
Public Account	1	1	100%
Debt Verification		1	
Special Revenue Audit		1	
<b>Total</b>	<b>2</b>	<b>4</b>	<b>100%</b>

## **Significant Achievement**

Apart from the audits that were planned, the division was involved in the debt verification exercise and special revenue audit for 2018.

### **3.11 CORPORATE SERVICE DIVISIONS**

The Corporate division is an important wing that provides support services needed in the organisation. It is supervised by the DAG, Finance and Corporate Services. This comprises the Office and Facility Management, Finance, ICT, Training, Research & Development, Human Resources Management, Information Education & Communication and Editorial divisions. The functions of the corporate divisions demonstrate how important they are in the overall realisation of the objectives of the ASSL.

#### **3.11.1 Finance Division**

The Finance division is headed by a Financial Accountant and is supported by seven staff. The department is responsible for processing, recording and reporting of all financial transactions. The divisions' activities are mostly routine. Apart from its routine functions, the division was able to manage the following two World Bank projects:

1. The Public Financial Management Improvement and Consolidation Project (PFMICP)
2. The Supreme Audit Institution Capacity Building Project (SAICBP)

Our activities were also subjected to audits by an independent auditor appointed by Parliament. Excerpts of the audit report are attached in section four of this report. We also received "Satisfactory" scores from reviews conducted by the World Bank appointed auditors for the highlighted projects above.

#### **3.11.2 Human Resources Division**

The Human Resource Division is managed by the Human Resources Manager and supported by two other staff (Human Resources Officer and an Administrative Assistant). Its office is located on the 9th floor of Youyi Building, Brookfields in Freetown. The division manages both strategic and operational human resource affairs for all personnel below the executive grade.

In 2018, the overall staff turnover was 4%, of which 3% were voluntary. This is a significant drop from 2017's overall turnover of 11% and it is the lowest in five years. One staff died in active service during this period under review. Twenty-five new staff were engaged for various positions; 19 were auditors. Ten interns from four universities underwent internship with the ASSL for three months each.

Some human resource related policies were reviewed. Policies on recruitment, retention, leave, discipline and grievance were also redone for the benefit of both employer and employees. A new Human Resources Manual was also completed and released. It is a compilation and summary of all policies, practices and procedures relating to human resources management at the Audit Service Sierra Leone. It is intended to provide a one-stop location of information for management and divisional heads who would need guidance or direction on addressing staff matters

Every employee made a declaration of compliance with the code of ethics and signed an oath of secrecy in 2018. The Code of Ethics sets the standards for the behaviour of all staff and representatives of the Audit Service Sierra Leone.

### **3.11.3 Information Education And Communication**

The division is headed by an Information, Education and Communications Officer (IEC). The division is responsible for media and public relations issues. Accordingly, the division monitors the media on a regular basis by keeping a close eye on all publications and broadcast that could be of interest to the Audit Service.

The ASSL through the IEC Division has cultivated a very cordial relationship with the media. The IEC Division works with the media to create visibility for the ASSL through promotional articles and radio talk shows. In addition, awareness has been raised among the general public on the mandates of the ASSL and its relevance towards national development.

In 2018, the division undertook several radio discussion programmes in the district headquarter cities, where radio discussions and town hall meetings with civil society groups and journalists were held in the main local languages. In addition, an outreach programme was undertaken in selected schools in the country where a team from ASSL sensitised the pupils on the Audit Service and the work of the Auditor-General in nation building.

The IEC Division produces a quarterly newsletter and maintains a functional website at [www.audit-service.gov.sl](http://www.audit-service.gov.sl) on which bulletins of important events on the Public Accounts Committee (PAC) hearings, tabling of report in Parliament, workshops, trainings, press releases and job advertisements are uploaded. A significant increase in the number of visitors to the website was observed in 2017.

An Information Handbook was also produced by the IEC Division which served as a source of information to the media, CSOs and other stakeholders.



### 3.11.4 Information and Communication Technology (ICT)

The ICT Division is managed by an IT Manager and is supported by two IT Technicians. The division is responsible for the ASSL's overall ICT system. It provides a system-wide assurance, and enables an integrated digital service delivery and a secured sustainable ICT infrastructure. The division's main objective is to ensure that the ICT services are aligned with the ASSL's service needs and actively support them.

In 2018, the division successfully carried out cyber security awareness training within the organisation and the installation of a back-up power supply at its head office in Freetown; whilst ensuring that all offices in the regions and other sub offices in Freetown are linked to headquarters through a Virtual Private Network (VPN) connection.

The ICT team in 2018 embarked on a series of capacity building programmes such as:

1. Windows Server 2012 R2
2. Administering SQL Server 2014
3. Administering Exchange Server 2016
4. CISA (Certified Information Systems Auditor)

A host of other in-house trainings were conducted for auditors as well.



### **3.11.5 Registry and Facilities Management**

The Registry division is managed by an Office Manager and is supported by 15 staff (facilities officer, personal assistants, administrative assistants, drivers and messengers). The division is responsible for the office-wide logistic support of the organisation and its day-to-day functioning, ensuring that the offices are conducive for work. For the period under review, amongst a few capacity drives, the Registry conducted training sessions for support staff in generators management, teamwork and hygiene awareness raising workshops.

One of ASSL's biggest constraints is the limited office accommodation which makes archiving a daunting task. We therefore mapped out strategies to enhance retrieval and safe storage of records. In so doing, we acquired a 40 feet shipping container and partitioned it into units. Records were then archived according to age. This method eased the access to information for both internal and external stakeholders.

Notwithstanding this, we have made efforts in automating records and saving them on a shared drive on one of our ICT servers. This system has eliminated the risk of records being destroyed and information getting missing.

### **3.11.6 The Training, Research And Development Division**

The Training division is managed by a Training Manager and is supported by two senior auditors. The division is responsible for conducting needs assessment to identify training needs; design training kit/material to address skills gap; it conducts annual audit refresher training; to source trainers in areas of none expertise. It also collaborates with internal institutions/ donor partners to deliver trainings; participates in the coordination of donor support and the mentoring of staff.

The division also develops and reviews policies: training policy, quality assurance policy, ACCA scheme etc.; conducts quality assurance reviews (internal & external) and also produces annual quality assurance report. The division also develops and regularly updates audit tools for audit purposes; organises annual planning meeting and designs templates for presentations. The draft annual operational plan is also produced by the Training Division. Our quarterly and annual performance reports on the strategic plan are done by them, as they also undertake special audit assignments.

The Training Manager is the deputy chairperson of the quality assurance committee of the Audit Service. This committee ensures that there is an annual QA plan and that it is implemented; that the annual QAR overview reports are prepared; issuing memos or bulletins to staff for good and bad conduct when identified; deciding on follow-up work to be performed.

These are yearly activities identified and they do form part of its yearly operational plan.



### **3.11.7 Internal Audit Division**

The Internal Audit division is headed by a Principal Auditor. According to the Institute of Internal Auditors USA, “Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation to accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”.

The Audit Service supports the Internal Audit Division as an independent appraisal function to examine and evaluate the financial and the operational activities of the Audit Service. The Internal Audit Division follows the International Standards of Professional Practice of Internal Auditing.

The division is guided by the ASSL internal audit manual and the audit committee which is a subset of the ASSL Board.

An Internal Audit Charter has now been developed. It establishes the purpose, authority and responsibilities as conferred by the Audit Service Board. The aim of this charter is to support an effective and professional Internal Audit Division in the Audit Service, consistent with the spirit of the Audit Service Act of 2014. On the other hand, the audit committee assists the Audit Service Board in fulfilling its oversight responsibilities. It helps to strengthen the control environment of the Audit Service and its essential component of the structures and processes of good corporate governance.

For the period under review, we were able to achieve amongst a few, the following:

- Review of ASSL financial statements to ensure compliance with the IPSAS cash reporting requirement
- Analysed ASSL's ability to manage its receivables (debt management)
- Management of its non-current assets
- Evaluated ASSL's ICT infrastructure
- General records management of the Finance Division and Reviewed internal control

### **3.11.8 Editorial Division**

The Editorial Division is a small unit under the supervision of the Deputy Auditor-General, Finance and Corporate Services. It is housed on the 3rd floor of the Lotto Building, Tower Hill, at the headquarters of the institution. Its main responsibility is to edit all audit reports and ensure that they meet international acceptable report-writing standards. The division is headed by a Team Leader who manages two other editors. Personnel in the division are drawn from English language and media backgrounds.

Aside from audit reports, editors also edit and proofread other reports, and both internal and external publications and correspondence. The team plays a vital role in the compilation, editing and proofreading of the Auditor-General's annual report. The Editorial Division works closely with the

IEC and ICT divisions. Another key task the division does is to train auditors on the rigors of report writing.

Our conclusions from the respective units were positive and we have encouraged the units to continue improving their performance so that they continue to meet set requirements as indicated in the ASSL Strategic Plan 2016-2020.

## **SECTION 4: FINANCIAL PERFORMANCE**

### **PUBLIC FINANCIAL MANAGEMENT IMPROVEMENT AND CONSOLIDATION PROJECT (PFMICP)**

The PFMIC Project is a successor to the completed Integrated Public Financial Management Reform Project (IPFMRP) which came to an end in July, 2014. It aims to build on and reinforce the successes, and address the weaknesses of the IPFMRP. To pursue the country's PFM reform agenda, the Government of Sierra Leone received funding from the International Development Association (IDA), the African Development Bank, the European Commission and the UK Department for International Development (DFID) for the Public Financial Management Improvement and Consolidation with a project end date of 31st March, 2018.

Furthermore, it seeks to improve budget planning and credibility, financial control and accountability, legislative and public oversight in the management and use of public finances in Sierra Leone.

The project, which benefits various ministries, department and agencies, local councils and the Public Account Committee of Parliament, comprise five components which were further divided into sub-component. These components were revised due to the restructuring in 2017.

The initial project development objective was "to improve budget planning and credibility, financial control, accountability and oversight in government finances in Sierra Leone".

With the withdrawal of DFID's and the EU's remaining resources, the project had to be restructured to fit the available finance and focused on core activities linked to new priorities and the PDO. As a result of the restructuring, the project development objective was revised to "improve efficiency and accountability of public financial management systems".

The GoSL in consultation and agreement with the task team of the project, had to extend the project to 24 months in view of the significant time lost in the implementation, due to the Ebola outbreak and implementation of the additional financing activities. The new project's closing date would be March 31, 2020. The Ebola epidemic which led to the loss of about seven months of implementation time, had a negative impact on the progress the project has made.

**Achievement under the PFMIC Project (from inception to date)**

Activity	Achievement
Replacement of old and depreciated processing equipment (five laptops)	Technical staff were in dire need of laptops and with the purchase of these laptops, staff's work output was enhanced
Support for the building of capacities in procurement, IT, environmental, revenue and forensic audits, through existing university structures.	As a result of this capacity building training at IPAM, we have since undertaken specialised audits in all of the areas listed; except for forensic audit.
Capacity building support - training of staff in professional courses	Four staff have since completed their ACCA courses.
Consulting services for the recruitment of in-house consultant to support performance audit at the Audit Service Sierra Leone.	In-house performance audit consultant was recruited for 3 years to offer technical assistance, expert advice and capacity building support to enable it effectively carry out its mandate in relation to providing efficient and effective external scrutiny of the economy, efficiency and effectiveness with which public resources are being utilised.
Purchase of three vehicles for the regional offices	These vehicles have helped us navigate difficult terrains in the provinces where our regional offices are located,
Audit of the Audit Service Sierra Leone sub-component 2.1	The project accounts have been audited for 2015 to 2018 and all four reports have been shared with donor partners.
Development of Audit Management Information Systems (AMIS)-Audit360 software.	The AMIS will give the necessary tools needed for ASSL to further develop as a modern SAI, constitutionally mandated to audit all MDAs, parastatals and other government institutions. With AMIS, data can easily be accessed and analysed from anywhere, including regional and provincial offices.

**2018 Financial Statements**

Our 2018 financial statements were submitted to Parliament in March 2019. They have since been audited by external auditors appointed by Parliament. The 2018 audited financial statements have been uploaded on the ASSL website, at [www.auditservice.gov.sl](http://www.auditservice.gov.sl) and are listed as Appendix 1 of this report.

## SECTION 5: HIGHLIGHTS & CHALLENGES

### 5.1 Introduction

This section records key events that occurred and challenges faced by the ASSL for the reporting period, 2018.

Like all institutions, the ASSL recorded both challenges and successes.

Since its inception, the ASSL has always triumphed amidst the enormous challenges it has faced. We hereby present highlights of these and other issues in the following paragraphs.

### 5.2 Auditor-General Addressed the 15th AFROSAI-E Governing Board in Rwanda

The Auditor-General, Lara Taylor-Pearce (Mrs.) who doubles as Chairperson of the African Organisation of English-Speaking Supreme Audit Institutions (AFROSAI-E) addressed the 15th AFROSAI-E Governing Board Meeting in Rwanda. She appealed to her colleague Auditors-General to continue the good work as there are lots of people who do not understand the role of the SAIs and also those who are looking for the avenue to undermine the good work of the SAIs.

### 5.3 ASSL Conducted Technical Audit on Four Sectors

The Auditor-General and staff with support from DFID started a special technical audits on the social security, telecommunications, civil works and energy sectors in Sierra Leone. The scope of these audits covered the period between January 2016 and July 2018. They were carried out by 23 staff of the ASSL with the support of 27 auditors from the Supreme Audit Institutions of Kenya, Tanzania and Ghana, from 12th November 2018 – 9th April 2019.



Support from SAI Kenya, Tanzania and Ghana during Technical Audit

## 5.4 Reports Produced by the ASSL in 2018

Report	Date
Verification of Government Arrears	September, 2018
Annual Report on the 2017 Accounts of Sierra Leone	December, 2018
Performance Audit Report on Healthcare Waste Management	October, 2018
Performance Audit Report on School Facilities Management	October, 2018
Performance Audit Report on Management of Fertilisers by the Ministry of Agriculture	October, 2018

### Challenges Affecting the Operations of the ASSL and Mitigating Controls

The ASSL like all other institutions has challenges, which we endeavour to mitigate to the best of our ability. We have briefly highlighted the core challenges and mitigating controls, for the attention of our stakeholders:

CHALLENGE	DETAILS OF CHALLENGE	MITIGATING CONTROL
<i>Staffing</i>	The ASSL is hugely understaffed. We recorded a 4% staff turnover in 2018, a situation that had occurred in previous years. These staff had not been replaced due to an earlier moratorium on recruitment.  This situation has been compounded by the fact that we are now venturing into specialised audit areas.	The reasons provided by staff that left in 2018 were as a result of other employers providing better opportunities. This situation remains unchanged and is entirely out of our control.
<i>Finance</i>	The ASSL received a cut in its budget and this limited its operations as audits (divisions' plans) were downsized focusing on critical institutions and critical audit areas. As a result of this, plans were not fully achieved.	We ensured that for the period under review, our audits were planned in line with the resources we had.
<i>Political environment</i>	The year 2018 was an election year; this hindered the amount of work conducted by the ASSL as institutions engaged in the	We ensured that our efforts were concentrated in the post-election period. As such, we did as many



CHALLENGE	DETAILS OF CHALLENGE	MITIGATING CONTROL
	election process were unable to make officials available for the audit process. Key officials in other MDAs did not accord our staff the attention required due to voter registration requirements which led to audits progressing slowly.	audits we could after this period. However, most statutory audits did not meet their statutory dates for submission.
<i>Power outage</i>	Our provincial offices, especially in the Southern and Eastern provinces suffered high rate of power outages which did not only increase the running cost of these offices, but also affected audit outputs as the generators in these offices were operated for limited working hours in the day.	The installation of generators and other power saving mechanisms were put in place. This was a temporary fix as it did not eliminate the power problem we continue to face in those parts of the country.
<i>Extended requests by clients to submit information and to respond to audit queries and draft audit reports</i>	Clients' excuses to respond to audit queries were also creating delays for the team to complete its assignments as planned. For example, in 2018, almost all of the councils submitted their financial statements after the deadline for audit. During the audit, some clients requested an extension of response time to audit queries and draft management letters.	We ensured the early engagement of clients.
<i>Delay in fixing audit fees, initial and exit meeting dates and in submitting financial statements and other relevant documents</i>	For the period under review, it was difficult to arrange meetings, especially in the case of parastatals who are controlled by Board of Directors. All boards were dissolved, making it difficult to convene meetings, and therefore, commence audits.	We recommended that they seek clearance from higher authorities. In the event that the management team was in the capacity to agree on fees or endorse financial statements, they were encouraged to come forward to facilitate the audit process.

CHALLENGE	DETAILS OF CHALLENGE	MITIGATING CONTROL
<i>Internet downtime</i>	The internet service in the southern and eastern regions was a big challenge.	The ASSL did its best to provide “4G dongles” and wireless routers. However, there are still challenges with internet connectivity, especially during the afternoon hours.
<i>Transfer of key local council staff</i>	We observed massive transfers of councils’ core staff in 2018. This impacted our audit work. For instance, chief administrators, finance officers, procurement officers, etc. were transferred from one council to another, which created significant delays in responding to our audit queries and management reports.	We will continue to engage the ministry not to transfer staff before audit assignments.
<i>Inadequate resources to perform our work</i>	We continue to struggle with getting the full tools to conduct our work. Amongst this, is the lack of adequate laptops for the conduct of audits, as staff continue to use private laptops to conduct audits.	We did needs assessment and determine the quantity of laptops needed. This had been factored into our budget for 2019.

Despite the challenges indicated above, the ASSL was able to submit a timely report to parliament in line with section 119(4) of the 19991 constitution of Sierra Leone. We ensured that for the period under review, our audits were planned in line with the available resources.

### Closing

In closing, we wish to assure our stakeholders including the general public that ASSL is committed to fulfilling its mandate as stipulated in Section 119 of the 1991 Constitution of Sierra Leone and the Audit Service Act 2014.

We shall continue to work relentlessly to ensure that the people of Sierra Leone continue to get value for money and that government officials account for funds disbursed to them.

As our current strategic plan, 2016 – 2020 approaches its end date, we look forward to your full involvement in designing and developing a new strategic plan that meets international standards and are in line with the Sustainable Development Goals (SDGs).

We count on your support as we aspire towards greater achievements.

## APPENDIX

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AUDIT SERVICE SIERRA LEONE AUDITED FINANCIAL STATEMENTS | 2018

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# FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018



**AUDIT SERVICE SIERRA LEONE**

*2<sup>nd</sup> Floor, Lotto Building, Tower Hill, Freetown, Sierra Leone, West Africa*

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## Statement of Management Responsibilities

The Auditor-General confirms that the Financial Statements have been prepared in accordance with the provisions of the Public Financial Management Act of 2016 and in compliance with the International Public Sector Accounting Standard: Financial Reporting under the Cash Basis of Accounting (Cash Basis IPSAS), adopted by the Government of Sierra Leone.

Sections 86 of the Public Financial Management Act, 2016, requires that within three months after the accounts of the financial year are closed, the vote controller of every entity of sub-vented agency, and every other entity in the central government, shall submit to the Auditor General annual financial statements of the entity for the financial year.

The Auditor-General is responsible for the preparation and presentation of the public sector entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of each financial year. This responsibility is stipulated in Sections 13 and 15 of the Public Financial Management Act, 2016, includes: (i) maintaining efficient and effective systems of financial management and internal controls; (ii) safeguard and manage assets and public money of the entity in the best interest of the entity with the due care and diligence; (iii) keep full and proper records of the financial affairs of the entity; and (iv) submit in a timely manner financial reports, accounts and statements of the entity.

The Auditor-General is of the opinion that the public sector entity's financial statements give a true and fair view of the state of the public sector entity's transactions during the

## AUDIT SERVICE SIERRA LEONE AUDITED FINANCIAL STATEMENTS | 2018

financial year-end. The Auditor-General confirms that the public sector entity has complied fully with applicable Government Regulations, and that the funds received during the year under review were used for the eligible purposes for which they were intended and were properly accounted for. The Auditor-General also confirms the adequacy of the system of internal controls. Further, the Auditor-General confirms that in preparing the Financial Statements, the most appropriate accounting policies have been consistently applied and supported by reasonable and prudent judgment and estimates. The vote controller further confirms to the best of his/her knowledge and belief the completeness of the accounting records maintained and that the Financial Statements agree with the books of accounts, which have been properly kept.

The Auditor General accepts responsibility for the integrity of the financial statements, the financial information they contain and their compliance with the provisions of Section 15 (4) of the Public Financial Management (PFM) Act of 2016.

**Approval of the financial statements**

The financial statements were approved and signed by the undersigned on 30 May, 2019.

Vote Controller

Date

  
**LKG** ACCOUNTANTS

CHARTERED ACCOUNTANTS AND BUSINESS ADVISERS



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**AUDIT SERVICE SIERRA LEONE AUDITED FINANCIAL STATEMENTS | 2018**

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**Independent Auditors' Report to Parliament****Report on the Financial Statements**

We have audited the financial statements of Audit Service Sierra Leone which comprise the Statement of Financial Position, as at 31 December 2018, the Statement of Financial Performance and the Statement of Cash Flows for the year.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of financial statements so as to give a true and fair view in accordance with International Public Sector Accounting Standards (IPSAS) Cash and the requirements of the Sierra Leone Public Financial Management Act 2016. Management is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with international standards on auditing (UK and Ireland adopted in Sierra Leone). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to



## AUDIT SERVICE SIERRA LEONE AUDITED FINANCIAL STATEMENTS | 2018

judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit and fair procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

**Opinion**

In our opinion, the financial statements give a true and fair view of the cash position of Audit Service Sierra Leone as at 31 December 2018 and of its financial performance for the year in accordance with International Public Sector Accounting Standards (IPSAS) Cash and the requirements of the Sierra Leone Public Financial Management Act 2016.



LKG Accountants  
Chartered Accountants  
Freetown

# **The Audit Service Sierra Leone**

2nd Floor, Lotto Building  
Tower Hill, Freetown  
Sierra Leone  
West Africa

Email: [info@auditservice.gov.sl](mailto:info@auditservice.gov.sl)  
Web Site: [www.auditservice.gov.sl](http://www.auditservice.gov.sl)

Tel: +232 22 226 399/ 229 247  
Mobile: +232 078 777 991